Bargaining Chips: Examining the role of Economic Crisis in Serbian Minority-Majority Relations
Research Article

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Bargaining Chips: Examining the role of Economic Crisis in Serbian Minority-Majority Relations

Laura Wise*

Contemporary ethnic bargaining theory claims that minority ethnopolitical mobilization is best understood through the influence of a third-party actor, whose signals can determine whether a minority will radicalise against or accommodate the position of the state majority. It is a dynamic approach, which Erin Jenne argues goes beyond the limits of explaining minority actions using purely structural features of a group, including economic status. This article questions to what extent, if any, do shifts in the economic status of a minority, host-state and kin state affect the ethnic bargaining game, particularly in times of crisis. It uses a comparative case study of the Albanian and Hungarian minorities in Serbia since 2006, in order to explore whether or not the differences between their mobilization activities can be adequately explained by expanding Jenne’s ethnic bargaining model to include structural economic differences. It concludes that although inclusion of economic status as an additional piece in the ethnic bargaining puzzle does expand the levels of analysis, ultimately it does not address other limitations of using the model to understand minority mobilization.

Keywords: ethnic bargaining, minority mobilization, Serbia

Introduction
In ‘Ethnic Bargaining: The Paradox of Minority Empowerment’, Erin Jenne claims that an effective way to understand the ethnopolitical mobilization of minority groups is through the relationship between a minority ethnic group, the state which hosts them, and an external actor which engages with the host state on the minority’s behalf.1 Using case studies from Central and Eastern Europe, Jenne develops and tests a rational choice strategic model in order to explain and predict fluctuation in the political behaviour of minority groups in the region. The study argues that the importance of a lobby actor will influence a minority to radicalise or accommodate the actions of the host state, even when to do so would be counter intuitive. Advocating a dynamic theoretical approach, Jenne argues that this work goes beyond the limits of explaining minority actions using purely structural explanations, of which the economic features of a group are included as a possibly influential condition for conflict. This article does not advocate treating economic disparities between minority and majority as a mono causal condition; on the contrary, it suggests that

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expansion of the ethnic bargaining approach to include economic opportunity-structures, group features, and interpretation of economic signals, is a necessary adaptation for a model which places such a strong emphasis on rationality.

This article draws from theoretical debates regarding the role of economics in ethnic mobilisation, and questions to what extent, if any, do shifts in the economic status of a minority, host state and lobby actor affect the ethnic bargaining game, particularly in times of crisis. The central contention is that the unwillingness of ethnic bargaining scholarship to critically engage with economic arguments reduces its explanatory value as a theoretical approach.

This article applies the ethnic bargaining model to comparative cases of the Albanian and Hungarian national minorities in the rump-Yugoslav state of Serbia, with assessment of their fluctuating mobilization from 2006 to 2013. These case studies are placed within the context of the global economic crisis of 2008, in order to further expand the model by exploring the potential effect that reduced economic wellbeing across all levels of the nexus has on the bargaining game. In doing so it examines how ethnic bargaining approaches can be scrutinised through the inclusion of this important structural feature, and why it has been neglected in previous research. The first section of this paper focuses on how economic issues have been engaged with by scholars of minority bargaining. It then outlines how economic features could be included into the ethnic bargaining approach, in order to answer some criticisms of the existing rational-choice model. The final part of the paper explores how this could be conducted, through application of an economic ethnic bargaining model to the chosen cases studies, before discussing the issues that are raised by conducting such an exercise.

1. Economic Ethnic Bargaining

The many differences in the minority groups to which mainstream economic theories of mobilization may apply has provoked a wealth of empirical studies and debate, albeit predominantly between theories of relative depravation or wealth. This indicates that rather than being contradictory (for example, wealthy versus impoverished minority groups as being more or less likely to mobilise), the relationship between economics and ethnic marginalisation exhibits a variety of case-specific features. However, the central thesis of both approaches is relatively similar; that minority groups are motivated to radicalise against the centre by the prospect of achieving economic advantage through political mobilisation along ethnic lines, and that the decision to do so is a rational one based upon cost-benefit analysis of the minority’s position in the state. When minority-majority relations are conceptualised as a bargaining game, existing ethnic bargaining literature has interpreted economic theories as falling within these categories of relative wealth and deprivation. Earlier developments have conceptualised minority behaviour as a bargaining game

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between minority groups and the state majority, with Rogers Brubaker introducing the term ‘triadic nexus’ to emphasise the role that third party actors (such as a national minority’s kin state) has on the outcome of such a bargain. All of these studies briefly mention previous theories of structuralist influences, of which economic status is sometimes included as one of many, alongside aspects such as group size, territorial location, and salience of minority identity. However, they predominantly discuss the strategic mechanisms of minority-majority bargains, rather than alternative theoretical approaches to minority mobilization. Jenne’s work comprehensively discusses the value of a bargaining model against more structuralist arguments, and concludes that whilst economic explanations of minority behaviour do not lack value, they should not be treated in isolation as an influential factor. A discrepancy between value indicators in the preceding case studies makes it possible to discredit economic explanations in the specific cases, but the lack of consistency indicates that there is merit in re-evaluating the role that economics could play in minority bargaining.

This scrutiny is not to suggest that these theories are applied to the cases at face value, as in several of the cases Jenne isolates specific economic factors, such as the influence of market reforms as a signal of policy intent to peripheral regions. In fact, it is in this more specific analysis of economic features, that the possible contribution of economic theory to ethnic bargaining becomes tentatively apparent, as the relationship between structural influential factors and minority mobilization may be more complex than a cursory treatment of economic theories can demonstrate.

2. Exploring Ethnic Bargaining in Serbia

With this opportunity in mind, this paper attempts to integrate considerations of minority disparities and economic interpretation into the ethnic bargaining game, without risking causal isolation or overemphasis. Adapting the core ethnic bargaining hypothesis is necessary, so as to suggest how minority groups may interpret economic signals from other game players.

By understanding that perceptions of negative or positive disparities in the economic status of a minority and majority could incite mobilisation, it is suggested that efforts made by external lobby actors to reduce these differences are attempts to influence the accommodation of minority actors. For relatively wealthy minority groups, unwillingness of a lobby actor to provide economic assistance or direct policy towards external kin could be interpreted as an indicator that radical claims, framed as protection against exploitation by an economically-weak centre, would not be supported. Therefore they would accommodate the host state, even if it would leave the minority unprotected from future economic downturns affecting the centre. Similarly, relatively deprived groups could interpret host-state or third-party investment as a

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method of reducing economic disparity and encouraging integration, for example, through improving access to higher education to enable employment in the public sector. The deprived minority’s response could reasonably be expected to de-radicalise from existing claims framed as economic grievance, as support from a third party reduces the need for mobilising against the centre in order to address certain inequalities, even if the minority remains economically marginalised by policies of the host state.

This hypothesis, that supportive and unsupportive economic signals from an external lobby actor can influence the accommodation of a national minority within a host state, aims to explain conditions for de-radicalisation within dynamic bargaining games of either a triadic or quadratic nexus. International institutions proposing inequality reduction strategies, such as the World Bank and non-governmental organisations, may also signify policy intent to increase the integration of marginalised groups into formal participation structures, or demonstrate an unwillingness to support the economic activities of increasingly radical groups which threaten the stability of a host state. Exploring quadratic level bargaining would address concern that triadic ethnic bargaining models do not adequately reflect the influence that international organisations can have in issues of communal politics, and that by increasing the levels of analysis, the potential influential factors increase, making it more possible to discern the complexity of minority mobilisation within a wider context.

Focussing on bargaining between the minority and its host state reduces the triadic or quadratic nexus to a dyad, and emphasises the importance of domestic relations and economic conditions, both material and perceived. If third-party attempts to reduce horizontal equalities are a contributing factor to de-radicalisation, then the same signals made by the host state could be interpreted in a similar way by minorities. As Jenne’s model treats host state movements as either being repressive or non-repressive, radicalising policies could be those which limit minority participation in majority-dominated structures of economic advantage, such as a lack of state investment in minority-language university education. Policies which neglect horizontal inequalities could be interpreted as repressive, minorities will radicalise against only if they perceive that there is potential support for mobilization from a lobby actor. For relatively wealthy groups, exploitative signals from the centre could also be interpreted as repressive, as although this would enhance the economic networks between the state and the minority, it could be engagement which exists to benefit the majority whilst constraining the minority from utilising resources for mobilisation.

An important factor is the reliance these hypotheses make on the minority interpreting these signals as such. Cetinyan’s perfect information strategic model assumes an ability of all players to access the information which would

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allow them to correctly interpret the true intent of another actor. However, Brubaker argues that interpretation of the triad contributes to spirals of radical minority mobilisation. Jenne treats minorities as actors which must navigate the various behaviours of other actors in order to infer the credibility of intent which such behaviour could indicate. It is entirely possible for minorities to misinterpret signals of economic assistance from a lobby actor as support to strengthen the group’s bargaining power for future autonomy, secession, or irredentism, when in fact the policy was intended to reduce the appeal of trans-border economic migration. Alternatively, a regionally concentrated minority could interpret host state investment as a positive step in reducing inequalities, whilst the reality of improved infrastructure is implemented to facilitate resource extraction with minimal local redistribution.

The final methodological issue is the aspect of crisis. Jenne argues that ‘the majority and lobby actor preferences can change suddenly due to economic shocks’, and that this complicates the minority’s ability to update its awareness and perception of the other actors’ intent towards minority groups. This idea is implicitly rooted in the belief that economic shocks, such as a crisis, can shift state and international level actors’ priorities due to a concern for their own economic prosperity and stability, which could lead to a reduction in the availability of resources to be allocated for de-radicalising minorities at risk. Rather than isolate the factor of economic crisis in order to hypothesise, the following case studies are conducted within a time frame of a global economic crisis, in order to observe how an economically-framed bargaining game is further complicated by such a crisis.

This case study explores the integration of economics into ethnic bargaining by attempting to understand the minority groups’ fluctuations in mobilization through the relevant economic theories, and assessing the relationship between the perceived economic statuses of the actors, the way that moves in the game are framed in economic terms, and the minorities’ responsive behaviour.

The analysis begins at a transitional event, as Jenne’s model assumes that the vulnerability which could be felt by a minority during a period of state transition means that ‘the minority prefers concessions to equal treatment’, and therefore the minority will express demands that require both the majority and the external lobby actor to respond with signals of either accommodation or repression (the majority) or support or non-support (the external lobby actor). The choice of Serbia as a transitional host state makes it possible to begin the analysis in 2006, which was the year that Montenegro declared independence and formally ended the two-nation federation previously known as the Federal Republic of Yugoslavia. For minorities in the rump state, this transition could have demonstrated an opportunity to redefine their relationship with the state centre, and their position within domestic institutional structures. It could also have provoked a sense of insecurity, as the state had lost a significant

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12 Brubaker, *Nationalism Reframed*, 68.
proportion of territorial influence, and may have moved to secure its dominance over the remaining area of control.

Serbia has also been chosen due to the acute affects the global economic crisis has had on its economy. The consequences of the negative growth suffered by its main trading partners eventually affected Serbia’s growth through decreased demand,\textsuperscript{16} and by 2009 Gross Domestic Product had dropped by 3.5 per cent from the previous year.\textsuperscript{17} Household Consumption fell by 2 percent, with a significant decrease in Foreign Direct Investment (FDI) from 7.3 per cent of GDP for 2005 to 2009, to 4 percent between 2008 and 2012.\textsuperscript{18} This shift in the economic condition of the host-state means that the possible effects of a reduction in the prosperity of the centre may have on an ethnic bargaining game can be examined. The current analysis ends in 2013, however, continued fiscal reform under the Serbian Progressive Party’s rule, as required by the International Monetary Fund, would be valuable to include in future research, as it could raise minority perceptions of their treatment under continued austerity.

The minority cases have been selected both for their suitability and positions in the existing literature. The non-violent cases of Hungarians in Vojvodina and Albanians in Preševo both have a varying number of relational fields of nationalizing actors, presenting aspects of a triadic game between the minority, majority, and the minority’s external lobby actor, or a quadratic game between all of the above, but with international organisations as an additional field open to discursive interpretation. The Hungarian case also expands on previous research undertaken by ethnic bargaining scholars, whilst the Albanian case engages with a group largely under-examined by minority mobilization studies.\textsuperscript{19} Regarding economic theories, each case is specifically relevant to investigation of different theoretical understandings of why minorities would radicalize or de-radicalize.

Vojvodina is one of the most economically advanced and ethnically diverse regions in Serbia, with Hungarians only constituting a majority in the municipalities of Bečaj, Bačka Topola, Mali Idoš, Subotica, Ada, Kanjiža, Senta and Coka.\textsuperscript{20} When understanding minority mobilization through an economic lens, it is difficult to establish the Hungarian minority as an actor which may act according to advanced regionalism expectations, when such a region is inhabited primarily by the majority group whose economic disparities from the minority are under consideration. This study focuses on the economic status of

\textsuperscript{19} Future research could extend to the Bosniak national minority in south-west Serbia, as a group which exhibits similar structural features to Albanians, and whose bargains have also involved quadratic level actors. See Vrbensky, Ratislav. 2008. *Can development prevent conflict? Integrated area-based development in the Western Balkans – theory, practice and policy recommendation*. London: Centre for the Study of Global Governance (LSE).
municipalities where Hungarians constitute a relative majority with over 25 per cent of the population, in order to account for this regional distribution. By doing so the Hungarian municipalities can be understood as relatively wealthy compared to the centre, albeit by a slight margin, as all of the municipalities, with the exception of Čoka, were classified in 2006 as being highly developed or within the national average.\textsuperscript{21} This assessment remained the same in 2012,\textsuperscript{22} and thus the Hungarian minority can be expected to behave according to the wealthy minority group hypothesis.

It is easier to establish why relative deprivation is the most applicable economic hypothesis for the shifts in mobilization of the Albanian population in Serbia. Concentrated as a relative or total majority in the southern areas of Preševo, Bujanovac and Medveđa, all three municipalities were classified as being either highly undeveloped or devastated areas in 2012.\textsuperscript{23} As with the Hungarian municipalities, this classification had not changed from 2006. In 2009, the official average rate of unemployment in Albanian municipalities was 39 per cent;\textsuperscript{24} however, local officials claimed that unemployment was estimated to be around 60 and 80 percent respectively.\textsuperscript{25} This disparity between data highlights the challenge of establishing the precise nature of the economic situation of minority actors, but as according to work on economics and Russian regionalism by Yoshiko Herrera, the minority’s perception of its economic status in relation to the centre is more important than the specific nature of the disparity and relationship.\textsuperscript{26}

3. Hungarians in Vojvodina

Prior to the moment of transition in 2006, the first organisation of the Hungarian minority was the formation of the Democratic Community of Vojvodina Hungarians (DCVH)\textsuperscript{27} after Vojvodina’s constitutional right to regional autonomy was dissolved in 1989. In April 1992 the DCVH adopted a memorandum which presented the concept of Hungarian ‘personal autonomy, a local Hungarian government, and a regional Hungarian government with special [minority] status’,\textsuperscript{28} but a provisional Hungarian National Council was not established until the end of the decade.\textsuperscript{29} Autonomy for Vojvodina was only partially restored by the so-called “Omnibus Law” in February 2002.

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\textsuperscript{23} Ministry of Regional Development: Uredba o Utvrdivanja jedinstvene liste.
\textsuperscript{28} Kokai, Peter. 2010. About the Autonomy Efforts of the Hungarian Community Living in Serbia. South-East Europe International Relations Quarterly 1(3), 1-9, 2.
\textsuperscript{29} Kokai, About the Autonomy Efforts, 3.
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By 2006, the Hungarians of Vojvodina had reached an advantageous bargaining position. Although provincial autonomy had not been fully restored to the constitutional status of 1974, the historical and institutional precedent for regional self-governance was still there, something not possessed by other minorities in Serbia. They also became the first minority in Serbia to have a kin-state in the European Union (EU) when Hungary became a member in 2004, presenting the perception of greater access to economic benefits for Hungarian kin located outside of the bloc, particularly through initiatives such as the National Responsibility Programme.

3.1. Minority Bargaining between 2006 and 2013
Following Montenegro’s independence in 2006, Article 182 of the new Serbian constitution established Vojvodina’s status as an autonomous province within Serbia’s borders. This autonomy enabled provincial institutions to regulate matters including education, urban planning, healthcare, agriculture and infrastructure; additionally, it stated that the seven percent of the Serbian central budget should be allocated for Vojvodina. The lack of claims expressed by the Hungarian minority at this time suggest that during the period of transition they were content with developing the senior positions held in government at the next local and national elections. Meanwhile, stable trade relations between the kin and host-state were being consolidated, particularly co-operation between joint-owned small and medium sized businesses, most of which were located in Vojvodina.

The first explicitly stated claim on Jenne’s spectrum of minority mobilization, which ranges from affirmative action to secession or irredentism, occurred during the run up to the May 2008 national and provincial elections. The Hungarian Coalition, comprised of the Alliance of Vojvodina Hungarians (VMSZ), Democratic Fellowship of Vojvodina Hungarians (DZVM) and Democratic Party of Vojvodina Hungarians (DSVM) parties, contested the election with an underlying goal of ethno-territorial autonomy for the Hungarian majority municipalities in North Bačka and North Banat, a goal which had been explicitly stated in January by the leader of the VMSZ, István Pástor. After the polls, however, Pástor quickly backtracked, declaring that due to a lack of political will 'it would be a multi-ethnic region, not a Hungarian region.' This shift in mobilization could be attributed to the underperformance of the Hungarian Coalition in the election, rather than any

33 Jenne, Ethnic Bargaining, 40.
sudden economic shifts which occurred during that time period. The kin-state response to the territorial claim was wholly unsupportive, with the Hungarian foreign minister openly rejecting the possibility.\textsuperscript{38}

By 2010 the idea of territorial autonomy had been quietly abandoned, and the VMSZ branded itself as a regional party seeking full autonomy for the province as a multi-ethnic region.\textsuperscript{39} The minority was enabled to pursue cultural, rather than territorial, autonomy by moves made by both the centre and the kin-state. The Serbian Law on National Minorities in 2009 elicited promises of financial support from the Hungarian government for the work of the National Minority Council, and encouragement of Hungarians to collect enough signatures to hold elections for the body.\textsuperscript{40}

Additionally, in 2008 the Assembly of Vojvodina adopted a new statute for the province, establishing decentralization which included designating Novi Sad as the provincial capital, and opening a representative office in Brussels to encourage external investment.\textsuperscript{41} Decentralisation at this level, despite being multi-ethnic, could be interpreted by an economic ethnic bargaining model as a radical move, as Hungarian representatives held significant influence and key positions in the Assembly, and therefore could better protect the regional budget from exploitation by the centre, whilst campaigning for greater investment in Hungarian majority municipalities. However, this was also prior to the economic crisis, and whilst Serbia was less economically advanced than the minority’s kin-state, there were no serious economic shocks which could push the minority to radically readdress their position within the state. The statute also reaffirmed the participation of Hungarian majority municipalities within the current borders of Serbia.

The issues of autonomy and economic wellbeing were more clearly linked at the end of 2008, when the VMSZ declared the republic’s constitution to be ‘unacceptable’, claiming that the stipulation to allocate seven percent of the budget had not been respected since the constitutional referendum in late 2006.\textsuperscript{42} This became a re-occurring statement of grievance prior to parliamentary debates over the annual budgetary issues, particularly following the fiscal measures introduced by Serbia as part of its response to the global economic crisis. In the VMSZ’s opposition to the 2011 drafting of a public property bill, Pástor acknowledged the state’s restricted financial situation, but argued that there was a ‘discriminatory’ imbalance in the allocation of funding to the Vojvodina Capital Investments Fund.\textsuperscript{43} The following year changes proposed by the Vojvodina Assembly to the Law on the Budget System, which argued that previous changes did not follow the constitutional allocation of 7

\textsuperscript{39} Zuber, Ethnic party competition, 936.
per cent of the state budget to the province, were rejected by the Serbian government.**44**

Despite the economic crisis impacting Hungary more severely than Serbia, **45** in 2010 the kin-state remained financially committed to supporting the cultural autonomy of Hungarians in Vojvodina by supporting the VMSZ minority education programme.**46** Amendments made to the Act on Hungarian Nationality in 2010, which enabled non-Hungarian citizens to achieve dual citizenship through naturalization, and thus greater trans-border movement, employment and other economic benefits, could have been interpreted as a signal that the kin-state was utilising a trans-border citizenship regime to redefine its borders.**47** An assertion from the Hungarian government that ‘this legislation does not create room for the conferring of citizenship en masse’, **48** and the ongoing positive relationship between the host and kin states, enabled the minority to correctly interpret that this support for their freedom of movement was intended to both consolidate their position within Serbia, and deter illegal economic immigration into Hungary.**49**

Contention between the centre and the minority remained minimal until July, when the Constitutional Court declared that twenty provisions of the law on Vojvodina’s jurisdictions were invalid within the Serbian constitution, including the opening of a provincial office in Brussels. The minorities of the province condemned the decision, perceiving it to be moving towards an abolition of Vojvodina’s autonomy, and the VMSZ reneged on a prior suggestion that it would be part of a future coalition government.**50** This refusal of the leading Hungarian minority party to join the central government demonstrates the importance of provincial autonomy to the Hungarian minority, and that the development of a National Minority Council was not a substitution.

The move elicited muted response from the minority kin-state, with Hungary choosing to improve its relationship with the new government following the 2012 elections. However, the dispute over Vojvodina’s competencies continued into 2013, and in May the Vojvodina Assembly passed a declaration which accused the central government of violating the province’s autonomous status.**51** Whilst the issue does not cleanly fit into the minority claims spectrum, as it is neither a purely Hungarian issue, nor a newly advanced claim, the minority’s contestation of the court’s decision persisted regardless of continued of kin-state investment into the region. This behaviour is in line an

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49 Butler, Hungary and the European Union, 1127.
51 N.N. **Declaration on Vojvodina adopted.** B92, 21 May 2013 (accessed: 20 September 2015).
economic ethnic bargaining idea that whilst the minority perceives there to be little support for radicalisation from the triadic or quadratic levels, the most profitable course of action is to strengthen existing autonomy mechanisms within the state structure, even though they perceive the centre to be curtailing their economic capabilities.

3.2. Economic Ethnic Bargaining
The shifts in mobilization by the Hungarian minority can be tentatively understood in terms of economic theories of wealthy regionalism, but doing so raises several analytical concerns. Despite the classification of almost all the Hungarian majority municipalities as being of higher than or in line with average levels of development, this assessment is not supported by unemployment rates. A vast disparity existed in 2009 between municipalities such as Subotica, with a below national average rate of 19 percent, and Mali Idoš, which with an unemployment rate of 47 per cent, was experiencing higher unemployment than in the devastated Albanian majority areas. This disparity continued to remain until the end of the bargaining game, with Ada experiencing dramatic drops in unemployment from above to below the national average, whilst in all other Hungarian municipalities unemployment increased. The unevenness between the economic wellbeing across the area where claims are made by the minority representatives, with the VMSZ performing well electorally in all of these municipalities, shows that extent to which conditions must be bracketed in order to treat the minority according to a specific economic theory in a bargaining situation.

The second concern raised by the Hungarian case is the proportion of claim making which is framed around the status and resources of a multi-ethnic institution. Initially, the persistent attempts to protect the central budget allocation for the region corresponds with ethnic bargaining, as the unequal reciprocation by the centre to reflect the net contribution from the region is a key driver for radicalisation away from an exploitative host-state. However, the complication with such a theory in this case is that the regional contribution is multi-ethnic, despite the high development of Hungarian majority municipalities. Whilst the minority contention can be understood due to the high levels of participation of Hungarian representatives at the regional level, as that is the mechanism through which they can exercise the greatest agency over financial and economic resources, it also demonstrates the difficulty of applying a broad economic theory of mobilization to the specific experiences of one minority in the bargaining game.

Stability between the kin and host states, and the relative lack of quadratic level engagement with the region, means that economically framed moves by external actors to influence the minority’s behaviour are more subtle than perhaps they would be if the minority was treated as a relatively deprived group. Throughout the game, the triadic level actor does encourage the minority’s economic wellbeing within the current state boundaries, through investment, support for cultural autonomy, minority education and freedom of

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labour movement across the kin-state borders. It is difficult, however, to ascertain to what extent these efforts contribute to the minority’s behaviour, particularly as the VMSZ rarely expressed economic claims aside from the annual budget dispute.

4. **Albanians in the Preševo Valley**

The first significant moment of mobilization in the Preševo Valley occurred when Albanian leaders conducted a referendum in 1992, in which the population voted for unification with the formerly-autonomous region of Kosovo. This vote was never transformed into material attempts to unify the Valley and Kosovo, but the referendum is often referred to by Albanian politicians when making claims against the state.

In January 2000 the Liberation Army of Preševo, Medveda and Bujanovac (UCPMB) launched an insurgency campaign from the Preševo Valley, aiming to unify with an internationally-backed Kosovo. The conflict ended in May 2001, and governance of the Valley fell under the Čović Plan to disband the UCPMB, and assert the territorial integrity of Serbia. The self-titled Albanian Councillors of Preševo Valley signed a declaration in January 2006 which committed them to seek the “unification of Preševo Valley with Kosovo in case of possible change of [Kosovo’s] borders”. However, the councillors suggested that they would wait for regional developments to facilitate this change, rather than use force.

By May 2006, Albanians were concentrated in some of the most economically devastated parts of Serbia, complaining of high unemployment rates, exclusion from public employment, under-developed healthcare and other infrastructure, and lack of access to education in Albanian. These factors determine that the group will be studied according to theories of relative deprivation, and whether shifts in their actual or perceived economic relationship with the centre, their kin-state of Kosovo, and the large number of international agencies interested in the stability of the Preševo Valley, affect the Albanian minority’s radicalisation or accommodation of the Serbian state.

4.1. Minority Bargaining between 2006 and 2013

Following Montenegro’s independence in May 2006, Albanian protestors in June called for decentralization and establishment of a self-administered region of the three municipalities in the Preševo Valley. Legitimated as a genuine minority claim with support from the President of the leading minority Party for Democratic Action (PVD), Riza Halimi, it was met with silence by the Serbian government and other actors in the bargaining game. The call for decentralization was repeated in the autumn of 2006, when the PVD urged

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Albanians to boycott a national referendum on accepting the new constitution of Serbia.\textsuperscript{59}

However, by January 2007, OSCE and European state ambassadors had convinced the four main Albanian party leaders Riza Halimi, Ragmi Mustafa (Democratic Party of Albanians), Jonuz Musliu (Movement for Democratic Process) and Skender Destani (Democratic Union of the Valley) to form ‘the Albanians of Preševo Valley’ and break a fifteen-year boycott of parliamentary elections by running as a coalition.\textsuperscript{60} This was facilitated by the Republican Electoral Commission, who reduced the signature requirement for minority party registration from 10,000 to 3,000, making minority contestation more achievable.\textsuperscript{61} There were also reports of pressure exerted by Hashim Thaçi, the Prime Minister of Kosovo, on the more radical leaders to integrate.\textsuperscript{62} The final Albanian coalition succeeded in winning one parliamentary seat for Halimi, who consequently became the first ethnic Albanian Member of Parliament in the post-Yugoslav Serbian republic.

The first claim framed in economic terms was the reaction of Albanians to the Ahtisaari plan, which in March 2007 argued that re-integration of Kosovo into Serbia was not possible, and advocated instead for an independent, majority-Albanian state backed by the international community.\textsuperscript{63} According to ethnic bargaining theory, this signal from the quadratic level to the kin-state could be interpreted by the minority as an opportunity for radicalisation, and in September the leaders of the Albanian parties in Preševo issued a declaration supporting the plan, condemning the ‘sluggishness’ actions of the government run Coordination Body for Preševo, Medveda, and Bujanovac, and blaming the state for instability in the area which threatened ‘economic development’.\textsuperscript{64}

The Albanians’ concern that regional instability was hampering development became evident when Kosovo eventually declared independence in February 2008. Kosovo authorities immediately introduced stricter border and customs controls to emphasise their statehood, regardless of the consequences for ethnic-kin in Preševo, where cross-border trade effectively ceased.\textsuperscript{65} Whilst this negative economic signal from the kin-state did not prevent a ‘Coalition for Preševo Valley’ successfully running in the May parliamentary elections, a second economic effect of the independence led to a shift in the minority mobilization, after the Serbian Ministry of Education stopped recognising the accreditation of diplomas issued in Kosovo in August. Minority party leaders


\textsuperscript{61} However, this decision was inexplicably reversed one month before the 2008 national and provincial elections. OSCE, ODIHR. 2007. \textit{Republic of Serbia Parliamentary Elections: Election Observation Mission Report}, Warsaw: OSCE, 6.


protested to Belgrade, threatening to withdraw Albanian participation from the Coordination Body if the decision was not reversed, as failure to do so would prevent many Albanian students in Preševo to seek employment in Serbia using their qualifications.\(^66\) The threats were dismissed, and responsibility for encouraging Albanians to de-radicalise was left to international actors such as USAID who, alongside the Coordination Body, signed an investment memorandum with the mayors of Preševo, Bujanovac and Medveda, whilst the French ambassador to Serbia pledged EU assistance to tackle regional under-development.\(^67\)

International efforts by donors and the OSCE to re-integrate the Albanian representatives into the Coordination Body were successful in March 2009, despite the unresolved issues of inhibited cross-border trade, and Serbia’s unrecognition of Kosovo-issued diplomas. Once again, the accommodation lasted only a few months before the assembly of the municipalities sent the government a proposal which reaffirmed the January 2006 declaration for establishing regional autonomy, proportional representation of Albanians in public institutions, and calling to reverse the diploma recognition decision.\(^68\) This followed a denouncement, by the mayor of Bujanovac, of a drastic cut in the annual municipality budget allocated by the Coordination Body, and the perception that despite state investment in ‘infrastructural development, which had contributed to improving the quality of living...economic development projects had been lacking’.\(^69\) The perceived awareness minority actors had of their worsening economic status as a result of kin-state actions, and repression by the centre through exclusion of diploma holders and underemployment in the public sector, could have influenced the group to radicalise their claims again, despite lack of support from their kin-state, and ongoing international assistance to improve regional economic development.

These latest claims preceded moves made by the government to visibly make progress on regional development beyond infrastructure projects. After years of stalled progress, in October 2009 bilingual branches of Nis University opened in Medveda, with support from USAID and the OSCE,\(^70\) whilst at the start of 2010, 4.3 million euros were allocated to the Coordination Body from the central budget for infrastructure development. The Coordination Body’s director highlighted that this was a ten percent increase from the previous year, stating that ‘the fact that the Coordination Body is one of the few state institutions that has received more money than it did last year, despite the economic crisis, clearly indicates that southern Serbia is a strategic priority of the government’.\(^71\) Meanwhile, the government of Albania took steps to establish economic cooperation with the region, through assisting Coordination

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Body projects, and encouraging private investment from Tirana, with the Vice-President urging leaders in the Preševo Valley to establish an Albanian National Council.\textsuperscript{72}

This support appears to follow the hypothesis that perceived investment from both the state and external lobby actors effectively promotes accommodation of the minority, as in June 2010 the Albanian National Council was finally formed by successful elections. It represented a huge step for the cultural autonomy of the Albanian minority, but also for the attempts by other actors in the bargaining game to reduce calls of more radical, territorially based claims. However, regional economic underdevelopment was still a prominent concern for Albanian leaders, with the high unemployment rates and lower than average wages becoming a more pressing issue as the Coordination Body announced that donor assistance was ‘slowly drying up’\textsuperscript{73} and the delayed effects of the economic crisis on the central state became clearer. The minority could have perceived an economically weakened centre as a less formidable opponent to bargain with; however, they appear to have understood that a worsening economic state for the state as a whole would lead to reduced budgets for expenditure at multiple levels of governance. Therefore, rather than framing claims in economic terms, the next discernible move made by the minority was a mass boycott of the 2011 population census, which they protested would marginalise Albanians by refusing to include citizens living abroad,\textsuperscript{74} an important aspect for an economically depressed region which had experienced steady and significant labour migration.

The opening of a multi-lingual department of economics in Bujanovac, and a joint Coordination Body and U.K investment project for small and medium enterprises, were efforts by the state between October 2011 and April 2012 to further address development issues other than infrastructure. This investment may have contributed to a quiet period of minority claim making, with only a partial, radical, boycott of the May 2012 presidential and parliamentary elections, and a brief verbal conflict over the removal of a UÇPMB memorial in 2013. Although the minority did attempt to use the Brussels Agreement proposals for an Association of Serb Municipalities in Kosovo to for claims of an equivalent arrangement in South Serbia, they received minimal support from the Kosovo Assembly, which passed legislation supporting Albanian civil rights, but within the existing state borders.\textsuperscript{75} These flare-ups between the minority and the state between 2012 and 2013 seem to be actions driven by radicals, and not claims made by legitimate representatives of the group.

4.2. Economic Ethnic Bargaining
This exploratory case study of Albanians in the Preševo Valley indicatively supports the inclusion of economic theories into ethnic bargaining analysis of


\textsuperscript{73}Riberg, Marcus and Bojana Barlovac. Pace of Integration in South Serbia 'Not Satisfactory. \textit{Balkan Insight}, 20 April 2011 (accessed: 20 September 2015).


minority mobilization. The relative deprivation of the minority is regularly referenced by actors alongside and independently of other issues when expressing radical claims, whilst appearing to respond temporarily to efforts made by other game players to improve the economic condition of Albanians. The quadratic level of ethnic bargaining is also supported by the minority’s confidence in international actors’ involvement through direct regional investment, aid, joint projects with state institutions, and the influence that international institutions and foreign governments could have on the status of their kin-state.

Throughout the period of analysis, triadic and quadratic level actors display awareness of a need for strong signals of commitment to investment and economic integration following periods of minority radicalization, such as the renewed claims for regional self-governance in 2009. It also demonstrates how economic investment and integrationist political institutions in the region are intricately linked, with the role of the Coordination Body as a decentralised, cooperative institution between the central state and local minority leaders, whilst also providing a degree of minority agency over economic governance structures, within a structure which enhances existing borders and the legacy of the Čović Plan.

Conclusion
This paper has explored a way in which ethnic bargaining as a dynamic theory, could be developed in order to acknowledge the potential influence of economic structures for minority mobilization. The subsequent case studies demonstrate that it is possible to expand previous ethnic bargaining models to include a quadratic level of analysis and contextual features of the circumstances in which a bargaining game is taking place, such as a global economic crisis. By doing so, it has addressed concerns that a triadic bargaining game does not effectively account for the influence and participation of international players, such as international organisations or non-kin states, in relations between a host-state and national minorities. The Albanian study in particular has raised the need to be aware of the participation of secondary kin-states, when they display greater interest in the economic wellbeing and integration of a minority abroad than the primary lobby actor. Emphasising the discursive interpretation of economic status and moves by minority players also contributes to the dynamic nature of existing ethnic bargaining theories, ensuring that despite arguing for inclusion of a structural feature, the constructivist roots of bargaining theory are not distorted.

Although the case studies demonstrate minority behaviour which appears to support economic ethnic bargaining hypotheses, they also raise issues regarding the need for bracketing minority features, a reliance on observing the dominant ethnic voice, and the complications that arise when minority claims are expressed through multi-ethnic institutions. The limitations of the two indicative case studies means that further and more extensive research is required to establish how these could be addressed, or whether these are necessary features of ethnic bargaining models which limit the applicability of the theory to specific minority behaviour. Whilst in both cases claims were expressed in economic terms, and moves made by other players to reduce
minority radicalisation through financial means can be observed, the case studies also demonstrate that relative economic difference between a minority and the centre is a significant but not necessary feature of mobilization.76

Therefore, this paper concludes that the possibilities of ethnic bargaining theory remain open for discussion and engagement, particularly through the use of case studies beyond the area of Central and South-Eastern Europe. It welcomes the contribution that ethnic bargaining models make to dynamic theories of comparative ethnic conflict, but also suggests that it could be developed to address the existing limitations it relies on in order to retain a predictive capacity.

Bibliography

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