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Insular Serbia and Globalization

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Insular Serbia and Globalization

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Abstract

The state of Serbia has recently rejoined the global international system after a period of isolation and insularity. After first outlining the complex concepts of globalization and Serbian insularity, this paper explores how the insularity of Serbian society and state repel many aspects of globalization. While this insularity repels and slows many of the processes of globalization, it does not fully nullify the effects, resulting in some resistance to cultural globalization and complications with economic and political globalization.

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Chapter 1: Introduction

The state of Serbia has existed in some form since the 1300's, its capital Belgrade was a cultural hub for centuries, but examining Serbia today reveals a nation that has limited investment and little integration into the global system. There are many reasons that explain why Serbia is not integrated into the global system and as many reasons why it should be.

Serbia is emerging out of the insularity that became popular during the breakup of Yugoslavia and subsequent ethnic conflicts. Serbia was further isolated due to international sanctions levied against them by the international community over the conflict in Kosovo. Serbia has signaled its desire to join the global system with its commitment to turning over war criminals and progress towards European Union accession. Serbia is a unique place that has industrialized and yet has not succeeded on the global level. Serbia shares many European or "Western" values, yet also has a very strong domestic opposition against Europeanization and globalization. There are few places in the world that are industrialized, share many of the European values that are an important part of the international system and are not successful internationally. Globalization with regards to Serbia often synonymous with joining the European Union as the process of joining Europe blends together with joining the global system. It is important to note that there is a difference but in the eyes

of many in Serbia, the two terms are often seen as part of the same process. This paper seeks to examine the insular nature of the Serbian state and society repels many aspects of globalization. In order to accomplish this the broad concepts globalization and Serbian insularity must be outlined. With these processes outlined, the author will present original research on Serbia's progress with respect towards globalization from Serbian experts and officials. Following this the development of their line of argument recommendations can be made for which processes are active in Serbia, which are limited and what actions Serbia can take to further its goals

Chapter 2: Globalization

Globalization is an international process that has been a prominent global force since the end of the Second World War. The Breton-Woods conference set forth the norms and regulations that still guide the system today; but, the advancement of the contemporary global system gained visibility in the 1980's following this surge in innovation in the information and communications technologies. This chapter will focus on first defining globalization, then explaining the various sub-processes and concluding with the benefits and detriments of globalization. These sub-processes, benefits, and detriments will be used along with the case study to understand the impact of insularity in Serbia on globalization.

Globalization promotes a barrier free system that sees (almost) all of the international markets interconnected. Globalization also has detrimental effects such as exploitation or economic instability that should be considered when examining globalization as a whole. This process is multi-faceted, going beyond a simple linkage of markets between states. Globalization encompasses areas as broad as economics to culture, and understanding globalization means studying these different aspects or sub-processes. The different sub-processes of globalization are the most important aspects of this system and therefore understanding these sub-processes are important in understanding globalization (Held 3). These sub-processes can be defined as the following but not limited to:

economic, political, military, cultural and technological. Each of these areas overlap and intertwine and clear lines between each area becomes much harder to distinguish. In defining globalization there is a lack of consensus on what results these sub-processes will produce but the definitions of these sub-processes are a constant, no matter what side of the debate (Held, et al.).

Held, McGrew, Goldblatt and Perraton break this debate into three broad schools of thought in their book Global Transformations: Politics, Economics and Culture. The authors argue that these three schools of thought are the hyperglobalizers, the sceptics and the transformationalists (Held 5). Due to the many different ways there are to interpret globalization, breaking down the different viewpoints is a necessary starting point in defining globalization.

Continuing with Held & McGrew, Goldblatt & Perraton's three schools of thought, the hyperglobalists believe that "globalization defines a new epoch of human history in which traditional nation-states have become unnatural, even impossible business units in a global economy." (Held 3). Also, according to the authors, the hyperglobalists see governments in a management position, seeking to mitigate the harmful effects of globalization. Held & McGrew, Goldblatt & Perraton also summarize that this school of thought is a synthesis of the ideas from Ohmae, Wriston and others. The sceptical school of thought is demonstrated as,

By comparison the sceptics, drawing on statistical evidence of world flows of trade, investment and labour from the nineteenth century, maintain that contemporary levels of economic

interdependence are by no means historically unprecedented. Rather worldwide economy in which the 'law of one price' prevails, the historical evidence at best confirms only heightened levels of internationalization, that is, interactions between predominantly national economies (Held 6)

This school of thought also believes that economic activity is undergoing a massive regionalization, with three major trading blocs, (Europe, Asia-Pacific and North America), coming to prominence in the modern global economy. The authors of Global Transformations summarize that the sceptic school of thought is a synthesis of ideas from Hirst, Thompson and others (Held 9). The final school of thought is that of the transformationalists. This school of thought is demonstrated by the authors to be,

...at the dawn of a new millennium, globalization is a central driving force behind the rapid social, political and economic changes that are reshaping modern societies and world order. According to the proponents of this view, contemporary processes of globalization are historically unprecedented such that governments and societies across the globe are having to adjust to a world in which there is no longer a clear distinction between international and domestic, external and internal affairs (Held 6)

Transformationalist's also believe that the future for globalization is uncertain, with the one certainty being that this level of interconnectivity is historically

unprecedented and likely to increase. This school of thought is a synthesis of the ideas of Rosenau, Giddens and others.

This breakdown of globalization shows the wide diversity of interpretation that globalization scholars have when studying the process. This also demonstrates that while the end result is being debated, the processes that make up globalization are identifiable and agreed upon. The definition of globalization for this paper is concerned with the processes, not the future of globalization. Using the definitions from two organizations involved in the global system helps to create a definition that synthesizes the academic knowledge with the applied knowledge of these important non-governmental organizations.

The World Bank defines globalization as follows:

the growing interdependence of countries resulting from the increasing integration of trade, finance, people, and ideas in one global marketplace. International trade and cross-border investment flows are the main elements of this integration ([World Bank 1](#))

While the International Monetary Fund defines globalization as

... a historical process, the result of human innovation and technological progress. It refers to the increasing integration of economies around the world, particularly through the movement of goods, services, and capital across borders. The term sometimes also refers to the movement of people (labor) and knowledge

(technology) across international borders. There are also broader cultural, political, and environmental dimensions of globalization (International Monetary Fund 1)

These are two examples of definitions by two of the most important international organizations with respect to the global system. These definitions (as well as the organizations) are focused on the economic sub-processes of globalization, but still recognize the importance of the other sub-processes as important elements of globalization.

Defining globalization should include the importance of the sub-processes as well as the interaction between them. Thus this paper defines globalization as a multi-dimensional process, accelerated by technology, which creates an interconnected international economic system that acts as a catalyst for the continual rapid exchange of ideas and capital. This definition highlights the complexity of the process and its ability to both connect and transfer a variety of norms, goods and capital between nations.

One of the most well known areas of globalization is the economic sub-process. The economic sub-process of globalization is one that focuses on capitalism, with free-market capitalism being the gold standard for which globalization (Mandelbaum 4-23). According to the IMF,

Markets promote efficiency through competition and the division of labor—the specialization that allows people and economies to focus on what they do best. Global markets offer greater opportunity for people to tap into more and larger markets around the world. It means that they can

have access to more capital flows, technology, cheaper imports, and larger export markets ([International Monetary Fund 3](#)).

This statement from the IMF reinforces the idea that through integration of markets, both developed and developing countries can potentially benefit greatly. Developing nations get investments from wealthy nations, jobs from the industries that are relocated or created and foreign goods in their domestic market while wealthy nations open new markets for their goods and are able to lower production costs. This system also allows for greater specialization, as the quote from the IMF indicates. This specialization allows smaller nations to carve out a niche on the international stage and be competitive with many of the larger nations in one or two specific areas. Basic economic understanding shows that competition creates innovation and fights stagnation. It can be deduced that greater competition on the international level can result in a stronger and more innovative global economy. This economic sub-process also creates very well known issues that critics of globalization cite. Some of those issues include unequal distribution of income in poor countries, resource mismanagement in developing countries and a greater risk for these emerging markets. According to the article "Financial Globalization, Growth and Volatility in Developing Countries."

On the one hand, sustained high growth is the most consistently successful policy for alleviating absolute poverty, as China and India have succeeded in doing over the past two decades. On the other hand, periods of high growth are often associated with higher income inequality, and, therefore, relative measures of poverty may easily rise. Increased

macroeconomic volatility, however, probably increases both absolute and relative measures of poverty, particularly in the case of financial crises that lead to sharp rises in unemployment (Prasad, et al. 460)

Prasad, Rogoff, Wei and Kose argue that the economic sub-process of globalization has the potential to create the issues as mentioned above, as well as potentially solve them. Globalization, like many financial decisions, involves a great deal of risk-reward analysis. The difference with globalization is that most of the poorer countries do not have a second option when it comes to global markets.

The second important sub-process of globalization is the role of technology and interconnectivity. As stated, this modern form of globalization is driven by the advancement of technology that allows for interconnectivity between states that was seemingly impossible 30 years ago. Companies thousands of miles away can initiate transactions in a few seconds practically for free, where doing such business 30 years ago would have been costly as well as impractical. The new advancements in technology also dramatically changed the financial sector, allowing for hundreds of transactions to be done in a few seconds by computers. Globalization allows currency to be transferred, traded, and invested across continents with no downtime in between. The modern stock market and financial sectors have adapted, adopted, and embraced the ever-changing technology of the modern times. Technology has also empowered the individual, giving a single person or company's purchasing power the ability to influence events far outside their local borders. Technology changed the nature of globalization; the surge in telecommunications technology in the 1980's is

what has allowed the unprecedented level of interconnectivity. The ever-decreasing cost of technology has globalization becoming faster in speed and wider in scope. The IMF also understands the importance of technology as one of the driving forces behind globalization. In their report they state, “The term has come into common usage since the 1980s, reflecting technological advances that have made it easier and quicker to complete international transactions—both trade and financial flows” (International Monetary Fund 1). Thomas Friedman argues, “one of the major changes of globalization is that the difference between globalization of now and globalization of the past is that before it was solely interactions of governments and large corporations. Now there is an interconnection down to the individual (Friedman xix).

As technology advances and changes, it effects globalization in many different ways as demonstrated above. The increased interconnectivity is the most important effect that technology has created on globalization. However, there are many areas that technology has impacted such as the ease of the movement of capital and people (Castles).

With the movement of people and capital becoming easier and cheaper, the migration of people is a phenomenon that is a key aspect of globalization. The combination of global companies with the advancement in technology and shared economic systems has allowed people to move around the world while working in the same field. This migration can happen in a few ways, two of the most common being; the settler model and the temporary migration model (Castles). The settler model is the model in which immigrants are gradually integrated into economic and social relations, this can take several generations

but they eventually become integrated into society. This model reflects the historical immigration of in America during the 19th and 20th centuries. The other model, the temporary migration model in which migrants stay in the host country for a limited amount of time and still keep contact with their home nation. These migrants also keep their affiliation to their home nation and keep their identity associated to it. This model is most similar to the immigration of the United States presently, in which many immigrants from Central and South America work in the United States for varying time limits to support family in their home country. In both cases, the migration is facilitated by the global system in a way, which would have not been possible before and working abroad is a very common practice in many of the globalized states of the world. Workers have long moved to the location of work, a pre-globalization example is the movement of peasants from the countryside into the medieval towns and cities. The novel part of globalization's migration is the movement of management from a home country to new operations in a different country The Levin Institute states,

The impacts of migration are complex, bringing both benefits and disadvantages. Immigration provides a supply of low cost labor for host countries, while remittances from emigrant workers can be an important source of foreign income for sending nations. On the other hand, immigration can stoke resentment and fear towards new comers in receiving states, as immigrants are discriminated against, accused of lowering wages and associated with crime, among other complaints. For the economies of sending nations, emigration leads to loss of young, able

bodied, well-educated and otherwise economically valuable citizens
(SUNY Levin Institute 1)

This excerpt demonstrates that while most of the globalized nations are pushing for a barrier free system of economics and trade, they are resisting or actively fighting global immigration. Many citizens of the nations perceive this migration as a threat to both their jobs as well as their culture. This also brings up another important sub-process, that of the transference of ideas.

Globalization's transferal of ideas is one of the most interesting sub-processes but difficult to measure. The transferal of ideas would not be connected with a purely economic understanding of globalization, which is the reason that an expanded understanding is needed. Due to the greater integration of the contemporary global system, the process of becoming interconnected has allowed ideas to flow between states as well as between populations.

These workers migrating also bring with them their own worldview and ideas which will be changed by the place they are moving to as well as "rubbing off" on the people in their new home. Ideas can be transferred in this way, a very organic and chaotic way, or the ideas can be transferred through structural ways in a very ordered and official way. Examples of the structural transferal would be, the European Union, which has a set of uniform laws, or the IMF, which only deals with countries that are committed to the same Euro-Atlantic principles. Unlike the organic style of the transfer of ideas, the more structural way is much more one sided with the Euro-Atlantic norms being spread around globally. These ideas are more than how people think; these Euro-Atlantic

norms are often an important foundation for a country to have in order to benefit from globalization. An example of these Euro-Atlantic norms would be the importance of the rule of law in potential trade partners. While this is practical, as it protects the business dealings of the Euro-Atlantic nation, it also serves to spread this idea around the world (Mandelbaum)

The spread of the rule of law is also a good example because the promotion of it could be considered completely pragmatic for the above-mentioned reasons. The promotion of rule of law can also help stabilize unstable societies as well as protect human rights in an oppressive nation. Technology and economics are important to the success of globalization but, these ideas and their widespread diffusion have contributed equally.

With the various sub-processes and their interactions fully explored, this section will take an objective look at globalization to identify its positives and negatives inherent to the process. It is important to be familiar with the benefits and detriments of globalization when looking at the impact on a global scale.

Beginning with simplest idea of globalization, the common idea that the elimination of barriers (greater interconnectivity) will allow for the strongest form of capitalism and a net gain for all parties involved. The benefit is a stronger form of capitalism that facilitates greater production by using global resources and selling on global markets. In theory this allows for all sides to benefit and results in a net gain. Martin Wolf explains in his book “Why globalization Works” that

It cannot make sense to fragment the world economy more than it already is but rather to make the world economy work as if it were the United States, or at least the European Union. Is this impossible? No. Is it undesirable? Again, no. The failure of our world is not that there is too much globalization, but that there is too little. The potential for greater economic integration is barely tapped. We need more global markets, not fewer, if we want to raise the living standards of the poor of the world (Wolf)

This example demonstrates the need for complete, or at least greater, integration to see the potential of globalization fully realized. Wolf also highlights that through this basic concept of greater integration (fewer barriers), the living standards of the poor will be raised. Wolf takes this idea further by proposing that one look at the world as a version of the United States with each state representing a country. In this scenario, imagine if each state was contained unto itself. With barriers to trade and restriction of movement between citizens of different states, what would exist would be an extremely inefficient system in which each state would be worse off (overall) than in the actual situation. In this situation there would be winners, the large, resource rich and developed states such as California but there would also be losers, the smaller states with little varied resources that would struggle to industrialize. This example simplifies globalization a great deal but provides a good way of examining the difference between 50 competing states versus 50 united ones. Sovereignty is a long way from being given up on a global scale, supranational organizations like the European Union provide a more realistic format for countries to turn into

partners instead of competitors. While this system comes with plenty of benefits, there are also detriments that must be acknowledged. The main detriment is that due to the nature of competition in a capitalist system, there will always be winners and losers. Expanding that idea is to say that there will be some nations that will excel in a certain area or even in a few areas. This could be due to an abundance of resources or excellent management by their government. There is also the other side, which are the countries that have little to no resources or have an extremely inefficient government at managing the economy. In comparison these people will be worse off than the people in the successful countries, which is a trait inherent with both globalization and capitalism. The idea that globalization will raise the living a standard of the poor is often touted by proponents of globalization but scholars are still researching the topic. Jeffery Williamson writes that research shows a decrease in distribution of wealth inequality in developing nations but an increase in OECD countries (Williamson). This example complicates the often-simple picture presented by the proponents of globalization and is a legitimate criticism of the global system that cannot be overlooked. Stemming from this greater interconnectivity comes issues of brain drain and the loss of jobs.

A much more complex idea that lies at the crux of the globalization debate is that of cultural globalization. Cultural globalization is an important part of how globalization works. As mentioned in this thesis, it is a transferal of norms and ideas that is very important to the process as a whole. Cultural globalization picks a much smaller part of the norm transferal, specifically the preference of one nations customs and products to that of the tradition variety. While this is

not the main goal of globalization, nor is it a major part of it, it is a powerful side effect that is easily observed (Tomlinson). The building of shopping malls and fast-food restaurants is a sign to any observer that something is changing. This change is what has caused such a sharp negative reaction. Those opposed see these new businesses, music, food or ideas as a direct threat to the native customs. A great deal of this opposition comes from conservative forces within the country, most notably fundamentalist religious institutions. One of the most well-known and dangerous opposition reactions to cultural globalization is Al-Qaida, a fundamentalist Islamic organization that saw the cultural globalization as a direct threat from the United States (Friedman). These men then planned out terrorist attacks in response to the growing cultural globalization. While this is an extreme example, there is a line between cultural globalization and cultural destruction that globalization can take if not managed correctly. It is important to recognize the destructive potential of cultural globalization; many unique aspects of countries can be eroded or destroyed by this process (Tomlinson). Examples can range from the declining popularity of traditional food to the preference for a different type of government. While some of this may seem trivial, the reaction against cultural globalization and globalization as a whole is very important. As mentioned, the reactions can be as violent as terrorism but the more common reaction is a strengthening of conservative forces that oppose fully globalizing.

Cultural globalization can result in soft power over certain countries, which is beneficial for those who wield the power and detrimental for those who have been influenced by it. Many opposed to cultural globalization point to the

influence of soft power as a reason. While this is not an intentional effect, as can be said for most of cultural globalization, countries can exploit this to further their interests and even try and promote their soft power (Tomlinson).

Globalization has the goal of barrier free trade but this has not always led to a system in which regional bias or regionalism has disappeared. Critics of globalization often cite the growth of three specific regions; (North America, Europe, and Asia-Pacific) as a potential evidence to demonstrate the failure of globalization to fully integrate the world as a whole. There are also many who believe that globalization may be encouraging greater amounts of regionalism within the system of globalization. The focus of regionalism is presented as promoting trade within a local region of countries but regionalism can take many forms, depending on the area, the process can be just as complex as globalization. There are factors of culture, politics and economics just as globalization has these same sub-processes at work. Regionalism can be defined as a regional process, which strengthens interconnectivity between nations, promoting an exchange of goods and ideas within a geographic or political area. Regionalism can be seen as a reaction against globalization, as it promotes connectivity and trade between a subset of nations. This would result in protectionist policies and a withdrawal from the global system in preference for local region cooperation. Others believe that regionalism is part of the globalization process, with the integration within the regions being the first step in connecting states together on a global scale, in that these regional zones will expand and bring more countries into them over time. Mansfield and Miller believe that politics play an incredibly important part in regionalism, even more than economics does (Mansfield, Milner). The article

argues that while there is a new wave of regionalism, it is important to decide if this wave is compatible with globalization or not. The conclusion of Mansfield and Miller is that these regional groups create Private Trade Agreements (PTAs) with nations outside their region. These PTA's can be controlled by any overarching structures such as NAFTA or EU but can also be created independently by countries. It is these PTAs, which are politically charged, internal politics, international politics and regional issues can affect them. This is one of the major differences between globalization and regionalism; globalization is less affected by politics other than international sanctions. There is also the idea that this new wave of possible regionalism is something new entirely. Lupel argues that what is being observed is New-Regionalism which does not oppose globalization, but instead promotes it (Lupel). This article states that New-Regionalism is not a reaction against globalization but a mechanism to both control and promote international trade. The presence of trade organizations like NAFTA or the APEC does not represent a break down of international norms but a reaction to the uncertainty inherent in the global system. It is important to note that globalization and regionalism are connected, either in a positive or negative relationship that has yet to be fully determined. The presence of regionalism is important to understand when looking at globalization; it has the potential to be a negative reaction to globalization but also may present a new process that can co-exist with, even enhance, globalization.

Fully understanding globalization and all of the sub-processes can be complicated and unclear. Outlining globalization, as this paper does, can clarify

the complexities and make the study of Globalization more complete. In summary, Globalization is a multi-dimensional process, accelerated by technology, which creates an interconnected international economic system that acts as a catalyst for the continual rapid exchange of ideas and capital.

Globalization's most important sub-processes are; the economic, technological, migratory and transferal of norms (cultural). It is the inter-linkage between these processes, which creates the complex global system that needs to be studied.

There is also the growing debate between globalization as a truly global process or regional process, which mimics the multi-faceted processes of globalization but does not extend to be entirely global. This is a new development that is still being studied; the relationship between globalization and regionalism may be positively related or negatively related. Using these important sub-processes as criteria, one can apply them to other countries to better analyze their progress with globalization.

Chapter 3: Serbian Insularity

An important factor in Serbia's progress (or lack thereof) in Globalization is its isolation and insularity in comparison to other nations seeking to become a part of the global system. Serbia also does not have a long history of isolation or a culture that has long been insular; indeed, Serbia integrated itself in the international system just over 40 years ago while being a part of Yugoslavia. This insularity, therefore, can be seen as a product or result of the ethnic tensions surrounding the breakup of Yugoslavia. It was subsequent to this collapse that Serbia became isolated and its insularity increased greatly. This thesis defines insularity as a measure of resistance to norms that do not originate (or appear to not originate) from within a state, society or ethnic group. This resistance can be caused by internal factors within a society or forced upon a country by external factors, such as international sanctions. This paper will focus on the internal insularity within Serbia, not insularity which is created from external forces. The norms can range from societal to economic, but the most important subdivisions of norms for this thesis are the economic, political and cultural. Sources of insularity can therefore be defined as devices that either promote resistance to different norms or promote norms that are contrary to others.

The data below demonstrates the insularity of Serbia: Table 3.1 shows this data, during the decade from 2000-2010, comparing Foreign Direct Investment per capita (net inflows in current US dollars) between Serbia and Croatia. The

reason for this comparison is that both of these countries emerged out of the disintegration of Yugoslavia at the same time and both were involved in the war in Bosnia in some capacity. Serbia and Croatia were also the two most influential federal states within Yugoslavia and were similarly developed. These similarities make them apt for comparison, especially due to Croatia's choice to embrace the global system while Serbia rejected it, demonstrating clear evidence of Serbia's insularity.

Table 3.1: Foreign Direct Investment per capita (net inflows in current US dollars) Serbia and Croatia

	Serbia	Croatia
2000	6.90	250.78
2001	23.68	356.40
2002	75.64	247.74
2003	187.94	461.44
2004	137.75	242.98
2005	275.61	400.07
2006	670.30	778.70
2007	464.93	1,130.81
2008	407.66	1,366.06
2009	264.40	767.89
2010	183.80	178.11

(World Bank Data)

Starting in 2000, which was five or more years removed from the violence in Bosnia and ten years from the break-up of Yugoslavia, the data shows Serbia as having a substantially lower FDI per capita at 6.90 (net inflows) than that of Croatia at 250.78. Serbia persists in lagging behind Croatia until 2004, when they trail behind Croatia by only a factor of two. In 2006, Serbia narrows the gap, remaining only 100 dollars per person behind Croatia, but in the following years

Croatia again outperforms Serbia by a substantial margin. This data set demonstrates the substantial gap in FDI between a country that embraces the global system when compared with one that resists it; while the decision to invest in a country has more factors than mere openness to globalization, this data does demonstrate that Serbia is much less economically successful than its neighbor Croatia.

Keeping the same comparison between Serbia and Croatia, a similar trend can be observed by examining the total trade per capita (imports + exports / population). Table 3.2 demonstrates that starting in the year 2000, there is a substantial trade difference between Serbia and Croatia; this disparity only increases over time. The data shows Serbia steadily increasing in total trade per capita until the 2008 financial crisis, but remaining much further behind Croatia in terms of sheer numbers. This trade data proves that Serbia is much more isolated than Croatia, as Serbia starts off in the year 2000 substantially weaker than Croatia. Croatia continues this trend throughout the decade, with Serbia making modest progress in comparison. This data in Table 3.2, coupled with the data in Table 3.1, shows evidence of insularity of Serbia: the substantial difference in Total Trade and FDI per capita.

Table 3.2: Total Trade per capita (in current US dollars) for Serbia and Croatia

	Serbia	Croatia
2000	520.76	4,204.56
2001	920.69	4,704.30
2002	1,203.36	5,379.30
2003	1,676.09	7,138.32
2004	2,332.67	8,504.02
2005	2,487.40	9,174.19
2006	3,205.61	10,376.48

2007	4,497.43	12,281.32
2008	5,763.87	14,423.41
2009	4,192.11	10,784.97
2010	4,536.45	10,661.26

(World Bank Data)

This data provides further evidence for Serbian insularity when examining Serbia’s involvement in important international organizations. As of the writing of this thesis, Serbia is not a full member with the following important international organizations; NATO, WTO, and the European Union. There are a variety of reasons why Serbia does not belong to these organizations, as covered in chapter 4 of this paper. However, it is important to note that non-membership in these organizations, EU excluded, places Serbia among a number highly insular countries. An example of this can be seen by looking at the fellow observer-status WTO members, including: Afghanistan, Algeria, Azerbaijan, Belarus, Bosnia and Herzegovina, Ethiopia, Iran, Iraq, Kazakhstan, Lebanon, Liberia, Libya, Sudan, Syria, Uzbekistan and Yemen (WTO Data). As demonstrated by this list, the countries that are observer-status members in the WTO have severe internal conflicts, failed state status or are deeply insular. Serbia’s inclusion in this group further proves its insularity. More evidence of Serbia’s insularity can be observed by comparing when Serbia applied to these three important organization to that of Croatia.

Table: 3.3: Comparing International Memberships of Serbia and Croatia

	Serbia	Croatia
WTO membership application	December 23, 2004	November 30, 2000
EU SAA	November 7, 2007	October 29, 2001
EU membership application	December 22, 2009	February 21, 2003

EU membership	N/A	July, 7, 2013
NATO membership	N/A	April 1, 2009

(WTO Data, EU Data, NATO Data)

Table 3.3 shows that Croatia applied for membership in the WTO and EU almost immediately after the chaotic decade of the 1990s came to a close. Serbia however, does not apply for these same organizations until four to six years after Croatia. This time difference can be seen as a product of Serbian insularity as the insularity either kept Serbia from being eligible or from wanting to be part of these important organizations. The exact political reasons are detailed in chapter 4. Regardless of these reason, Serbia’s lack of membership in these key organizations and much more recent applications, demonstrate insularity within Serbia. Serbia has not yet submitted an application for NATO membership, but it has been reported that Serbia is working on an IPAP (Individual Partnership Action Plan) but full membership is not being applied for (NATO Data).

Understanding Serbian insularity we must also explore the sources of Serbian insularity. The main sources of insularity can be put into two groups, those that promote Serbian norms over other ones, and those that promote anti-western norms. These categories are not mutually exclusive, with most of the large sources belonging to both. The first main source is that of the far-right conservative political parties within Serbia, the second main source being the Serbian Orthodox church and the final source being nationalist parties or factions. These sources focus on traditional conservative views, but also on traditional Serbian norms (Samardzija). These three sources were also empowered and brought together during the turbulent breakup of Yugoslavia by

the leaders of Serbia to further their goals during this time (Matic 2). The focus on traditional Serbian norms encompasses topics such as the Serbian Orthodox Church and the short-lived medieval Serbian kingdom (Bieber). This set of norms focus on the superiority of Serbia as a state or being ethnically Serbian rather than the exclusion of other norms (Duijzings). It is important to note that with the break up of Yugoslavia that many states were suddenly independent for the first time in centuries, leading to a need for an ethnic narrative. These three main sources also contain some factions that still promote Serbian and religious norms but also promote the superiority of Serbian norms over that of foreign ones. These factions oppose norms, ideas, laws or agreements based on being “un-Serbian” or eroding/ damaging Serbian norms (Gordy). This can be supported by a quote from Milienko Derta, a Member of Parliament representing the LDP party as well as a film director, who states

These conservatives make up the opposition to globalization within Serbian society. These groups draw on a variety of reasons to appose the EU and globalization. With the one most prevalent amongst these groups being the idea that globalization and the EU will destroy Serbian culture. The nationalists as well as the Serbian Orthodox Church, both of which are important players within the conservative segments of society, embrace this idea (Derta).

It is through these three major sources of insularity and their subsequent rise to popularity in the wake of the disintegration of Yugoslavia, that insularity rose in Serbia to its current levels.

Using this understanding of Serbian insularity, this thesis will apply the understanding of globalization to a case study exploring Serbia's current progress on joining the global system. This is an interesting case due to the prior involvement in the global system during the Cold War and subsequent isolation during the 1990's in conjunction with the sanctions placed on them in this time period. By examining Serbia's progress into joining the global system the importance of the sub-processes of globalization can be observed.

Chapter 4: Serbia and Globalization

Methods

The sources for this case study range from statistical data from the World Bank to interviews with experts done in person by the author. The interviews were conducted as a part of a two-month trip to the Balkans region. During this trip official meetings were set up with various experts on the region, ranging from Members of Parliament to NGO workers. During the meetings, experts presented information from their specialized area and then allowed questions either during or after their presentation. The author used prewritten questions to ask these experts about globalization and developed follow up questions depending on the answers given by the experts. Any answers were fact checked against literature and statistics to insure the validity of their remarks.

Globalization, the process of fully integrating the international economy between states, is a powerful force that has the potential to uplift less developed states as well as benefiting the post industrialized ones. It is not a process that is completely understood nor is it a process that comes without its own detriment. To globalize or not to globalize are the options that Serbia is currently facing when it comes to the future of the state. Globalization can offer many solution

to the economic and political woes that Serbia is facing but also comes with its own detriments that must be weighed.

As a starting point, examining the current state of globalization must start with looking at Serbia's history. The history of globalization will provide a foil to compare the current state with as well as provide a foundation useful to understanding Serbia's insularity as well as the opposition to globalization that will be addressed in the second part of the paper.

The history of this region goes back to the time of the Romans, but for the purposes of globalization, it is best to start with the formation of Yugoslavia after the Second World War. The reason for this is that before this Serbia's interaction on the global system was limited to being inside the Ottoman Empire, and while Serbia (Belgrade in particular), were important to the region, they did not emerge as a major international participant until the formation of Yugoslavia.

Yugoslavia was a communist country, very similar in many ways to the USSR and the other communist countries in Eastern Europe. The leaders used communism to industrialize Yugoslavia rapidly and rebuild from the destruction of World War Two. Soon after Yugoslavia was formed, it had a break with the USSR, choosing a policy of non-alignment, which sought to play both the communists and the capitalist nations of the world against each other and benefit greatly from Yugoslavia's unique position (Crnobrnja 19-22). From this position in the middle, Yugoslavia became a major player in international affairs. They were a major producer of cars, weapons and other important industrialized products, which they traded to major countries in the Middle East, Africa and the

region around the Balkans. The collapse in the 1990's was damaging for Serbia in many ways, first because the infrastructure of the combined Yugoslavia was now broken up into the separate countries that came from the break up.

Secondly Serbia found itself sanctioned and isolated following the Balkan wars and the war in Kosovo. Finally, the ethnic tension and subsequent isolation allowed for ultra-nationalists and ultra-conservatives to cultivate a greater insularity (Crnobrnja 58). The combination of these things greatly damaged Serbia's position in the global system and coming into the new millennium Serbia found itself underdeveloped and lagging far behind the world in areas that it once saw itself as a leader.

During this time leaders begin pushing Serbia towards Europe with European Union membership as the end goal for Serbia. These leaders were on the side of liberal policies and were opposed by the conservative parts of society, such as the Serbian Orthodox church, nationalists and radicals. These opposition elements will be discussed later but their presence is important as it impeded the globalization. While the liberal leaders saw Europe as Serbia's only true solution, the conservatives resisted this and suggested an idea that Serbia can do it on their own, as Yugoslavia had. They believed that European successes would lead to a destruction of Serbian values and a weaker Serbia. Serbia has continued on the path to Europe despite this opposition but the insularity has greatly slowed and impeded the process (Bieber). Only in the most recent election in 2012 has EU membership truly been solidified as Serbia's path, this is due to the former radical party reinventing itself as the progressive party, adopting a pro-EU stance and winning the election.

Serbia is now on the process of truly joining the global system in more than just by EU membership. The growth rate has also improved to 5%, according to a Ministry of Foreign Affairs presentation, which is seen as a positive by the leaders in Serbia especially when considering how the 2008 financial crisis has affected the country (Ministry of Foreign Affairs¹). According to senior officials at the Ministry of Foreign Affairs during a presentation, there was a great deal of worry that the 2008 financial crisis would completely destroy the progress that had been made in revitalizing Serbia's economy. While Serbia did face issues, as did most countries, they did not face catastrophic issues such as that of Greece or Iceland and therefore considered themselves fortunate (Ministry of Foreign Affairs). The lack of investment is one of the biggest hurdles that Serbia faces when trying to join the global international system. The sanctions placed on Serbia during the 1990's, due to the wars in Bosnia and later Kosovo drove away many foreign investors and made it impossible for domestic industry to succeed beyond the borders of Serbia. With a past that saw Serbia part the modern Global system, Serbia finds itself lagging behind when there is potential to be successful. There are many reasons why Serbia has been so resistant and behind in globalizing, one of the main causes is the insularity in Serbian society that has resisted globalization in a few ways.

It is first important to define what form insularity takes in Serbia as it is one of the main reasons for Serbia's slow globalization or resistance to the process. This paper sees Serbia's insularity being attributed to a few factors and finds further support through interviews of Serbian experts and officials.

¹ Ministry of Foreign Affairs. Personal interview. Belgrade, Serbia. June 2013.

According to a film director and Member of Parliament, the main sources of insularity are; Ultranationalist forces and Ultraconservative forces found throughout society, but specifically in the Serbian Orthodox Church, military and corresponding political parties (Derta²). An expert Serbian analyst stated however that while there are some fringe elements in the military left over from the nationalist periods, he felt that the Serbian Orthodox Church was the main force in promoting ultraconservative, ultranationalist views that opposed globalization and greatly increased the insularity of Serbian society (Anonymous Analyst³). These aspects of Serbian society and government can be seen as the promoters of insularity within Serbia, with many of the rural, uneducated or those who suffered because of the wars as a very receptive population to these ideas. Recently there has also been a resurgence of ultranationalist views amongst recent law graduates in Belgrade due to a small club becoming very popular and advocating these ideas (Anonymous Analyst). These young, educated and globally exposed lawyers go against the trend of Serbian society being drawn to the insular ideas (Anonymous Analyst). These are the forces within Serbia that have promoted insularity and impeded globalization for a variety of reasons. Having identified the causes of insularity within Serbia, the progress of globalization must be analyzed to see the impact of these insular forces on the process. Looking at why Serbia is facing such a challenge when joining the global system will involve economic, political, structural and cultural factors.

² Derta, Mijenko, Member of Parliament/Film Director. Personal interview. Belgrade, Serbia. June 2013.

³ Balkan Analyst, 30 Years of Experience. Personal interview. Sarajevo, Bosnia Herzegovina. June 2013.

Economically, Serbia is performing poorly; a quarter of the population is unemployed (25.9%) and the country is experiencing a 7.3% consumer inflation rate. The exports total at \$11.33 billion, while imports are at \$18.35 billion, with a projection that this gap will widen further in the coming years (Central Intelligence Agency, The World Bank). The sanctions as a result of the Balkan wars and the war in Kosovo crippled any industry inside of Serbia and little ground has been made up since the slide backwards in the 1990's. Serbia also was just a part of a much larger Yugoslavia, which with all of its federal states was a major competitor. Serbia does not have the manpower, resources or infrastructure that combined made Yugoslavia a powerful economic force. Opposition efforts against EU membership and globalization focus on Serbia creating its own way, much like Yugoslavia was able to do. However, this is much more difficult due to the size and infrastructure of Serbia when compared to that of Yugoslavia. According to a United States foreign affairs officer,

...in order to become competitive, Serbia needs investment as well as a place for its exports. Joining the EU is a major step in both attracting FDI and also giving the struggling domestic industries new export markets. The United States supports Serbia's European Union accession process for multiple reasons and one of the most important reasons being the economic benefits that Serbia stands to gain (Nibarger⁴).

Dusko Lopandic a professor of Economics and Law who works with the Ministry of Foreign Affairs states,

⁴ Nibarger, Victoria, Economic Officer. Personal interview. United States Embassy, Belgrade, Serbia. June 2013.

“The biggest investors in Serbia are Germany, Austria, Italy, Slovenia and the US, with Germany being the largest investor in Serbia. Serbia also has a large presence of foreign banks in its financial sector but Serbia has not developed any domestic banks that can compete with these large European ones, which is a problem for Serbia in the future (Lopandic⁵).

It is important to note that after the 2008 financial crisis the European Union has become less of an economic panacea, and that many of Serbia’s issues such as unemployment, low investment can also be seen all over Europe, especially in Eastern Europe due to this same crisis. (Vujecivic⁶). There are also many issues from internal politics that cause uncertainty with investors, examining the internal politics can give good insights into both the opposition within Serbia to globalization as well as to what issues still need to be resolved in order for Serbia to join into the global system more fully.

Political issues are something that the Balkans and Serbia have been dealing with since the 1990’s; many of the outstanding problems today are rooted in these same political issues. The lingering effect from the nationalism of the 1990’s is that the conservative segment of society has adopted positions that would see Serbia adopt a position much similar to the non-aligned movement of the Cold War. They see Serbia making its own way into the global system and not relying on the European Union or other Euro-Atlantic organizations to

⁵ Lopandic, Dusko, Professor/MFA Official. Personal interview. Belgrade, Serbia. May 2013.

⁶ Vujecivic, Ivan, Former Serbian Ambassador to the United States. Personal interview. Belgrade, Serbia. June 2013.

become prosperous. Milienko Derta, a Member of Parliament representing the LDP party as well as a film director, stated

These conservatives make up the opposition to globalization within Serbian society. These groups draw on a variety of reasons to appose the EU and globalization. With the one most prevalent amongst these groups being the idea that globalization and the EU will destroy Serbian culture. The nationalists as well as the Serbian Orthodox Church, both of which are important players within the conservative segments of society, embrace this idea (Derta).

Prior to the 2012 election, these two groups opposed globalization and membership in the European Union. According to Mr. Derta, "These groups would label politicians who were proponents, traitors and unpatriotic." These groups also voiced an unequivocal support for retaining Kosovo as part of Serbia, even though the international community set this as a condition for Serbia joining the EU as well as many other international organizations. Since the support for retaining Kosovo is something that many Serbians, both conservative and moderate, see as part of Serbian-hood, the conservative elements were able to use this as an example of how globalization would erode their society over time.

This all changed in the 2012 election when the Serbian Progressive Party was elected, this was a rebranding of the former Serbian Radical Party and many predicted that this was a major backslide into the political chaos of the 1990's. What happened was that the party continued the work of the out going party

and co-opted their ideas. The party is in favor of joining the European Union and has continued to work towards it as well as having reached a landmark agreement with Kosovo to meet with them and negotiate on the differences. This agreement is being seen as one of the biggest steps forward that Serbia has taken since the ousting of Milosevic. Deputy High Representative Roderick Moore, former US ambassador to Montenegro, believes it is also seen as a positive sign that a former radical party must adopt a pro-EU position in order to be politically viable within Serbia, proving that much of Serbian society is pro-Europe and pro-globalization (Moore⁷). Another important point that can be gathered is that from the signing of the agreement with Kosovo, analysts can say that conservative parts of society are no longer willing to allow Kosovo to impede the progress of Serbia and are willing to work on the issue in order to better improve Serbia. While this is very positive when looking at Serbia's progress towards globalization and the EU, it is important to note that the political issues that have troubled Serbia have not vanished from society but are just losing popular support. According to a 20-year Balkans expert, who wished to remain anonymous, without continued progress and rewards from Europe and the international system, Serbia could easily backslide politically (Anonymous Analyst).

There is also the issue of the newly developed and immature democratic system that has actually only been in progress since 2000, following the ouster of Milosevic in a democratic election. Serbia's political system is known for being

⁷ Moore, Roderick, Former US Ambassador to Montenegro, Former Foreign Service officer at US Embassy in Serbia, Principle Deputy High Representative. Personal interview. Sarajevo, Bosnia Herzegovina. June 2013.

corrupt due to both structure and cultural reasons. While EU membership will see many attempts to reform these institutions, they may only be “fixed” in name only. Democratic development is needed in Serbia, as it is in many post communist societies for a variety of reasons. Structurally the parties in Serbia retain a similar style as during the communist time period, through the party a person not only elects the government but also makes connections. What this translates into is that any recent graduate of a university must decide what party he or she will join, so that he or she may then get a job through that party. While this clearly brings up the issue of a patronage system and a conflict of interests for some professions, it also has led to massive turnovers in employment due to a “spoils system” that replaces workers from the top to bottom (Derta). In many nations we see a replacement of some of the top officials when a new political party comes to power, but this system is a wholesale change in all government positions due to the people in power wanting to put “their people” to work and getting rid of the others. This leads to a large amount of unemployment as well making it very hard to develop veteran workers in certain government jobs due to the constant turnover. There is also a cultural aspect that stems from communism that sees the people accustomed to the party or government being who they go to for work, for help or for favors. It may be much easier to change the structure of this system than to erase the mindset of the people that see the party as a caregiver to society. The only process that can change this mindset or this culture is a consistent exposure to other ideas, which is a process of globalization. This cultural diffusion should not be overlooked, as it is an integral part of the process of globalization.

When examining what globalization is, economics is often the first thing many think of, due to the interconnectivity of the global markets. This is of course an important aspect as international markets propel globalization forward, but only part of the exchange that happens during the process. Coming out of the new millennium and the “Uni-Polar Moment” the importance of soft power has been increasing dramatically in how nations interact with each other. This is especially true with western nations that are often leaders in producing culture for much of the world; this culture is consumed and often preferred to local options. The consumption of culture is more than just an economic production/consumption process; adopting or consuming culture involves a transfer of ideas and norms. It is through this process that globalization becomes more than just an interconnection of markets or compliance of laws; with the cultural transfusion it becomes a sharing of ideas that makes the process all the more permanent.

Often nations who find the Euro-Atlantic norms to be foreign will have a harder time joining the global system or will find large domestic opposition to the ideas than those who are very familiar with the ideas. The opposition in Serbia to globalization cites the erosion of Serbian culture and the destruction of what it means to be Serbia as one of the main reasons to be opposed to the process, despite that the criteria of what being a true Serb came about in the late 1980's as part of the rise in nationalism (Derta). Despite this push against Euro-Atlantic norms, the Serbian youth are some of the biggest consumers of American/European culture outside of these regions. The Youth Initiative for Human Rights, a Serbian NGO which focuses on bringing the Serbian youth

together with other youth in the region, believes that Serbian youth and young adults are some of the most connected in the world with more than 80% of them actively using Facebook and Twitter despite the less developed telecom sector in the region (NDI Staff⁸, Youth Initiative For Human Rights⁹). Serbians are also extremely advanced when it comes to language training, ranking even higher than Germany and many other western European counterparts. Most Serbians know up to three to four languages with English and German being the top two languages that are learned.

What all of this translates into is that while there is a conservative push in Serbia to remove Euro-Atlantic norms from society, instead most Serbians are finding themselves very compatible with the global norms. Concerning globalization, Serbian society is priming itself with the cultural diffusion for an easier transition into the global system. Politically and economically, Serbia still struggles with insular forces from within that slow or impede the process, but with respect to cultural they are ahead if not already in the process of globalizing.

Internally Serbia has many decisions that it must make as a society and as a state. These issues span distinctions between political, cultural, historical and other designations, which are used in the study of these processes, and issues. Economic issues overlap with political and historical to make a clear solution very hard to prescribe to fix the situation or issues. Externally the issues are much more straightforward for Serbia to solve and the tradeoffs much more

⁸ NDI Staff. Personal interview. Belgrade, Serbia. May 2013.

⁹ Youth Initiative for Human Rights Staff. Personal interview. Belgrade, Serbia. May 2013.

visible. Serbia has three key international organizations that it must decide to become part of. These organizations are: The European Union, NATO, and the World Trade Organization.

The reasons for wanting to join the European Union have been espoused throughout this paper, the chief reason being that it is the primary force of globalization as well as the organization, which will bring the most benefit to Serbia through membership. As of July 2013 data shows that 50% of Serbians would vote for EU membership while 24% would vote against EU membership, according to a 2013 report by the Serbian European Integration office (Serbian European Integration Office). The political will within Serbia is the biggest challenge to European Union membership, as the reforms needed to earn membership will require sweeping reforms as well as a willingness to put issues from the 1990's to rest.

Membership in NATO is a much trickier issue; most candidates for European Union integration first join NATO then join the EU, for Serbia this would happen in reverse. Due to the NATO led bombing in the 1990's there is still much resentment in the Serbian population's recent memory for NATO. Balkan-Monitor polls show that 66.2% of the population answered not at all to the question: Do you have confidence in NATO. (Survey Data). The one important reason for NATO membership preceding EU membership is that through the Military alliance many norms are transferred, much like through cultural diffusion, and creates a much easier transition when the governmental reforms of the EU must take place. The memory of the bombings in 1990, led by NATO, is still strongly politically and emotively charged. The bombed out

buildings still remain as they were and are seen by any who pass them by, a rallying point for those against NATO and even the west in general. The possibility of NATO membership requires this resentment to lessen in order to be considered. A solution can be seen in the norm diffusion through EU membership, but this would put Serbia as the first country to approach EU membership before NATO membership.

The final international organization that Serbia must decide to join is that of the World Trade Organization. The WTO is an organization, which almost all nations of the world have joined with only around 40 nations not being members, that works on a normalization of trading relations between nations. This organization makes up many of the economic norms that comprise the economic processes of globalization. Not being a member places Serbia in the company of many nations who are at the fringes of the international community and far removed from the processes of globalization. These are nations like Iran, Iraq, Afghanistan and Liberia. (Lopandic). Membership in the WTO will mean that Serbia will be limited on trade barriers being enacted but will open Serbia up as a better market for trade with the international community. This would help attract the FDI that Serbia needs as well as curing some of the economic woes that it is suffering. The process to join is not as lengthy as the process to join NATO or the EU and the benefits would be substantial for the country.

Whether Serbia is experiencing globalization or regionalism through its progress into the European Union is question that affects analysis of their progress. As stated above, most analysis of Serbian progress with globalization will lean heavily on Serbia's progress in joining the European Union. Serbia does

have global interactions beyond Europe; Serbia has been attracting FDI from the wealthy United Arab Emirates as well as the United States. There is also the presence of Russia, while not numerically the highest FDI, has one of the most vocal presences in Serbia of any nation in the world (Anonymous Analyst). The question is more about the nature of Europeanization, which is a separate process on its own. The European Union and its structure promote benefits similar to globalization, but exclusively to Europe instead of globally. The same detriments and benefits that are seen in globalization are also seen in the European Union, examples being a removal of barriers and the inter-linkage of markets. At the European Union's conception, when it was made up of only wealthy and developed former world powers, it was much less similar to globalization. The predecessor to the EU was the European Economic Community, which behaved much differently than the EU of today. It was much less inclusive and was focused almost solely on trade. It was also made of developed countries that became partners instead of competitors; the focus of these policies was much more about regional success. With the inclusion of Central Europe and now Eastern Europe, Europeanization has become very similar to globalization, in that it has wealthy members and poor members with different histories, markets and political cultures. Europeanization differs from globalization in that it promotes a common value of "being European" that encompasses a certain amount of shared culture or experience. The Euro-Zone shared currency also differs from globalization, while it is stated that markets are linked indefinitely through globalization, with the Euro-Zone the actions of all the nations are linked together and the failures of one can become crisis for all members. One possibility for this process is the term New-Regionalism, a

response to globalization that would give groups of nations a certain amount of control over the process of globalization instead of being at the mercy of the unpredictable swings of the market (Lupel). There is also the idea that the Private Trade Agreements that the EU sets up with nations outside of its members, are not an example of regionalism but instead a way to promote globalization through greater linkage of markets (Mansfield, Milner).

Europeanization could be seen as a response to globalization, an effort to further globalization but also regulate it and better manage its effects. In Serbia's case there is certainly a push for Europeanization but also for greater global integration in general.

Chapter 5: Conclusions

Having explored the idea of globalization and the state of globalization in Serbia, conclusions can be made about Serbia's progress as well as the impact of Serbia's insularity on globalization; starting first with state of globalization and dividing the information into the sub-processes. Finally looking into the impact of insularity and finishing with the conclusions of this thesis.

Starting economically, Serbia is having a difficult time, with very little industry and even less exports. Their membership in important international organizations like the WTO and World Bank will allow them greater success, not to mention the economic boost from the barrier free trade in the European Union. There is much work that must be done here for Serbia to be successful in the global system but they are making decisions that will allow this to happen. Politically, there are quite a few issues that are still withstanding and there are still many unresolved issues stemming from the wars of the 1990's. These issues will cause many domestic problems, but it seems that the majority of Serbians, as polls in chapter 4 demonstrat, have decided that globalization and Europe are the best choices for Serbia's future. There are still insular elements, as mentioned in chapter 3, that will oppose these choices and these elements have the potential to slow Serbia's progress. The key political issue that could bring Serbia's progress to a halt is that of the Kosovo issue. The Serbian government and the majority of its people have stated that they will not recognize the independence

of Kosovo. Certain European Union members have stated that this issue will have to be resolved before Serbia is fully admitted to the EU, for which Serbia hopes to revisit at a later date. Culturally, Serbia finds itself on par with other recently accepted members of the European Union. The region shares a common culture with the EU and generally does not oppose new ideas and technologies. There is a disconnect between the rural population and the urban population when concerning their view of cultural globalization. There is still a majority that prefers Serbian norms to global or European norms, impeding the progress of cultural globalization through insularity. Even with this opposition, language training in Serbia is on par or better than core members of the EU, as cited in chapter 4, with Serbs being fluent in up to 3 or 4 languages. The foreign languages of choice are English and German, two very important languages in the global system with respect to economics and trade. While there is still a preference for Serbian norms and culture over that of others, there is also a demand for global norms and culture, despite insularity. As covered in chapter 2, the processes of globalization overlap, while Serbia is wary of the negative effects of globalization, it has begun to open itself up to the process. This point is evidenced by the success of cultural globalization in spite of the strong insularity that was present in Serbia in the recent past. Chapter 3 covered how the evidence of this insularity and the impact that it had on Serbia throughout the 2000's. This chapter also focused on what the sources of this insularity are within Serbia and how they relate to the disintegration of Yugoslavia in the 1990s. Chapter 4 explored the present situation in Serbia with respect to globalization and its insularity. While there was evidence of difficulties within Serbia to fully embrace globalization, there was also a great deal of progress,

especially with respect to joining the EU. There was also evidence that the insularity in Serbia had changed from being against any norms that had a non-Serbian origin to a coexistence of Serbian and Euro-Atlantic norms. These chapters point towards the conclusion of the impact of Serbian insularity on its ability to globalize.

The effect of Serbian insularity on globalization is that Serbia's insularity has negatively impacted its ability to globalize and join the global system, however it has not prevented it, only slowed the progress in certain areas. Though there is a popular preference for Serbian culture and norms, cultural globalization is in effect and progressing, evidenced by the high level of language training and popularity of social media such as Twitter and Facebook as seen in chapter 4. Instead of an exclusion of non-Serbian norms, there is a demand and respect for both. While some of the sources of insularity still advocate against non-Serbian norms, this view seems to be on the decline overall. Politically and economically Serbia faces opposition based on the specific issue, there is a far greater opposition to many globalizing political and economic decisions or effects. The best example of this political opposition is the refusal to recognize Kosovo as an independent state, which is seen as a condition to many EU countries who would block Serbia until it is resolved. Economically there is resistance to joining important international organizations such as WTO and World Bank, or even EU required reforms. With the adoption of a Pro-EU platform by the former conservative and insular opposition, and subsequent success in EU accession negotiations, Serbia's progress has been slowed by insularity, as evidenced by the data in chapter 3, but has not stopped Serbia from

progressing. This progress could be stopped completely or slow tremendously by pressure to solve lingering political issues before insularity has decreased.

Serbia has often been described as a country that is at a crossroads, forever between empires, ideas and conflicts. Serbia today is no longer at a crossroads; they have begun to move down a path that leads them to joining the global system. They are not very far down this path, close enough where if things go badly enough they could turn around; but far enough where this would be not an easy change. Serbia now has a variety of processes, ideas and reforms to adopt if they seek to further their progress down the path to globalization. In some areas there is much work to be done, such as the economic and the political areas, but in others, such as cultural, they are making a lot of progress. With the co-opting of the Pro-EU stance by the former radical party, Serbia has solidified that this is the path that the people of Serbia support. What now must be done is to accomplish the necessary processes in order for Serbia to fully globalize and benefit from the global system.

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