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THE REFUGEE CRISIS AND ITS EFFECTS ON THE STABILITY OF POST-  
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A THESIS APPROVED FOR THE  
COLLEGE OF INTERNATIONAL STUDIES

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## Table of Contents

<b>Contemporary Refugee Crisis</b> .....	<b>1</b>
<b>Life and Death of Yugoslavia</b> .....	<b>5</b>
<b>Western Balkans Migration Route</b> .....	<b>8</b>
<b>Cases for Analysis</b> .....	<b>11</b>
<i>Measuring Stability in the Western Balkans</i> .....	16
<b>Effects of Migration on State Stability</b> .....	<b>19</b>
<i>Political Stability</i> .....	19
<i>Economic Stability</i> .....	29
<i>Social Stability</i> .....	33
<b>Summary of Contents</b> .....	<b>38</b>
<b>Chapter 2:</b> .....	<b>39</b>
<b>Political Stability in the Western Balkans</b> .....	<b>39</b>
<b>Introduction</b> .....	<b>39</b>
<b>Data</b> .....	<b>40</b>
<i>Rapid Change in Migration Policy</i> .....	40
<i>Rule of Law</i> .....	41
<i>Levels of Democracy</i> .....	42
<b>Political Stability in Croatia</b> .....	<b>43</b>
<i>Rapid Policy Change in Croatia</i> .....	43
<i>Rule of Law in Croatia</i> .....	45
<i>Democracy in Croatia</i> .....	47
<b>Political Stability in Serbia</b> .....	<b>49</b>
<i>Rapid Policy Change in Serbia</i> .....	49
<i>Rule of Law in Serbia</i> .....	51
<i>Democracy in Serbia</i> .....	53
<b>Political Stability in Macedonia</b> .....	<b>54</b>
<i>Rapid Policy Change in Macedonia</i> .....	54
<i>Rule of Law in Macedonia</i> .....	56
<b>Conclusion</b> .....	<b>59</b>
<b>Chapter 3:</b> .....	<b>61</b>
<b>Economic Stability in the Western Balkans</b> .....	<b>61</b>
<b>Economic Stability in Croatia</b> .....	<b>61</b>
<i>Government Deficits and Public Debt</i> .....	61
<i>Income and Economic Growth</i> .....	65
<i>Additional Economic Attributes</i> .....	66
<b>Economic Stability in Serbia</b> .....	<b>67</b>
<i>Government Deficits and Public Debt</i> .....	67
<i>Income and Economic Growth</i> .....	70
<i>Additional Economic Attributes</i> .....	71
<b>Economic Stability in Macedonia</b> .....	<b>71</b>
<i>Government Deficits and Public Debt</i> .....	71
<i>Income and Economic Growth</i> .....	73
<b>Conclusion</b> .....	<b>74</b>
<b>Chapter 4:</b> .....	<b>76</b>

<b>Social Stability in the Western Balkans.....</b>	<b>76</b>
<b>Social Stability in Croatia .....</b>	<b>76</b>
<i>Ethnic Violence.....</i>	77
<i>Ethno-Nationalist Discourse .....</i>	79
<i>Transnational Conflict .....</i>	81
<b>Social Stability in Serbia .....</b>	<b>82</b>
<i>Ethnic Violence.....</i>	83
<i>Ethno-Nationalism.....</i>	84
<i>Transnational Conflicts.....</i>	85
<b>Social Stability in Macedonia.....</b>	<b>86</b>
<i>Ethnic Violence.....</i>	87
<i>Ethno-Nationalism.....</i>	89
<i>Transnational Conflicts.....</i>	90
<b>Conclusion .....</b>	<b>91</b>
<b>Chapter 5: Conclusion.....</b>	<b>93</b>
<b>Summary of Findings .....</b>	<b>93</b>
<b>Policy Recommendations .....</b>	<b>94</b>
<b>Recommendations for Additional Research.....</b>	<b>96</b>

**List of Tables**

*Table 1: Political Stability*..... 62  
*Table 2: Economic Stability*..... 78  
*Table 3: Social Stability*..... 94

**List of Figures**

*Figure 1: Map of the Western Balkans Migration Route*..... 13

## **Abstract**

The 2011 Arab Spring has created a serious migration and humanitarian crisis. Asylum seekers began attempting to reach Europe through various routes due to brutal conflict in their home countries. This influx has affected countries on the periphery of the European Union, including the Western Balkans. The Western Balkans route is the second-most traversed route from the Middle East and North Africa to the EU. The surge of migration into these so-called transit countries have left them grappling with questions of how to manage, process, and integrate refugee populations. This thesis looks at three case countries – Croatia, Serbia, and Macedonia – and seeks to explain why and what effects this influx of asylum seekers and, often, the unanticipated long-term stay of asylum seekers has on the political, economic, and social stability of the case countries.



# Chapter 1: Introduction

## Contemporary Refugee Crisis

With more than 65 million displaced people around the world in 2015, 1.3 million asylum seekers have sought refuge globally in response to the present conflicts in the Middle East and North Africa (hereafter MENA).<sup>1</sup> This large-scale movement has resulted in the demand for transit routes from MENA into Europe, specifically into member states of the European Union (EU). Because the EU encompasses 28 states and represents a unified community, it has defined regulations for its community to deal with refugee identification, integration, and registration that individual states that have not yet acceded to the EU or those that act on an individual policy level apart from the EU do not have.<sup>2</sup> Additionally, the EU as a multilateral organization maintains greater financial stability and more stable institutions that can be used to positively affect its response to the refugee crisis. For these reasons, it is evident that the EU has become a desired destination for those fleeing warzones.<sup>3</sup> This phenomenon has created a humanitarian crisis in the

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<sup>1</sup> “Figures at a Glance,” *United Nations High Commissioner on Refugees*, accessed 25 August 2017. <http://www.unhcr.org/en-us/figures-at-a-glance.html>.

<sup>2</sup> At the time of writing, the United Kingdom remains a member of the EU. However, the Brexit vote in the summer of 2016 triggered the beginning of the process to leave the EU, which will leave the EU at 27 member states. “United Kingdom Overview,” *European Union*, accessed December 2017. [https://europa.eu/european-union/about-eu/countries/member-countries/unitedkingdom\\_en#brexit](https://europa.eu/european-union/about-eu/countries/member-countries/unitedkingdom_en#brexit).

<sup>3</sup> While many of those transiting through the Western Balkans are legally considered asylum seekers, some are fleeing poverty. This population of migrants does not have the same legal protections as asylum seekers. This distinction is important in the ability for states to process migrants because it is difficult to account for the numbers in each category entering the country. “UNHCR Viewpoint: ‘Refugee’ or ‘migrant’ – Which is right?” *United Nations High Commissioner on Refugees*, accessed

Western Balkans, where asylum seekers are attempting to cross international borders into countries that continue to recover from authoritarianism and subsequent civil war.

Media and other public sources have labeled this phenomenon the “refugee crisis,” as often the end goal for asylum seekers is to be granted refugee status in Europe. For these empirical reasons, I refer to the broad movement of people from MENA to Europe as the “refugee crisis”. However, I will use the term “asylum seekers” to refer to the individuals that enter transit countries before they are formally granted refugee status. Asylum seekers are defined here and in international law as persons “whose request for sanctuary has yet to be processed.”<sup>4</sup> Asylum seekers seek refuge under the same conditions as refugees as outlined in international law under the United Nations Convention and Protocol Related to the Status of Refugees. A refugee is a person who has crossed an international boundary and seeks sanctuary based on a “well-founded fear of being persecuted for reasons of race, religion, nationality, membership of a particular social group or political opinion, is outside the country of his nationality and is unable or owing to such fear, is unwilling to avail himself of the protection of that country.”<sup>5</sup> Additionally I will use the term “irregular migration” to refer to “the cross-border flow of people who enter

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December 2017, <http://www.unhcr.org/en-us/news/latest/2016/7/55df0e556/unhcr-viewpoint-refugee-migrant-right.html>.

<sup>4</sup> “Asylum-Seekers,” *United Nations High Commissioner on Refugees*, accessed 25 October 2017. <http://www.unhcr.org/en-us/asylum-seekers.html>.

<sup>5</sup> “United Nations Convention and Protocol Relating to the Status of Refugees,” *United Nations General Assembly*, Article 1(A)(2).

a country without that country's legal permission to do so.”<sup>6</sup> This can encompass a wide range of migrations patterns and is, therefore, used as a broad term to include the phenomenon of asylum seeker and refugee movement.

One of the transit routes into Europe from MENA, called the Western Balkans route, weaves in various combinations through former Yugoslav countries and Albania into Western Europe.<sup>7</sup> Destination countries include such EU member states as Germany and Sweden. To process this large influx of asylum seekers, the states in the Western Balkans region have been pressured to create and amend policy, establish valuable infrastructure, and seek international guidance to make the process efficient and appropriate – that is, adhering to international norms as codified in international law.<sup>8</sup> This pressure stems in part from the EU as all three case countries – Croatia, Serbia, and Macedonia – have applied for EU membership and one – Croatia – was granted membership in 2013. Additionally, these countries aim to preserve stability in their territories, despite a large-scale influx of asylum seekers. Because of their recent history of violence, preserving stability is more difficult than in countries like Germany. The results of these initiatives vary from country to country and the influx of asylum seekers has impacted transit countries to varying degrees, revealing the state of post-conflict stability in former republics of

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<sup>6</sup> Bastian Vollmer, “Irregular Migration in the UK: Definitions, Pathways and Scales,” *The Migration Observatory at the University of Oxford*, (2011): 2.

<sup>7</sup> I use Western Balkans to refer to Serbia, Croatia, Bosnia and Herzegovina, Macedonia, Montenegro, Kosovo, and Albania. Former Yugoslav states include Serbia, Croatia, Bosnia and Herzegovina, Macedonia, Montenegro, Kosovo, and Slovenia.

<sup>8</sup> “Meeting on the Western Balkans Migration Route: Leaders agree on 17-point plan of action,” *European Commission*, press release from 25 October 2015.

Yugoslavia. In this project, I analyze the effects of irregular migration in the form of asylum seekers through the Western Balkans on stability in three countries: Croatia, Serbia, and Macedonia.<sup>9</sup> I seek to answer the question: to what extent has irregular migration through the form of asylum seekers migrating from MENA affected the stability of the former Yugoslav states of Croatia, Serbia, and Macedonia?

The Western Balkans' response to the refugee crisis and the effects irregular migration has on the countries themselves represents an interesting case because of the Western Balkan's past experience with refugees. The Western Balkans region is not new to the phenomenon of refugee migration. A particularly large group of asylum seekers *originating* from the Western Balkans attempted to enter the European Union during the region's lengthy period of instability following the fall of Yugoslavia. The following decades did not bring lasting peace, as countries in Yugoslavia declared independence and ethnic groups began to war over various Yugoslav territories.<sup>10</sup> This project seeks to understand the shift the Western Balkans has experienced from creating a population of asylum seekers to managing a population of asylum seekers from other regions. Additional questions about a state's ability to gain insight from past experiences were revealed when it has a protracted history as the population on the other side of the equation.

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<sup>9</sup> There is a current dispute regarding the official name of Macedonia. While the officially recognized name by international organizations pressured by Greece is the Former Yugoslav Republic of Macedonia (FYROM), Macedonia itself uses the name Republic of Macedonia. In this thesis, I will refer to the territory of the FYROM as simply Macedonia. Sinisa Jakov Marusic, "Macedonia-Greece Name Dispute: What's in a Name?" *Balkan Insight*, published 30 June 2011.

<http://www.balkaninsight.com/en/article/background-what-s-in-a-name>.

<sup>10</sup> "Timeline: Break-up of Yugoslavia," *BBC*, updated 22 May 2006, <http://news.bbc.co.uk/2/hi/europe/4997380.stm>.

## Life and Death of Yugoslavia

Yugoslavia's rise and downfall mobilized ethno-nationalist sentiments throughout the former Yugoslav territories and Albania that were previously suppressed by years of Tito's Communism. The state "had always been the scene of sporadic outbursts of political persecution, political trials, and the imprisonment of political opponents."<sup>11</sup> The Kingdom of Yugoslavia was created in 1929 and transitioned to the Socialist Federal Republic of Yugoslavia after the Second World War.<sup>12</sup> The post-war Yugoslavia had extensive problems during its forty-year existence due to its reputation for political persecution. Its form of "democracy" after the fall of Communism in 1989 was transitional in nature, due to the length of time it takes for authoritarian states to achieve democratic consolidation. Its market economy and independent judiciary were unstable and did not function in the same capacity as those of a consolidated democracy.<sup>13</sup> After steady attempts at reform, it was clear that Yugoslavia would face "insuperable obstacles", including political developments in two opposite directions in different parts of the country – consolidation of the Communists in power in some parts of the country and the beginning of reforms in other parts – and the pervasiveness of nationalism on the side of those in power.<sup>14</sup> Ultimately, in the face of a governmental turnover after the

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<sup>11</sup> Vesna Pusic, "A Country by Any Other Name: Transition and Stability in Croatia and Yugoslavia," *East European Politics and Society* 6, no. 3 (1992): 243.

<sup>12</sup> John B. Allcock, "Yugoslavia: Former Federated Nation," *Encyclopedia Britannica*, updated 14 September 2017.

<https://www.britannica.com/place/Yugoslavia-former-federated-nation-1929-2003>.

<sup>13</sup> Pusic, 244.

<sup>14</sup> *Ibid*, 248.

death of Tito, civil society was “too weak to impose their standards and stabilize the new regime.”<sup>15</sup>

The rise of Serb nationalism triggered the disintegration of Yugoslavia. Yugoslavia in its present form was “no longer an adequate solution to the Serbian question.”<sup>16</sup> Serb leader Slobodan Milosevic rose to power under the guise of continued Titoism before he progressed away from Titoist Communism to unrestricted, authoritarian nationalism.<sup>17</sup> Milosevic’s reign prompted concerns about the territory of Kosovo and he subsequently seized power over Belgrade’s media outlets.<sup>18</sup> Milosevic continued consolidating power by demanding Serbian centralization in Yugoslavia.<sup>19</sup> In 1991, Slovenia and Croatia declared independence and seceded from Yugoslavia, igniting conflict with Serbia. Bosnia and Macedonia subsequently declared independence and conflict erupted.

This period saw a reemergence of nationalism in the states in the Western Balkans.<sup>20</sup> The Dayton Peace Agreement was drafted in 1995 to secure peace between Bosnia and Herzegovina and the Federal Republic of Yugoslavia with pressure from the United States and the broader international community. A NATO-led peace-keeping force was deployed to oversee the enforcement of the Dayton Peace Agreement. Since the spring of 1999, stability in the Western Balkans has

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<sup>15</sup> Pusic, 255.

<sup>16</sup> Laura Silber and Allan Little, *Yugoslavia: Death of Nation*, (New York: Penguin Group, 1996): 32.

<sup>17</sup> *Ibid*, 33-34.

<sup>18</sup> *Ibid*, 47.

<sup>19</sup> *Ibid*, 73.

<sup>20</sup> “Timeline: Break-Up of Yugoslavia.”

“remained fragile.”<sup>21</sup> The formal successor state of Yugoslavia – Serbia and Montenegro – ceased to carry the name Yugoslavia and were jointly dubbed Serbia and Montenegro in 2000. Ethnic violence again escalated in Macedonia in 2001 with the Albanian minority in the country.<sup>22</sup> Subsequent United Nations Security Council resolutions and NATO operations in the Western Balkans have aimed to combat this social instability and guide the region toward sustainable peace and security.

Despite Slovenia’s accession to the EU in 2004, as of 2005, scholars posited that the countries in the region were moving toward increased instability and fragmentation, while the rest of Europe was moving toward increased integration.<sup>23</sup> In 2013 Croatia acceded to the EU, highlighting a more recent campaign for European enlargement by the Western Balkan and post-Yugoslav countries. However, EU enlargement has been affected by the current humanitarian crisis in the Western Balkans.

Current EU-led reforms in the Western Balkans are attempts at bringing the Western Balkans “back into Europe’s fold” by bringing about greater cooperation and a more integrated Europe.<sup>24</sup> These initiatives have become more evident in the current refugee crisis, as the EU and the Western Balkan states coordinate and attempt to establish a cohesive process for dealing with asylum seekers. Due to variance in states’ levels of “Europeanization” – the internalization of the norms of

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<sup>21</sup> Charles Wayne Van Bebber, “The U.S. Approach to Post-Conflict Stability in the Southern Balkans and its Consequences 1999-2001,” *Fletcher School of Law and Diplomacy*, (2009): ix.

<sup>22</sup> “Timeline: Break-up of Yugoslavia.”

<sup>23</sup> Othon Anastasakis, “The Europeanization of the Balkans.” *Brown Journal of World Affairs* 7, no. 1, (2005): 77.

<sup>24</sup> *Ibid*, 80.

the EU *acquis communautaire* – there is extreme differentiation in the process of EU integration from country to country.<sup>25</sup> Variables in these countries that differ drastically include levels of political performance, levels of economic performance and “diverse co-existing stages of association and integration with the EU.”<sup>26</sup> Social tensions are also a concern, as the Western Balkans have a history of bloody ethnic conflict and high levels of ethno-nationalism and ethnic tension.

### **Western Balkans Migration Route**

The primary Western Balkans route is represented below and weaves through Macedonia, Serbia, and Croatia into the EU.<sup>22</sup> The Western Balkans route experienced a large influx of asylum seekers in 2011, primarily from Syria and Iraq, with many migrants still stemming from Afghanistan.<sup>27</sup> The influx peaked in the region in 2015 with most asylum seekers attempting to reach the EU through these transit countries.<sup>28</sup> The Western Balkans passageway through Albania, Bosnia and Herzegovina, Serbia, and Macedonia became especially popular when Schengen visa restrictions were relaxed for these countries and mobilization became more realistic. Initially, asylum seekers in this region sought asylum in Hungary after crossing the

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<sup>25</sup> Anastasakis, 86.

<sup>26</sup> *Ibid.*, 86.

<sup>22</sup> Federica Mastroforti, “Migrant crisis, the Balkans defense of national borders,” *Mediterranean Affairs*, published 7 March 2016.

<http://mediterraneanaffairs.com/migrant-crisis-the-balkan-defense-of-national-borders/>.

<sup>27</sup> “Western Balkan Route,” *Frontex*, accessed August 2017,

<http://frontex.europa.eu/trends-and-routes/western-balkan-route/>.

<sup>28</sup> *Ibid.*



Hungarian border illegally up until the Hungarian government strengthened its border controls in 2013.<sup>29</sup>



*Figure 1: Map of the Western Balkans Migration Route from <http://mediterraneanaffairs.com/migrant-crisis-the-balkan-defense-of-national-borders/>.*

Between 2013 and 2015, numbers of illegal border crossings increased from 19,950 to 764,038 in the Western Balkans.<sup>30</sup> In 2015 the Western Balkans route became the second most traversed route by refugees from the Middle East behind the Eastern Mediterranean route, which crosses the Mediterranean Sea into Greece.<sup>31</sup> In a region marred by ethnic tension, recent bloody conflict, and political and financial instability, Western Balkan countries have struggled to various degrees to respond to the refugee crisis. At the start of the refugee crisis, Western Balkan countries agreed

<sup>29</sup> “Western Balkan Route.”

<sup>30</sup> EWB Archives, “Balkan Migration Route: Ongoing Story,” *European Western Balkans*, accessed August 2017. <https://europeanwesternbalkans.com/2017/02/22/balkan-migration-route-ongoing-story/>.

<sup>31</sup> “Migrant crisis: Migration to Europe explained in seven charts,” *BBC News*, 4 March 2016. <http://www.bbc.com/news/world-europe-34131911>.

to “facilitate the movement of asylum seekers through their territories.”<sup>32</sup> However, as the crisis wore on, destination countries began to pressure transit states to close borders to prevent having to take permanent responsibility for refugees. “Pressure from EU Member States ultimately led to a domino effect of border closures and increasing restrictions on movement as the crisis wore on.”<sup>33</sup> This domino effect describes the phenomenon of border closures in some states and the effects on neighboring states, including the flows of asylum seekers through the region.

After a surge of refugees entered the EU through Hungary, the closure of Hungary’s border in 2015 diverted refugee flows through Croatia and Slovenia, straining capacities at borders and reception centers in Croatia, Serbia, and Macedonia, among those in other Western Balkan countries.<sup>34</sup> The resulting humanitarian crisis has become an important item on the EU’s agenda, as officials strive for cooperation between EU governments and governments in the Western Balkans to orchestrate a coordinated transnational response to the refugee crisis. Croatia’s EU membership complicates this process because, as an EU member state, Croatia was “obliged to adopt EU-style asylum laws” but has also restricted movement to “avoid responsibility for trapped migrants.”<sup>35</sup> According to Milica Mancic and Kristine Anderson in the Balkans Office of the International Rescue

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<sup>32</sup> Alice Greider, “Outsourcing Migration Management : The Role of the Western Balkans in the European Refugee Crisis,” *Migration Policy Institute*, 17 August 2017. <http://www.migrationpolicy.org/article/outsourcing-migration-management-western-balkans-europes-refugee-crisis>.

<sup>33</sup> Ibid.

<sup>34</sup> Raphaela Engel, “The impact of migration on the Western Balkans from an Austrian perspective,” *Migration Panorama Second Edition* (2016): 15.

<sup>35</sup> Greider.

Committee, European officials have expressed contradictory messages to both transit countries and destination countries regarding the refugee crisis. There is a fundamental lack of implementation of asylum policy, as well as a widespread lack of formal common asylum policy within and outside of the European Union, creating structural problems in identifying, registering, redistributing, and integrating refugees into European countries.<sup>36</sup> The Western Balkan states, especially those that are not EU member states are “left to manage the movement of refugees and migrants” themselves with little help from the EU.<sup>37</sup> Nonetheless the EU plays an important role in the motivations of non-member states in the Western Balkans to prove effective in dealing with transnational problems, because states that have applied for EU membership seek to align with EU standards in order to secure potential membership.

### **Cases for Analysis**

According to an article from *The Economist* published in 2009, “the war years and ensuing economic hardship have knocked the stuffing out of the Slavs of former Yugoslavia, leading to fewer children, lots of emigration and high abortion rates.”<sup>38</sup> Today, the states of the Western Balkans possess varied levels of economic development, levels of democracy through political liberties and civil rights, and ethnic and religious heterogeneity. Additionally, states have seen various instances

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<sup>36</sup> Milica Mancic and Kristine Anderson, “Human rights and migration management in the Balkans: lessons learned, impact on EU accession and the way forward,” *Migration Panorama Second Edition* (2016): 11.

<sup>37</sup> Ibid.

<sup>38</sup> “A birth dearth,” *The Economist*, 12 November 2009, <http://www.economist.com/node/14870080>.

of state instability, including through rapid policy change, lack of rule of law, troubled democratic consolidation, government deficits and financial instability, and social tension between ethnic groups. Leadership dynamics and regime legitimacy, various levels of Europeanization, ethnic tensions, and capacity are just a few factors that highlight discrepancies between former Yugoslav countries and their contemporary development. According to Demetropoulou:

“in most of the countries, struggle, lack of reform consensus, limited democratic experience and weak institutions impeded politico-economic progress; delayed and unimplemented reform programmes derailed the countries from the path of fully functioning market economies leading to inferior economic performance, declining living standards, rising unemployment and increased poverty.”<sup>39</sup>

The fall of Yugoslavia brought significant unrest, violence, and humanitarian emergency to the Western Balkans region.

The current refugee crisis has greatly affected Serbia as Serbia was the earliest country to see a major influx of refugees from MENA after the Arab Spring in 2011. Serbia has hosted the largest population of displaced persons in Europe and has become a transit country, in which asylum seekers stay for an average of two days.<sup>40</sup> In 2015, Serbia’s number of refugees per capita reached 0.130

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<sup>39</sup> Leeda Demetropoulou, “Europe and the Balkans: Membership Aspiration, EU Involvement and Europeanization Capacity in South Eastern Europe,” *Southeast European Politics* 3, no. 2-3 (2002): 88.

<sup>40</sup> Velina Lilyanova, “The Western Balkans: Frontline of the migration crisis,” *European Parliament*, January 2016, 4.

refugees/capita.<sup>41</sup> Serbia has maintained an open borders policy throughout the refugee crisis in order to assist migrants transiting to the EU. Mancic and Anderson praise Serbia's response to the refugee crisis, commending strengthened cooperation between Serbia's civil society and government to appropriately respond to an influx of refugees, despite limited capacity.<sup>42</sup> In 2013, 5,065 people applied for asylum in Serbia. This number tripled in 2014 to 16,500 asylum seekers.<sup>43</sup> What Vladimir Petronijevic cites as the "migration-asylum nexus" represents the "cause and effect relationship between certain aspects of migration policy and the asylum system."<sup>44</sup> Despite Serbia's reputation as maintaining "refugee-friendly" policies, there are nonetheless reports of mistreatment of refugees.<sup>45</sup> Closed EU borders mean full reception centers in Serbia, leaving vulnerable populations without proper protection and exacerbating strains on the Serbian government and civil society.<sup>46</sup> The case of Serbia serves to illustrate the effects of an influx of asylum seekers on a government with mid-level range economic development, more recent economic growth, lower levels of freedom than Croatia according to Freedom House reports, and a country still in accession negotiations with the EU.

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<sup>41</sup> Self-calculated based on population data.

<sup>42</sup> Mancic and Anderson, 11.

<sup>43</sup> Vladimir Petronijevic, "Asylum and migration in Serbia: from ad-hoc responses to alignment with EU standards," *Migration Panorama Second Edition*, (2016):14.

<sup>44</sup> Ibid.

<sup>45</sup> Lilyanova, 4.

<sup>46</sup> Tanja Fajon, "The EU and the Western Balkans: in need of a strategic partnership," *Migration Panorama Second Edition*, (2016): 18.

Croatia became a major transit country for asylum seekers after the border between Serbia and Hungary was closed in 2015.<sup>47</sup> Croatia's refugee population was relatively low compared with the two other cases at 0.050 refugees/capita in 2015.<sup>48</sup> With the beginning of the influx, and a peak of about 12,000 migrants entering the country per day in September of 2015, the Croatian government set up a refugee camp near its border with Serbia.<sup>49</sup> Thereafter, the government established a second camp for three times as many asylum seekers on the border with Bosnia and Herzegovina.<sup>50</sup> As a member state of the EU, Croatia formally seeks to maintain EU requirements for asylum claims and irregular migrants. The EU's Common European Asylum System requires that states uphold international law and, at minimum, "welcome asylum seekers in a dignified manner, ensuring they are treated fairly and that their case is examined to uniform standards."<sup>51</sup> Croatian officials have expressed willingness to participate in the EU's relocation and resettlement program, including taking care of the sick and subsequently transporting them to the country's borders

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<sup>47</sup> Tajana Sisgoreo, "Refugee Crisis in Croatia – Report," *Borderline Europe*, accessed August 2017. <http://www.borderline-europe.de/sites/default/files/background/Refugee%20Crisis%20in%20Croatia%20Report.pdf>.

<sup>48</sup> Self-calculated based on population data.

<sup>49</sup> Sisgoreo.

<sup>50</sup> Emma Buzinkic, "The European refugee crisis – the Croatian view," *Heinrich Boell Stiftung*, 26 May 2016. <https://www.boell.de/en/2016/05/24/european-refugee-crisis-croatian-view>.

<sup>51</sup> "Common European Asylum System," *Migration and Home Affairs of the European Commission*, updated 14 December 2017. [https://ec.europa.eu/home-affairs/what-we-do/policies/asylum\\_en](https://ec.europa.eu/home-affairs/what-we-do/policies/asylum_en).

with Hungary and Slovenia.<sup>52</sup> The quota for the country would be 1,617 refugees accepted by the end of 2017.<sup>53</sup>

Relative to Serbia and Macedonia, Croatia maintains a higher GDP and GDP per capita. Croatia represents an important case in the region because of its EU membership and financial stability relative to other countries in the region, as well as its “shortcut” to consolidated democracy and stability following the Balkan wars. However, Croatia has an aging and shrinking population and a less than ideal rate of unemployment at 13.8%.<sup>54</sup> Croatia’s asylum policy and enforcement practices can be analyzed to understand what effects financial capacity and EU membership might have on the stability and robustness of the country before and during an increase in irregular migration in the form of asylum seekers.

Because of Macedonia’s proximity to Greece, it is one of the largest hubs of transit migration in Europe. In 2015, Macedonia’s refugee population reached 0.230 refugees/capita.<sup>55</sup> This high number is partially the result of a small population in Macedonia relative to the other two case countries. Macedonia entered into EU candidacy in 2005, however has not yet begun accession negotiations.<sup>56</sup> Of the three case countries, Macedonia is the least financially stable; “the lack of assistance and of the need to manage closer relations and financial support has been decisive” and

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<sup>52</sup> Sisgoreo.

<sup>53</sup> Ibid.

<sup>54</sup> “The World Bank in Croatia – Overview,” *The World Bank*, 20 April 2017. <http://www.worldbank.org/en/country/croatia/overview>.

<sup>55</sup> Self-calculated based on population data.

<sup>56</sup> “The former Yugoslav Republic of Macedonia,” *European Commission*, 12 June 2016. [https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/fyrom\\_en](https://ec.europa.eu/neighbourhood-enlargement/countries/detailed-country-information/fyrom_en).

has created a less robust political environment and overall greater instability in Macedonia.<sup>57</sup> The EU's individualized promotion of regional development in each country contributes to these inconsistencies in the development of stable countries in the Western Balkans. Because of Macedonia's EU association status, "the country has proceeded towards a certain policy and institutional adjustment in compatibility with EU norms and practices."<sup>58</sup> The analysis of stability in Macedonia and the country's ability to effectively and appropriately process asylum seekers will serve to illustrate the effects of large-scale irregular migration on a country with low levels of economic capacity, at the lowest level of EU accession candidacy of the states in the region, and with the highest general instability of the three cases.

#### *Measuring Stability in the Western Balkans*

In order to analyze stability in these three countries before, during, and after the influx of asylum seekers from MENA, I have developed a framework through which to identify signs of stability/instability in these three Western Balkan countries based on indicators within three broad categories of stability: political stability, economy stability, and social stability. To measure political stability, first, I look at the extent to which rapid changes in policy related to refugees occurred in all three states, prior to the large-scale influx of asylum seekers from MENA. I discuss how the establishment and implementation of these policies has progressed throughout the years of the refugee crisis. The second indicator of political stability is the strength of rule of law in the three case countries. Lastly, I examine levels of

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<sup>57</sup> Demetropoulou, 100.

<sup>58</sup> Ibid, 102.



democracy in the case countries based on the Freedom House indices, which cite levels of political rights and civil liberties, pluralism, and authority trends on the ground as they are actually fulfilled (not as they are written in formal policy). Levels of democracy reveal the robustness of democratic consolidation in the case countries. Because Croatia, Serbia, and Macedonia are at different stages of the democratization process, it is valuable to see how robust their democracies have become. Each of these indicators is explored in-depth in the “Effects of Migration on State Stability” section. The years from 2012 to 2016 include the major peaks of the influx of asylum seekers in the Western Balkans and reflect the prominent effects that this migration might have on the stability of the Western Balkan countries. Through using these measurements, it is clear that political stability has decreased in all three cases, which is discussed in the next chapter.

To analyze economic stability, I look at four indicators: public debt, government deficits, economic growth, and income levels. I utilize data from major reporting agencies, including the World Bank and other international and domestic organizations that provide statistics on country GDP and economic growth, levels of national debt and government deficits, as well as national country profiles and news reports to identify notable changes in economic conditions that might be attributed to the refugee crisis. In this section of my report, data on economic measures taken to provide for asylum seekers in the case countries are included to show the effects on host country economies of migration, including provisions for refugees such as shelter, food, transportation, labor to accommodate refugee influxes, and additional costs countries incur. Additional impacts countries experience also include economic

growth from large-scale migration due to increased economic activity and an increase in the host country's income. Although we cannot yet analyze long-term economic effects of refugee influx in Western Balkan countries, we can nonetheless analyze short-term impacts and trajectories and identify effective methods of economic integration. I establish a connection between the refugee crisis and economic stability by identifying economic practices in response to the refugee crisis in Croatia, Serbia, and Macedonia, and recognizing additional factors that might contribute to the conditions of their financial systems.

The primary indicator of social instability in the Western Balkans is ethnic tension. Macedonia has the most recent history of ethnic tension, which is one of the important reasons Macedonia has not acceded to the EU. Serbia has a lengthy history of ethnic tension with Albanians in Kosovo as well as a history of rampant nationalism that spread to other countries causing civil war. While Kosovo declared independence from Serbia in 2008, ethnic tensions remain a problem because of this Serb nationalism and the continuing insistence on behalf of Belgrade that Kosovo remains part of Serbia.<sup>59</sup> Croatia is the most homogeneous of the three case countries, however a large Serb population remains. Increasing tensions between the two countries has led to hostilities between the Serb and Croat ethnic groups in

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<sup>59</sup> Andrew MacDowell, "Rumbling Balkans threaten foreign policy headache for Trump," *The Guardian*, published 27 February 2017. <https://www.theguardian.com/world/2017/feb/27/balkans-foreign-policy-headache-trump-kosovo-serbia-bosnia-montenegro>.

Croatia.<sup>60</sup> Due to ethnic heterogeneity in each case, this indicator is paramount to an analysis of social stability.

To measure ethnic tension, I look at instances of ethnic violence and hate crimes against asylum seekers, as well as levels of Islamophobia that have resulted in violence as recorded by independent organizations. Heightened ethnic violence correlates to heightened ethnic tensions, which allows for the operationalization and measurement of ethnic tension. Additionally, I examine ethno-nationalist discourse used in political circles, as well as in the media to determine whether ethno-nationalism has increased since the influx of asylum seekers. Lastly, I examine transnational conflicts or conflicts that transcend national borders. Although not internal, transnational conflicts in a region where ethnic populations are interspersed in various sovereign territories might indicate larger instances of ethnic tension across borders.

### **Effects of Migration on State Stability**

The following sections reviews the literature published pertaining to the three broad categories by which I define stability: political stability, economic stability, and social stability. I define each of these terms as they are conceptualized in the subsequent chapters and I include reference to my framework for each indicator.

#### *Political Stability*

The three indicators of political stability I analyze here are rapid change in migration policy of transit countries, the strength of rule of law, and the levels of

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<sup>60</sup> Janusz Bugaiski, “Croatia-Serbia conflict revived,” *Center for European Policy Analysis*, 29 August 2016. <http://cepa.org/Croatia-Serbia-conflict-revived>.

democracy. Additional literature on indicators of political stability is discussed below.

### Rapid Change in Migration Policy

Theories of state behavior are vast and uncertain. The international system is one, in which actors' behavior cannot be predicted. Rather, the purpose of International Relations is "to explain broad patterns in classes of events."<sup>61</sup> One useful theory in predicting decision-making in International Relations is the organization theory, which recognizes the organization of governments and the small number of people involved in foreign policy decisions.<sup>62</sup> David Welch writes:

"there is much greater stability in this institutional setting than there is in the international environment. This contributes to stability in what leaders believe about the world, and in how they deal with it."<sup>63</sup>

Boswell outlines the use of expert knowledge in public policy debates. Although a small number of individuals is involved in a state's decision-making process, it is evident that the public plays a role in the selection and implementation of policy changes, which take place institutionally under the organization theory.

In order to make policy changes, especially where a high degree of risk is involved, Boswell argues that these issues can and should be "settled on technocratic grounds."<sup>64</sup> This includes analyses of the social and economic effects of migrants in

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<sup>61</sup> David Welch, *Painful Choices*, (New Jersey: Princeton University Press, 2005), 14.

<sup>62</sup> *Ibid*, 31.

<sup>63</sup> *Ibid*.

<sup>64</sup> Christina Boswell, *The Political Uses of Expert Knowledge: Immigration Policy and Social Research*, (United Kingdom: Cambridge University Press, 2009), 89.

a particular area, as can be observed in other European states such as Germany and the UK.<sup>65</sup> This is an example of “evidence-based policymaking” which will provide a lens through which I will analyze the institutional behavior of governments in regard to migration policy. Governmental behavior is understood as “outputs of large organizations functioning according to standard patterns of behavior.”<sup>66</sup> I will use the following framework to determine the extent of rapid policy change in transit countries.

- I. The polity’s government implements a policy change through unofficial channels using expedited methods.
- II. Citizens are not informed of important policy changes regarding migration and asylum seekers.
- III. Hasty border closings are enacted without accounting for the number of asylum seekers already at the borders, resulting in unstable conditions at border sites and a large number of stranded asylum seekers.

While Boswell’s conceptualization of government behavior does not recognize the inherent unpredictability of the international system, rather assumes that standard patterns of behavior exist in most circumstances, it does align with Welch’s organizational theory with its focus on institutional processes. This theory of state behavior will be used for the purposes of this thesis.

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<sup>65</sup> Boswell, 188.

<sup>66</sup> Graham Allison and Philip Zelikow, *Essence of Decision Making*, (United States: Addison-Wesley Educational Publishers, Inc, 1999), 143.

An influx of asylum seekers might induce rapid change in migration policy if a polity is attempting to quickly respond to unanticipated numbers of asylum seekers and, therefore, introduces new policies in an ineffective manner. I will use the categories very low, low, medium, high, and very high to describe the instances of rapid policy change in the case countries.

### Rule of Law

The formal usage of the rule of law deals with the extent to which “behavior of individual persons and government authorities follows formal legal rules.”<sup>67</sup> This is important in the case of democratic governments because a “state’s legal enforcement is intermeshed with the legitimating force of a legislative procedure that claims to be rational because it guarantees freedom.”<sup>68</sup> Rule of law arguments in the literature “portray authoritarian regimes as highly capricious and unpredictable and democracies as constrained and *more* certain.”<sup>69</sup> This certainty stems from the obligations attached to “each individual considered as a legal person, irrespective of social position, with the sole requirement that the individual in question has reached competent legal adulthood and has not been proven to suffer from some...disqualification” that is legally prescribed.<sup>70</sup> These defined factors of the rule

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<sup>67</sup> Amir N. Licht, Chanan Goldschmidt, and Shalom H. Schwartz, “Culture Rules: The foundations of the rule of law and other norms of governance,” *Journal of Comparative Economics* 35, (2007): 664.

<sup>68</sup> Richard Bellamy, *Constitutionalism and Democracy*, (United Kingdom: Routledge, 2006):

<sup>69</sup> Gerard Alexander, “Institutionalized Uncertainty, the Rule of Law and Sources of Democratic Stability,” *Comparative Political Studies* (2002): 1146. My emphasis.

<sup>70</sup> Guillermo O’Donnell, “Why the Rule of Law Matters,” *Journal of Democracy* 15, no. 4, (2004): 33.

of law, cited by Guillermo O'Donnell, focus on the role of equal treatment in the judicial system – equity of all before the law.<sup>71</sup>

O'Donnell also provides a framework by which democratic rule of law should be examined. First, we must know the extent to which the legal system “behaves uniformly” in all circumstances. Second, the institutions that promote and enforce the laws set out in the constitution of the country are of utmost importance. Third, O'Donnell explains that the judiciary must be “free of undue influences from executive, legislative, and private interests” and the judiciary must not “abuse its autonomy for the pursuit of narrowly defined corporate interests.”<sup>72</sup> Fourth, all state institutions besides judicial institutions must also practice fair treatment of everyone. Fifth, the right to the participation in political and social organizations exists. And lastly, O'Donnell highlights the importance of investigating human rights in the context of social position, gender, age, and geographical location of individuals.<sup>73</sup>

The World Justice Project (WJP) is an organization that collects and analyzes data in order to strengthen the rule of law around the world. Although O'Donnell's indicators for rule of law are comprehensive and significant, I will utilize the WJP's Rule of Law Index for the purposes of this thesis, which is described below. The WJP Rule of Law Index is comprehensive in its analysis of rule of law and establishes a clear framework for comparing the three case countries. In the WJP's index, there are four criteria for examining the importance of the rule of law:

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<sup>71</sup> O'Donnell, “Why the Rule of Law Matters,” 33.

<sup>72</sup> *Ibid*, 44.

<sup>73</sup> *Ibid*, 44.

- I. “The government and its officials and agents as well as individuals and private entities are accountable under the law.
- II. The laws are clear, publicized, stable, and just, are applied evenly, and protect fundamental rights, including the security of persons and property.
- III. The process by which laws are enacted, administered, and enforced is accessible, fair, and efficient.
- IV. Justice is delivered timely, by competent, ethical, and independent representatives and neutrals who are of sufficient number, have adequate resources, and reflect the makeup of the communities they serve.”<sup>74</sup>

Rule of law is also provided in a set of conditions for lasting peace as outlined by Senghaas: “...rule of law should be maintained in keeping with a broadly accepted constitutionally and democratically adopted legal code.”<sup>75</sup> Linz and Stepan describe rule of law’s “primary organizing principle” as the goal to “deliberately reduce uncertainty to promote mutual security” and “create ‘certainty that enables citizens to form long-term plans, which are a condition both for economic growth and for personal security.’”<sup>76</sup> This suggests that rule of law is not only vital to liberal

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<sup>74</sup> “Factors of the Rule of Law,” *World Justice Project*, accessed November 2017. <https://worldjusticeproject.org/our-work/wjp-rule-law-index/wjp-rule-law-index-2016/factors-rule-law>.

<sup>75</sup> Senghaas (1998) in Zlatko Isakovic’s “Democratisation, Democracy and Ethnic Conflict in the Balkans,” *Southeast European Politics* 1, no. 1 (2000): 3.

<sup>76</sup> Gerard Alexander, “Institutionalized Uncertainty, the Rule of Law, and the Sources of Democratic Stability,” *Comparative Political Studies*, (2002): 1148 and Juan Linz and Alfred Stepan, “Toward Consolidated Democracies,” *Journal of Democracy* 7, no. 2, (1996): 14.



democracy, but also to state security and stability in myriad different aspects.

Although the characteristics of the rule of law and democracy are deeply intertwined, for the purposes of this project, I limit the definition of rule of law to issues related to the judiciary and law enforcement, while all other attributes will be examined in the democracy portion of my analysis.

An influx of asylum seekers could influence the strength of rule of law if states are unable or unwilling to maintain the strength of rule of law in responding to the refugee crisis, through impeding justice for asylum seekers and refusing to uphold an asylum seeker's rights. To describe changes in rule of law, I will categorize the cases along the following scale: decrease in strength of rule of law, little to no change in strength of rule of law, or increase in strength of rule of law.

#### Levels of Democracy

Democratic freedoms, argued by Alexander, are necessary for the prospect of stability. He posits that the mischaracterization of institutionalization of democracy is rampant because scholars have historically forgotten that states are governed by humans, not exclusively by policy.<sup>77</sup> This sheds a new light on organization theory, by which we understand the institutional nature of government processes and state behavior. Insofar as stability is attributed to a sense of security and the ability for constituents to determine their own outcomes through an institutional process, aspects of democracy are vital to determining the political stability of a state. In the

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<sup>77</sup> Alexander, 1146.

case of European democracy, Schmitter posits that the EU requires democracy for enlargement, however does not itself practice democracy.<sup>78</sup>

The most important aspect of democracy in this study is that of democratic consolidation and deterioration. Because the case countries are at various stages in their transitions to democracy, their levels of political stability would decrease if they experienced democratic deterioration. Schmitter's argument is indicative of European democracy as a whole; the demise of European democracy could result in "unfulfilled contracts, multiple lawsuits, considerable disruptions in trade and capital flow, and...lots of resentment."<sup>79</sup> These potential effects of democratic deterioration both in EU member states and in neighboring countries in Europe are destabilizing to the polity and to the region more generally.

Literature on democracy is extensive and scholars debate whether democracy can be measured on a scale, as well as what factors affect the status of a country transitioning to democracy. While democracy is cited as more certain than authoritarian regimes, some experts on democratization posit that democracy is inherently uncertain. This uncertainty can "threaten...the interests" of some actors.<sup>80</sup> However, the added bonus of democracy is that, in instances when actors lose, there remains the "positive value of democracy's opportunities for future winning."<sup>81</sup> This additional point makes pursuing democracy all the more relevant for post-conflict states like the Western Balkans seeking both state stability and EU accession.

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<sup>78</sup> Phillippe C. Schmitter, "A Way Forward?" *Journal of Democracy* 23, no. 4, (2012): 44.

<sup>79</sup> Schmitter, 44.

<sup>80</sup> Adam Przeworski in Alexander's "Institutionalized Uncertainty."

<sup>81</sup> *Ibid.*

Although many actors in these states “lost” during the years of turmoil after the fall of Yugoslavia, through democratic transitions, they locked in the ability to win in the future. This means that democratic institutions allow for citizens to make choices regarding governance. For these reasons, a robust democratic system can indicate political stability. More importantly in the cases in this project, however, is the stability inherent in effective *consolidation* of democracy after the process of democratization has already begun. While the definition of a consolidated democracy is largely debated, O’Donnell supports Dahl’s concept of polyarchy as the line that separates democracies and nondemocracies. Consolidation of democracy refers to the institutionalization of polyarchy, which is made up of elected officials, free and fair elections, inclusive suffrage, the right to run for office, freedom of expression, alternative information, and associational autonomy.<sup>82</sup>

The consolidation of democracy in cases where there is a long history of ethnic conflict requires the submergence of ethnic problems to create national unity.<sup>83</sup> Successful democratization would indicate both political stability in the bodies of government and social stability in the absence of ethnic problems. If these countries were to experience extensive democratic backsliding, instability would arise through reemerging ethnic tensions and changes in governance. Even in states

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<sup>82</sup> Guillermo O’Donnell, “Illusions About Consolidation,” *Journal of Democracy* 7, no. 2, (1996): 34.

<sup>83</sup> Renee de Nevers, “Democratization and ethnic conflict,” *Survival* 35, no. 2, (1993): 31.

where fair and free elections are held, this does not necessarily ensure political stability, as is the case in post-war Bosnia and Herzegovina.<sup>84</sup>

In order to measure democracy, I will use the rankings provided in the Freedom House index, derived from the following criteria:

- I. Levels of political rights and civil liberties as enjoyed by individuals, affected by both state and non-state actors.
- II. Pluralism and the right to organize into various political parties, with the potential for mobility in these groups.
- III. The role of the government in the polity, including the election of government officials and the involvement of the citizens in political discourse.

These align with the pursuits highlighted by O'Donnell under the notion of the democratic rule of law, including participation in political and social organizations, balance of power between branches of government, and human rights more broadly. I separate these issues from those of the judiciary and law enforcement in order to avoid conflating rule of law and democracy as indicators of political stability.

Asylum seekers might impact levels of democracy if the polity responds to a crisis by stripping individuals of certain political rights and civil liberties, including those of the asylum seekers. Democratic backsliding in countries that have already begun democratizing would cause political instability. I will categorize each case's change in levels of democracy using the following scale: notable decrease in levels

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<sup>84</sup> Constantine Arvanitopoulos and Nikolaos Tzifakis, "Implementing reforms in Bosnia and Herzegovina: the challenge of the constitutional process," *Centre for European Studies* 7, (2008): 16.

of democracy, little to no change in levels of democracy, and notable increase in levels of democracy.

### *Economic Stability*

In terms of economic benefits from immigration, it is clear in many circumstances that immigrants provide “production complementarities between immigrant workers and other factors of production.”<sup>85</sup> However, this is dependent on the integration of immigrants into the labor force, which takes place only after immigrants have been in the host country for a long period of time. Asylum seekers in transit countries only intend to stay for a short period of time before they move on to a destination country. Because it is difficult to collect and obtain data on the impact of irregular migrants, for the purposes of this thesis, I speculate that there are similarities between the economic effects of asylum seekers and the economic effects of regular migrants on the host country, on which a significant amount of literature has previously been published. The following section will review the limited literature that exists regarding economic effects of refugees, as well as literature on the economic impacts of migrants on the host country.

It is difficult to obtain information on the economic impacts of refugees on host countries for three reasons: “a lack of before-and-after data to estimate impacts of new and often unexpected refugee influxes, the complex effects refugees can have on host-country economies, and the infeasibility of an experimental approach to

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<sup>85</sup> George Borjas, “The Economic Benefits from Immigration,” *NBER Working Paper* 4955, (1994).

identify refugee impacts.”<sup>86</sup> Although the two subjects are not interchangeable, some insights can be gathered from this literature. The major difference between refugees and migrants and their effects on states’ economies is that “refugees’ displacement is involuntary and often temporary, whereas most migrants choose their destination and duration in the host economy, unless contracted specifically for temporary work.”<sup>87</sup> As mentioned above, it is important to note what part of the labor market is taken up by asylum seekers in host countries. Some theories posit that asylum seekers do not take up space in the regular labor market, rather are employed in the “shadow sector without the participation of native workers.”<sup>88</sup> This would mean that the income of native workers is not affected by an influx of asylum seekers. In contrast, in situations where irregular migrants work within the formal labor market, but for lower wages, the wages of the native population will be affected.<sup>89</sup> This aligns with predictions made by an anonymous contributor to *The Economist* who stated in 2015, “Europe’s new arrivals will probably dent public finances, but not wages,” revealing the expected financial outcomes of migrant or refugee influxes.<sup>90</sup>

Additional international aid can have an impact where exogenous sources account for the money countries spend on accommodating large numbers of

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<sup>86</sup> J. Edward Taylor, Mateusz J. Fipilski, Mohamad Alloush, Anubhab Gupta, Ruben Irvin Rojas Valdes, and Ernesto Gonzalez-Estrada, “Economic impact of refugees,” *National Academy of Sciences of the United States of America* 113, no. 27 (2016): 7449.

<sup>87</sup> Taylor, et. al.

<sup>88</sup> Steffen Minter, *Irregular immigration: an economic analysis of policies in the EU*, (Germany: Mohr Siebeck, 2015): 65.

<sup>89</sup> *Ibid*, 65.

<sup>90</sup> Anonymous, “For good or ill; the economic impact of refugees,” *The Economist*, 23 January 2016.

refugees. Simulations conducted in tandem with the Proceedings of the National Academy of Sciences reveal that, when refugees interact with the economy around them, “this can create positive income spillovers for host-country households.”<sup>91</sup> The World Bank, in particular, produced a 2017 report on the topic of migration and mobility in Europe and Central Asia. According to this report, economies can “benefit from cross-border labor mobility.”<sup>92</sup> There are limitations to migration that depend on a country’s capacity to receive and integrate them. However, the refugee crisis in transit countries is temporary and makes it difficult for irregular migrants to integrate into the local labor market under these circumstances, especially because they have not yet been granted refugee status and are not privy to the benefits that come from this status.<sup>93</sup>

Economic stability is vital to the overall stability of a polity and is intertwined with political and social stability in various ways, including in a polity’s capacity to implement various changes. George Leland Bach suggests in his 1950 publication in the *American Economic Association* journal that economic stability stems from two necessary conditions: growth of national real output at an optimum rate and constancy of some index prices – conditions for orderly business and individual planning.<sup>94</sup> For the purposes of this thesis, I concentrate on the following set of data related to the indicators listed above. Government debt and deficit will be analyzed based on the following factors:

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<sup>91</sup> Taylor et. al.

<sup>92</sup> “Migration and Mobility,” *World Bank Group*, (2017): 20.

<sup>93</sup> *Ibid.*

<sup>94</sup> George Leland Bach, “Economic Requisites for Economic Stability,” *American Economic Association* 40, no. 2, (1950): 156.

- I. Levels of borrowing from outside actors, including both state and non-state actors.
- II. States' management of debt payments.
- III. Emergency spending on asylum seekers and/or infrastructure to accommodate asylum seekers.
- IV. Foreign funding proportionate to the number of asylum seekers within a country's borders.

Large government debt and deficits might signal a polity's inability to control its spending and large-scale borrowing could point to problems with import and export balances. Asylum seekers might impact a polity's debt and/or deficits by requiring unanticipated excess spending on the part of the state. The refugee crisis has cost polities and other non-state actors hefty sums, including in infrastructure to register and process asylum seekers and housing and other basic necessities for the vulnerable. In most cases, foreign aid is pumped into countries, but to what extent? If emergency spending requires polities to take out loans from exogenous actors that the countries are then unable to pay back, asylum seekers could negatively impact economic stability. Additionally, if foreign aid is not proportionate to the need of a country based on number of refugees and economic capabilities, this will also affect the economic stability of the host country. To categorize each country's change in government debt and public deficit, I will use the following scale: notable increase in government debt/public deficit, little to no change in government debt/public deficit, and notable decrease in government debt/public deficit, where these two indicators are separated.



Economic growth and GDP data will include:

- I. The growth or decline of national economies in recent years, including recessions and plateaus.
- II. Income inequality among the population.

Economic growth and levels of income in these countries also indicate economic stability insofar as countries with high GDPs that continually grow show more financial stability and healthier economies. Asylum seekers might cause economic instability through stalling a state's economy if the state prioritizes the refugee crisis over other economic measures, such as growth initiatives. I categorize changes in economic growth and income using the following scale: notable economic shrinkage, economic stagnation, or notable economic growth.

### *Social Stability*

#### Ethno-Nationalism and Ethnic Conflict

Additional scholarship on the effects of migration on state security and stability posits that constraints to opening borders to migrants “are likely to be political, resting upon a concern that an influx of people belonging to another ethnic community may generate xenophobic sentiments, conflicts between natives and migrants, and the growth of anti-migrant right-wing parties.”<sup>95</sup> Although Weiner describes these phenomena as “political,” I separate ethnic concerns into a separate category I call social stability. Weiner does not discredit the role played by economic factors in international migration, however he emphasizes the added political

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<sup>95</sup> Myron Weiner, “Security, Stability, and International Migration,” *International Security* 17, no. 3 (1992-1993): 93.

motivations behind state response to international migration. Perceived threats by migrants can include attacks by groups of armed refugees, migrants' effects on political stability, or migrants' threats to the major societal values of the receiving country.<sup>96</sup> These perceived threats vary insofar as states have differing ideas of security and regard different characteristics of their country – the receiving country – as most important.<sup>97</sup> Based on the migration trends at the time of publication, Weiner cited the most plausible reason for states to accept or reject refugees or migrants is “ethnic affinity.”<sup>98</sup> Although this singular reason is not sufficient to describe state behavior in response to large-scale migration, we see the role played by ethnicity in states where ethnic homogeneity might lead citizens to regard the ethnic makeup and the upholding of distinct values to be the most important characteristic and, therefore, the most important to protect against perceived threats.

Yugoslav successor states experienced ethno-nationalism through rhetoric of various leaders after the fall of communism and the disintegration of the state. Additionally, Karin Dyrstad's influential 2012 article examines the effects of civil war on ethno-nationalism, positing that ethno-nationalism is not necessarily seen to increase following civil war as previously assumed.<sup>99</sup> In order to understand ethno-nationalism as it is used both in Dyrstad's research and this thesis, I will provide definitions for relevant terms. Ethnicity is defined as “an identity based on traits

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<sup>96</sup> Weiner, 103.

<sup>97</sup> Ibid, 103.

<sup>98</sup> Ibid, 105.

<sup>99</sup> Karin Dyrstad, “After ethnic civil war: Ethno-nationalism in the Western Balkans,” *Journal of Peace Research* 49, no. 6 (2012): 818.

associated with or believed to be associated with descent.”<sup>100</sup> Ethnicities are “complex” and dynamic, as well as not mutually exclusive.<sup>101</sup> Nationalism is defined here as “loyalty to a nation or a group,” contrasting definitions by scholars such as Connor who see it as loyalty to a physical state.<sup>102</sup> Taking these two concepts, Dyrstad defines ethno-nationalism as “a desire to keep the (ethnic) nation homogeneous and separated from other groups, where loyalty to the group is stronger than loyalty to the state.”<sup>103</sup>

Ethnic conflict takes place when groups fight to keep their ethnic nation and sometimes their state homogeneous and isolated from other out-groups. When states experience internal or external conflict, it is a threat to the state’s security and virtues of daily life and, therefore, contributes to state instability. Although the effects of ethno-nationalism on ethnic conflict have been widely studied, Dyrstad’s unique approach explains levels of ethno-nationalism following ethnic conflict. Additionally, “human rights issues and refugee situations represent one level in which nations are closely interlinked by ethnic conflict.”<sup>104</sup> This highlights the important role that ethno-nationalism plays in situations of refugee migration. In examining levels of ethno-nationalism and the potential for ethnic conflict in contemporary situations, we can determine the robustness of state stability. Through understanding the effects of ethnic conflict on levels of ethno-nationalism, we can

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<sup>100</sup> Chandra, 2006 cited by Dyrstad, 2012.

<sup>101</sup> Fearon and Laitin, 2000; Brubaker, 2009; and Pickering 2007; cited by Dyrstad, 2012.

<sup>102</sup> Connor, 1979, cited by Dyrstad, 2012.

<sup>103</sup> Dyrstad, 818.

<sup>104</sup> David Carment, “The International Dimensions of Ethnic Conflict: Concepts, Indicators, and Theory,” *Journal of Peace Research* 30, no. 2 (1993): 137.

appreciate the modern-day levels of stability in the Western Balkans based on these levels and analyze the effects of refugee migration on these levels. Existing ethnic tensions in Macedonia involve the Muslim Albanian minority. In Serbia, current ethnic tensions are likewise associated with Albanians in Kosovo. Historical ethnic violence perpetuated by Serbs involved Bosnian Muslims. For these reasons, changes in levels of Islamophobia is an important indicator of social stability in the case countries. In Croatia, tensions are less associated with ethnic groups with Muslim majorities. Nonetheless, Croatia has seen ethnic violence against asylum seekers within its borders. Additionally, it is important to differentiate between Islam as it is practiced in Western Balkan states and Islam as it is practiced by a majority of asylum seekers from MENA. These issues are discussed in the chapter on social stability. In my analysis of social stability, I focus on the following factors under the category of ethnic violence:

- I. Levels of ethnic violence and hate crimes in the case countries.
- II. Levels of Islamophobia as measured by independent organizations.
- III. Negative feelings toward migration, generally.

As outsiders cross borders into the case countries, the population could experience heightened levels of Islamophobia and ethnic tensions leading to increased violence and increased hate crimes. This would indicate social instability. I categorize each case's changes in ethnic violence using the following scale: increase in instances of

ethnic violence, little to no change in instances of ethnic violence, or decrease in instances of ethnic violence.

Ethno-nationalist discourse might indicate social instability if:

- I. Political figures use nationalism in their platforms to discourage an influx of asylum seekers.
- II. There is an emergence and popular support of populist movements in the case countries.
- III. There is widespread use of ethno-nationalist discourse, sensationalism, and fear-mongering in media consumed by the public.

If the population of a country harbors resentment or other negative feelings toward asylum seekers, political figures could capitalize on nationalist rhetoric to gain support of this demographic. Groups of extreme ethno-nationalists commit actions that are destabilizing, including ethno-nationalist violence, radical religious turmoil, and secessionist strife.<sup>105</sup>

Transnational conflict will be analyzed through the lens of social stability through examining:

- I. Border disputes with neighboring countries, especially those that have resulted from an influx of asylum seekers at particular borders.

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<sup>105</sup> Richard H. Schultz, Jr. "State Disintegration and Ethnic Conflict: A Framework for Analysis," *The Annals of the American Academy of Political and Social Science* 541, (1995): 76.

- II. “Tit-for-tat” as a method to retaliate against neighboring countries due to a lack of coordination in responding to the refugee crisis.

Because asylum seekers cross international borders, it is vital to social stability that border disputes because of asylum seekers are mitigated. If countries experience border disputes due to discrepancies in responses to the refugee crisis, this would be an example of the refugee crisis affecting transnational conflict and exacerbating social instability. Post-conflict countries are more vulnerable to these kinds of escalations.

### **Summary of Contents**

The remainder of this thesis is divided into four subsequent chapters, including a final analysis of the data and concluding remarks. Chapter Two focuses on political stability and the three indicators of political stability in each state. Chapter Three focuses on economic stability and the relationship between the refugee crisis and the financial state of the case countries, including data based on the indicators discussed above. Chapter Four discusses the connection between the refugee crisis and social stability in the case countries and primarily discusses ethnic tensions and levels of ethno-nationalism in the case countries before, during, and after the major peaks of the refugee crisis. Following these substantive chapters, the final chapter analyzes the data, make observations, and provide conclusions aimed at helping establish best practices for Western Balkan countries, as well as present questions for further research.

## **Chapter 2:**

### **Political Stability in the Western Balkans**

#### **Introduction**

While much of the literature surrounding irregular immigration and migration generally deals with the economic impacts such movements of people have on host and origin countries, there are equally important political factors that determine stability, which can be and often are affected by large-scale migration. In conjunction with this idea, Weiner states, “the reluctance of states to open their borders to all who wish to enter is only partly a concern over economic effects. The constraints are as likely to be political.”<sup>106</sup> Two important political factors of migration cited by Weiner are: that “international population movements are often impelled, encouraged, or prevented by governments or political forces” and even when economic factors induce people to emigrate, “it is governments that decide whether immigrants should be allowed to enter.”<sup>107</sup> Weiner adds that these decisions are seldom based on economic considerations, rather political factors are often more critical to state decision-making.<sup>108</sup>

In this section, I discuss the political effects of migration, including internal political disorder in three different categories that might signal internal political instability. Political stability in the Western Balkans varies from state to state and my evaluation of political stability in the Western Balkans includes the following indicators of political instability: rapid policy change, the strength of rule of law, and

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<sup>106</sup> Weiner, 93.

<sup>107</sup> Ibid, 96.

<sup>108</sup> Ibid.

the levels of democracy in each of the three case countries. As discussed in the literature review, it is significant to note that rapid changes in policy related to migration and asylum could signal political instability because of a lack of coordination between government officials and the people in the country who are legally obligated to adhere to new policies, even if they have not been informed of such changes in government policy. Second, a key hallmark of the rule of law is an effective judiciary and low levels of corruption, which are used in this chapter to indicate the status of rule of law. Democratic institutions are required by the EU for accession into the EU community and, while some post-Yugoslav countries have (arguably) successfully implemented democratic reforms – Croatia and Slovenia – others have a long way to go in successfully obtaining a functioning liberal democracy. Macedonia and Serbia, for example, are at differing stages of EU accession talks. Since the Balkan Wars, both Serbia and Macedonia have struggled in various ways to effectively maintain democratic freedoms without the aid of the EU, due to their non-membership statuses. Additionally, since Croatia’s accession to the EU, the state has not maintained democratic freedoms to the extent it had achieved prior to accession, resulting in democratic backsliding.<sup>109</sup>

## **Data**

### *Rapid Change in Migration Policy*

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<sup>109</sup> “Croatia Country Report,” *Freedom in the World 2017*, accessed October 2017, <https://freedomhouse.org/report/freedom-world/2017/croatia>.



All three countries analyzed in this thesis are party to the 1951 Convention Relating to the Status of Refugees, as well as the 1967 Protocol.<sup>110</sup> This codifies legal obligations that all three countries are required to uphold in regard to asylum seekers within their borders. Additionally, the EU has certain regulations vis-à-vis refugees that are to be upheld by member states.<sup>111</sup> Croatia's, Serbia's, and Macedonia's policies on asylum seekers strive to be compliant with EU regulations – Croatia as a member state and Serbia and Macedonia as candidate states. However, Croatia and Serbia have been more successful in implementing these regulations. Adjustments to asylum policies nonetheless occurred in these case countries during the years of the refugee crisis in response to changing conditions. Through both news sources and other agencies, I determine the policy changes that occurred in response to the refugee crisis in the case countries and the effects these policy changes had on political stability in the countries.

### *Rule of Law*

The World Justice Project's (WJP) set of criteria for rule of law makes up the organization's index for analyzing and strengthening the rule of law in countries around the world. Each year the WJP publishes its report on rule of law in the countries of the world, breaking down data by region, state, and different facets of rule of law. In this section, I use the WJP's published reports to provide and analyze data on the progression of rule of law initiatives in the case countries in

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<sup>110</sup> “States Parties to the 1951 Convention relating to the status of Refugees and the 1967 Protocol,” *UNHCR*. <http://www.unhcr.org/en-us/protection/basic/3b73b0d63/states-parties-1951-convention-its-1967-protocol.html>.

<sup>111</sup> See reference to Common European Asylum System.

order to identify areas where the rule of law has changed – improved or deteriorated – over time. Additional sources give supplementary information on the rule of law initiatives of various countries and potential motives behind implementing reforms that may or may not be consistently enforced.

### *Levels of Democracy*

The Freedom House Index of Nations in Transit and annual report, *Freedom in the World*, focus on several aspects of democracy in order to produce aggregate scores of the states' levels of democracy and freedom. The categories Freedom House analyzes to score states' levels of democracy are: national democratic governance, electoral process, civil society, independent media, local democratic governance, judicial framework and independence, and corruption. Freedom House attributes scores to countries on a scale from 1 to 7, 1 being the most democratic and 7 being the least democratic. This index has published data on all three case countries every year since the Arab Spring in 2011 that initiated large-scale migration into Europe from MENA. Additionally, Freedom House ranks the countries in transit – formerly communist countries implementing democratic reforms – on a comparative scale.<sup>112</sup>

In an effort to consolidate data and present a concise analysis of political stability in the Western Balkans, each country is given its own section, in which examples of all three aspects of political stability discussed above are introduced and examined.

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<sup>112</sup> “Nations in Transit,” *Freedom House*. <https://freedomhouse.org/report-types/nations-transit>.

## Political Stability in Croatia

Croatia and Slovenia were the first countries to secede from united Yugoslavia in 1991, with Macedonia declaring independence only several months later.<sup>113</sup> 22 years later, Croatia formally acceded to the EU on July 1, 2013.<sup>114</sup> The EU maintains clear requirements for the state of governance in accession countries and the EU attempts to prevent backsliding by creating more robust criteria for EU accession. This does not ensure, however, that Croatia has not and will not experience political instability, regardless of its EU status. Croatia's implementation of migration and refugee policy in coordination with the EU, the rule of law, levels of democracy, and other contemporary political crises are discussed below against a timeline of the refugee crisis in the Western Balkans.

### *Rapid Policy Change in Croatia*

Croatia became an integral part of the Western Balkans migration route in 2015, when Serbia directed asylum seekers through Croatia after the closure of the border between Serbia and Hungary.<sup>115</sup> As a member of the EU, Croatia's migration and asylum policy must comply with the relevant EU regulations.<sup>116</sup> Prior to the refugee crisis within its borders, Croatia's EU accession in 2013 brought about relevant policy changes in the area of migration and refugees, including

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<sup>113</sup> Richard F. Iglar, "The Constitutional Crisis in Yugoslavia and the International Law of Self-Determination: Slovenia's and Croatia's Right to Secede," *International and Comparative Law Review* 15, no. 1, (1992): 213.

<sup>114</sup> "Rule of Law in the EU: The Croatian Example – Debate," *Netherlands Institute of International Relations*, 05 November 2012, <https://www.clingendael.org/publication/rule-law-eu-croatian-example-debate>.

<sup>115</sup> Sisgoreo, 1.

<sup>116</sup> "Annual Report on Migration and Asylum Policy," *European Commission*, (2015), 6.

implementation of the Common European Asylum System and open borders.

However, the accession process prior to 2013 led Croatia to implement policies in compliance with EU regulations before its official membership in the EU. Therefore, these cannot be considered rapid changes, as implementation of these policies came aided by the EU and in the years leading up to Croatia's accession and the refugee crisis. Additionally, these policies were enacted through proper channels in the Croatian government, signaling pressure from the EU for implementation of these initiatives.

After 2015's influx of over 200,000 asylum seekers through Serbia, Croatia experienced some rapid policy change in response to the humanitarian crisis in the Western Balkans. Croatia implemented the Act on International and Temporary Protection, which replaced an outdated Act on Asylum. According to a 2015 report on Croatia's migration policy, this act was primarily implemented to transpose EU directives into the Croatia's domestic sphere.<sup>117</sup> Additionally, the Dublin procedure, which establishes which country is responsible for review of an asylum seeker's application saw a series of changes in response to the influx of asylum seekers.<sup>118</sup> Croatia accepted very few asylum requests in 2015 and in the years since due to the application of the Dublin Regulation, which assigns the role of registering asylum seekers to the first Member State an asylum seeker enters.<sup>119</sup> Since its adoption in

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<sup>117</sup> "Annual Report on Migration and Asylum Policy," 6.

<sup>118</sup> "The Dublin Regulation," *Asylum in Europe*, accessed 30 October 2017.  
<http://www.unhcr.org/4a9d13d59.pdf>

<sup>119</sup> "Annual Report on Migration and Asylum Policy," 27.

2003, it has been revealed that the Dublin Regulation places disproportionate pressure on member states that lie on the external border of the EU.<sup>120</sup>

Perhaps the most drastic change in Croatia's migration and asylum policy occurred in 2016 when the state decided to introduce new border restrictions. As the gravity of the refugee crisis in Croatia sunk in, Croatia began limiting the number of asylum seekers the country would let into their borders to 580 per day in February.<sup>121</sup> Less than a month later, Croatia closed the borders to asylum seekers wishing to transit to other countries.<sup>122</sup> The effects of this announcement were wide-reaching leaving large numbers of asylum seekers stranded at the border between Serbia and Croatia. Border closings were hastily enforced, without extensive publicity on new policy.

Overall, Croatia did not experience significant rapid migration policy changes in the years leading up to and during the refugee crisis. Therefore, Croatia is categorized as very low in instances of rapid migration policy change.

#### *Rule of Law in Croatia*

According to the Freedom House report in 2013, rule of law institutions consistently underperformed, due to a corrupt and slow judiciary. In 2005, Croatia became party to the United Nations Convention against Corruption (UNCAC), which

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<sup>120</sup> "The Dublin Regulation."

<sup>121</sup> Jennifer Rankin, "Croatia and Slovenia impose limits on refugee numbers," *The Guardian*, 26 February 2016. <https://www.theguardian.com/world/2016/feb/26/croatia-slovenia-limits-refugee-numbers-europe-greece>.

<sup>122</sup> "Refugee crisis: Slovenia, Croatia 'close Balkan route,'" *Al Jazeera*, 9 March 2016. <http://www.aljazeera.com/news/2016/03/refugee-crisis-slovenia-croatia-close-balkan-route-160309104256830.html>.

encouraged countries to support national measures to combat corruption.<sup>123</sup> A 2009 initiative related to the UNCAC included a peer review process of national implementation of anti-corruption reform.<sup>124</sup> Croatia was part of the first wave of this process in 2010-2011. This particular study conducted by the UN examines the personal experience of Croatians with corruption and attempts to give an in-depth picture of the pervasiveness of corruption in the country. The details of these results are given below.

In a 2010 survey, it was determined that Croatians on average believe corruption to be one of the major issues faced by the country and these conclusions were drawn from individuals' experiences with direct bribery by a variety of officials.<sup>125</sup> Unfortunately, corruption did not diminish with time. A 2017 study conducted by Ernst and Young reveals that of the Southeast European countries – Albania, Austria, Bosnia and Herzegovina, Bulgaria, Croatia, Macedonia, Greece, Hungary, Italy, Moldova, Montenegro, Romania, Serbia, Slovakia, Slovenia, and Ukraine – Croatia has the highest levels of corruption.<sup>126</sup> According to these results, there is still a significant portion of the judiciary that remains corrupt and efforts in implementing rule of law in order to achieve EU accession have become politically motivated and, therefore, unsustainable in Croatia's long-term development.

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<sup>123</sup> "Corruption in Croatia: Bribery as Experienced by the Population," *United Nations Office on Drugs and Crime*, (2011): 9.

<sup>124</sup> *Ibid.*

<sup>125</sup> *Ibid.*, 11.

<sup>126</sup> Vedran Pavlic, "Croatia is the Most Corrupt Country in Southeast Europe," *Total Croatia News*, 21 June 2017, <https://www.total-croatia-news.com/business/19856-croatia-is-the-most-corrupt-country-in-southeast-europe>.

Croatia's WJP report from 2014 – the year before the major influx of asylum seekers into the country – lists Croatia at a 0.57 out of 1.0 where the greater number corresponds to higher adherence to rule of law. Croatia's lowest three categories on WJP's scale in 2014 were: open government, regulatory enforcement, and civil justice.<sup>127</sup> This data aligns with Freedom House's analysis that Croatia's judiciary is both slow and corrupt. Croatia's WJP report from 2016 assigns Croatia a score of 0.61, a .04 increase in adherence to rule of law.<sup>128</sup> While levels of regulatory enforcement and civil justice remained approximately the same, open government increased significantly, meaning that civic participation has increased since 2014.

Although Croatia has not seen a significant decrease in strength of rule of law in the years following the peak of the refugee crisis, rule of law adherence did not see any large-scale increases. This would suggest that the rule of law in Croatia was not strongly affected by the refugee crisis, leaving Croatia in the little to no change in strength of rule of law category.

### *Democracy in Croatia*

Freedom House's Freedom in the World index shows that the year prior to Croatia's accession to the EU and the year Croatia acceded (2012-2013) saw the best democracy scores in the country in the last decade. Since EU accession in 2013, Croatia has progressively received higher democracy scores, where higher

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<sup>127</sup> "Rule of Law Index 2014," *World Justice Project*, accessed October 2017. <https://worldjusticeproject.org/sites/default/files/documents/RuleofLawIndex2014.pdf>.

<sup>128</sup> "Rule of Law Index," *World Justice Project*, accessed October 2017. [https://worldjusticeproject.org/sites/default/files/documents/RoLI\\_Final-Digital\\_0.pdf](https://worldjusticeproject.org/sites/default/files/documents/RoLI_Final-Digital_0.pdf).

democracy scores mean less democratic. What accounts for this backsliding? There are a number of factors identified by Freedom House and other sources to explain why Croatia has become less democratic since 2013. Prior to its EU accession, Croatia was awarded a democracy score of 3.61 in Freedom House's Nations in Transit index, identifying it as a semi-consolidated democracy.<sup>129</sup> Amid Croatia's accession to the EU, concerns still abounded in reference to the "baggage of inadequately reformed institutions" that were unlikely to be reformed and strengthened in tandem with or due to EU accession.<sup>130</sup>

In 2014 Freedom House's Nations in Transit index scored Croatia at a 3.68, which classified Croatia as a semi-consolidated democracy.<sup>131</sup> As expected from the data examined from the World Justice Project, Croatia's highest (worst) scores were in the categories of independent media, judicial framework and independence, and corruption. In Freedom House's 2017 report, Croatia scored a 3.71, a slight decrease in democratic robustness from its 2014 level.<sup>132</sup> This slight decrease can be explained by the introduction of a new government in Croatia in 2016. Polarization in the country escalated between the Croatian Democratic Union (HDZ) and a new party called Most, which formed a coalition to make up the first government of 2016. New elections were called for in the fall after a vote of no confidence ousted the HDZ

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<sup>129</sup> "Croatia 2013," *Freedom House Nations in Transit*, accessed October 2017. <https://freedomhouse.org/report/nations-transit/2013/croatia>.

<sup>130</sup> Ibid.

<sup>131</sup> "Croatia 2014," *Freedom House Nations in Transit*, accessed October 2017. <https://freedomhouse.org/report/nations-transit/2014/croatia>.

<sup>132</sup> "Croatia 2017," *Freedom House Nations in Transit*, accessed October 2017. <https://freedomhouse.org/report/nations-transit/2017/croatia>.



leader Tomislav Karamarko as prime minister.<sup>133</sup> The HDZ then voted Andrej Plenkovic to head the party in the second government of 2016. Tensions between the two parties remained under this government but were seemingly addressed in order to avoid escalation.<sup>134</sup>

Croatia's democratic backsliding is significant, not entirely unexpected, and not attributable to the refugee crisis. Rather Croatia's newly elected government which took office in 2016 is responsible for high political tensions and political instability. Nonetheless, Croatia still maintains the Nations in Transit score of a semi-consolidated democracy. For these reasons, Croatia is categorized as having seen a notable decrease in democracy.

### **Political Stability in Serbia**

#### *Rapid Policy Change in Serbia*

The Asylum Act and the General Administrative Procedure Act are two policies that, in tandem with one another, deal with the legal aspects of claiming asylum in Serbia. Most transiting asylum seekers wish to apply for asylum in EU countries. This has changed somewhat as some asylum seekers have been forced to spend long periods of time in Serbia and mobility has been restricted. Throughout the refugee crisis, Serbia has largely maintained a policy of open borders to asylum seekers. This, however, does not ensure that Serbia has the capacity to provide for and protect these large numbers of asylum seekers. Due to Serbia's status as an EU candidate country since 2012, Serbia has attempted to uphold EU regulations vis-a-

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<sup>133</sup> "Croatia 2017," *Freedom House Nations in Transit*.

<sup>134</sup> *Ibid.*

vis asylum seekers.<sup>135</sup> The Serbian government began drafting a new asylum law in 2013 called the Draft Law on Asylum and Temporary Protection.<sup>136</sup> Aside from these policies, Serbia has not experienced dramatic or rapid policy change since the peak of the migration crisis.

Serbia's primary problems deal not with effective policy, rather with effective implementation. Serbia has been regarded as "a positive actor in the migration crisis with its open borders policy, political discourse and public attitudes assessed as refugee-friendly."<sup>137</sup> Despite the praise Serbia has garnered during the refugee crisis, there are some areas where faulty implementation of policy has led to difficulties faced by asylum seekers in the country. Some of these include slow registration procedures, poor reception conditions, and a lack of state-funded psychological aid.<sup>138</sup> To address some of these problems, Serbia has resorted to taking short-term measures instead of implementing a "broader reform process."<sup>139</sup> In the long term, Serbia has, in tandem with the EU, committed to amending the Asylum Act in order to strengthen capacities. This represents Serbia's transition into a period of gradual reforms to make their policies more compliant with the EU *acquis*. This move is primarily motivated by Serbia's candidate status and the EU requirement that certain benchmarks should be met in order to Serbia's membership

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<sup>135</sup> "Serbia's role in dealing with the migration crisis," *European Parliament*. October 2016: 1.

<sup>136</sup> *Ibid*, 3.

<sup>137</sup> *Ibid*, 5.

<sup>138</sup> *Ibid*.

<sup>139</sup> *Ibid*.

negotiations can go forward. These amendments to the Asylum Act are being reviewed by the Serbian parliament during the writing of this thesis.

Although Serbia does not have a recent history of rapid policy change in regard to asylum seekers, there are efforts being made by the Serbian government and governments of neighboring states to more effectively process asylum seekers and, in some cases, transfer them between borders. This highlights a major difference between Serbia and Croatia insofar as Croatia has greater capabilities in processing asylum seekers but stricter refugee policies while Serbia, struggling with national capacity to properly process asylum seekers, maintains an open borders policy. Serbia has a low level of rapid policy change, but none that has led to significant political instability stemming directly from the refugee crisis.

#### *Rule of Law in Serbia*

To study rule of law in Serbia both before and after the major influx of asylum seekers, I began in an earlier year than in the case of Croatia because the major influx of asylum seekers in Serbia occurred 1-2 years earlier than in Croatia. This is because large influxes of asylum seekers did not enter Croatia until the border between Serbia and Hungary was closed. In the 2012 WJP report, Serbia was awarded a score of 0.51 adherence to rule of law.<sup>140</sup> Serbia's major problem categories in this report included order and security and fundamental rights. In 2016, Serbia was awarded a score of 0.50.<sup>141</sup> Order and security remained the biggest

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<sup>140</sup> "Report 2012," *World Justice Project*, accessed October 2017. [https://worldjusticeproject.org/sites/default/files/documents/WJP\\_Index\\_Report\\_2012.pdf](https://worldjusticeproject.org/sites/default/files/documents/WJP_Index_Report_2012.pdf).

<sup>141</sup> "Rule of Law Index." *World Justice Project*.

obstacles to rule of law adherence, followed by fundamental rights, and open government. While fundamental rights improved slightly in the years since 2012, open government deteriorated somewhat in the years of these same years, which include the peak influx of the refugee crisis. Civil conflict under the broad category order and security is the most problematic, scoring a 1.0 in adherence to rule of law. This might indicate political instability if this represented a major deterioration in rule of law adherence since 2012, however this subcategory remains unchanged from the 2012 level.

According to Freedom House reports from both 2012 and 2016, corruption is a major problem in Serbia, including in the judiciary. However, measures taken in the early 2000s include an Anti-Corruption Council and an Anti-Corruption Agency. Although these are not new initiatives to combat corruption, they nonetheless play a critical role in Serbia's push to meet EU membership criteria. Despite these measures, the judiciary has also experienced major setbacks, including lengthy trials.<sup>142</sup> Citizens also have problems accessing Serbian courts and legislative processes because of "high fees and attorney costs, as well as due to the lack of uniformly available legal aid."<sup>143</sup> Transparency International claims that former Serbian prime minister and now president Aleksander Vucic has primarily led the fight against corruption. Before his time as prime minister, Vucic headed the largest party in the Serbian parliament and used this as a platform to initiate takedowns of

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<sup>142</sup> "Serbia 2016," *Freedom in the World*, accessed October 2017.

<https://freedomhouse.org/report/freedom-world/2016/serbia>.

<sup>143</sup> Ibid.

corrupt officials.<sup>144</sup> The problem, outlined by Transparency International, in Serbia's fight against corruption is the lack of a systematic approach to dealing with corruption on a large scale. EU oversight is generally considered a positive influence on Serbia's fight against corruption. However, measurements from international organizations have yet to see a notable difference in corruption practices since before the refugee crisis began.

Due to high levels of corruption, Serbia has seen little to no change in the strength of rule of law due to the refugee crisis.

### *Democracy in Serbia*

According to Freedom House's Freedom in the World index, Serbia's democracy scores did not change between 2012 and 2016. Serbia is categorized as a free country and has maintained a democracy score of 2.0 since the beginning of the refugee crisis.<sup>145</sup> However, under Freedom House's Nations in Transit index, Serbia was categorized as a semi-consolidated democracy both in 2012 and in 2016.<sup>146</sup> However, Serbia's Nations in Transit score has somewhat deteriorated since the beginning of the refugee crisis. While Serbia's score remained stagnant from 2012-2014 at 3.64/7, Serbia's 2015 score decreased to 3.68 due to a slight deterioration in independent media and decreased again in 2016 to 3.75 due to a slight deterioration

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<sup>144</sup> "Serbia: Hopefully a New Government Renews the Fight Against Corruption," *Transparency International*, published 21 March 2014. [https://www.transparency.org/news/feature/serbia\\_hopefully\\_a\\_new\\_government\\_renews\\_the\\_fight\\_against\\_corruption](https://www.transparency.org/news/feature/serbia_hopefully_a_new_government_renews_the_fight_against_corruption).

<sup>145</sup> "Serbia 2012," *Freedom in the World*, accessed October 2017. <https://freedomhouse.org/report/freedom-world/2012/serbia>.

<sup>146</sup> "Serbia 2017," *Freedom House Nations in Transit*, accessed October 2017. <https://freedomhouse.org/report/nations-transit/2017/serbia>.

in national democratic governance and independent media. Serbia's 2017 score is a 3.82/7, due to a prolonged election cycle election irregularities in the 2016 elections.<sup>147</sup> Although Serbia and Croatia are both categorized under this framework as semi-consolidated democracies, Serbia is currently categorized as less democratic than Croatia.

Thus, I have categorized Serbia as having a notable decrease in democracy that coincides with the refugee crisis. The decrease in Serbia's level of democracy is more likely to stem from the election irregularities in the 2016 elections, rather than the influx of asylum seekers.

### **Political Stability in Macedonia**

#### *Rapid Policy Change in Macedonia*

Out of the three case countries, Macedonia has been the most destabilized by the refugee crisis. Due to Macedonia's most recent problems with ethnic tensions, this is not unexpected. Macedonia has been unable to effectively handle the refugee crisis within its borders because of "weak and fragile institutions [and] a problematic rule of law and already in deep internal political crisis since 2014."<sup>148</sup> Macedonia did not have a cohesive and organized response to the refugee crisis either in its formal policy or in implementation.<sup>149</sup> A comprehensive overview of the crisis and Macedonia's response is given by the Netherlands Institute of International Relations by Aleksander Lj Spasov who delineates between three phases of the refugee crisis

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<sup>147</sup> "Serbia 2017," *Freedom House Nations in Transit*.

<sup>148</sup> Aleksander Lj Spasov, "A Macedonian Perspective on the Migration Crisis," *Clingendael Magazine*, published 17 November 2016.

<https://www.clingendael.org/publication/macedonian-perspective-migration-crisis>.

<sup>149</sup> *Ibid*.

in Macedonia. These phases are important in understanding rapid policy change in Macedonia.

At the beginning of the refugee crisis, asylum seekers were treated as illegal immigrants instead of as asylum seekers and were detained in horrible conditions in asylum centers that were evidently “never meant to be functional” based on the disrepair of the facilities.<sup>150</sup> Authorities did not know how they should deal with an influx of asylum seekers and this shows a weakness in policy, as well as in implementation of asylum policy in Macedonia. The second phase, explains Spasov, began when large numbers of asylum seekers were transported via train to Serbia and then further to EU countries.<sup>151</sup> This resulted in Macedonian authorities opening borders to asylum seekers but refusing to or simply unable to register them under proper procedures. Eventually, Frontex stepped in and aided Macedonian authorities in the registration process of asylum seekers. The last phase of Macedonia’s response to the refugee crisis began when, in 2015, a metal fence was constructed to close off borders and violent clashes broke out between police and army forces and asylum seekers.<sup>152</sup> These events were then used by right-wing populist officials as rhetoric to maintain the “European Christian world” by acting as a “gatekeeper.”<sup>153</sup> These hasty decisions to block asylum seekers from entering Macedonia through Greece indicate rapid policy shifts. One particular policy that led to unrest was the categorization of

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<sup>150</sup> Spasov.

<sup>151</sup> Ibid.

<sup>152</sup> Ibid.

<sup>153</sup> Ibid.

Afghan migrants as “economic migrants,” which disqualified them from seeking political asylum in Macedonia.<sup>154</sup>

Out of the three case countries, Macedonia has experienced the highest number of instances of rapid migration policy change, placing it in the medium category.

#### *Rule of Law in Macedonia*

Macedonia’s 2014 WJP score was recorded at a 0.58 adherence to rule of law.<sup>155</sup> Macedonia’s three weakest areas for adherence to rule of law in 2014 were order and security, fundamental rights, and open government. Like Serbia, Macedonia’s greatest weakness in rule of law adherence is civil conflict, scored at a 1.0. In 2016, Macedonia’s WJP score was 0.54 adherence to rule of law.<sup>156</sup> This is a slight increase in rule of law adherence since 2014. Both fundamental rights and open government improved over this period of time, while order and security remained largely the same.

According to Freedom House’s Freedom in the World index, Macedonia made great improvements in rule of law in the decade leading up to 2014. However, problems remained, such as the weak independence of the Constitutional Court and a lack of transparency in the judicial process.<sup>157</sup> Corruption has increased in the last three years in Macedonia, revealing a consistent deterioration in the rule of law. For

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<sup>154</sup> Liz Alderman, “Policy Shifts on Refugees Lead to Clashes Between Migrants and Police,” *New York Times*, published 23 February 2016.

<sup>155</sup> “Rule of Law Index 2014.” *World Justice Project*.

<sup>156</sup> *Ibid.*

<sup>157</sup> “Macedonia 2015,” *Freedom in the World*, accessed October 2017.

<https://freedomhouse.org/report/freedom-world/2015/macedonia>.



example, pardons for many criminals associated with the VMRO-DPMNE – the party in power – resulted in widespread protests in Macedonia and doubts about government claims against defendants and the fairness of trials arose in the wake of proceedings against suspected militants in a 2015 event.<sup>158</sup>

Because of Macedonia’s deterioration of rule of law in the last three years, Macedonia is categorized as having a notable decrease in the strength of rule of law.

#### *Democracy in Macedonia*

The refugee crisis “has had, at least in the short term, a mostly negative impact on Macedonia’s democratic development and European integration.”<sup>159</sup> This section substantiates this claim with evidence about Macedonia’s levels of democracy and the deterioration of democracy in the last five years. In 2012, Macedonia was given a democracy score of 3.89 by to Freedom House’s Nations in Transit index. This was a marked deterioration in democracy from previous years, due to a decrease in national democratic government and deterioration in independent media. Between 2013 and 2016, Macedonia saw large-scale deterioration in democratic freedoms, resulting in its being demoted from a semi-consolidated democracy to what Nations in Transit calls a “transitional government or hybrid regime” with a score of 4.43.<sup>160</sup> To understand Macedonia’s democratic recession in the last several years, politically motivated events are highlighted below.

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<sup>158</sup> “Macedonia 2017,” *Freedom in the World*, accessed October 2017.  
<https://freedomhouse.org/report/freedom-world/2017/macedonia>.

<sup>159</sup> Spasov.

<sup>160</sup> “Macedonia 2017,” *Freedom House Nations in Transit*, accessed October 2017.  
<https://freedomhouse.org/report/nations-transit/2017/macedonia>.

In 2015, Macedonia fell under a major government scandal, when it was revealed that the Macedonian government under Nikola Gruevski illegally recorded 670,000 conversations, exposing the “creaky democratic structure in Macedonia.”<sup>161</sup> This blatant abuse of power to control top officials under Gruevski’s administration reveals systematic corruption in Macedonia that infiltrated at least 20,000 people’s private lives.<sup>162</sup> This event led to widespread protests against the Gruevski government in May of 2015. Protestors sought the resignation of Nikola Gruevski in exchange for a new transition government. A bloody attack in the Macedonian parliament, led by the old nationalist government left many injured and convinced President Gjorge Ivanov to finally appoint Zoran Zaev as the new prime minister after two years of political conflict. A new transition government under Zaev and the social democrats came into fruition when he was allowed to piece together a government in 2017.<sup>163</sup>

This years long back-and-forth between the old nationalist government and the opposition coalition under the social democrats left Macedonia in a vulnerable position, with elections being postponed twice and uncertainty about potential concessions for the Albanian minority in Macedonia.<sup>164</sup> Presidential pardons granted by President Ivanov resulted in active civil society groups continuing to protest

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<sup>161</sup> Joanna Brendt, “Macedonia Government is Blamed for Wiretapping Scandal,” *New York Times*, published 21 June 2015. <https://www.nytimes.com/2015/06/22/world/europe/macedonia-government-is-blamed-for-wiretapping-scandal.html>.

<sup>162</sup> Ibid.

<sup>163</sup> Valerie Hopkins, “Change of guard atop ‘disastrous’ Balkan state,” *POLITICO*, published 27 July 2017, <https://www.politico.eu/article/zoran-zaev-macedonia-the-man-who-runs-most-disastrous-state-in-balkans/>.

<sup>164</sup> “Macedonia 2017,” *Freedom House Nations in Transit*.

pervasive corruption and a stagnant independent media, leading to politically biased news outlet in an extremely tense political climate.<sup>165</sup> According to Freedom House, Macedonia’s path to democracy looks promising under Zaev’s new government. The future of Macedonia will depend on this government’s ability to “implement systemic reforms for pressing problems.”<sup>166</sup>

Macedonia has seen a notable decrease in levels of democracy, revealing widespread institutional deficiencies in the Macedonian government. This decrease in levels of democracy is not a cause of the refugee crisis, rather it is a cause of the protracted political crisis that began in 2015 and lasted until the replacement of the Gruevski government in June of 2017.

### Conclusion

To conclude this chapter, I find that Croatia has experienced the least political instability, followed by Serbia, and then Macedonia.

*Table 1: Political Stability*

<b><i>Political Stability</i></b>	<b><i>Croatia</i></b>	<b><i>Serbia</i></b>	<b><i>Macedonia</i></b>
<i>Rapid change in policy</i>	<i>Very low</i>	<i>Low</i>	<i>Medium</i>
<i>Strength of rule of law</i>	<i>Little to no change</i>	<i>Little to no change</i>	<i>Notable decrease</i>
<i>Levels of democracy</i>	<i>Little to no change</i>	<i>Notable decrease</i>	<i>Notable decrease</i>

I speculate that this stems from a variety of factors, which include: EU membership status, election practices and results, and a turnover in government. Although Croatia

<sup>165</sup> “Macedonia 2017,” *Freedom House Nations in Transit*.

<sup>166</sup> *Ibid.*

has experienced some democratic backsliding and is still assessing the role played by corruption in the judiciary and in the elite, it has nonetheless maintained political stability overall because of its relationship to the EU and the ability for the EU to directly influence politics in the country. Similarly, Serbia's progression in the membership process for the EU means that Serbia is striving to meet EU requirements for accession and is, therefore, implementing policies that are in line with the EU *acquis communautaire*. I speculate that Macedonia is not likely to achieve membership status in the near future because it is further behind in the accession process and is, therefore, not as proactive about implementing policies in line with the EU *acquis communautaire*. Additionally, 2016 was an election year in both Serbia and Croatia. Under international observation, election years are prone to higher democracy scores. Perhaps in non-election years to come, Croatia and Serbia will have more consistent scores and not show signs of political instability.

Macedonia also experienced political turmoil distinct from the refugee crisis. Macedonia's political stability was first and foremost affected by the political crisis that lasted two years before the new government under Zaev came to power in 2017. For these reasons, it is difficult to identify what political stability, if any might have been caused by or correlate to the refugee crisis on a large scale. Based on this data, there is no direct evidence to suggest that the refugee crisis has been the major cause of political instability in the Western Balkans but has potentially exacerbated already existing factors of political instability.

## Chapter 3:

### Economic Stability in the Western Balkans

As discussed in the previous chapter, political factors are critical to understanding asylum policy and resulting levels of stability in transit countries. Economic factors also play a vital role, as states aim to provide appropriate goods and services to asylum seekers within their borders. According to a report in *The Independent*, refugee influxes are likely to have a positive effect on EU transit country economies due to the stimulus effects of increased state spending, an increase in GDP, lower budget deficits, and additional employment opportunities as skilled refugees enter the labor force.<sup>167</sup> However, short-term effects are more likely to be seen in vulnerable states. Economic instability can be caused by myriad factors and these factors can have different effects on countries with different initial economic levels, including government debt and deficits, income levels, economic growth, and the inward and outward flow of funding to transit countries to assist in accommodating large numbers of asylum seekers. These indicators are discussed below corresponding to the timeline of the refugee crisis in the Western Balkans.

#### Economic Stability in Croatia

##### *Government Deficits and Public Debt*

Croatia's economy has been a major political topic in the last few years in preparation for in the wake of the 2016 elections. The excessive deficit procedure

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<sup>167</sup> Jon Stone, "The refugee crisis is actually having 'sizable' economic benefits in European countries, EU says," *The Independent*, published 5 November 2015. <http://www.independent.co.uk/news/world/europe/the-refugee-crisis-will-actually-have-a-sizable-positive-economic-impact-on-european-countries-eu-a6722396.html>.

(EDP) is a corrective arm of the EU that seeks to “bring back member states’ budget deficits – the difference between government spending and government revenue – to below 3% of GDP and public debts to below 60% of GDP, in line with the Maastricht criteria.”<sup>168</sup> Croatia entered the EU’s EDP in January of 2014, when the country was pressured to cut its deficit to 2.7% in two years.<sup>169</sup> This process began just one year after Croatia joined the EU. Croatia succeeded by decreasing its deficit to 0.8% of GDP from 3.4% of GDP in 2015, a greater change than that required by the EU’s EDP.<sup>170</sup> Croatia’s public debt as measured in January 2017 was 83.8% of gross domestic product, which is a relatively high number in comparison to public debt in both Serbia and Macedonia but a lower number in public debt per capita.<sup>171</sup> This comes after the European Commission recommended Croatia be taken off the EDP due to positive results in the previous two years.

The fiscal impact of refugees “crucially depends on the characteristics of those arriving, of the capacity of transit countries to manage the flows and the

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<sup>168</sup> Maastricht Criteria are those requirements a state must meet to be considered for membership in the EU. “EC recommends Croatia’s exit from Excessive Deficit Procedure,” *Government of the Republic of Croatia*, published 22 May 2017. <https://vlada.gov.hr/news/ec-recommends-croatia-s-exit-from-excessive-deficit-procedure/20711>. And “Debt Vs. Deficits: What’s the Difference?” *Peter G. Peterson Foundation*. [https://www.pgpf.org/blog/2016/10/debt-vs-deficits-whats-the-difference?utm\\_source=google&utm\\_campaign=debtvdeficits&utm\\_medium=cpc&gclid=CjwKCAjwhOvPBRBxEiwAx2nhLre-dm9kX1VUyo0UaKjrNXtqFfLUIsAB1YPgNyNfVue8Y50GoekUIBoCjDIQAvD\\_BwE](https://www.pgpf.org/blog/2016/10/debt-vs-deficits-whats-the-difference?utm_source=google&utm_campaign=debtvdeficits&utm_medium=cpc&gclid=CjwKCAjwhOvPBRBxEiwAx2nhLre-dm9kX1VUyo0UaKjrNXtqFfLUIsAB1YPgNyNfVue8Y50GoekUIBoCjDIQAvD_BwE).

<sup>169</sup> “EC recommends Croatia’s exit.”

<sup>170</sup> *Ibid.*

<sup>171</sup> Reuters Staff, “Croatia wants to reduce public debt to 75 pct of GDP by 2019,” *Reuters*, published 26 January 2017, <http://www.reuters.com/article/croatia-debt/croatia-wants-to-reduce-public-debt-to-75-pct-of-gdp-by-end-of-2019-idUSL5N1FG2OE>.

capacity of destination countries to integrate those asylum seekers that are recognized as refugees.”<sup>172</sup> In the case of the Western Balkans, including in Croatia, an influx of an unprecedented number of asylum seekers does not necessarily result in any number of these asylum seekers being granted refugee status by the state. In most cases, asylum seekers do not remain in Croatia and those that do, often do so because destination countries elsewhere are hesitant to accept them. This is a defining characteristic of transit countries in the region and affects the governmental expenditure on both asylum seekers registration and processing and integration.

Croatia is the only case in this thesis that has been granted EU member status, which makes it unique as a transit country in the Western Balkans. Because the refugee crisis is a humanitarian crisis that affects many countries in the EU, as well as neighboring countries, the EU itself has committed to providing financial assistance to states totaling around 500 million euros.<sup>173</sup> This means that each resettled person would bring in a 10,000 euro grant, including to resettled persons within Croatian borders.<sup>174</sup> Although other stakeholders in the Croatian refugee crisis include non-governmental and international organizations, the most effective responders at the beginning of the crisis were “ordinary citizens and individual volunteers from all over Europe.”<sup>175</sup> Because of these non-governmental

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<sup>172</sup> “An Economic Take on the Refugee Crisis,” *European Commission Economic and Financial Affairs*, (2016): 7.

[https://ec.europa.eu/info/sites/info/files/file\\_import/ip033\\_en\\_2.pdf](https://ec.europa.eu/info/sites/info/files/file_import/ip033_en_2.pdf) .

<sup>173</sup> Vedran Pavlic, “Croatia to Accept Syrian Refugees from Turkey,” *Total Croatia News*, published 5 October 2017, <https://www.total-croatia-news.com/politics/22565-croatia-to-accept-hundreds-of-syrian-refugees-from-turkey>.

<sup>174</sup> Ibid.

<sup>175</sup> “Refugee Crisis in Croatia – Report.”

stakeholders, the entire burden of provisions for asylum seekers in Croatia did not fall on the Croatian government. However, there were several big expenditures related to asylum seekers, for which the Croatian government took responsibility. In addition to the establishment of three refugee camps, Opatovac, Tovarnik, and another larger camp in Slavonski Brod, Croatia agreed to pay 5.9 million euros to keep asylum seekers in Turkey as part of the EU-Turkey Deal.<sup>176</sup> Funds were also provided for the transportation of large numbers of asylum seekers between refugee centers in Slovenia, Serbia, and Croatia.<sup>177</sup>

Croatia as it stands alone is ultimately more financially stable than Serbia and Macedonia because of the help of the EU and its participation in various EU resettlement programs that aim to split the burden between EU member states. However, early in the refugee crisis, Croatia was scolded by the European Commission because it was one of twelve EU member states that had not yet paid any amount into the EU's refugee fund.<sup>178</sup> The lack of participation by a significant number of EU states in the common EU process has strained the EU and led to tensions between EU member states. Croatia's total incoming funding in 2015 was US \$203,163, most of which came from the United Nations Children's Fund and the

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<sup>176</sup> The EU-Turkey Deal operationalized the return of migrants from Greece back to Turkey for the exchange of settling Syrian refugees from Turkey in the EU. Zaid Hydaria, "Understanding the EU-Turkey Deal," *Huffpost*, accessed December 2017. [https://www.huffingtonpost.com/zaid-hydari/understanding-the-eu-turk\\_b\\_9661472.html](https://www.huffingtonpost.com/zaid-hydari/understanding-the-eu-turk_b_9661472.html).

Vedran Pavlic, "Croatia to Pay Turkey 5.9 Million Euros to Stop Refugees, Slovenia Returns 80 Migrants to Croatia," *Total Croatia News*, 4 February 2016. <https://www.total-croatia-news.com/politics/2355-croatia-to-pay-turkey-5-9-million-euros-to-stop-refugees-slovenia-returns-80-migrants-to-croatia>.

<sup>177</sup> Ibid.

<sup>178</sup> Ibid.



government of Croatia. Subsequently in 2016, Croatia received US \$1,075,614, most of which was used for Croatia's Migration Response Plan and other humanitarian assistance.<sup>179</sup> This expansion of external funding to Croatia represents an increase in funding in response to the exacerbation of the refugee crisis in the Western Balkans.

Croatia has seen significant improvement in its deficit levels, but has also seen higher levels of government debt. This does not indicate that Croatia is economically unstable. High levels of government debt are accumulated over time and may, in the future, reveal effects from transit migration. These numbers are indicative of the temporal nature of both: public deficit sees greater short-term change than government debt. The suggestion that Croatia be taken off the EDP also indicates that experts believe that Croatia's economy is continuing to grow and deficits are decreasing. These changes came about from increases in Croatia's tourism industry, accelerated private consumption, and a rebound of investment.<sup>180</sup>

Croatia is classified as having a notable increase in public debt and a notable decrease in government deficits.

#### *Income and Economic Growth*

Prior to acceding to the EU in 2013, Croatia experienced a six-year protracted recession that left its economy stunted at crisis levels.<sup>181</sup> Croatia's economy returned to growth in 2015 amid the peak of the influx of asylum seekers into the country. In 2016, Croatia's economy grew by 3%, due to high levels of tourism, increased

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<sup>179</sup> "Croatia 2016," *Financial Tracking Service*, accessed 6 November 2017. <https://fts.unocha.org/countries/56/flows/2016>.

<sup>180</sup> "The World Bank in Croatia," *The World Bank Group*, accessed 2 November 2017, <http://www.worldbank.org/en/country/croatia/overview>.

<sup>181</sup> *Ibid.*

industrial production, and construction, an unexpected development despite some of the burdens of the refugee crisis in the Western Balkans and a new election cycle.<sup>182</sup> This is the highest growth that the country has seen since the beginning of the refugee crisis. These levels of growth are intimately connected with Croatia's relationship to the EU, as accession has not only resulted in more robust political and economic stability, but also access to the EU's internal market.<sup>183</sup>

In the years of the refugee crisis, Croatia experienced a notable increase in income and economic growth, improving the state's economy amid concerns about increasing numbers of asylum seekers in Croatia. This reveals that economies can improve, even in countries experiencing a humanitarian crisis. This, however, does not indicate the norm for all states.

#### *Additional Economic Attributes*

In addition to Croatia's economic factors listed above, the European Commission recognized "macroeconomic imbalances" of some concern that the commission aims to analyze in the foreseeable future through a National Reform Programme whose work is only possible through a stable political system.<sup>184</sup> These include high levels of youth unemployment and population shrinkage, and outdated public services, the judiciary, and state-owned enterprises. Because of the political conditions prior to the 2016 elections in Croatia, the National Reform Programme could not implement economic reforms necessary to stabilize Croatia's finances. The

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<sup>182</sup> "The World Bank in Croatia."

<sup>183</sup> Ibid.

<sup>184</sup> Vedran Pavlic, "Croatia Hopes to Leave EU's Excessive Deficit Procedure," *Total Croatia News*, published 27 January 2017. <https://www.total-croatia-news.com/business/16183-croatia-hopes-to-leave-eu-s-excessive-deficit-procedure>.

new government that took power in 2016 opened the door for both political and economic reforms through this program. As mentioned above, it is critical for Croatia to first establish political stability in order to implement some of the economic reforms that will prolong the growth trend that we have seen the last two years. Croatia's labor force participation could be increased if asylum seekers are granted refugee status and integrated into the work force.

Because economic conditions are largely affected by codification and implementation of legislation, advances in technology, and increased physical and social capital to name a few, it is vital to all the national economies discussed in this section that the country has evolved and established robust and effective institutions to implement economic policy. Croatia has seen a relatively successful transition to democracy after the fall of Yugoslavia and boasts higher levels of democratic freedoms than the other two countries in this study. Therefore, it is logical to conclude that Croatia's levels of economic stability in the midst of the refugee crisis are greater than in the two countries with lower levels of political stability and less-developed economies.

### **Economic Stability in Serbia**

#### *Government Deficits and Public Debt*

In 2014, the Serbian government introduced a fiscal consolidation program, which has decreased public deficits, increased revenues, and introduced wage and pension reforms.<sup>185</sup> These measures were undertaken in response to structural

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<sup>185</sup> "The World Bank in Serbia: Country Snapshot," *World Bank*, accessed 5 November 2016 <http://pubdocs.worldbank.org/en/181911507209830396/Serbia-Snapshot-Fall2017.pdf>.

reforms aimed at contributing to Serbia's EU accession process. In 2016, Serbia's deficit was only 1.4% of GDP, a major decrease from 6.6% of GDP only two years prior.<sup>186</sup> Then, in 2016, the World Bank Group established a Country Partnership Framework to be implemented between 2016-2020, which includes: restoring fiscal and macroeconomic stability, creating conditions for accelerated private sector growth and job creation, improving infrastructure, and strengthening public sector management and service delivery to citizens.<sup>187</sup>

Serbia's national debt consistently increased from 2008 until 2015, at its height reaching 74.7% of the country's GDP in 2015.<sup>188</sup> Relative to national debt in many major powers countries, this number is quite small. In 2016, the national debt decreased slightly to 72.9% of GDP, perhaps indicating the beginning of a trend of decreasing Serbia's national debt.<sup>189</sup> A major contributor to Serbia's national debt is the debt incurred by Kosovo and assumed by Serbia because of its refusal to recognize Kosovo's independence proclaimed in 2008.<sup>190</sup> After a brief hiatus during the Balkan Wars, Serbia resumed paying Kosovo's foreign debt in 2001, which is a heavy burden for a state to assume, especially as Kosovo's foreign debt continues to grow as well.<sup>191</sup>

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<sup>186</sup> "The World Bank in Serbia."

<sup>187</sup> Ibid.

<sup>188</sup> "Serbia Government Debt to GDP," *Trading Economics*, accessed November 2017 <https://tradingeconomics.com/serbia/government-debt-to-gdp>.

<sup>189</sup> Ibid.

<sup>190</sup> Filip Rudic, "Serbia Pays Off Kosovo's Billion Dollar Debt," *Balkan Insight*, 12 July 2017, <http://www.balkaninsight.com/en/article/serbia-covers-kosovo-s-billion-euro-debt-07-11-2017>.

<sup>191</sup> Ibid.

As of June 2017, the EU has given Serbia \$55 million to help with refugee processing and integration programs.<sup>192</sup> Additional funding has been provided by external governments and aid organizations. The government of Germany has contributed significantly to Serbia's refugee fund, as well as the European Commission and the United Nations.<sup>193</sup> Supplies also continuously flow into Serbia such as blankets, sleeping bags, mattresses, beds, and heaters, especially peaking in early 2017 when many asylum seekers were stranded in freezing temperatures on the Serbian border.<sup>194</sup> In 2016, funding flowing into Serbia exceeded US \$28 million, a massive gap compared to the funding received by Croatia in the same year.<sup>195</sup> I speculate that Serbia received more financial assistance during the refugee crisis than Croatia because of its lack of EU membership status. This status has provided Croatia with external funding for asylum seekers and a stable platform for financial processes to accommodate refugees, whereas Serbia has not received the same benefits.

Serbia's national debt has increased since 2008 and then stabilized in 2015 and 2016. Overall, Serbia's debt saw a notable increase, while Serbia's government deficits saw a notable decrease. Like the state of Croatia, Serbia's increase in debt is

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<sup>192</sup> Zorica Loncar, "Some refugees in Serbia fear government help would limit freedom" *USA Today*, 19 June 2017.

<https://www.usatoday.com/story/news/world/2017/06/19/refugees-serbia-government-help/102866300/>.

<sup>193</sup> "Serbia 2017," *Financial Tracking Service*, accessed November 2017, <https://fts.unocha.org/countries/198/flows/2017>.

<sup>194</sup> Radomir Ralev, "Serbia gets further EU funding to improve conditions in refugee centres," *SeeNews*, 23 January 2017, <https://seenews.com/news/serbia-gets-further-eu-funding-to-improve-conditions-in-refugee-centres-555272>.

<sup>195</sup> "Serbia 2016," *Financial Tracking Service*, accessed November 2017, <https://fts.unocha.org/countries/198/flows/2016>.

not attributable to the refugee crisis, as much of Serbia's debt increase stemmed from the assumption of Kosovo's debt. Serbia's national debt related to Kosovo's debt increased because Kosovo's national debt also increased in the years of interest.

### *Income and Economic Growth*

In the big picture, Serbia's economy has continued to improve since the end of the global economic recession and the beginning of the refugee crisis. Through the various measures undertaken by the Serbian government in partnership with the World Bank, Serbia's economy grew 2.8% in 2016, but stagnated in early 2017 because of a "decline in agricultural output."<sup>196</sup> The outlook for Serbia's economy for the next few years includes annual growth, a decline in unemployment, and a decline in poverty due to rising investment, the result of more favorable and less risky conditions for investors.<sup>197</sup> Much of this success has to do with implementation of recommendations and projects developed by exogenous actors, including the World Bank Group and the EU. According to the World Bank Group, medium-term – the next 2-3 years – outlooks predict 3-4% growth rates in GDP.<sup>198</sup> As the result of a major drought in Serbia, agricultural output will continue to decrease in the short-term, but important governmental measures, such as an energy bill discount program and efforts to stimulate the private sector by improving the investment climate will aid in Serbia's annual growth, reduction in poverty, and overall economic improvement in the next several years.<sup>199</sup>

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<sup>196</sup> "Serbia 2016." *Financial Tracking Service*.

<sup>197</sup> *Ibid.*

<sup>198</sup> *Ibid.*

<sup>199</sup> *Ibid.*

Based on these statistics, Serbia has seen notable economic growth that is not attributable to the refugee crisis.

#### *Additional Economic Attributes*

In addition to the characteristics listed above, Serbia's more positive response to a major influx of asylum seekers has been encouraging to non-governmental actors who wish to somehow provide funding and other assistance to help asylum seekers in vulnerable conditions. While Croatia's economy is ultimately more stable than that of Serbia, due in part to Croatia's EU membership status, Serbia received much more foreign assistance to be used to accommodate increasing numbers of asylum seekers, making it possible for the Serbian government to maintain pre-crisis levels of economic stability.

### **Economic Stability in Macedonia**

#### *Government Deficits and Public Debt*

Macedonia's public debt has steadily increased from 24.07% of GDP in 2010 to 47.7% of GDP in 2016 and has thereafter remained relatively stable.<sup>200</sup> Although these numbers seem small compared with the public debt of both Serbia and Croatia, Macedonia has the highest debt per capita of all three countries.<sup>201</sup> The least politically stable of the three case countries, Macedonia has not had effective

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<sup>200</sup> "The World Bank in FYR Macedonia: Country Snapshot," *World Bank*, accessed November 2017, <http://pubdocs.worldbank.org/en/968531507139864452/Macedonia-Snapshot-Update-Fall2017.pdf> and "Macedonia (FYR): national debt from 2010 to 2021 in relation to gross domestic product (GDP)," *Statista*, accessed November 2017. <https://www.statista.com/statistics/427225/national-debt-of-macedonia-fyr-in-relation-to-gross-domestic-product-gdp/>.

<sup>201</sup> "Republic of Macedonia national debt goes up," *Country Economy*, accessed November 2017. <https://countryeconomy.com/national-debt/macedonia>.

institutions to implement beneficial economic policy. The new government that took power in 2017 has created a more positive climate for investment and could potentially signal an upward slope in Macedonia's economic situation, however it is too early in the new government's term to tell what the long-term impacts of the Zaev administration will be.

According to the World Bank snapshot of Macedonia updated in October 2017, the fiscal deficit, as well as the national public debt are expected to rise in the next two years before falling again after initial shocks have abated and the political crisis has been entirely resolved under the new government.<sup>202</sup> Overall, Macedonia's economy has showed some resilience through the shocks of the political crisis and the uncertainties of the refugee crisis. Although Macedonia saw high numbers of asylum seekers enter its borders in the years of the refugee crisis, the country had a much greater issue in the infrastructure of its national government that led to economic instability, including in the form of exacerbated debt and government deficits due to a major influx of funding coming into Macedonia both to assist with refugees and the political crisis. This instability was certainly exacerbated by the refugee crisis but secondary to ineffective institutions more generally and great political uncertainty.

Macedonia received major funding from external actors during the first two years of the refugee crisis, with a hefty amount of assistance in 2016 totaling US \$45,313,406.<sup>203</sup> This was a three-fold increase from the funding Macedonia received

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<sup>202</sup> "Republic of Macedonia national debt goes up."

<sup>203</sup> "Macedonia, The Former Yugoslav Republic of: 2015," *Financial Tracking Service*, accessed November 2017, <https://fts.unocha.org/countries/132/flows/US>.



in 2015. Already in 2017, Macedonia has received over US \$1 million in aid.<sup>204</sup> Similar to aid flowing into Croatia and Serbia in these years, most of Macedonia's funding was aimed at assisting the country in response to the refugee crisis. As a non-EU member state, Macedonia, like Serbia received greater assistance than Croatia. Because of Macedonia's political and economic instability, the country's capacity to respond to the refugee crisis was much lower than that of the other two cases in this project. For these reasons, Macedonia required much more aid in order to effectively and appropriately respond to the refugee crisis and also received funding from external actors to deal with a corruption scandal and the complete turnover of the Macedonian government that took place this year.

Macedonia's debt and deficit levels have taken a hit in the last several years, due to the protracted political crisis and major deficiencies in the government. Macedonia is classified as having a notable increase in both public debt and government deficits.

### *Income and Economic Growth*

Following Macedonia's lengthy political crisis from 2014-2017, the warring political parties settled on the Przino Agreement, which includes procedures to affect economic growth, job creation, fair taxation, support to small and medium enterprises, and reform of social protection of the most vulnerable.<sup>205</sup> This has been a positive move for Macedonia in getting its economy back on track after the

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<sup>204</sup> "Macedonia, The Former Yugoslav Republic of: 2017," *Financial Tracking Service*, accessed November 2017, <https://fts.unocha.org/countries/132/flows/2017>.

<sup>205</sup> "The World Bank in FYR Macedonia," *World Bank*, accessed November 2017, <http://www.worldbank.org/en/country/macedonia/overview>.

uncertainty caused by intense political instability. Economic growth in Macedonia took a hit in the years of the political crisis, first slowing and then turning negative in the first half of 2017 because of high risk to investments secondary to the uncertain political climate.<sup>206</sup> However, a new, more stable government took power in June 2017, increasing confidence in investment and leading experts to believe that the Macedonian economy should recover by the end of this year.

Although Macedonia has seen some economic shrinkage at the beginning of this year, its economic stagnation classifies it as seeing little to no change in the size of its economy and its levels of income.

### Conclusion

Economic stability is grossly intertwined with political stability, as we see through the data provided to measure economic stability in the three case countries. Because of this connection, political instability often occurs in tandem with economic instability and vice versa. Therefore, the countries that have experienced political instability through a change in government, rapid changes in refugee policy, and/or low levels of democracy and rule of law will be the most likely to experience economic instability as well.

*Table 2: Economic Stability*

<b><i>Economic Stability</i></b>	<b><i>Croatia</i></b>	<b><i>Serbia</i></b>	<b><i>Macedonia</i></b>
<i>Public debt</i>	<i>Notable increase</i>	<i>Notable increase</i>	<i>Notable increase</i>
<i>Government deficits</i>	<i>Notable decrease</i>	<i>Notable decrease</i>	<i>Notable increase</i>
<i>Economic growth and income levels</i>	<i>Notable growth</i>	<i>Notable growth</i>	<i>Economic stagnation</i>

<sup>206</sup> “The World Bank in FYR Macedonia.”

Croatia's economy is the most stable because of its established and robust democracy. In stark contrast, Macedonia has yet to transition fully to a free democracy and the nature of the hybrid regime that has existed in the last few years in Macedonia has led to political instability and, therefore, a hostile climate for investors and overall economic instability. Serbia is a good example of a country that has maintained relative stability in both the political and economic spheres, in part due to the potential for EU accession and the assistance of external governments and other non-governmental organizations that have provided funding for the humanitarian crisis that is taking place within the broader refugee crisis.

While the refugee crisis has led to major changes in transit countries' economies, it is difficult to tell whether economic instability has stemmed directly from refugee influx. In all cases, there are confounding factors that have caused great political instability and have, therefore, impacted economic characteristics. Additionally, the international community has shown that it will provide funding in dire circumstances, including in Serbia and Macedonia where the need for funding was exacerbated by a greater influx of asylum seekers and lower initial levels of economic stability in development. External aid is extremely important in both Serbia and Macedonia because of their high numbers of refugees per capita relative to Croatia. These traits are indicative of the effects that the refugee crisis has had on transit country economies, however are inconclusive in pointing to a correlation between the refugee crisis and increased economic instability.

## Chapter 4:

### Social Stability in the Western Balkans

The Western Balkans have a long history of social tensions, primarily based on ethnicity and religion. Minority populations in each of the former Yugoslav countries typically experience discrimination or underrepresentation as populations adapt to relatively new conditions and some political and economic instability. An influx of asylum seekers from MENA countries might be a reason for growing social instability in the Western Balkans, as these countries are still dealing with ethnic tensions left over from the Balkan Wars that plagued the region. This section discusses social instability and use the indicators provided in the first chapter to determine whether there is enough evidence to believe that refugee populations lead to increased social instability in transit countries.

#### Social Stability in Croatia

As a country with a history of positive relations with the Muslim community and one of only four EU member states that legally recognizes Islam as an official religion, Croatia's attitude toward the native Muslim and migrant communities has been largely friendly. In 2015, the number of Muslims in Croatia was recorded at 66,973 or 1.5% of the country's population.<sup>207</sup> The number of asylum seekers entering Croatia peaked in 2015. Reports indicate that there was a significant change in attitudes toward migration into Croatia following this peak. From the beginning of

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<sup>207</sup> Yasir Malik, "Muslim-friendly tourism growing in Croatia's \$10 billion travel market," *Global Islamic Economic Gateway*, published 8 May 2016. [https://www.salaamgateway.com/en/story/muslimfriendly\\_tourism\\_growing\\_in\\_croatias\\_10\\_billion\\_travel\\_market-SALAAM08052016071933/](https://www.salaamgateway.com/en/story/muslimfriendly_tourism_growing_in_croatias_10_billion_travel_market-SALAAM08052016071933/).

2015 until the end of 2015, survey results on migration revealed a rise in negative feelings toward migration by 10%.<sup>208</sup> This statistic is indicative of broad feelings toward migrants amid the refugee crisis and the major influx of asylum seekers into the Western Balkans. Here I discuss what major factors play a role in increased negative feelings toward migrants in Croatia.

### *Ethnic Violence*

Prior to the refugee crisis, Croatia's primary human rights issue was reported as violence against minority communities, mostly against the Roma and Serb populations in Croatia. However, the refugee crisis has incited renewed violence, especially against asylum seekers trying to cross Croatia's border. While much of the violence occurred in the last year when law enforcement officials clashed with large numbers of asylum seekers at the Croatian-Serbian border, there is a broader, more internalized attitude toward migrants, especially from Muslim-majority countries prevalent in Croatian society. A 2015 report on the country's levels of Islamophobia shows that Islamophobia rose in part due to the refugee crisis and instability in the Middle East.<sup>209</sup> With a rise in Islamophobia in the country, there were increased reports of hate crimes based on racism and xenophobia, especially perpetrated by law enforcement officials seeking to protect Croatian borders.

The Organization for Security and Cooperation in Europe (OSCE) has developed a hate crime reporting database through its Office for Democratic

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<sup>208</sup> Vedran Obucina, "Islamophobia in Croatia: National Report 2015," *Islamophobia in Europe*, accessed 7 November 2017: 99.  
[http://www.islamophobiaeurope.com/reports/2015/en/EIR\\_2015\\_CROATIA.pdf](http://www.islamophobiaeurope.com/reports/2015/en/EIR_2015_CROATIA.pdf).

<sup>209</sup> *Ibid*, 99.

Institutions and Human Rights (ODIHR) that seeks to reduce the number of hate crimes and increase national reporting on hate crimes in participating states of the OSCE. This platform has produced reports on hate crimes in participating states since 2011 and some reports have categorized hate crimes by bias motivation. With the greatest number of hate crimes due to xenophobia and racism in Croatia recorded in 2013 at 30, hate crimes motivated by these biases have since decreased. In 2014, 17 of the 22 reported hate crimes were motivated by racism and xenophobia, while in 2015, 15 of the 24 reported hate crimes in Croatia were motivated by racism and xenophobia.<sup>210</sup> Judged purely on this data, it might be assumed that hate crimes generally have decreased, as well as the proportion of crimes that are motivated by xenophobia and racism. Additional figures, however, suggest that the population of asylum seekers decreased in the same years due to closures along the Western Balkans migration route. For example, in 2014, 229 persons applied for asylum in Croatia, a significant decrease from the 721 persons who applied for asylum in the same period in 2013.<sup>211</sup> A decrease in hate crimes due to racism and xenophobia corresponded to a decrease in asylum seekers entering the country.

This does not indicate that ethnic violence has decreased because of a decrease in racism and xenophobia. There are confounding factors that might impact why ethnic violence in the form of hate crimes has decreased, including because of measures taken by the international community through the OSCE to strengthen

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<sup>210</sup> “Croatia: Official Country Information: 2015,” *OSCE ODIHR Hate Crime Reporting*, accessed November 2017. <http://hatecrime.osce.org/croatia>.

<sup>211</sup> “Croatia 2014 Human Rights Report,” *US Department of State*, accessed November 2017. <https://www.state.gov/documents/organization/236722.pdf>.

cooperation between the authorities in Croatia and the OSCE's ODIHR to prosecute hate crimes more effectively. It is also true that the year 2013, in which the most hate crimes were recorded in Croatia in recent history marked the year that an influx of asylum seekers began using the Western Balkans route to attempt to enter the EU. Because this was a relatively new phenomenon, Croatia did not have stable institutions to implement policy in response to huge numbers of asylum seekers. With help from the EU, EC, and other international organizations, Croatia was able to amend and implement policy and provide "adequate" conditions for asylum seekers as of an Amnesty International report in 2016.<sup>212</sup> These statistics show the progression of Croatia's response to the refugee crisis. While the beginning of the crisis shortly after the Arab Spring in 2011 showed an increase in ethnic violence due to racism and xenophobia, ethnic violence continued to decrease as the refugee crisis progressed and the Croatian government, in tandem with neighboring governments and the EU controlled the influx of asylum seekers, keeping ethnic violence at a low level.

Because Croatia has seen a slight fluctuation in both directions of levels of ethnic violence, it is unclear that the refugee crisis has had any impact on levels of ethnic violence in Croatia. Therefore, Croatia is classified as having seen little to no change.

#### *Ethno-Nationalist Discourse*

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<sup>212</sup> "Croatia 2016/2017," *Amnesty International*, accessed October 2017. <https://www.amnesty.org/en/countries/europe-and-central-asia/croatia/report-croatia/>.

Migrants became a major discussion point, as right-wing political parties “expressed rising Islamophobic standpoints, using the migration flow as a threat against local traditions, customs, and way of life.”<sup>213</sup> Ladislav Ilcic, president of the right-wing Hrast party and member of the Patriotic Coalition “made several strong Islamophobic statements in the course of discussions over the government formation” in 2015.<sup>214</sup> In response to comments made by right-wing politicians like Ilcic, the media became heavily involved. Ivica Sola is a conservative commentator who defended Ilcic’s standpoints and expressed concern over the term “Islamophobia” while controversially criticizing the Qur’an and Islamic law.<sup>215</sup> While Islamophobic discourse is not inherently ethno-nationalist, it is the case in Croatia that right-wing parties have in the last several years produced statements that elevate “typical Croatian” qualities over perceived contradictory qualities of Muslims. For example, Ilcic explained that Muslims have “weaker work ethics” which could damage the culture and reputation of Croatian workers in the country.<sup>216</sup>

In addition to this kind of ethno-nationalist discourse related to public policy, the media has also played a defining role in the rise of Islamophobia in Croatia through the use of ethno-nationalist rhetoric. Problems with media coverage of Islam in particular include the “risk of different understandings, misinterpretations and misuses,” which can “provoke a deeper divide between cultures and civilizations.”<sup>217</sup> Terms related to Islam such as “jihadists” and “Islamist militants” are often

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<sup>213</sup> Obucina, 99.

<sup>214</sup> Ibid, 102.

<sup>215</sup> Ibid.

<sup>216</sup> Ibid, 103.

<sup>217</sup> Ibid, 106.



improperly used in the media and promote Islamophobic ideals to the public.<sup>218</sup> Sensationalism both in political circles and in the media has led to increased Islamophobia and Croatian ethno-nationalism in public discourse without due cause.

Based on this data, Croatia is seen as having a notable increase in ethno-nationalist discourse. This is partially attributable to the refugee crisis, as much of the discourse is directed toward the Muslim population entering Croatia's borders.

### *Transnational Conflict*

While many of the indicators of social instability take place within the country, there are some transnational conflicts that affect social stability in Croatia. Since the beginning of the refugee crisis, many of these conflicts are centered around border conflicts with neighboring states. While Croatia and Serbia warred against one another in the 1990s, relations between the two countries had been relatively peaceful until renewed conflict resulted from disagreements regarding the refugee crisis. A "tit-for-tat" exchange came when Croatia closed its borders to all trucks with Serbian registrations.<sup>219</sup> Thereafter, Serbia "banned cargo traffic from Croatia" which then caused Croatia to retaliate by blocking entry to Croatia for all vehicles with Serbian license plates.<sup>220</sup> Many experts and reporters have compared these tensions between Croatia and Serbia with the unstable relations between the two countries in the early 1990s.

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<sup>218</sup> Obucina, 106.

<sup>219</sup> Valerie Hopkins, "Out of the Frying Pan, Into the Balkans," *Foreign Policy*, 1 October 2015, <http://foreignpolicy.com/2015/10/01/frying-pan-balkans-syria-refugees-stuck-croatia-serbia-tension/>.

<sup>220</sup> Ibid.

A second external conflict Croatia has been dealing with in 2017 is a border dispute between Croatia and Slovenia. A judgment earlier this year “handed Slovenia the vast majority of the Bay of Piran and set up a special corridor to give the country access to the high seas via Croatian waters.”<sup>221</sup> Croatia has since refused to recognize this ruling, accusing Slovenia of meddling in the judgment.<sup>222</sup> Although it is not expected that this conflict will lead to violence between the two countries, it has still provoked diplomatic tensions and strained relations between the two countries.

These transnational border conflicts are direct results of the refugee crisis and the influx of asylum seekers into the Western Balkan states. This classifies Croatia as having seen a notable increase in transnational conflicts that is attributable to the refugee crisis.

### **Social Stability in Serbia**

In the 21<sup>st</sup> century, Serbia continues to suffer from scars left by the Balkan wars in the early 1990s. However, it is clear that Serbia’s status as a candidate country for EU accession has increased awareness of Islamophobia and the rights of asylum seekers and resulted mostly in positive feedback from the international community. According to a report on Islamophobia published in 2015, “although political officials acted in accordance with democratic principles and Serbia has received acclaim from the international community, it is nearly impossible for a

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<sup>221</sup> Nikolaj Nielsen, “Croatia ignores ruling on Slovenia border dispute,” *EUObserver*, 30 June 2017, <https://euobserver.com/justice/138398>.

<sup>222</sup> *Ibid.*

tragedy of this magnitude to pass without incident.”<sup>223</sup> Although Serbia has been lauded by the international community for effectively and appropriately responding to the refugee crisis, there are still instances of ethnic violence, hate speech against minority groups, and transnational conflict between Serbia and neighboring states in direct correlation with the refugee crisis.

### *Ethnic Violence*

Like Croatia, ethnic violence in Serbia has historically affected the Roma population and other ethnic minorities rather than religious minorities. These issues have not been solved, evident in a case in 2015 when a Romani organization was attacked by non-Roma perpetrators.<sup>224</sup> However, ethnic violence against other groups continues to occur, despite the peacekeeping initiatives and development strategies that have been implemented in partnership with the EU. Incidents include ethnically charged tensions between Serbs and Hungarians in the autonomous region of Vojvodina, tensions between Serbs and Albanians in the autonomous region of Kosovo, and tensions between Bosnian Muslims and Serbs in several regions in Serbia.<sup>225</sup>

While Croatian officials have practiced effective reporting to OSCE’s ODIHR on hate crimes, the Serbian government has placed less emphasis on

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<sup>223</sup> Bojan Perovic, “Islamophobia in Serbia National Report 2015,” *Islamophobia in Europe*, accessed November 2017.

[http://www.islamophobiaeurope.com/reports/2015/en/EIR\\_2015\\_SERBIA.pdf](http://www.islamophobiaeurope.com/reports/2015/en/EIR_2015_SERBIA.pdf).

<sup>224</sup> “World Report 2016 Serbia,” *Human Rights Watch*, accessed November 2017.

<https://www.hrw.org/world-report/2015/country-chapters/serbia/kosovo>.

<sup>225</sup> SeConS, “Serbia Chronicle 2 – Ethnic tensions in Serbia,” *Citizens Network for Peace, Reconciliation and Human Security*, accessed November 2017.

[http://cn4hs.org/wp-content/uploads/2015/07/Serbia\\_2\\_Ethnic-tensions-in-Serbia.pdf](http://cn4hs.org/wp-content/uploads/2015/07/Serbia_2_Ethnic-tensions-in-Serbia.pdf).

reporting hate crimes and, therefore, many of the statistics in the ODIHR database have been reported by civil society. This results in fewer statistics on ethnic violence and hate crimes in Serbia that are publicly available. Nonetheless, the statistics we do have show a much bigger number of hate crimes in Serbia than in Croatia. These are reported largely without identifying them by their motivational biases. In 2015, Serbia's ODIHR report included evidence that a majority of hate crimes perpetrated were based on racist and xenophobic attitudes.<sup>226</sup> Additionally, an Oxfam report has concluded that some of the most egregious actions taken against refugees have been in Serbia and Macedonia.<sup>227</sup> In response to these hate crimes, the United Nations High Commissioner on Refugees (UNHCR) conducted eight training sessions for representatives of local municipalities on the subject of internally displaced persons (IDPs) which included addressing hate crimes in communities.<sup>228</sup>

Serbia has seen a notable increase in ethnic violence, attributable to the refugee crisis, as hate crimes based on Islamophobia and xenophobia are on the rise.

### *Ethno-Nationalism*

While Serbia has a long history of Islamophobia and Islamophobic attacks, one European report claims that the potential for EU accession has positively impacted Serbia's relationship to the Muslim population within its borders.<sup>229</sup>

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<sup>226</sup> "Serbia: Official country information," *OSCE ODIHR Hate Crime Reporting*, accessed November 2017, <http://hatecrime.osce.org/serbia?year=2015>.

<sup>227</sup> Rachel Roberts, "European border forces 'frequently abuse' refugees and migrants, report finds," *The Independent*, 6 April 2017. <http://www.independent.co.uk/news/world/western-border-forces-abuse-migrants-refugee-crisis-serbia-macedonia-hungary-asylum-seekers-a7671201.html>.

<sup>228</sup> "Serbia: Official country information."

<sup>229</sup> Pedrovic, 447.

Contrary to the political parties in Croatia, the largest political parties in Serbia did not use Islamophobia in political rhetoric during 2015, indicating a public acceptance of religious differences and negative responses to the same fear-mongering used in politics in Croatia. This is a result of Serbia's history of ethno-nationalism and its suppression of ethno-nationalist sentiments to achieve EU membership. Nonetheless, in the European Report on Islamophobia, Serbia was cited to have underrepresentation of Bosnian Muslims in local administration, the judiciary, and the police.<sup>230</sup>

Amid Serbia's financial crisis in 2014, austerity measures and high unemployment resulted in a resurgence of ultra-nationalist parties in the Serbian government. A "Greater Serbia" ideology still remains in parties such as the Serbian Radical Party, which has become the third biggest party in the Serbian parliament as of 2016.<sup>231</sup> This view includes integrating parts of Bosnia and Croatia with Serb majorities into Serbia to form a bigger and "greater" Serbia. This rise in populism is indicative of rising levels of ethno-nationalism in response to national crisis. However, there is no evidence to support the idea that this ethno-nationalism is directly a result of the refugee crisis.

According to the data above, the 2016 Serbian elections have shown low levels of ethno-nationalist rhetoric in comparison to Croatia. Therefore, Serbia is classified as having seen little to no change in levels of ethno-nationalist discourse.

### *Transnational Conflicts*

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<sup>230</sup> Pedrovic, 447.

<sup>231</sup> Guy Delaney, "Serbia elections: Radical Seselj back in Parliament," *BBC*, 25 April 2016. <http://www.bbc.com/news/world-europe-36128489>.

Serbia's greatest conflicts include the "tit-for-tat" exchanges with Croatia explained above and an ongoing feud with Kosovo regarding the recognition of its status as an independent state. Kosovo, a country with an Albanian majority, declared independence from Serbia in 2008. However, this independence is not recognized by Russia and many other states, including by Serbia itself. This conflict has somewhat ebbed with an EU-brokered deal between Kosovo and Serbia that was implemented in October of 2017. Prior to the implementation of this deal, there were many protests by Kosovans who feared that Serbs in the country would be given more power through a deal with Serbia and the EU. Although this conflict is separate from the refugee crisis in Serbia, it nonetheless has contributed to social instability in Serbia.<sup>232</sup>

Serbia and Croatia have experienced border conflicts primarily with one another. Serbia has seen a notable increase in transnational conflicts, like Croatia.

### **Social Stability in Macedonia**

Out of the three cases, Macedonia has experienced the highest levels of social instability during the years of the refugee crisis. Macedonian officials have been the most violent toward asylum seekers, using tear gas and stun grenades to forcibly push refugees back across their borders.<sup>233</sup> Macedonia also has a long history of ethnic tensions with the Albanian minority in the country which has often resulted in

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<sup>232</sup> "Kosovo protestors clash with police over Serbia deal," *Al Jazeera*, published 9 January 2016. <http://www.aljazeera.com/news/2016/01/kosovo-protesters-clash-police-serbia-deal-160109181406086.html>.

<sup>233</sup> "Macedonia treatment of refugees concerns Council of Europe," *World Bulletin*, 11 May 2016. <http://www.worldbulletin.net/news/172553/macedonia-treatment-of-refugees-concerns-council-of-europe>.

violent confrontation between the two ethnic groups. For these reasons, Macedonia is the most vulnerable to social instability caused by an influx of asylum seekers.

### *Ethnic Violence*

In May 2015, a standoff between Albanians and Macedonians revealed the state of ethnic tensions between the two groups in Macedonia. During this standoff, 18 people were killed when a group of Albanians opened fire in Kumanovo.<sup>234</sup> The trial for the 29 Albanians accused of terrorism is still ongoing. Additional cases involving brutality between ethnic groups in 2003 and 2012 were resolved with hefty sentences given to perpetrators.<sup>235</sup> These violent events reveal the historical animosity between Albanians and Macedonians in Macedonia. Although these ethnically charged crimes are widely reported in news media, Macedonia has not been successful in coordinating with the OSCE ODIHR Hate Crimes Reporting database on the same level as other participating states of the OSCE. Nonetheless, OSCE ODIHR recorded 32 hate crimes motivated by racism and xenophobia in 2015. These reports originated with individuals and civil society organizations. As OSCE ODIHR notes, Macedonia “has not reported on hate crimes separately from cases of hate speech.”<sup>236</sup>

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<sup>234</sup> Sinisa Jakov Marusic, “Macedonia: Political Crisis Overshadows Ethnic Tensions,” *Balkan Transitional Justice*, 30 December 2016. <http://www.balkaninsight.com/en/article/macedonia-political-crisis-overshadows-ethnic-tensions-12-23-2016>.

<sup>235</sup> Ibid.

<sup>236</sup> “The former Yugoslav Republic of Macedonia: Official country information,” *OSCE ODIHR Hate Crimes Reporting*, accessed November 2017. <http://hatecrime.osce.org/former-yugoslav-republic-macedonia>.

The refugee crisis, although significant for Macedonia, has been overshadowed by the political crisis in the country. Ethnic tensions were exacerbated by the political crisis and the fear of renewed ethnic violence was often said to be a result of the political instability, rather than a result of the refugee crisis.<sup>237</sup> However, the refugee crisis “demonstrated that Islamophobia in the Macedonian context is not linked exclusively to ethnic minorities, but also to xenophobia.”<sup>238</sup> The case of Macedonia is significant insofar as the Muslim Albanian minority has become separate from the influx of Muslim refugees because of noticeable ethnic differences.<sup>239</sup> While many Macedonians are reported to have helped with the response to the refugee crisis, there were also instances of attacks by individuals “who took advantage of a vulnerable situation.”<sup>240</sup> A mosque in one part of Macedonia was also vandalized and burned. This incident is discussed further in the following section.

Despite there being less information available on ethnic violence and hate crimes in Macedonia, the few instances of ethnic violence reported have been motivated by Islamophobia. Therefore, Macedonia has experienced a notable increase in ethnic violence. However, this cannot be attributed to refugees because

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<sup>237</sup> Andrew Byrne, “Macedonia violence ignites fears of renewed ethnic conflict,” *Financial Times*, 11 May 2015. <https://www.ft.com/content/26688ba0-f7cb-11e4-9beb-00144feab7de>.

<sup>238</sup> Mitre Georgiev, “Islamophobia in Macedonia 2015,” *Islamophobia in Europe*, accessed November 2017.

[http://www.islamophobiaeurope.com/reports/2015/en/EIR\\_2015\\_MACEDONIA.pdf](http://www.islamophobiaeurope.com/reports/2015/en/EIR_2015_MACEDONIA.pdf)

<sup>239</sup> Ibid.

<sup>240</sup> Ibid.



Macedonia has historically had a Muslim Albanian minority, against whom ethnic violence has often taken place.

### *Ethno-Nationalism*

According to the 2016 European Islamophobia Report, “discrimination both towards ethnic Albanians and towards refugees is fueled by discursive events that contains among others Islamophobic rhetoric on the platform built by strong ethno-nationalism, securitization, and populism.”<sup>241</sup> Because there were no elections in 2015, Macedonian nationalist rhetoric was somewhat ebbed. In response to the incident in which the mosque in Kriva Palanka was vandalized, the mayor of the town stated that “the mosque will not be rebuilt because the majority of the population is Orthodox.”<sup>242</sup> It was revealed after the unmasking of a corrupt elite under Nikola Gruevski that the elite were also involved in discrimination against Albanians, emphasizing ethnic and religious differences between groups.<sup>243</sup> This reveals the feelings of the political elite and their views for the future of Macedonia.

The media played a serious role in exacerbation of Islamophobia in Macedonia both in 2015 and 2016. While reporting on the refugee crisis, media outlets are known to have incited fear, xenophobia, and Islamophobia.<sup>244</sup> In Georgiev’s concluding remarks in his 2015 report, he further emphasizes the notion that Islamophobia in Macedonia is often overlooked because of other forms of

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<sup>241</sup> Mitre Georgiev, “Islamophobia in Macedonia 2016 Country Report,” *Islamophobia in Europe*, accessed November 2017. <http://www.islamophobiaeurope.com/wp-content/uploads/2017/03/MACEDONIA.pdf>.

<sup>242</sup> Georgiev, “Islamophobia in Macedonia,” 2015.

<sup>243</sup> Ibid.

<sup>244</sup> Ibid.

discrimination that remains part of ethnic and political tensions in the country.<sup>245</sup>

Media reports also focused largely on global issues, including terrorism and migration and the arrest of foreign fighters in Macedonia in 2016 increased discourse on foreign fighters and religious conversion in the media.<sup>246</sup>

There was some increase in ethno-nationalist discourse that can be attributed to an influx of asylum seekers. However, the political crisis in the country has taken priority and has stalled public elections, leaving little room for campaigning and utilizing Islamophobia as a political platform. Additionally, I speculate that under the Zaev government, ethno-nationalist rhetoric will begin to decline.

#### *Transnational Conflicts*

Macedonia's greatest external conflict is with its neighbor, Greece, with whom relations are less than friendly. The conflict was heightened when asylum seekers attempted to cross the border from Greece into Macedonia, leading to police violence and increased tensions between the two countries. However, under the new government, experts speculate that Greece and Macedonia will come to a settlement on the 27-year-long name dispute that has exacerbated conflict in the region.<sup>247</sup> This move reiterates the idea that the transition to the new government under Social Democrat Zoran Zaev will lead to more stability in all spheres, including in the social sphere and transnational conflicts.

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<sup>245</sup> Georgiev, "Islamophobia in Macedonia," 2015.

<sup>246</sup> Georgiev, "Islamophobia in Macedonia," 2016.

<sup>247</sup> Helena Smith, "Macedonia and Greece appear close to settling 27-year dispute over name," *The Guardian*, 13 June 2017.

<https://www.theguardian.com/world/2017/jun/13/macedonias-nato-hopes-rise-as-deal-with-greece-looks-feasible>.

Macedonia has experienced an additional layer of transnational conflict with Greece attributable to the refugee crisis, because the two countries share a border. However, the dispute between Macedonia is both historic and improving, and I posit that there has been little to no change in transnational conflict attributable to the refugee crisis.

### Conclusion

Out of the three indicators of stability, social stability has been the most affected by the refugee crisis in the three case countries.

*Table 3: Social Stability*

<i>Social Stability</i>	<i>Croatia</i>	<i>Serbia</i>	<i>Macedonia</i>
<i>Ethnic violence</i>	<i>Little to no change</i>	<i>Notable increase</i>	<i>Notable increase</i>
<i>Ethno-nationalist discourse</i>	<i>Notable increase</i>	<i>Little to no change</i>	<i>Notable increase</i>
<i>Transnational conflict</i>	<i>Notable increase</i>	<i>Notable increase</i>	<i>Little to no change</i>

An upward trend in ethno-nationalism after the fall of Yugoslavia has reemerged in politics in some Western Balkan states – Croatia and Macedonia – leading to right-wing, anti-migrant attitudes and the securitization of the refugee crisis. While hate crimes have not necessarily increased specifically targeting Muslims, there are instances in which ethnic tensions, such as tensions in Macedonia between Macedonians and Albanians have played a role in deteriorating social stability. Additionally, transnational conflicts in the region have led to a great number of border disputes. Insofar as the refugee crisis is a crisis of borders and border management, policy and implementation of policy regarding asylum seekers has, in

most cases, led to increased tensions between states that share borders. While social stability is only one indicator of overall stability, it can result in instability in other areas because of a climate of distrust among groups. Social stability is, therefore, paramount to stability in the Western Balkans and the evidence above suggests that the refugee crisis has affected social stability in the three case countries due to an extensive history of ethnic and religious tensions in the region.

## **Chapter 5: Conclusion**

### **Summary of Findings**

The refugee crisis has had myriad effects on the Western Balkans, however there are particular traits about the case countries in this project that have led them to have more effective capabilities in absorbing asylum seekers without suffering from large-scale instability. Political characteristics that correspond with lower levels of political instability include fewer rapid policy changes, a strong system of rule of law, and higher levels of democratic governance. Additionally, political crises, such as that in Macedonia lead to political instability that is then exacerbated by a large-scale influx of asylum seekers. Political stability is paramount to the stability of transit country economies, as well as social stability, insofar as policies must be effectively and appropriately implemented in order for beneficial changes in various spheres of society to come to fruition.

Economic instability is exacerbated by low levels of economic development, however foreign funding can play a defining role in a country's ability to accommodate asylum seekers. Foreign assistance allows countries to respond to the refugee crisis without incurring large amounts of debt that are difficult to pay off later. However, in order to receive assistance from foreign governments or international organizations, states must fulfill certain requirements, including protecting the rights of vulnerable populations, according to international norms and law. Additionally, literature on the economic effects of migration concludes that migration and, I speculate, refugee integration can boost host country economies by

increasing participation in the labor force, increasing state spending, and increasing levels of national output.

Social stability is the factor that is most volatile in the Western Balkans. Ethnic tensions have been exacerbated in most circumstances by an influx of asylum seekers and politicians and the media have securitized the refugee crisis to promote ethno-nationalist ideals. Ethnic violence has been perpetrated by individuals and groups on myriad minority groups and the most effective hindrance to these negative effects on social stability in these case countries is the incentive for countries to adhere to the EU's *acquis communautaire* and the provision of resources to lead to better international reporting on instances of ethnic violence and hate crimes.

One of the major factors that has played a role in all three indicators of stability is the potential for or already achieved EU membership status. While Croatia is an EU member, the EU has not held Croatia accountable. It is evident that the potential for EU membership has a bigger impact on the behavior of states than EU membership itself. In the case of Serbia, the country's status as a candidate country in the close stages of EU accession has resulted in behaviors that mirror the behaviors that member states should be held accountable to.

### **Policy Recommendations**

For the reasons identified above, it is imperative to stability that transit countries continue to push toward robust democratic governance with a strong system of rule of law and little or no corruption. Particularly in the case of Macedonia, the new government must continue to fight corruption and to focus on initiatives that strengthen the rule of law in the country and increase political rights

and civil liberties to strengthen democracy. Ideally, this will prevent democratic back-sliding, which remains a threat in hybrid nations in transit. Croatia has experienced some democratic backsliding and it is vital to the country's position in the region and in the EU that the EU continue to put pressure on the government of Croatia to maintain democratic principles, despite Croatia's already firm membership status in the EU.

Economic benefits from exogenous actors are dependent on countries upholding international norms regarding refugees. Therefore, the case countries should expand training for officials that includes human rights protections and awareness of inappropriate practices. These initiatives will increase international support, both politically and financially, for transit countries in the region. Serbia and Macedonia would likely benefit from these programs, as these countries require the most external aid and have a more negative human rights reputation than Croatia in the last decade.

The OSCE ODIHR's hate crimes reporting database provides a platform, through which authorities can report on incidents within their borders. It is clear that these practices increase awareness of hate crimes and effective reporting increases accurate evaluation and proper implementation of programs aimed at preventing hate crimes. Serbia and Macedonia should continue to strive for EU accession by allocating resources to effectively report on these issues and to enforce rule of law in cases where hate crimes have been perpetrated. All three case countries should evaluate the rise of populism and the usage of fear-mongering in public media. Governmental and non-governmental organizations should provide workshops to

teach journalists about fact-checking and media coverage of the refugee crisis. Additional media outlets should be established that are independent from the government and promote evidence-based ideas regarding the refugee crisis and the effects of migration on the case countries.

### **Recommendations for Additional Research**

This project is limited in scope due to limited resources, including primary source material that would stem from fieldwork in the case countries. Additionally, this project is not a formal case study because the variables are not isolated and examined against a control case. Nonetheless, the extensive research done to complete this project certainly has broader implications for refugee and migration policy. In a world where mobility is increasing for a variety of reasons, countries will benefit from critically evaluating their refugee and migration policies and examining cases, where large-scale migration, including irregular migration, has been successful and has not heavily impacted stability.

To take this project to the next level, research might be done in-country to individually measure attitudes toward asylum seekers. A researcher might look at cases where democracies are robust and well-established to identify necessary conditions for effective integration of refugees. Similarly, a researcher might look at non-democratic countries and evaluate the extent to which integration into these countries is successful or unsuccessful. Additional research on the Western Balkans might include Western Balkan states that were not part of the former Yugoslavia, such as Hungary. To what extent does Yugoslav history have an impact on migration and refugee policy in the Western Balkans? The ethnic and religious makeup of these



case countries plays an important role in social stability. How do more homogenous countries respond to influxes of refugees? Is social stability more greatly affected when the host country is more homogenous? The case countries in this project are in various post-conflict stages. Are countries that are not in post-conflict stages more likely to appropriately and effectively respond to an influx of refugees than post-conflict countries?

This project opens significant doors for additional research on the subject of stability and the refugee crisis. Because this is an ongoing crisis and has broader implications for the rest of the world, it is vital that officials understand the intricacies of refugee policy and best practices in registering asylum seekers and navigating them through the asylum process to become refugees or to be properly treated on their journey to destination countries. Factors identified to negatively impact stability in countries where there has been an influx of asylum seekers should be avoided in order to maintain stability.

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