GEOPOLITICAL FAULT LINES IN THE BALKANS

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ABSTRACT

The aim of the study is to show a new geopolitical approach to the understanding of international processes. The authors come up with the idea of connecting geographical elements with international relations and the moves of great powers and smaller states. The new approach of matching geographical fault lines with the region of Central-Eastern Europe, a region between the Baltic and the Black Sea provides us a deeper view on international events and networks. Connecting the two fields of research, geography and international diplomacy, the authors describe the short 20th century and the beginning of the 21st century as the period of earthquakes and volcanic eruptions along the fault lines, concentrating on the history of the Balkan region, providing us with a better view on the international system and the situation of smaller states among the great powers.

Keywords: geopolitics, international relations, Balkans, history, Serbia

INTRODUCTION, METHODOLOGY

The political face of our world was being formed from the second half of the 19th century to the end of the 20th century. This face is ever since continuously changing just like the upper layer of the Earth’s crust. The tensions generating in the deeper layers of the crust result in the movements of structure of the crust. These movements make changes on the surface as well. Fault lines are created in the crust, along which strong volcanic activity and movement of the crust, earthquake can be experienced. The formation of political image is a similar process. The reasons of tensions in the deeper layers of politics can vary. The crust also forms due to varying reasons. In addition to crust movements the weather also strongly forms the surface. In politics the political climate can also be mentioned, whose effects are smaller than the outcomes of conflicts of deeper layers. A politician may cause a storm, the passing of which does not lead to fundamental transformation. The main causes of controversies occurring in the deeper layers of politics can be traced back to economic, ethnic, religious, ideological, cultural controversies, controversies among social systems and world views. Briefly with modern scientific expression we can call them geopolitical reasons.

Coming back to the metaphor of crust and geopolitical shape we can say that the geopolitical shape is divided by fault lines. Along these political eruption and

phenomena similar to earthquakes may occur. From the geopolitical fault lines, smaller ones start, like networks. These can also cause smaller political changes. The biggest political fault line stretches from the Baltic Sea to the Black Sea in Central-Eastern Europe. The first and second world wars broke out along this line. The peace treaties closing the two world wars did not put an end to the political conflicts, tensions remained in the deep. “The four and a half decades following the Second World War was the period of the cold war. ... It was the product of differences in the strategic, geopolitical considerations, differences in the consideration of value systems and world views, thinking traditions, political structure, and partly the product of the differences derived from the idealist thinking of Roosevelt based on the principles of Wilson and Stalin’s thinking of realpolitics, and political practice.”

This was the period of cold war, so to say the war of nerves, which was carrying the danger of another world war. The balance of military power is the explanation for the seemingly peaceful political tug of war between the great powers – the Soviet Union and the USA, which is the source of constant political instability.

“The literature of history divides the cold war into four periods: freeze (1947-1953), rivalry (1953-1969), détente (1969-1979), and another freeze and the end of the cold war (1980-1990).” This periodization is based on the changes of diplomacy and politics. It does not give explanation to local wars and dangerous centres of tension along geopolitical fault lines (War of Korea, Vietnam, Cuban Crisis etc.). The geopolitical approach takes into consideration the global changes of the political, economic, military range of action of great powers. This is also influenced by the ideological clash on global scale.

“Starting from the last third of the 20th century the coordinates of the five dimensional concept of space define the frame of analysis embodying the ruling comprehension of geopolitical thinking.”

The traditional geographical concept of space was complemented by outer space and cyberspace, part of space of information in a wider sense. From the military point of view the orbit around the Earth also belongs to this concept. “In case of the orbit around the Earth the following trajectories can be differentiated: 150-800 km: low height, 800-35000 km medium height, above 35000 km high height trajectory. The geostationary orbit can also be mentioned, rotating together with Earth, in 36000 km height from the surface, revolving in the line of the Equator in 24 hours revolving time.”

Concept of space was not only complemented by outer space, but the area of world seas. We know from the programs of Viasat History TV channel that submarines equipped with more nuclear warheads can stay below the ice of the North Pole for several months. The concept of space expanded here as well from the strategic point of view. The Cold War was going on in spaces which can be defined by geopolitics. This can be extended by the global spatial network of communication. The front-lines, battlefields of Cold War in the first instance define economic political conditions; this is the main point of view, based on which the

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3 ib. 93. p.
4 ib. 125. p.
5 ib.
6 ib. 127. p.
war can be measured. This aspect defines the geopolitical periods of the Cold War. Based on the geopolitical aspects certain parts of the Cold War were determined by military political aspects and the economic resources behind them.

The clash of the forces facing each other can be modelled just by scientific means. It is hard to decide from the outside, who is about to win in the fierce clash, who is stronger. This I expressed by the geopolitical periodization.

1. First phase (1945-1956): nuclear stalemate and deterrence, drawing the ring of containment. This strategy meant the isolation of the soviet block from the free world, called the West. The atmosphere of mutual fear and uncertainty dominated.

2. The second phase (1957-1979) was the communist deep penetration into the sea zone. The Soviet Union broke through the limits set up by the American isolationist policy. It penetrated into the territorial waters of the USA – said to be the lord of world seas – and those territories which question the hegemony of the USA. Good example for this the Cuban Crisis of 1962-1963 and the Soviet invasion of Afghanistan.\(^7\)

3. The third phase (1980-1991)\(^8\) meant the collapse of the Soviet Union. It was a shocking moment of history of the 20\(^{th}\) century. Peoples of the Eastern Block experienced similar feelings when Stalin died in 1953, and when Khrushchev was exposed in 1956. Khrushchev revealed the vileness and immorality of personality cult on the 20\(^{th}\) Congress of the Soviet Communist Party. The first reaction to this was the Hungarian revolution and war of independence of 1956. The Soviet Union and the block of power ruled by it did not break. Comparing the two events can give explanation to the significance of the new era starting in 1991, and the analysis of events occurring in the deeper layers of geopolitics. The bipolar world, coming into being after the Second World War suddenly collapsed. One of the pillars of this world order was two economic and military alliances led by the Soviet Union, the Comecon and the Warsaw Pact.

The block led by the USA relied on the power of the USA. The explanation to this is, that “it gives quarter of the world’s GNP. This equals to the GNP of China, Japan, Germany and Great Britain in total. Being the state of the highest industrial potential, the headquarters of one third of the 100 largest transnational companies can be found there. The growth rate of the so called new economy and money capital is the fastest in the USA. In the field of technology, the USA leads the informational and communicational revolution. In case of military in spite of decreasing expenses it could increase its range of action hand in hand with NATO. The USA has the only army, which can be deployed immediately in any part of the world, capable of immediate action. It has strengthened its traditional influence greatly in political sense in international organizations of strategic importance, like the International Monetary Fund, the World Bank and the World Trade Organization.”\(^9\)

\(^7\) ib. 93-95. p.
\(^8\) ib. 99. p.
\(^9\) ib. 104. p.
In addition to the above mentioned facts, the following should be mentioned: “The monetary system of Bretton Woods – coming into being after the negotiations of 1-22 July 1944 – can be considered the first cornerstone of the new world order. That was the time when the American dollar became world money.”\(^\text{10}\) The struggle and fierce competition of the two poles was decided to the advantage of the West because of economic reasons in the long lasting Cold War. The basis of the military competition going on between the Soviet Union and the USA was the development of military technology. The balance of power was ensured by nuclear stalemate and Soviet land forces. This enormous force created great moving armoured force after the Second World War, which was able to quickly reach the Atlantic Ocean from East Germany according to data of the TV channel Viasat History. This was the basis of fear of the West, and a cornerstone of Stalin’s strategy. In the time of the Cold War the Cuban Crisis brought a new turn to the state of balance of power. Based on the idea of President Reagan the USA announced the program of star wars, which meant the establishment of anti-missile defence systems. This caused a competition of military technology, which did not have the economic conditions in the Soviet Union. According to Viasat History, the USA spent 6% of national income on military expenses, while the Soviet Union spent 40%. The unequal competition led to collapse of the Soviet system. The great collapse led to geopolitical earthquake in Central-Eastern Europe, which aftereffect was that the geopolitical fault lines were torn mainly in the Balkans because of the geopolitical aftershocks. So the states of Central-Eastern Europe came to the historical task of change of regime, the solution of which was a common problem of the region within the given geopolitical scope. The terminus technicus of geopolitics should be emphasized, because it determined the fate of the region in the given historical situation. History also plays a relevant role, because the region was put in the shade of global bloody events of the First and Second World Wars. The superficiality of peace treaties was found again. The fate of Ukraine also proves that the change of regime has not finished yet. The expression itself, “change of regime” expresses that the historical turn is inevitable. There are no other alternatives for the small peoples of Central-Eastern Europe, just the task to somehow get back on their feet economically after the end of the Cold War. This is only possible by taking advantage of the possibilities by joining the international economic circulation. Small nations need economic blood transfusion. The situation of Hungary is a picturesque example. The situation of the country is also determined by the globalizing world apart from the region. “The world became global, the mutual dependencies and the new regionalist type of integrations, processes organizing in the form of networks and streams transformed the conceptual frames of geopolitical spaces and places and contributed to the collapse of old structures.”\(^\text{11}\)

The study analyses the Balkan region based on a new geopolitical approach, in the global system of interdependency and the system of asymmetric interdependency among the actors. The authors investigate the historical networks of the Balkans based on unique sources from Autonomous Province of Vojvodina. At the same time the authors mention in brief the geopolitical indicator of the end

\(^{10}\) ib. 91. p.

\(^{11}\) ib. 91. p.
of the 20th century and the beginning of the 21st century, called energy politics. Energy politics is becoming more and more important in the game of great powers in Eurasia; it is constantly discussed in the Central and Eastern European region and in the European Union as well. Energy politics has major role in defining the bargaining power of actors in international diplomacy.

The new geopolitical system of the 21st century and the new types of challenges desire the reinterpretation of complex network of international diplomacy. The characteristic diplomatic traditions of the 20th century, the secret diplomacy of great powers to make advantage of the conflicts among smaller states along the geopolitical fault lines can be considered as zero-sum game. The great powers were fighting against each other for the spheres of interest, important from the geostrategic point of view. The arms race resulted in the destabilization of the international system, the change of regime of Central and Eastern Europe is still going on. It is the responsibility of great powers and international organizations and institutions dominated by them to channel the blood stream of mankind to calmer periods. The means of secret diplomacy are not capable of stopping the processes; effectively deal with the conflicts which have deep roots. The authors of present study stand up for the application of international diplomacy based on consent and cooperation, the result of which might be a cooperative international system based on the cooperation of great powers and global players. The analysis presented here revises the 20th century fallen into the trap of secret diplomacy, based on a new geopolitical approach. We hope that the saying is true, according to which no man ever steps in the same river twice.

**FORESHOCKS**

The First World War, just like earthquakes, was preceded by a series of foreshocks. The Balkan region is worthily called the powder keg of Europe and the world even nowadays. The First World War was preceded by two conflicts, the geopolitical interpretation of which can be approached from more sides. On the one hand it is the scene of rivalry of great powers, acquiring areas of geostrategic importance (reaching the seas, straits), on the other hand the scene of struggles among smaller states for the same territories. “There were two ranked officers at the head of the Austro-Hungarian Monarchy, who wanted to renew the policy of dynastic expansion. Count Aloys Aerenthal-Lexa minister of foreign affairs and count Franz Konrad von Hötzendorf chief of general staff thought that just like in 1881, an agreement can be put into practice with Russia about the mutual division of the Balkans.” According to the agreement Russia would have got the straits of the Ottoman Empire and the Austro-Hungarian Monarchy would have been able to reach the harbour of Salonica. Russia came up against the resistance of England; the Monarchy annexed Bosnia and Herzegovina.

Bulgaria, Serbia, Crna Gora and Greece, creating the Balkan Alliance, laid claim to the European territories of the Ottoman Empire. The “distribution of loot” after the first foreshock, the war of 1912 carried the outbreak of the second Balkan war, which

13 ib.
was this time launched by Bulgaria against its former allies, on the side of who Romania and the Ottoman Empire also joined.14 “It turned out that in the two Balkan wars the three small Balkan states, Greece, Serbia and Bulgaria were struggling against each other for the control of the Valley of Vardar and Salonica.”15 The Valley of Vardar ... is the strategic gate to the harbour of Salonica. ... Who controls the Valley of Vardar, dominates the Balkans.”16

This is the interpretation of the geopolitical view of Mackinder for the Balkans.

**THE FIRST GLOBAL EARTHQUAKE**

“The Balkan-question could rise to the level of world politics because the opposing sides in the national debate and the great powers lining up behind them were member states of great European blocks, and the decision of the debate had effects on a series of systems of alliances.”17 The waves of the earthquake spread all over the world.

Immediately after the outbreak of the world war Russia asked Serbia to give up Macedonia to the advantage of Bulgaria for the resurrection of the Balkan Alliance. Serbia was only willing to give up the territories east to the Valley of Vardar, on the condition of the other member states of the Balkan Alliance also make concessions to Bulgaria, and Serbia would receive Serbo-Croatian territories with seashores belonging to them in return. Neither Greece, nor Bulgaria was willing to make concessions to Bulgaria, so the allied demanded Macedonia from Serbia with the Valley of Vardar. They offered Dalmatia and Bosnia and Herzegovina in return. But the political elite of Serbia insisted on keeping the valley due to the above mentioned reasons.18

Russia “wanted to keep the area of the Dardanelles and Bosphorus for itself, so tried to push Bulgaria to the central area of the Balkans, which provides strategic dominance embracing the Valley of Vardar.”19 This got Serbia to change the principals to follow in the foreign policy of warfare and the national program. “Instead of taking under the settling of the Serbian question in a narrow sense, it took under the settling of the more comprehensive Jugoslav question.”20 But it required the victory of the Entente and the dissolution of the Austro-Hungarian Monarchy. According to Nikola Pašić, prime minister of Serbia the peace of the Balkan region depends on the creation of a strong national state, giving up the principal of balance of power. In his idea the key to guarantee a lasting peace is the creation of a strong south Slavic state, which would embrace the Serbs, the Croats, and the Slovenes too.21 But the idea only served to disguise the expansive policy of Serbia, Pašić himself did not believe in the existence of the Jugoslav nation, all the nations had their own separate national consciousness. The official aim of Serbia in the war at the end of 1914 was to crush the Austro-Hungarian Monarchy and to liberate and unite the Serb, Croat and Slovene brothers.

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17 ib. 9-10. p. 
18 ib. 10-12. p. 
21 ib. 15. p.
But the Entente was not interested in crushing the Monarchy, they were rather thinking in a separate peace treaty, considered the Monarchy an important factor in the balance of power of European great powers. Furthermore the Entente had greater interest in drawing Italy into the war. But Italy, being afraid of the creation of a strong Jugoslav state, stipulated in a secret agreement with the allied to prevent the unification of Serbia, Croatia and Montenegro. According to the agreement Croatia can decide at the end of the war whether to join one of the countries or remain independent.

Russia was against the creation of a strong south Slavic state till 1917. The reason for this is that Russia could not take it for sure that the dominance of the orthodox Serbia will remain over the non-orthodox peoples. Later history proved their assumption. Although it did not support the efforts of Pašić, “Russia, based on its best self-interest, entered the war on the side of Serbia to preserve, and if possible, turn to its side the balance of power of great powers in Southern-Eastern Europe, which would be upset with lossing Serbia to the advantage of the Austro-Hungarian Monarchy.”

Serbia had to change its policy after the fall of czarism in 1917, get closer to the Jugoslav Committee. “The Jugoslav Committee was set up by those Slovenian, Serbian but mainly Croatian politicians, who emigrated from the Austro-Hungarian Monarchy to the West, who were staying in contact with the Serbian government before the war.” The Jugoslav Committee stood up for the creation of a unified, strongly centralized Yugoslavia, based on the principal of trialism, the equality of the three tribes, three nations. But hitherto the relation between the Serbian government and the Jugoslav Committee with the seat in London was characterized by mutual mistrust. The Committee accepted the Serbian Karadordević dynasty as the ruler of the new state 20 July 1917 in the declaration of Corfu, while the Serbian government accepted that all the tribes would have equal rights. The aim of Pašić was to gain the support of the Entente powers and the USA joining the war on their side. But the Entente powers ignored the declaration or took it with a grain of salt. France was thinking about the creation of two south Slavic states, Italy saw in it the obstacle to obtain the territories promised to it.

The Entente powers, after the negotiations about separate peace treaties with the Monarchy ended in failure, tried to destabilize the weaker central power by encouraging national movements inside the Monarchy. In April 1918 the congress of nation subjugated by the Austro-Hungarian Monarchy was organized in Rome.

The international conditions needed for the establishment of the Serb-Croat-Slovene Royal State were created by the victory of the Entente, but we cannot talk about a simply artificial formation on the basis of the will of great powers. Although the Serbs, Croats and Slovenes entered the southern Slavic states due to several forcing circumstances, but they did it on their own accord. The state struggled with strong inner conflicts. Serbia, as a winner of the world war, with

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22 ib. 18. p.  
23 ib. 20. p.  
25 ib. 29. p.  
the Valley of Vardar in its hands felt it a historical task to fill in the vacuum of power coming into being after the collapse of two empires, the Austro-Hungarian Monarchy and czarist Russia.\textsuperscript{27}

**THE SECOND GLOBAL EARTHQUAKE**

After the First World War the southern Slavic state adjusted its foreign policy primarily to France, who had continental hegemony, and insisted on the country against the German “revengism”, the resturation of the Habsburgs, the isolation of the Bolshevik revolution, and the restraint of Italian aspirations.\textsuperscript{28} Yugoslavia could insist on its traditional allies only until the 1930’s. Due to the effects of the world economic crisis Yugoslavia turned towards Germany, first economically, then politically. In the relations of the two countries one sided dependency came into being in a short time.\textsuperscript{29} The primary goal of Yugoslavia was to stay out of the war. 25 March 1941 Prime Minister Čvetković signed the Tripartite Pact, in which Germany guaranteed the fulfilment of the demands of Yugoslavia in three appendices.\textsuperscript{30} “According to the first appendix Yugoslavia would have got exit to the Aegean Sea with the harbour of Salonica in the finalization of state borders – this was promised. With this the dream of Serbia would have come true.”\textsuperscript{31} The second appendix was about guaranteeing sovereignty and territorial integrity. According to the third appendix Germany and Italy would not require military help from Yugoslavia in case of war.\textsuperscript{32} But after signing the pact, probably with English assistance General Dušan Simović carried out a coup d’état, anti-fascist demonstrations started all over Serbia. 6 April 1941 Hitler attacked both Greece and Yugoslavia. The winners divided the country. Serbia came under the control of Germany due to its geographical location and important mining.

After the invasion all hell broke loose. “In Yugoslavia for four years there was war not only against the invaders, but also among the partisans, Serbian Chetniks, Croatian Ustashas, Albanian leftists, Slovenian white guardsmen, Muslim legionaries, none of them spared the civil population. In parallel, intertwined with each other there was war of liberation, civil war, armed revolution going on, the social classes tried to settle the bill with each other.”\textsuperscript{33} The fault line of the Balkans, which extends not only among great powers, but also the Slavic people, took the life of at least 1 million people in Yugoslavia according to more researches.

Until 1918 Russia and the Austro-Hungarian Monarchy struggled for the Balkans. After the First World War, France tried to put the northern part of the Balkans in its sphere of interest. This time Italian aspirations also appeared. The French were ousted by the economically stronger, geographically closely located Germany in the 1930’s. In parallel with the outbreak of the Second World War the

\textsuperscript{30} ib. 84. p.
\textsuperscript{31} ib.
\textsuperscript{32} ib.
\textsuperscript{33} ib. 132. p.
English tried to extend their influence towards the north (coup d’état of General Simović). After it became clear in the second phase of the war that the Germans and Italians had lost ground on the Balkans, England encountered the Soviet Union, which “tried to collect its imperial share of inheritance.”

After the Second World War Great Britain lost its great power status, Europe and Yugoslavia was lying in ruins. The bipolar world was in formation, between the everything-winning USA and Soviet Union, which won and lost a lot. “But this uncertain situation offered many opportunities. In Yugoslavia Tito and the communists recognized them, and quickly established their system.”

**YUGOSLAVIA IN THE BIPOLAR WORLD ORDER**

After 1945 strong alliance came into being between Yugoslavia and the Soviet Union. Yugoslavia created the network of declarations of friendship with the Eastern European states. With the Western powers the relationship was tense, mainly due to territorial claims. Mainly the Yugoslav claims for Trieste became sources of conflicts with the Anglo-Saxon powers and Italy. The atmosphere of the Cold War left its mark on the Yugoslav-Soviet relations. Stalin wanted to homogenise and centralize the eastern block, wanted to put Yugoslavia into a dependent situation. Tito went against it. “Tito could do it due to the geographical location of the country, the lack of Soviet military presence and the outstanding internal support comparing to the other eastern European communist leaders.”

After the Cominform conflict of 1948 foreign policy was focused on improving the relationship with the West to get out of isolation. The western powers also had interests in getting Yugoslavia on their side, because with it the area closing Moscow from the Mediterranean, extending from Turkey to Italy can be completed, and the Italian and Greek communist movement can be controlled better. In 1951 the USA, England, France, in 1952 West Germany signed economic aid agreements with Yugoslavia. The aim of the Balkan Pact signed in 1954-1954 (declaration of friendship among Yugoslavia, Greece and Turkey, later alliance) was to tie Yugoslavia to the western block. But the alliance did not really work due to the disagreements of member states.

Yugoslavia did not want to fit in any of the blocks; its aim was to create the group of countries outside the blocks, so he contacted the newly liberated African and Asian countries, India, Egypt and Indonesia. In the meeting of Brion 18-19 July 1956 Tito, Nehru head of the state of India, Nasser President of Egypt bound themselves to keep the principals of Bandung (anti-colonialism, peaceful coexistence). The death of Stalin allowed the normalization of Soviet relations, which broke again with the second Soviet-Yugoslav debate (1957-1961), which excluded the possibility to return to the socialist block for Yugoslavia. In 1962 the

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34 ib. 138-139. p.
37 ib. 126. p.
Soviet Union acknowledged the international status of Yugoslavia. The aim of Moscow was to prevent Yugoslavia from becoming part of the West.\textsuperscript{39}

After the deterioration of Yugoslav-Soviet relations in 1957 the attention turned to those countries that were outside the blocks. In 1961 the first congress of non-aligned countries was held in Belgrade. The titoist Yugoslavia played a major role in the preservation of the third-way nature of the movement of non-aligned countries, which increased its international importance. \textit{“The transitional international status, the role played as opinion leader of the non-aligned countries and the active peace policy gave Yugoslavia an outstanding international reputation and authority in comparison with its size and economic weight.”}\textsuperscript{40}

With the end of the bipolar world Yugoslavia lost its particular international status and with the dawn of the non-aligned movement a scene of foreign policy. \textit{“For the beginning of the 1990’s the great powers traditionally aligned on the side of Yugoslavia were constantly losing their interest towards Yugoslavia. The Soviet power efforts were gone, the old English and French rivals were not afraid of the German predominance. Moscow was concentrating on its inner problems and new connections with the West.”}\textsuperscript{41} The great powers wanted to keep together Yugoslavia because their interest was to have foreseeable changes. After all the great powers let Yugoslavia fall apart.

\textbf{THE SOUTH SLAVIC CRISIS, CHANNEL THE FAULT LINES}

Among the reasons of the collapse of Yugoslavia the temporary devaluation of the region on the scene of great power politics and the emerging inner conflicts can be mentioned. The personality of Tito was a centrifugal force, but after his death the centripetal forces reached the surface. The political climate also became tempestuous when Slobodan Milošević appeared on the scene. After the outbreak of the south Slavic war the great powers followed a “localizational” policy, their aim was to keep the new conflict of old basis within the region, to prevent the recurrence of 1914. The USA left the south Slavic issues to Europe for a time. But Europe could not agree on the aim of the interventional policy, it was a stalemate, which the USA could not stand in 1994-1995. The policy of localization was changed to the policy of intervention. On top of that the USA won a battle in its invisible war against Western Europe: it was proved, that Europe could not deal with a European regional conflict.\textsuperscript{42}

After the treaty of Dayton putting an end to the Bosnian war in 1995 several questions remained open, among which the most important was the Alban question and Kosovo. The USA, being afraid of the escalation of the conflict started the air strikes 24 March 1995. The motivation of NATO was more complicated. The aim was not only to force the compromise between Serbs and Albans (agreement of Rambouillet). \textit{“They wanted to represent the new role of NATO, assigning the place of other great powers, Russia and China in the new, evolving international order.”}\textsuperscript{43}

\textsuperscript{39} ib. 184. p.
\textsuperscript{40} ib. 186. p.
\textsuperscript{41} ib. 187-188. p.
\textsuperscript{42} ib. 272-273. p.
\textsuperscript{43} Uo. 296. p.
After Milošević was overthrown by the key persons of the police, the wrangling of the Balkans continued. Serbia was at the crossroads in the beginning of the 21st century: on the one side joining the European Union, on the other keeping Montenegro and Kosovo. The aim was to achieve both. “Serbia insisted on keeping Montenegro because of two reasons. From the two getting exit to the sea was more important. The other: with Montenegro there is a greater chance to keep Kosovo.”

In case of Kosovo from the point of view of Serbia the spiritual, religious dimensions are of greater importance. “Kosovo does not have so much influence in world politics … that is why the luminaries of great powers are not worried about having and controlling it. … Having Kosovo also lost its local importance to the beginning of the 21st century, as it does not mean a significant advantage in the relations of Balkan states.”

“It might be true, that the Serbian electors and the majority of the political elite want to join the European Union as soon as possible, but only if they accept the country as it is, without painful reforms and carrying the remnants of Milošević.”

Russia, the traditional ally of Serbia approved that Serbia signed the pre-accession agreements with the European Union, and promised support for Serbia in the fight for Kosovo. The reasons of Russia are clear: “Russia would take a greater advantage of a Serbia growing in the European Union, fighting for its own interests there, than a Serbia hopelessly impoverishing, fighting with the Union from the outside.”

**QUO VADIS SERBIA?**

The future of Serbia, the Balkan state situated in one of the epicentres of geopolitics, in the centre of the Eurasian chessboard of great powers, worth examining taking into consideration the relations between Germany (European Union) and Russia, concentrating on energy politics and energy security. Serbia has dual aim, derived from its geopolitical situation. On the one hand, driven from economic motivation, Serbia is slowly advancing towards the European Union, the leading country of which is Germany. On the other hand, as energy security, which is an emphasized question, cannot be solved by joining the EU, The aim of the decision makers is to join Serbia to the planned system of pipelines of Russia, which carried the name of Southern Stream, now Turkish Stream. From the point of view of the European Union neither economically, nor politically is Serbia ready to join and it is possible, that Russia could use Serbia, its traditional ally as Trojan horse if the strategic aims deserve it. From the point of view of Russia the essential aim is to gain and increase influence in the Balkans, achieve the goals that has been followed for centuries, to get exit to warm sea. At the moment and in the foreseeable future Serbia will be commuting between the two spaces of power in a regional space divided by deep inner conflicts.

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ASSESSMENT

The fault line extending from the Baltic Sea to the Black Sea can be interpreted as the chessboard of the rivalry of great powers, scene of geopolitical games. Nationalisms of small nations easily fell victim to the assertion of interest of great powers. The small countries of the region have to accommodate to the movement of great tectonic plates of Earth, the great powers of a given period as we have seen in the processes of the 20th century in case of the two world wars and the Cold War, in proportion to their geopolitical circumstances. The great powers according to their geopolitical aims use the tool of resurrecting or breaking down small national nationalisms. The Balkan region lost some of its importance for the short period of the unipolar world order, as there was no other power to counterbalance the USA, after the Soviet Union collapsed. In the rather multipolar world order of the 21st century the value of the Balkan region was put up again, foreshocks can be experienced in Eastern Europe. Fortunately the global earthquake has not occurred yet, we can rather talk about the clash of networks in the background.

The understanding of geopolitical networks, shaping the global world of the 20th century, can help us to find optimal solutions to global problems and regional conflicts. We cannot understand the present, without knowing the past; we make decisions in the present. In the 20th century humanity went through two world wars, taking millions of lives, while an unprecedented technical development took place. One can say that tracking down the constantly changing and organizing networks is one of the greatest challenges. The moving of networks several times misled the most significant think tanks and policy makers in the 20th century. A key issue of the 21st century and a milestone in the short life of humanity is whether to be able use new, creative approaches and methods, to think in networks, finding solutions to the most urgent questions of international politics, medical science or ecology.

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GEOPOLITICAL PRIORITIES – TURKEY AND THE BALKANS

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Turkey had already played a decisive role in the region after its establishment. Its active international role fed not only historical traditions, but its geopolitical situation made Turkish foreign policy more important during the cold war. After the establishment of the one-polar world order it relatively lost something from its previous importance temporarily, but the „Arabic Spring” put the country into the foreground of foreign policy again. Turkey is tied to the Balkans through several cultural, historical and economic ties. Its active role is extended in several directions: the image about Turkey can be decisive in the shaping of relationships in the processes of the establishment of the nation, identity policy and the support of the Balkan Muslims. Turkish capital investments play an important role in the Balkan states which fight with missing capital. Turkey is an important factor in the establishment of the Balkan stability, and in connection with it, it got several „strategic” partners, first of all in terms of Macedonia, Kosovo and Bosnia.

Keywords: Turkish foreign policy, Jihad, Balkan strategy, geopolitics, migration

INTERESTS – CONFLICT OF INTERESTS – TURKEY AND THE NEIGHBOURING REGION

The relationships between the Balkan peninsula and the Ottoman Empire-Turkey look back on a long historical past. The period of the imperial conquest can be divided into phases burdened with conflicts and peaceful phases and this changing form of coexistence – although among changed historical circumstances – has been valid up to this day.

So as to be able to understand the system of relationship of Turkey and the Balkan region, the question has to be examined embedded into a wider geopolitical context. The politics of the Balkans can be interpreted only with full knowledge of the wide scale analysis of the foreign policy of Turkey.

The Ottoman Empire disintegrated after World War I. The political map of the region was redrawn for the most part, and the role of the First Turkish Republic born out of the central core of the Empire changed essentially. But the stability of the region was not realized with the disintegration of the Empire, the power spheres of interests remained, the previous conflicts of interest survived in a latent, deep-frozen form.

The disintegration of the Ottoman Empire, then the appearance of foreign powers became sources of further conflict in the region. The settlement after World War II. did not bring the stability of the region either, the latent contrasts turned up. In the bipolar world order after World War II. the geopolitical role of Turkey was overestimated, then its NATO membership strengthened it further. The disintegration of the bipolar world order, the expansion of NATO to the East
touched it and undervalued the geopolitical role of the country, although at the same time Turkey, in the new geopolitical situation got into a regional power position towards the direction of the Balkans, the Caucasus, the Near-East and Middle-Asia.

The several conflicts of the Near-East Islamic states which „developed” to be tragically dramatic makes the establishment of the united Islamic front, peaceful cohabitation impossible for the time being. Albeit Turkey, as a secularized state, is not touched by the division inside Islam directly to the extent as it touches the Arabic world.¹

The main opposition and the source of conflict in the Arabic world is the fact that Muslim religion is not uniform, either. Their two main lines cannot be reduced to a common denominator. The Sunnite Muslims are in absolute majority, but the number of the inhabitants of the Siite group is significant as well.²

All this did not change the fact that the region is lightened by several conflicts, and in fact the region is used to be one of the powder kegs of the world and at present we are witnesses of the explosion.

How can the role of Turkey be formed in this international political situation?

In a wider sense Turkey is embedded in the Near-East region, traditionally the region of the world which is burdened by conflicts most of all. The power relations of the territory are changing as a consequence of the War of Iraq and the strengthening of Iran, then the dramatic turn, the appearance of the „Islamic State”. But the roots of the conflicts look back on a long past.

With the exception of the Arab peninsula the politics of the Near-East region – except for Jemen and Lebanon – was – and is – under the influence of revolutionary Arab nationalism, the power was in the hands of nationalist military governments. The Palestinian-Israeli crisis was in the focus of the conflicts of the region for a long time. Significant changes have happened by today: we speak about „old” and „new”, static and dynamic Near-East countries. What is constant is the great number of conflicts, their seriousness and unpredictability.

The main centres of conflict are Iraq, Israel, Palestine and Lebanon, but after the War of Iraq the gravitational centre of power politics seem to be moving from the Palestinian-Israeli conflict to the region of the Persian gulf. The outlines of the confrontation between Iran and Saudi-Arabia become more and more distinct, with the efforts to get regional hegemony behind them.¹

The military actions of the United States taken against Iraq² destroyed the earlier status quo without offering any alternatives, and as a consequence of this five changes started in the region which are important from a strategic point of view as well.

1. Iran is striving for hegemony in the region.
2. After the efforts aiming at democratization in Siite majority became stronger making the position of the similarly Siite Iran more emphatic. Besides, after the American intervention, the hostility which had been going on for several centuries, flared up between the Siite and Sunnite people in issues of immediate political reference. This hostility led to a bloody conflict and resulted in a war of incalculable outcome. iv

¹ Burik Géza: A megosztott iszlám. HETEK, II. évfolyam, p. 31.
3. Saudi-Arabia can see a threat to its existence in the rise of Iran, as the North-Eastern part of the Arab peninsula is inhabited mainly by Shi'ite people who before 1932, the establishment of Saudi-Arabia, were the followers of Iraqi Basra and Kebala.

4. As Iran really enters into possession of nuclear weapon, the power relations of the Near-East will be basically arranged. After all, the fight for the possession of hegemony developed into the central conflict of the whole region. The aim of Iran in it is to develop itself into a regional, or maybe a global Islamic power centre.\(^v\)

5. A vacuum was formed after the disintegration of Iraq, and a tragic turn happened with the sudden advance of the Jihadists and the establishment of the IS\(^2,3\).

All these turns predict – and it has already partly happened – the redrawing of the political map of the region.

**THE TURKISH–ARAB CONFLICT**

The fact that the Turks survived the fall of the Ottoman Empire is enough itself to explain the hostile behaviour of the Arabs with the Turks. During the centuries the Ottoman Turks subjected the majority of the Islamic states, Egypt, Palestine, Syria, Mesopotamia – today Iraq –, a part of Arabia and North-Africa, to their domination. They could establish an independent state on the ruins of the Empire, while the former states of the broken Emperium got under the influence of foreign powers. These are the historical roots, but the Arab Muslims have another reason why not to trust in Turkey. The Muslim radicals consider the modern, worldly-minded Turkey, which was established by Ataturk on the ruins of the Empire, to be a thorn in the side of the Muslim world.

The Turkish rule which had lasted for several centuries clearly left its mark on the societies, the Islamic religion remained the ruling religion up to the disintegration of the Empire. The Islamic religion remained the ruling religion after the establishment of modern Turkey, too but Kemal Ataturk’s reforms also extended to the religion and he secularized Turkey and put the separation of the church and the state into force. At the same time the caliphate was abolished and actually the Islamic world today exists without a recognized church leader. Besides the enforcement of political interests it gave an opportunity among others for several states to aspire to a leading position in the Islamic world, but this only sowed the seeds of further conflicts.

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\(^2\) About the Islamic State see more details: Kollár Csaba (2015): A média veszélyes fegyver, és van, aki fegyvertelen: A médiaeszközök használata a terrorizmusban, különös tekintettel a modern kommunikációs eszközökre és technikákra. Gödöllő, Szent István Egyetem.

\(^3\) About the Balkan activity of the Islamic State see more details: Kollár Csaba (2015): Az Iszlám Állam hívószava a Balkánon: A terrorizmus kommunikációjá a digitális korban. Kaposvár, Kaposvári Egyetem.
During the last decades several countries tried to gain a leading position for themselves in the Islamic world in the Near-East in a wider sense. As for the Persian nation, one of the main aims of Iran is to be the indisputable leader of the Islamic world. But the fact that its population is not of Arabic origin hinders this plan and the fact as well that 95% of its population belongs to the Shiite branch of Islam.

But Egypt also endeavoured to get the same leading position because it is thought in Cairo that the geopolitical situation entitles it: it serves as a link between the North-Arabic states and the Arabs in the Near-East.

The Kurdish question is a powerful point in the Turkish-Syrian-Iraqi connections. Although the Kurds are the fourth biggest ethnic group in the Near-Eastern region, the lack of a common language, common religion has thrown an obstacle in the way of independence efforts so far. Almost 20 million Kurds live in the intersection point of Turkey, Syria and Iraq. Some Kurdish political-military alliances and parties started guerilla movements against the Turkish authorities. In Northern-Iran the rival Kurdish Democratic Party (KDP) and the Kurdish Patriotic Union (PUK) fight against each other. It is not a wonder that the hope for an independent Kurdistan is far away yet.

In this intricate system of relationship the Muslim neighbours of Turkey were induced to think, what is more to feel, serious antipathy, so the Turkish government signed a military agreement with Israel in February 1996. According to the pact, if Syria attacks Israel, Turkey gives military aid to Israel.

Syria has an argument with Turkey because of the water supply of the Tiger and Euphrates rivers as well. Syria and Iraq claim that the putting of the Ataturk dam into operation endangers their water supply. And finally, the relationships of the two countries are made tense by the fact that Syria also supports the Kurdish guerillas in Turkey.

The Ottoman Empire was clearly the leading power of the region. But after its disintegration it kept its leading position deriving from its geopolitical situation, its role within the NATO in the future, too. Although it could not join in the fight for the religious leader’s position because „officially” as a secularized country it was not an equal competitor for the basically Islamic states. The reinforcement of its regional leading position wanted to strengthen with military power its subimperialist efforts, with the increase of its role as a weapon producer and transporter. In reality, according to its plans, it wanted to develop to be the weapon supplier of the whole region.4

A further very important fact influences the foreign policy of Turkey and raises several questions, the question of joining the Union. As the rapprochement toward Europe is not successful, the Union postpones the permanent position of joining further, Turkey will inevitably drift towards not only the geographical, but the political East as well. And it would entail the strengthening of Islam almost lawfully. It could start a further process which would not be predictable in advance in the complicated points of contact in a region which is burdened by inner conflicts.

In this medium burdened by serious problems we have to examine the relationship of Turkey and the Balkans all the more, because due to the Near-East

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4 See more details: Balázs Judit: Az Oszmán Birodalomtól a modern Törökországig c. könyvének Egy különleges iparág c. fejezete.
events of the recent past Turkey and Turkish foreign policy got into the centre of interest even more, what is more it plays or can play a key position in the shaping of the events of the region.

**TURKEY AND THE BALKANS**

The expansion of Islam to the Balkans can be regarded as one of the greatest proceeds of the common past. At present on the territory which is inhabited by 54 million people the number of Muslims is nearly 7.5 million (14 percent) and in several countries they comprise more than half of the population (Kosovo, Albania, Bosnia and Herzegovina). In addition to this, besides millions of Albanians and Bosnians, Turks also remained on the peninsula after the change of the Empire, so 8-9 percent of the population of Bulgaria is comprised by them.5

Between the Balkans and the Ottoman Empire-Turkey there was population movement in both directions during history. The direction of the movement was determined by the given historic circumstances. As the result of the immigration stimulating policy of the Ottoman Empire a huge „migration started towards the Empire.”vi6

After the disintegration of the Ottoman Empire Bosnians, Pomaks, Torbes, Albanians and Balkanian Turks settled down in large numbers in the remaining parts of the Empire – or after 1923 in the Turkish Republic; only between 1878 and 1913 the number of those who got to Istanbul and Anatolia amounted to several hundred thousands.

After the birth of modern Turkey further large scale settlement happened. The common religion and the interest of Ankara to compensate for the loss suffered during the war evidently played a role in it.

The number of those who arrived from the Balkans reached four hundred thousand between the two world wars. The practice of the reception of Muslim minorities did not change after World War II, although the authorities wanted to open less and less the gates of Turkey, which was struggling with more and more unemployment because of the accelerating growth of population. In 1950–51 one hundred and fifty thousand Turks settled down or during the 1970ies there was a family reuniting program. But these could not prevent the ethnic conflicts, the utmost importance of which happened at the end of the cold war. In the second half of the 1980ies in Bulgaria the Turkish population was forced to take Bulgarian names during the campaign to change names, which contributed to the „great excursion” in 1989, during which three hundred and fifty thousand Turks fled to Turkey. Another immigration wave started in 2000. Their role could be seen especially at votings, because most of them usually vote for left-wing parties.7

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5 See: Egeresi Zoltán, Törökország és a Balkán. In: Külügyi Szemle XII. évf. 2013/1
7 See more details: Egeresi op.cit
The new wave of the Balkan immigrants was brought by the wars of the 1990ies, when ten thousands of Albanians and Bosnians got to Turkey which was supplemented by a serious economic migration, mainly from Bulgaria.

The exact number of Balkan Muslims who settled down in Turkey during the past 90 years cannot be said, normally it can be estimated between one and two million. But they, or the descendants living mainly in the region of the Sea of Marmora and Izmir, comprise a significant group of the Turkish population. It has several consequences at a time, which Turkish internal and foreign policy have to take into consideration as well. Mainly the fact that this layer is much more secularized, western compared to the religious mid-Anatolian population. According to the preference of this layer, they usually vote consequently for the left-wing, secularized parties.8

At the same time, they have given the formation called Movement for the Rights and Freedom (Hak ve Özgürlükler Hareketi) for more than twenty years to Bulgarian legislation.

The process that Turkish foreign policy turned away from the Balkans for decades after 1995 is reflected in the two-way migration as well. The interest in the region came to life in Ankara when a great number of immigrants arrived from Zhivkov’s Bulgaria in the second half of the eighties. Zhivkov’s policy took a peculiar turn towards the Turkish minority. They introduced a “Name reform”, so the Turks were forced to take Bulgarian names and they were practically deprived of their original national identity.

The Yugoslavian wars at the end of the 90ies turned the attention of Turkey to the Balkans again. But the start of the really active Turkish policy was in 2008, by that time Turkish economy had become strong enough to increase the international authority of the country as well.

Foreign policy was made one of the bases of national pride by the media as well, the news programmes continuously hammer how successful we are abroad, so they make the country attractive by all means.9

THE TURKISH–GREEK CONNECTIONS 9

The key of the stability and peace of the Balkans is the Turkish-Greek balance of powers. The fact that both countries became members of the NATO in 1952 at the same time left its mark on the relationship of the two countries, Greece had already joined the European Union in 1981, while Turkey could start the negotiations to join only in 2005.

The relationship between them was peaceful, what is more friendly from the end of World War I. up to the middle of the 1950ies, but the events in Cyprus alienated them from each other. Although their agreement was or would have been necessary during the phase of the South-Slav crisis developed in the Balkans. The

8 op.cit  
Turkish-Greek relations were characterized by considerable tension during the past decades. In spite of the fact that both countries are members of the NATO, the region struggles with instability problems, and that is why they should work together to decrease the tension developed in Southern Europe in their own interests. It would be desirable to stress their cooperation and contribution intents as NATO members to promote the safety and the peace of the region.

It is an important element of the historical consciousness in Turkey that it is the regional power that is responsible for the peace of the Balkans, because the whole territory belonged to the Ottoman Empire for long centuries, and the Turks backed out of the region gradually only during the 19th century and at the beginning of the 20th century, and – as it is well-known - modern Turkey was established after World War I. Those leaders who established the country were mostly born in the Balkans, including Kemal Pasha, the legendary Kemal Ataturk.

The ethnic diversity of the Balkans and the problems deriving from it were evident. It was well-known as well that the European powers inclined not to ease but to stir up tension by supporting nationalist movements pushing their own interests forward. According to their point of view the stability achieved must not be risked: the safety interest of Turkey is in the unalterability of the borders. They knew that a territorial division which would be suitable for everybody could not be realized because of the ethnic diversity of the Balkans and the change of the existing settlement could lead inevitably to civil war. They paid special attention to the delicate balance between Turkey and Greece.

The two countries devoted special attention to stability so as not to give a reason for the great powers to intervene in the home affairs of the Balkans. But they could realize it only up to World War II. The division of the world into two parts had an effect on this territory as well. The peace and the safety of the region depended on the relationship of the Eastern and the Western blocks after that. Greece and Turkey became members of the NATO in 1952, and the Soviet Union „let” Yugoslavia go on a special path of socialism. By 1954 the region had been stabilized more or less, the balance was disrupted by the tension between Turkey and Greece.10

Earlier the two countries could cooperate in spite of the fact that neither of them were satisfied with the borders established in the peace treaty. But their leaders adapted the point of view that common interest required cooperation, so instead of behaving as rivals, they regarded the other one as a partner.10

But the problem of Cyprus created tension between the two countries. The division into two was preserved. The most eloquent proof of the Turkish-Greek opposition is the conflict arising in connection with Cyprus; the question of the border of the Aegean Sea; or the diplomatic conflict in connection with the capture of Ocalan Kurdish leader. Besides these the position of the Greek minority in Istanbul, the handling of the refugee question and the s. It seemed at that time that the conflict of interests might lead to a war, but they managed to avert it on EU and American mediation, and a slow rapprochement started after that.

Although both countries are NATO members, their soldiers cannot be put under the same command. At the same time they do not take part in the same troop movements, and this results in division inside the alliance. The problem in connection with Cyprus induced several other conflict situations as well. It induced for example the re-militarization of the Greek islands opposite the Turkish coast, which was of course evaluated by Turkey as a threat. There was a debate in connection with the question of territorial waters in the Aegean Sea, then the same happened in the cases of the continental base and airspace.

The Turkish-Greek connections were characterized by tension even at the end of the cold war. But the collapse of the Soviet Union and the end of the bipolar world order created a new situation even in the Balkans. After the disintegration of the Warsaw Pact the NATO wanted to renew itself and looked for a task for itself. And it found it in the preservation of the safety of the Eastern Mediterranean territory and the Near-East!!? And the two local NATO members, Turkey and Greece have got roles in it, so its interest is to reconcile the two countries with each other. In addition, the European Union also urges it. Turkey would like to become a member of the Union, but Greece has already been a member, so the start of the negotiations can only happen if Greece agrees.

The joint action of the two countries would be needed a lot in the Balkans, the tension between them only increases the division of the region. The countries of the Balkans are divided on the basis of having an alliance either with Turkey or Greece. Albania and Macedonia stand by Turkey, while Serbia and Russia as external powers stand by Greece. The connections of Albania and Turkey are strong besides the historical relations because quite a big ethnic group of Albanian origin live in Turkey who are attached to the native country. Albania was drawn into this camp because it does not really have a good connection with Greece because of the significant number of Greek people living in the country and the significant Albanian minority living in Greece, which is spiced with territorial claims as well. Macedonia stands by Turkey besides historical connections as well because it has a lot of problems with Greece first of all because of its name, which is disapproved by the Greeks.

The connection of Greece with Serbia strengthened because of orthodoxy in the first place. Russia supports the country for the same reason, and because its relationship with Turkey became overcast because of the increase in the influence upon the Caucasus and the former Soviet Middle-Asia after the disintegration of the Soviet Union.

There was an improvement in the relationship of Greece and Turkey, but it is still characterized by opposition and cooperation at the same time. There are serious economic, strategic interests in both cases, which are mainly of historical origin and can be traced back to religious roots. The relationship of the two countries could be characterized earlier mainly by „controlled tension” policy.²

The spectacular sign of the positive change of the relationships was the mutual help given during the earthquakes in Greece and Turkey alike. This was the point when the relationships which had already reached their deepest point by then started to gain impetus again and the first on the level of foreign ministers (for the
first time after 40 years in 2000), then on the highest level of diplomatic relationships, which had been rather frosty before, were restored again.\textsuperscript{11}

The main motivation of Turkey in this question was the joining of the European Union, which made it inescapable to reconcile with the only EU member neighbour then. Greece reacted in a positive way to the Turkish international change because it realized that its interest was the successful integration of Turkey into the European Union. It did it in spite of the fact that with the joining of Turkey, Greece would be only one of the member states of several ones and not the gate of the Union towards the Arabic world and the Balkans. Realizing this, Greece also changed its former refusing viewpoint in connection with the Turkish joining and a kind of gesture policy started. Thanks to it, we can say that the relationships between the two countries have never been so friendly.\textsuperscript{12}

**FINAL CONCLUSIONS**

The 21st century Turkey relying on the traditions of the leading principle „peace in the world, peace at home” announced by Kemal Ataturk continued the foreign policy „zero problem with the neighbours” announced by foreign minister Davutioğlu. It is possible that several conflicts, territorial debates aggravate the cohabitation in the region, in spite of this Turkey has appeared as a stabilizing power in the region. It has utilized almost all safety increasing possibilities in a creative way, it helped the settlement of disputed questions actively. It has acted supportively concerning the questions of the identity of Muslim minorities where religion plays a decisive part. The capital investments applied in the Balkans had a stimulating effect on the easing of unemployment, on the stabilization of the economies. Analysing the events of the last month, or the days of the recent past it is just possible that Turkey will be forced to change its former international political direction. The murderous warfare going on by its borders will force (?) the country to open a double front. It has already interfered in the bloody events in Syria and Iraq with war equipment on outer (?) pressure against the Jihadists and at the same time it launched an attack against the Kurds whom it branded terrorists. What will the future bring?

We have only presumptions, we can rely only on hypotheses because the Western world has no strategic concept to handle the situation and even the „aims” of the Jihadists are inscrutable for the time being. All this will probably influence the Balkan policy of Turkey and it is doubtful how it will be able to fulfil the former stabilizing role plotted against the changed strategic priorities.

\textsuperscript{11} http://www.c3.hu/~mester/T365/tux02049.htm

\textsuperscript{12} It would go beyond the framework of the article to analyse the crisis of Greek economy. It can be hoped that these facts might not influence the Turkish-Greek connections in a negative way.
END NOTES

i. One of the facts that made the survival and even the growth of the Jewish state possible in the obviously hostile environment of the Near-East is that the Arabic world is split up both from an ethnic and religious points of view. All these are sources of further conflicts.

ii. But the Siite or the Sunnite religions are also split up, only a few examples are the Alavites (Siite) Wahabites (Sunnite) etc.

iii. It was the problem of Iraq to keep its territorial unity among the ethnic-religious (Kurdish-Arabic and Sunnite-Siite) confrontation. After the disintegration of Iraq the relationships became totally impossible to supervise. The terror organizations belong to the uncontrollable factors, with al-Kaida in the leading position. A conspiracy theory is developing in the Near-East region now, according to which the aim of the American conservative powers and of Israel is to cut up the Arabic states.

iv. The Sunnite Muslims profess the legitimation of the first three caliphs, who were Muhammad’s heirs. Their life is determined by the Koran, and the Hadis (Muhammad’s collected teachings, his life story) and the Saria, the legislation system of the Islamic state. The imams’, the priests’ words are decisive in all spheres of life. The name „Sunni” comes from the Arabic word „Sunna”, which means collection of behaviour laws. The Siite Muslims did not accept the legitimacy of the first three caliphs, but they profess the legitimacy of Muhammad’s nephew, and originally they called them Ali’s party. They are much more ritual than the Sunnites. They believe that Muhammad and some of his descendants had divine characteristic features – which is refused by the Sunnites. The influence of the priests is much more dominant among the Siites than the influence of the Sunnite imams among them.


vi. The relationship of Syria and Turkey is determined by the fact that in 1939 Alexandra Szandschak became part of Turkey, it broke away from Syria which was under French authority and now is called Hatay province. It has never been accepted by Syria, in May 2007 the Syrian ambassador of Washington said: „After we have taken back the Golan Heights from Israel, it is high time to take back Hatay from Turkey.”

vii. In 1857 it issued a declaration concerning migration and settlement within the framework of the Tanzimat, which was approved by the Saltan. According to the declaration, the Empire was open for everybody, who swears to be faithful to the Saltan and keeps the laws of the country. The declaration gave similar rights to the immigrants and to other subjects, including the freedom of worship. The declaration containing the call for immigration was published in almost all the European newspapers, and it soon induced vivid responses. The
most significant migration started from Bulgaria. A less significant number of immigrants came from Thrace, Macedonia, Bosnia, the present territory of Albania, the Bosnians, Pomaks, Skipetarens settled down on the European or Asian territories of Turkey. Smaller ethnic groups – 2000 Swiss, 300 Irish families, French and German communities, Jewish families – asked for permission to reside from the High Porte.

viii. Films promote the beauties of Turkish life, what is more they revive Suleyman’s „glorious century”, the golden period of the Ottoman Empire.

ix. During World War II Turkey was occupied by the Germans. When the Germans left, the country got the supremacy over the Dodekanisos islands which had formerly belonged to Italy. The islands are close to Turkey and a significant Turkish minority live on them. Taking into consideration the fact that most of the islanders were Greek, Turkey did not raise objections. They hoped that because of the friendly relationship between the two countries, the debated questions would be settled through negotiations.

x. http://index.hu/cikkek/0002/vtukor3/

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Living in the overwhelmingly Orthodox eastern part of Romania the Moldavian Csangos with their Catholic faith and many of them still able to speak an archaic dialect of Hungarian language are in the special focus of Hungarian cultural and scientific interest. It is also striking how this interest has been invested in the illusions of the ethnocentric historiography of the last 200 hundred years. This article tries to explore the main aspects of narrative constructions on which these illusions rest.

It is obvious that part of the illusions can be connected to the definition of the tasks of Hungarian ethnography which has been enduring since the early stages of Hungarian scientific life right up to the present. Linguists, historians and especially ethnographers from the beginnings of the Romantic Era hoped to find the original essence of nation, from the discovery of the “never-changing” values of peasant culture and way of life and build on them their expectations of the national revival program and the inevitable social reforms.\(^1\) In connection with this general mental framework of the “national sciences” it is little wonder to see that in the Hungarian perception the Moldavian Csangos are plainly and simply identified as Hungarians. This perspective fails to address the complexity of the situation of this ethnic group living far beyond the historical borders of the Hungarian state in a dense web of conflicting and complementary local identities. Only if we examine the relation of the Csango people to their neighbouring orthodox villages and the religious, economical and personal relations with their inhabitants can we genuinely interpret the “mental map” of local and individual identity strategies. The survival of the Moldavian Csango entity is strengthened by the natural dynamics of these relations, therefore even the best intentions of intervention – for example promoting Hungarian schools among the population that welcome them – could easily upset the balance and may further accelerate the disappearance of the complexity of the historically established and linguistically still multiform web of Csango commmunities.

It is also worth noting that the majority of the Moldavian Csangos do not fight as heroically for the survival of their language and Hungarian origin as some Hungarian researchers would like to witness,\(^2\) but they regard the extinction of the

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\(^1\) See especially Jerney, János: Keleti utazása a ’Magyarok’ őshelyein kinyomozása végett 1844 és 1845. I-II. [Journey to the East in order to find the Ancient Settlements of the Magyars]. Pest, 1851; For a critical analyse see László Kósa A Companion to Hungarian Studies Budapest, Corvina, 1999.

\(^2\) Péterbence, Anikó (ed.): „Moldovának szíp tájain születtem…” [I was born in the beautiful land of Moldova] Jászberény, 1993, p. 3.
Csango language without regret because – with some exceptions – they do not consider their language the symbol of their identity.\(^3\)

The multiple manifestation of publications in the mass media (blogs, social media, online and printed papers, television and radio) and the blossoming output of scientific articles concerning the Csangos amply shows the still prevailing symbolical character of the Csango “issue”. According to Vilmos Táneczos three aspects should be taken into account regarding the spectacular magnetism of the Csango issue on Hungarian cultural interest. Firstly for many Hungarian intellectuals the destiny of Csango’s is a symbol of fate: giving up on the “family members” living beyond the Carpathians is a symbol of disappearance for the Hungarians struggling with demographical low turn and assimilation problems inside and outside Hungary. Secondly, the fact that practically Csangos are the only Hungarian ethnic group which is excluded from the process of forming a nation and got stuck as an ethnic minority, is a hardly acceptable and embarrassing attribute for the national consciousness typified in a historicist way. Thirdly, for a lot of people the Moldavian Hungarians’ archaic, medieval-based culture of religion and lifestyle \textit{contrasts} the non-Christian and non-idealistic society of modern age and consequently they easily mythicize the Csango “values”.\(^4\)

We also have to take into consideration that we cannot talk about a coherent or even less continuous Moldavian-Hungarian culture since the complex heritage of the medieval and early modern Balkan principality of Moldova with an almost entirely Orthodox environment and the modern age Romanian nationalism developed from the mid-19\textsuperscript{th} century did not allow for the illiterate Csango - though they were made up mostly of Hungarian speaking communities - any substantive adaptation to the modern national revival of the Hungarian culture west from the Carpathian Mountains. The effect was isolating, consequently preserving old forms of cultural and linguistic patterns. Thus the much talked-of and appraised archaic feature of the Csangos does not mean a genuine development of a supposed autonomous national culture. It is rather the remains of a common archaic culture which once uniformly characterized Central and Eastern Europe and survived only under the pressure of necessity and isolation. Moldavia as geopolitical entity was not – except in the early medieval times – under the reign of the Hungarian monarchy. It is the only territory populated permanently by a substantial number of Hungarian speaking population from medieval times which stands apart from the main determinant of Hungarian history and nationalism, ie. that state and nation cannot stand apart. This also says a lot of the ambiguous attitude of the Hungarian national consciousness towards the Csangos. On the other hand the Csangos – except for a very early medieval period - had no significant cultural influence on the development of the history of the Principality of Moldova and even less for the history of modern Romania. That is why the existence of the Moldavian Hungarian


\(^4\) Ibid, pp 174-176
population in the Hungarian national consciousness is unique and differs from the relations with the other Hungarian communities living outside the present-day Hungarian state whose minority status is the result of the major geopolitical changes of the end of WWI. In this respect the Moldavian Csango’s common self-identification – almost uniquely based on the religious difference i.e they are Catholics in the sea of the Orthodox World – is important mainly how this seemingly marginal “Romanian” Catholicism proved to be so successful and dynamic in the last century and increased its number from 25000 to almost 300000. Unfortunately, the research of modern-age Catholicism in Moldavia is basically a terra incognita for most Hungarian scholars, however it would be hard to deny the social-historical significance of an objective comparative study. Consequently, the Hungarian perspective with little or no comparative sense can easily be characterized as teleological, namely to prove that Csangos in Romania are the symbol of the old greatness and the long suffering of the Hungarian people. Hereinafter I will try to analyze this teleological approach more closely, with special regard to its continuous effect in the last 200 hundred years.

Although the Csangos are the “most lonely and forgotten ethnical group of the world” according to Pál Péter Domokos (1901-1992), the most vocal advocate of the Csango issue in the interwar years, it seems to be right to state that Csangos has been the only Hungarian ethnic group staying permanently in the focus of interest of Hungarian science and the public at large. But the myth of oblivion was the strongest drive to take care of the “separated Hungarian brethren” from very early on.

The representative document of the early times is a great philosophical poem: Marosvásárhelyi gondolatok (Thoughts of Marosvásárhely) by the 18th century Hungarian poet of Mihály Csokonai Vitéz – which is otherwise one of the earliest and most significant definitions of the Hungarian Enlightenment’s ideals of progress and society. The poem was written in the eastern part of Hungary in the principality of Transylvania and was inspired and influenced by the contemporary Westener perspective of superiority over the unknown East. Especially in the last lines of the poem we can detect the modern missionary zeal where the poet’s attention turns to the Moldavian Csangos and benignly hopes for them the “arrival of Enlightenment and Civil Virtues”. The same teleology defines Elek Gegő’s book (1838) entitled A moldvai magyar telepekről (About the Moldavian Hungarian settlements), too. The work of Gegő – who was a maverick Franciscan monk – was offered to the “Dear Hungarian motherland” with “the deepest love of his heart”, and with the help of his journey he wanted to lift this “estranged Hungarian relative” (ie. the Csangos) from “numbing forgetfulness”. As we can read in his book the study of the Hungarians in Moldavia gained the support of the freshly established Hungarian Academy of Science because the research of the Moldavian Hungarians was congenial in linking the propagation of scientific knowledge and

5 Domokos, Pál Péter: A moldvai magyarság, [The Hungarians of Moldova], Csíkszereda, [Miercurea Ciuc], 1931. Preface
6 Gegő, Elek: A moldvai magyar telepekről, [The Hungarian Colonies in Moldavia], Magyar Királyi Egyetem, Budán.,1838, pp.1- 2., see online the digitalised copy of the Östereichisses Nationalbibliothek: http://real-eod.mtak.hu/1372/1/ABO_%2BZ169757804.pdf
the enthusiasm towards national issues. The “invention” of the national traditions and the movement of creating culture and institutions were especially appropriate topics for the enthusiasm of the pre-1848 Vormärz era. But it is also significant that the scholarly interest for the Csangos generated by the Hungarian national sentiment began when the developers of the national traditions discovered that the Csangos became estranged from the mainstream of Hungarian national life. In order to make the Hungarian intelligentsia recognize “the relative”, the Moldavian Csangos had to define them as separated from the main body of the Nation. The enthusiasm that sought for and created ancestors for the nationalistic upheaval needed the sentiment of remorse against the oblivion of pristine origins of the national past as they were supposed in the blossoming publications of the various national mythologies. The question of origin, the quest for the primeval Hungarian nation became the long and extending national program of the 19th century – in the wake of the challenge of Johann Gottlieb Herder the pivotal figure of the German Enlightenment whose pessimistic prognosis concerning the future of the Magyars haunted many of his Hungarian readers ever since he published his groundbreaking studies on Kultur and Volk. From the beginning all the different ancestry theories of the Csangos, were connected to the thought of historical precedence. Surely the Moldavian catholic settlements which became Rumanized also became orthodox, but the theorem: Romanian nationalism = orthodoxy is not proved to be true in Moldavia in the light of the history of the past 150 years, though we do not have full-fledged conceptions about the exact nature of the relationship of the demographically virulent Moldavian Catholicism and the Romanian nationalism and their structural and ad hoc components. In respect of our topic the explanation of the evidence of the priority of the national feeling over denominational loyalty is more important. Most Hungarian scholars of the Csangos (many of them with strong protestant background) hold the “cosmopolitan” Roman Catholic Church as the main agency responsible for the “Rumanisation” of the Csango population. But this explanation seems to forget the very foundation of its own ideological construction. Generations of Hungarian intelligentsia from the Romantic Age till the 21st century wrapped their national credos and included the Csangos in them in a form of supra-denominational religious investment and could not see why the majority of the Csangos with their traditional Catholicism - except for some notable clerics with Hungarian education - did not follow them. The “enchantment of origin” means the melancholic appraisal of the fact that the original start is unattainable in time and the very impossibility of turning back to those benign

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8 Chris Hann: Forging the Volksgeist: Herder in Hungary, then and now, see http://www.uio.no/forskning/tverrfak/culcom/nyheter/2006/docs/Hann-Herder.pdf
10 Tánczos, Vilmos: A moldvai csángok lélekszámáról. [How many Moldvian Csango live today?] In: Csangosors op. cit, p. 12.
origins is being thought to be overcome by the nostalgia of conquering distance both in time and space.\(^{11}\) That is the narrative of almost every national mythology. Of course the gesture of ‘rescue’ (in our case that the assimilation of Csangos should be overturned) is the secularized metaphor of the divine act of deliverance in which the purification is the reward of the national community and it demonstrates the eternal “goodness” of the nation\(^{12}\). The rescue was made tangible especially in the continuous attempts to “repatriate” the Csangos to the Hungarians throughout the 19\(^{th}\) and 20\(^{th}\) centuries until the communist take-over.

The other dominant form of this religious investment of the Csangos was the use of their fate as occasion for a national examination of conscience which practice in the Catholic liturgy precedes the delivery of the Sacrament of Penance. In 1931 The Hungarians in Moldavia by Pál Péter Domokos (1901-1992) was published reviving the myth of oblivion and calling for an examination of the conscience in order to achieve a greater degree of national unity. The aim of Domokos was – as he presented in the preamble of his book – “I would like to inform the reading Hungarians of the sad fate of our forgotten Csango-Hungarian relatives. I try to show the future of Székelys in their present situation. I forewarn everybody that our destiny will be the same horrible Csango predestination if the lovelessness, the incomprehension of each other and the denominational conflicts increase among us.” In this appeal the symbol of the Csango destiny changed, it is not the metaphor of generosity and salvation of the other relative any more but the anticipation of our own destiny. Although the “Csango-saving operations” were never really successful during the time of dualism, the gradual symbolism of the Csango destiny strengthened – not accidentally perhaps – after the lost WWI and the humiliating treaty of peace of Trianon which truncated the historical Hungary and put millions of Hungarians in minority status. The attitude of Domokos declares a new role for the national consciousness that is ripe for re-definition.

One of the representatives of re-definition who emphasized the teleology of the moral precedent was Gábor Lükő (1909-2001). Lükő, who got to his researches about the Moldavian Hungarians through the famous school of the Romanian sociologist Gusti in Bucarest, fundamentally modified the result of the origin of Moldavian Csangos of his time demonstrating that the culture and ethnography of the Moldavian Csangos who settled down in Moldavia in 14\(^{th}\) century was not connected to the Székelys but to the Hungarians of Szamos-Tiszavölgy. In the first publication of his book in 1936 he considered the problems of “obscure origin” and the „mystical prospect” of the genesis to be less significant than the cultural-historic importance of the issue which could be enlightening in studying the common features of the Hungarian and Romanian ethnic groups.\(^{13}\) In an important but only

posthumously edited paper of 1940\textsuperscript{14} and in \textit{The Forms of the Hungarian Soul} published in 1942 he gave an exposition of the Moldavian Hungarians’ history of settlements. According to Lükő the ancestors of the Moldavian Csangos did not move to Moldavia because of or in spite of official, central arrangements. Thus the Moldavian Hungarians were not the representatives of the Hungarian “empire-building” policy of the times of King Nagy Lajos, as Mikecs László drafted a year later – relying on the data of Lükő in a great extent – in another theoretical construction (as discussed later on). The ancestors of the Moldavian Csangos went to Moldavia in order to defend the Hungarians’ special lifestyle oppressed by the European civilizations, because “they could not counterfeit the Hungarian laws of their own soul”\textsuperscript{15}. The fact that their assimilation is advanced shows that the Csangos do not recognize the sense or goal of their being Hungarian, that is why they serve other extraneous aims (e.g. they have a mission in achieving the union between orthodoxy and Catholicism). “The same thing happened to them in small as to us here”, said Lükő\textsuperscript{16} who – using the social-psychological utopian theory of Sándor Karácsony\textsuperscript{17} and the conception of István Győrffy that puts the eastern features of the Hungarian folklore in the center of Hungarian ethnographic research\textsuperscript{18} – expressed his opinion about the “Hungarian soul” of which the unity is created by “the logic functioning among the people with identical cultural backgrounds (living in the same social, linguistic and art community)”\textsuperscript{19}. The attitude that gave way to the so called extraneous (Western European) civilization effects resulted in the disintegration of the “unity of the Hungarian soul” rooted in our Asian origin. Lükő warns that the “civilized middle class “has to examine its conscience because of the Csangos: “…if the Hungarian middle class decides to learn to speak the pure Hungarian language, among others it borrows ancient Hungarian forms from the dialect of the Moldavian Csangos, and it frees the Csangos from the evil spell showing them that there is a sense of their being Hungarians.”\textsuperscript{20} Lükő criticizes the “modern national culture” (production of the materialistic “sciencism” of the \textit{19th} century) which ruined the peasantry that was the last trustee of the once unite and special Hungarian culture and civilization. In this respect for Lükő the example of the Csangos symbolizes the desired big revolution in which “relation of the upper and lower classes … are clarified, and the Hungarian civilization and the Hungarian future is born from the integration of them.”\textsuperscript{21}

The need to redefine nationalism was the most common feature of interwar intellectual life of Hungary. One of the most documented case was a kind of

\textsuperscript{14} Lükő wrote a study on the Hungarian origin of the Csangos for the request of the then Minister of Culture Hóman Bálint in 1940, but because Hóman made it reworked Lükő did not let it published.

\textsuperscript{15} Lükő: A moldvai Csángok, op. cit. pp. 18-19.

\textsuperscript{16} Uo: 22-23.

\textsuperscript{17} See the Postface of László Selmeczi László for Lükő’s \textit{The Forms of the Hungarian Soul}.

\textsuperscript{18} See Győrffy, István: A néphagyomány és a nemzeti művelődés, [Folk-tradition and national education] Budapest, 1939. Telling a title...

\textsuperscript{19} See Lükő op.cit, p. 302.

\textsuperscript{20} Lükő: op cit, p. 24.

\textsuperscript{21} Lükő: op. cit. p. 138.
Hungarian Historikerstreit along with the Catholic Protestant division between two historians the Catholic and conservative of the old fashion Gyula Szekfű (1883-1955) and the Protestant and radical rightist Elemér Mályusz had an immediate effect on the Csango research through the work of the young ethno-historian László Mikecs (1910-1944). In the preamble of his work published in 1940 and entitled simply as Csangos he writes: “…the extermination of the old liberalism and the generalization of the idea of popularism leads to a change of period - like Reformation or Enlightenment - … creating the new life, new civilization, working out the popular life of Hungarians”.

Mikecs also puts down how he distances himself from the old phrasing of the Csango issues. He gives the description of the different history of settlement of the two basic strata of the Moldavian Csangos: on one hand the ancestors of the Hungarians near the river Szamos settled in the Middle Ages, and on the other hand the group created by the Sekler exodus from the 16th century. This explanation gave an impulse to the linguistic geographic researches of the 1940-50s and it strengthened the scientific findings about the issue of origin of the Moldavian Hungarians. Of course no one was eager to remember how much Mikecs’s approach was informed by contemporary German Volkstum theory. Especially Mikecs’s politicacl zeal was forgotten however unambiguously it culminated in a very nationalistic utopia of the lost greatness of the mediaval Hungarian Kingdom: “the Csangos are the living, real testimony of our greatness once in the Middle Ages, and this gives enormous self-confidence in this issue.”

Dealing with Csangos accordingly is a symbol of the political and spiritual orientations of the future: “as a model to be followed in our present life we may choose none but the young Hungarian nation of the Middle Ages.” Contrary to Lükő, Mikecs’s Csangos are not metaphors of an ideal of communitarian civilization from the prehistoric times but one of "the artlessness of national settling". Mikecs intends to give a perspective uniting the Middle Age and our future popular life, he reinterprets the development of the scientific research of the Csango issue. The “moral” is that from the mythical faith of the chronicles and the hazy notions of origin “we have to arrive at the nation”. His book wants to be a contribution to the studies of the history of habitation, dialect, folk-music, ethnography and other popular sciences in which “the life of the future popular Hungary is made”. Thus the Csango-program of Mikecs does not suggest the turning back to the Middle Ages, it is not nostalgic, does not propagate the return to the roots of the ancient Eastern civilization, but referring to enlightenment it announces the related program of science and society development. In 1928 Mályusz warned “the middle classes to hurry with their work to finish before the working class will take the lead as a result of a newly started progress (...) the

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23 Mikecs: op. cit., 6-7.
25 Mikecs: op. cit. 318-319.
26 Mikecs: op. cit. 81.
27 Uo. 325.
intelligentsia have to be ready that the leadership will not be in their hands forever, though the thought that they were only an intermediary link who should strengthen their will to claim the leadership at the moment.”

The ideas of Mikecs were gone by the end of WWII and the coming internationalism of the Communist utopia forced on the scientific life of the countries east of the Iron Curtain, still his method was implicitly used by the successive generations of Hungarian scholars. For a short time in 1940-50s as a showcase of the Communist ethnic policies of Romania Hungarian elementary schools were established in a dozen of Csango villages and ethnic Hungarian researchers of folklore and linguistics were allowed to visit these far away and hardly accessible communities. Some were enthusiastic by this turn of the events: “It is sure”, wrote József Faragó in 1954, “that the cultural situation of Csangos is improving, since the new socialist Romania does away with illiteracy and with the ever growing role of books, with the establishment of the instruction in the mother-tongue, brings up the first generation of Csango intellectuals who will revolutionize the cultural situation of the Moldavian Hungarians.”

It is very well known that the Communist utopia utterly failed in the field of interethnic relations. What came in its stead are the old-new conflicting narratives of the nation building on both sides. Romanian nationalism continues to explore retrospectively the outcome of a century of exclusive nationalist policies projecting in the Csango past some pages of the glorious Romanian history. In contrast to this the rising tide of anguished nationalism in Hungary gives a new momentum to the magnetism of the Csango issue where the wounds of the victimised Hungarian nation shines even more brightly. “The gate of East has opened” in our digital age and the longing for the twinkling lights of archaic culture brings closer the lost sense of the unity of community and personal identity.

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28 Mályusz, Elemér: Értelmiségünk és a neonacionalizmus. [Our intellectuals and neonationalism], Napkelet, 1928, t. 5 pp., 294-295.
MEDIATISED SOCIAL NETWORKS  
ON THE TURNING OF 20TH AND 21ST CENTURIES  
HOW THE BALKAN WARS OF 1991-95 EFFECTED  
HUNGARIAN MEDIA CONNECTIONS

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ABSTRACT

The space a young person might cover with his „smart devices” has extended significantly compared to the situation 10-20 years ago. The young generation does utilise these possibilities. They leave digital marks, sometimes very unwisely. No doubt, many useful things can be learnt by using mediatized social network connections, but these young people are to be taught their wit about the world by trial and error method, rather than from elders through the process of socialisation. The process of learning is enhance, or at least influenced by at least crisis situations. It was the case for Hungarian press and consequently to Hungarian general public during the Southern Slav Crisis regarding the communication practice of American air force troops stationed in Taszár, Southern Hungary. To what extent are we able to resist thematisation? To what extent can we prevent thematisation by friends and what can be done to persuade cyber-acquaintances to talk about what is important for us? To what extent can social networks be extended? Is there a possibility to decompose these social networks? Can a young media-nomad be a hub in his own realm of information and data? To what extent does a media-conscious youth intend to play an active role in sharing information that is relevant for others and by doing so be part of street-publicity (Faragó, 2011), that is controlling power and media? I seek answers to these questions on the following pages. I try to prove or disprove empirical phenomena by theoretic approach.

Keywords: cyber-hero, thematising strategy, creative minority, intercommunication interaction, edited climate of opinion

STRONGLY FIXED MATRIX POINTS, WITH OBVIOUS DIFFERENCES IN SOCIAL STATUS

Dividing age might be 10 years. Minors older than 10 years of age has access to use some kind of smart device that is suitable for phoning, taking photos, but more importantly to act as a mediative link for a social network.\(^1\) I would draw the age limit for the group of young adults mentioned in the foreword at 10 years of age.

\(^1\) According to my experience, school regulations do not allow pupils (6-12 years old schoolchildren) to use mobile telecommunication devices and parents acknowledge this. However it can not be prohibited for older children, so it justifies definition of the lower segment of the respective age group. Age differences may arise by children’s different age when starting school.
Evidently I do not consider them adults, although regarding their social activity they are often more „diligent” and conscious than the wiser, more experienced age group in their 20-s and 30s. I should mention that the most popular social network portal so far sets the age limit of registration at 13 years. Minor sin their early teens using smart devices try to outwit this restriction, moreover this difference is not relevant in analysis. The older members of the group analysed are of 25 years. Usually it is the age when they leave higher education and enter the world of work for a living that is characteristically a medium where being mobile is a must and they are obliged to cope with a high rate of turnover.

Besides ever changing labour market, the necessity of obtaining money capital there must be another pillar of safety (Maslow) – in addition to the family, instead of parental-fraternal bonds that serves as point of orientation, help, information base and field of entertainment (Garaï, 2003). This is a virtual community network, social capital (Bourdieu), in which an important index is the number of self-permitted or self-activates points of connection, simply said: the number of acquaintances. Intended reduction of the connection matrix occurs very rarely; they are normally proud of the opposite, moreover they share information they find prestigious about themselves. In this regard co-operation by smart devices is quite steady. I am of the opinion that among the age groups I studied any level of connectedness is a strongly fixed point, meaning not the quality but indestructibility of the connection. Adding a new element to these solid matrix points it is not a single friend to enter the space of connectedness; he brings friends and relatives of friends, who might extend the network. This reasoning seems to verify the idea that one might close some gates due to bittered relations, a new player fills the gap almost immediately and this new player is not alone, most probably.

It is to note that this social network is dynamically changing and is active online. Recently I had a lecture at an elementary school. It wasn’t a compulsory one; pupils (of 11-13 years) could choose to attend the lecture. We discussed the relation of light and media. I asked them to share a piece of information (s) he found interesting about this special lecture. Teachers immediately reacted by noting that the task cannot be performed as pupils have no access to the wireless network of the school. But pupils gave loud voice to their protest noting that they have their own access to mobile internet, mostly for the purpose of being connected. A post was published within minutes.

Years earlier (in 2010-11) I had a similar test with my group of students. Then about 60% admitted having online connectedness during lecture. In 2015 connectability was 100% at graduating BA students of Communications and Media. A very talented young man, who resisted using smart devices, had to realize the hard way that there was nothing for him but go with the current. After years of insisting to use a device that was suitable only for voice calls, had to change it for a smart one during the graduating year. The study group mentioned had an own Facebook-group. The emphasis here is on sustainability and fixed matrix points: the Facebook group was formed for study progress reasons, but later, with obviously less activity it served as means of connectedness, a resource of social capital and can be activated any time.
It can be clearly stated: access ways, matrix points are worth maintaining; this is a well known rule for elder members of the group studied. The situation is similar to the decades when business cards meant points of connectedness and conscious network builders never disposed of a business card. Is there life or rather connectedness after the days of business cards are over? Of course. This life / connectedness is manifested in fixed and mediatized networks of connectedness.

Besides money capital and cultural capital Bourdieu considers social capital one of the most important factors. He holds that the easiest way to obtain money as well as material and incorporated cultural values is by operating our social capital assets properly (Bourdieu, 2008). But the social capital manifested in cyber-space also depends of the group we formed and approved. It is very likely that conclusion by the French sociologist applies here: our network re-creates social disparities, that this new frame of society also includes the possibility of inequality.

„Disposition or habit as an organisation obtained by the group for the group and became characteristic of the group, serves as a base for collective memory. Being the means of the group, reproduces experiences of progenitors in successors, or simpler put: reproduces progenitors in their successors.”

Maintaining network access points might become an essential necessity, because their existence and continuous expansion might lead to accessing a long-seen acquaintance, and provides the possibility for maintaining the „they may find me if they want” strategy. So it is interesting to extend the research to the question: To what extent do we need to expand our networks to find a quasi acquaintance. To obtain such result most people utilize community spaces accessible via smart devices.

**INFORMATION BRIDGES, WEEK CONNECTIONS**

Expansion of wireless interactions were forecast by a forefather of radio broadcasting, G. Marconi in 1909 at his Nobel Lecture (Faragó, 2013). „However great may be the importance of wireless telegraphy to ships and shipping, I believe it is destined to an equal position of importance in furnishing efficient and economical communication between distant parts of the world and in connecting European countries with their colonies and with America …If it should become possible to transmit waves right round the world, it may be found that the electrical energy travelling round all parts of the globe may be made to concentrate at the antipodes of the sending station. In this way it may someday be possible for messages to be sent to such distant lands by means of a very small amount of electrical energy, and therefore at a correspondingly small expense.” What Marconi spoke of in 1909 is eerily similar to ‘small world’ theory by Milgram and quite similar to Marchall McLuhan’s ’global village’ (global world). But long before these excellent social scientists used these concepts,

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2 Angelusz (ed.): A társadalmi rétegződés komponensei, (Components of Social Stratification) p. 158.

Hungarian writer Frigyes Karinthy wrote a feuilleton that is quite relevant and interesting to the topic in which he distinctly described what Milgram proved by empiric research in 1967. Karinthy in a short story titled *Láncszem* (A Link of Chain)\(^4\) opines: (…) „you never need more than five links of the chain to connect to any Earth-dweller by merely personal contact.”

**Figure 1**

Network based thinking and smart devices\(^5\)

Marconi, Karinthy, Milgram and McLuhan thus create the base for present network thinking related to smart devices. However the dilemma remained an important one: How many links of chain are necessary to prove and build the connection. By other words: what are the chances for two people to know about each other by intermediate persons. Karinthy wrote about five intermediate links of chain, Milgram’s empiric research by letters sent shows in some cases nine, in other cases four „information bridges”. Street public with smart devices and users’ willingness to act makes this series of chain-links even shorter. Moreover today these connections are not limited geographically; network users can be in live, ’online’ contact with each other.

Thus quality of the contacts is characterised by rapidity, online access and the possibility of bilateral or multilateral interaction. Once – from the first days of verbal communication to general accessibility of printed books – the narrative

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\(^4\) Karinthy Frigyes: Címszavak a Nagy Enciklopédiához I-II.; Cikkek. Válogatta és a szöveget gondozta Ungvári Tamás. 1980, Budapest, Szépirodalmi Könyvkiadó, I. kötet, 351. oldal (Karinthy Frigyes összegyűjtött művei)

\(^5\) By the author.
medium providing continuity of cultures was the spoken word (Csepeli, Prazsák, 2010). Then books have ‘relieved memory’, providing the possibility for Past and Present to separate. They fixed information, created storage of data, archival, made reuse of data possible. Nevertheless access limits were not lofted: due to the lack of necessary knowledge capital in the beginning only very few people were able to use such stored information, moreover ‘consumption’ of books was very limited in space and time.

Beginning at the early years of 20th century wireless radio signal generation and reception made it possible to forward messages to distances earlier inconceivable and these messages might have almost unlimited number of receivers simultaneously. Network size was determined by the transmission distance of the radio station. The small world of Marconi-Milgram and McLuhan completed with Internet became really world-wide. What did change in comparison to the beginning of 20th century wireless devices: the possibility and quantity of interactions and the fact that smart devices outnumber user identities.

Internet can be considered a ‘small world’ or a necessary and unavoidable network. Access to the network might be a means of avoiding social marginalization. Nevertheless we must realize that interconnection of the growing number of new connection points is not random at all; new contacts, new acquaintances, route choosers show a tendency for preference of high prestige hubs (the members of which can be called cyber heroes). Ensuing from theories of Luhmann and Habermas, access to communication devices marks out the individual’s place in social stratification in which the measure unit might be the ability and frequency of interaction. Here is to mention the theory of Angelusz and Bourdieu (Angelusz, 2000), about information bridges to be constructed on weak connections. Strong, that is friendly- and family ties are almost inconceivable without community space. These are interconnected groups, in which conscious members allow only horizontal penetrability that is more widespread groups for smaller ones often remain invisible.

COMMON OPINION EDITED BY THE MEDIA

It is worth looking back to recent past and examine network connections in 20th century traditional media world, especially reviving a crisis situation. A few lines above I stated: ‘Quality of the contacts is characterised by rapidity, online access and the possibility of bilateral or multilateral interaction.’ During the Southern Slav Crisis mentioned in the foreword there was no public online surface, although American air base and several American command posts were connected online. The author used to be the correspondent of Hungarian Radio during the crisis; as a radio reporter present at the Taszár air base on almost daily basis. Nevertheless online connection is sensible to mention in case of Taszár, although it was not an internet-based one: the task set to American news factories was to forward two-three pieces of news per day to Hungarian media consumers about the Southern Slav war and peace process. It means no less than a citizen to be considered media conscious today checks his/her favourite news portals. During the 90ies of last
century radio broadcasts were synonym to promptness; there were hourly news; noon news program of Hungarian Kossuth Radio had an audience of about 1 million people. There is no media field of such proportions today. Here is the link to infinite access to network points, i.e. publicity.

Why did the American government need to find access points to Hungarian public via the army and military press? First of all it was a successful strategy to influence international reactions via Hungarian public opinion. They had to make an American military presence of 7-8 thousand soldiers in Taszár accepted. They had to inform the public about the humanitarian way of eliminating the remains of war, how cautiously they set new borders. (Considering this last item it was obviously merely a message, but did not represent reality.) Anyway, Americans did not entrust anything to be taken care of co-incidence in communication: the first army man to set foot on the tarmac of Taszár airport was the spokesman of the army. His first and foremost task was to build up direct contact to leading Hungarian journalists. (American soldiers were not left without media-communication: in an age without mobile phones there were as many (AT&T) phone booths at the Taszár air-base, as in half of the county altogether. Radio frequency market was unregulated in Hungary at that time, there were only temporary frequency allocations, but the Taszár air-base got permission to use three radio frequencies simultaneously. American type commercial radio broadcasts were listened to at the nearby town of Kaposvár, seat of the county. Later Americans also recognised this and used their radio station as a channel of contact and communication.)

American mediators utilized their contacts and communication tools according to a pre-set plan: in pre-decision situations or for accepting decisions they consciously and little by little fed the public with information; reaction by the public might have modified decisions or news repeated several times consciously or subconsciously became interiorized, part of the public opinion. This practice of thematisation is continued with success in Hungary ever since. It can be prevented only by taking less care for news programmes, consciously check truth factor in information and exclude sentences aimed only to persuade. The aim of thematisation is to ’drive into a single net’, creating a public opinion, members of which are aware of these messages, thus become members of the contact matrix community: they do not reject information on the specific topics. Instead of elaboration they make heuristic decisions in choosing channels and receiving news. The matrix gained by this method was and is relatively stable.

SHARING DOCUMENTS FOR ACCEPTANCE, INTERACTION

Interaction formed within elements of the connected network is media-like in its operation (Consequently it was the same 20 years ago). Tools used for maintaining co-operation are also mediative: pictures, texts, videos. I include smiles here; these can be considered as compact and often humorous texts (cp. spots), that are not necessary to decode; colourful pictures, make messages completed, emphasized, easier to understand.
It is worth to go a roundabout here to the roles of media that make it clear-cut: *connection network in cyber space is strongly mediatized*. Media, as social integration force can be detected only in the phenomena of unlimited quantity of access, ideological parallels or simply in common attitudes. Groups of the social network can be characterized by social integration in all cases. But connectedness within the group can be explained by similar disposition as well. It is also true – as mentioned earlier – that members of cyber-community influence each other and it can even enhance, strengthen their real social situation, i.e. inequality. The question arises whether key persons of connection hubs are leading persons in reality. According to Richard Florida the creative minority finds its place and feels at home at such communication hubs (Csepeli, 2007). According to my experience there is often a coincidence, concurrence between key persons of real and virtual space. Apart from this: those careful to chose their posts, makes photos from an interesting point of view and is able to criticize with clear arguments, may become a „hub”, while he is really mediocre in everyday life. Anyway, they are considered creative minority of virtual space. Leydesdorf notes that social systems – by their very special dynamics – work by re-distributing the possibility to act at local hubs (Leydesdorf, 2011). That means it is clearly possible for actors of communication hubs to fluctuate and change. So those who considers himeslf/herself to be part of creative society, might need to learn features and enhance ability of composing compressed messages.

Media indisputably plays an important role in the flow of information that unavoidably goes together with subjective distortion, direct influence or leaving some information unsaid willingly or unwillingly, the role of a ‘gate-keeper’ and thematisation. Taking only thematisation in consideration from above list, we might understand that within the connected communities I studied a well-placed post (picture and/or text) may initiate a conversation within the group. The post message does not intend to set what members of the group should think about the author or the content (although this possibility is not excluded altogether), but calls members of the matrix to talk about it. See: thematising.

In order to 'find a topic of conversation’ otherwise call attention to himself/herself or others, it is necessary to have inclination for public performance. Members of connected matrices often become actors, sharers in virtual, than in real space. Especially younger members of the studied group might seem to be inconsiderate. I think even the wiser generations take a risk in obtaining likes and comments; they do not consider what dangers arise from publishing a personal text or photo for other members of the cyber community. And it is very difficult to erase embarrassing content: deleting is in vain if others have already made copies or forwarded the content to others. friends. We have to talk about passive network members, too. They are not registered members of the community network, but quite often become ‘actors’ during different content shares or in photos posted. Such cases might cause quite embarrassing situations or on the bases of any kind of promotion is useful the network gains a new member. On the other hand the content posted might become entertaining. In both cases two main features of media, namely periodicity and publicity are evident. The public accessible is a consciously
or unconsciously selected group of the contact matrix, who are expected to like the posts.

The content shared is often mere documentation of their whereabouts, activities, company and partner. Referring to an earlier hypothesis, we should note that documenting personal content/actions is a basic part of social identity: ‘I exist, I am proud of something’. These statements become an item of reality only if others acknowledge them (like-interaction). In other words: it is in the interest of the person posting the content and reader/spectator for the connection network to be maintained.

‘Things you do not post about are like never happened.’ This attitude is characteristic of almost every smart device user. The most important thing is to show themselves, to be present so members of the network community might be very curious, yearn or simply be informed about them, so their identity get strengthened. The question arises whether each and every important event and occurrence gets to selected points of the matrix. Not at all. The self-editor, the ‘gate keeper’ lets only those events and occurrences published that enhance good feeling in the receiver, too. ‘Nothing bad about myself, ever.’

But in order to arise attention of community members one has to post something more startling and exciting than average. The desire to get reinforcement might mislead those posting the content when publishing excessively personal content, switching off control that otherwise is alert and works well. Those sharing the content will realise that for more intense information, they get more effective fixing.\(^6\) We might postulate that fixing is the most effective when media-communication goes together with some kind of interaction (Faragó, 2014). In our case it is comment or chat conversation. Posting the content is never for the sake of posting itself; it is for reinforcement, for interaction.

It is again the very characteristic of mediatized connections; curiosity is the driving force to make users regularly inquire about how acquaintances are doing. Of course they do so in the hope that between lines, pictures and videos they might find some bad fate as well. Regular inquiry and posting proves periodicity of the media. Natural exhibitionism and excessive interest ensures publicity. Periodicity and publicity – as stated above – are basic features of media.

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\(^6\) By fixing I mean the rememory of text or picture information, elaboration of the message.
being member of the cyber-community does not make them ‘strong bound’ member of the community and continue to live their solitary lives as in the realm of reality. Depth of relations is determined by the quality of personal communication and trust; obviously a friendly relation can be formed only leaving cyber-space: meeting face-to-face is another dimension altogether, but nowadays it lasts much shorter than online chatting. Personal talks leads to forming confidence, reinforcement of a stable connection. A face-to-face meeting is suitable to unveil a series of possibly false communication and reduce the risk of aggression.

Reasoning members of the connected network find time for checking accuracy and timeliness of content posted by others the same way as some web stores request buyers and sellers to evaluate buyers and sellers by a qualitative scale. But here everyone must make his/her own index of trust.

Connective networks may act as a control field for media and political power. Community portals already act as a mediating tool between the government and society, so they cannot be used without severe consequences if we do not understand contemporary cultural phenomena. Media system forced on society, censorship, consequently curtailed publicity (Faragó, 2014) operated by pride of power often leads to dramatic tenseness. A means of dissolving such tenseness is members of the connected network to feel enough inclination to document important events of virtual space for others. It is a media field again; we could call them net-reporters: virtual piazza, where net-reporters share content, was earlier referred to as street publicity (Faragó, 2011). New publicity organising within the network community is suitable to perform controlling role of traditional media. Activity of connected community members is prominently high in situations of violence. In such cases there’s no point in sharing pre- and post event facts. Only real-time news make sense and there is a never-decreasing demand for such news.

Media events broadcasted and created by street publicity not only inform and strengthen social solidarity, but play a key role in forming the scale of values. We might consider it as network-communication of equals in rank, where trust index formed within the community matrix becomes an important factor again. The more elements the matrix contains, the more chance there is for detection of false, untimely, partly true, made up information shared. But excluding sharer of such information of the network is not sure.

**IT IS REWARDING TO BE CYBER HERO IN THE SHORT RUN, TOO**

I do not see any possibility for decomposing connection networks in cyber-space. The reason for this is that according to my opinion and all the facts and factors mentioned above, community matrix is filled with mediative content, and this mediative content maintains its dynamics. Not online cyber-world of 20 years ago and this present reality are very similar in this regard. For creators of the matrix it becomes an essential necessity to maintain connection points, but they would eagerly replace actors of hubs in certain situations. Not only because being a cyber-hero or key figure is rewarding in the short run. The network is in dynamic change, moreover hubs are occupied solely by members of the creative minority, who are
easy to replace by a new member. There is no geographical or time limit. Quality of network connections are defined by speed, online access and the possibility of mutual or group interactions. Members of the network are more open in the virtual space than in reality: documenting (posting, sharing) personal content or activity is an essential part of maintaining social identity in cyber-space.

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Islamic Finances in the Balkans: The Operation of the Islamic Bosna Bank International

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ABSTRACT

During the 50 years since the formation of the Islamic bank system the bank operation of BBI has achieved huge successes. The authors in their study analyze the actions of the only Islamic bank of the Balkan Peninsula located in Sarajevo, namely Bosna Bank International. The essay contributes to the investigation of the Islamic bank system with the analysis of its balance sheet. The operation of the Bosna Bank International is interesting because the bank operates in a non-Islamic financial environment. It seems to be a more real scenario in Hungary that instead of founding a clearly Islamic bank, a traditional bank would offer Islamic banking services (sc. “Islam window”). According to the opinion of the authors, the credit institution establishing the Islam window can acquire significant advantage in the field of getting clientele that is why we offer this strategy for the indigenous banks, too.

Keywords: Islamic bank system, Islamic balance sheet, BBI

INTRODUCTION: THE SPREAD OF THE ISLAMIC BANK SYSTEM

The first Islamic bank was founded in 1963 in Egypt. During the last 50 years the world's leading banks such as banks in the USA: Citybank, the JP Morgan/Chase, the Goldman Sach and the UBS Warburg, the British ones: HSBC, the Barclays Capital, ANZ Grindlays Bank, the Dutch ABN Amro, the French BNP Paribas and Societe Generale, the German Commerzbank and Deutsche Bank, the Russian Mežkobank, the Japanese Nomura Securities and the biggest Swiss bankgroup, the USB founded their own branch offices in Muslim countries (Hadžić, 2015). These are the so called „Islamic windows” in the framework of which these credit institutions provide their clients with bank products proper to Sharia.

Nowadays there are more than 300 Islamic banks all over the world. It is the tendency of last years that Islamic banks are founded not only in Islamic religious countries but also in other parts of the world. “For instance, 2 Islamic banks operate in Australia, 6 in the Bahamas and 38 in the USA. Both Denmark, France and Ireland have one banks whilst Germany and France have 5 Islamic banks. There is one in Bosnia and Herzegovina that operates according to the principles of Islamic banks” (Hadžić, 2015). In 2015 July the first clearly and completely Islamic-based Bank of the euro area was founded in Germany with the investment of Kuveyt Türk Bank. Kemal Ozan, leader of the Kuveyt Türk Bank, expects 1,6
billion Euro (1.73 billion USD) market-volume on the basis of the preliminary market surveys among the Muslims in Germany.

According to Wilson Rodney, economic professor of the Scottish Durham University, the enlargement of Islamic banks in the last two decades is “prominently inspiring and there is no doubt that it will continue in the future as well. The reason of the assumption is the large clientele and the high number of workers and also the development of the qualification of the permanent staff, consequently, it is not a simple and short-term phenomenon.” - Professor Hadžić says and shares the opinion. (Hadžić, 2015)

The huge enlargement of the Islamic finance sector is measurable throughout the world. According to the indices made by the Islamic Financial Services Board (IFSB), Islamic banks showed a 38.4% growth in spite of the global crisis of 2004-2011 period. (Islamic Financial Services Industry Report 2013). In the 10 years from the millennium to 2011 cashes increased tenfold, reaching 1300 billion US dollars (Figure 1).

**Figure 1**

*Islamic Finance Assets Growth (2000-2011) in US Dollars Billion*

![Graph showing Islamic Finance Assets Growth (2000-2011) in US Dollars Billion](image)

Source: Tabash and Dhankar (2014)

Many traditional banks in the world were deeply affected by the difficulties of the financial crisis of 2008. It is certainly true in respect of Islamic banks too, however, as opposed to this, the trans-border Islamic financial activities increased throughout the world, including the Balkan activity of BBI. The Islamic banks are more stable than traditional conventional banks due to the strict sharia regulation that affects their operational environment. The compelling growth rate of Islamic financing is due to these canonical regulations aiming at stability that is why it calls the attention of political decision-makers and financial experts as well throughout the world. The rapid growth in 2014 was worth about 2000 billion US dollars that was prevented by experts in the previous year. The division of the Islamic financing answered the
expectations, its 78% was Islamic bank investment, the more popular Sukuk shares showed 16% interest, the Takaful showed 1%, the Islamic funds 4% and the Islamic microfinancing also 1%. (Tabash and Dhankar, 2014)

A significant part of global Islamic financing is concentrated in the Islamic world, especially in the region of the Middle East and the region of Indonesia and Malaysia. These areas can also be regarded as the centres of investment affecting other parts of the world, of which an example is the BBI banks whose parent branch centres (Islamic Development Bank, Abu Dhabi Islamic Bank, Dubai Islamic Bank) are also located in the area mentioned above and a similar example is the Islamic Bank of Britain (its parent branch is Qatar International Islamic Bank-QIIB). Since inferences can be drawn from the data of the central region, it is worth illustrating these in table as well (Table 1). Besides the detailed review due to expansion reasons, it is needed to state that the Islamic banks' number of cash is between 20% and 65% and the growth rate is between 10% and 38% in the whole bank system that has been continuous since 2008 and with which the data of BBI illustrated later show similarities as well.

Table 1

<table>
<thead>
<tr>
<th>Countries</th>
<th>Market share in 2008</th>
<th>Growth rate of assets</th>
<th>Periods</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>Islamic banks</td>
<td>Banking system</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>35.0</td>
<td>33.4</td>
<td>19.0</td>
</tr>
<tr>
<td>Bahrain</td>
<td>29.9</td>
<td>37.6</td>
<td>9.6</td>
</tr>
<tr>
<td>Kuwait</td>
<td>29.0</td>
<td>28.3</td>
<td>19.0</td>
</tr>
<tr>
<td>United Arab Emirates</td>
<td>13.5</td>
<td>59.8</td>
<td>38.1</td>
</tr>
<tr>
<td>Qatar</td>
<td>11.5</td>
<td>65.8</td>
<td>38.1</td>
</tr>
<tr>
<td>Gulf Cooperation Council (GCC)</td>
<td>23.8</td>
<td>45.0</td>
<td>24.8</td>
</tr>
<tr>
<td>Jordan</td>
<td>10.3</td>
<td>20.6</td>
<td>11.2</td>
</tr>
<tr>
<td>Turkey</td>
<td>3.5</td>
<td>41.0</td>
<td>19.0</td>
</tr>
<tr>
<td>Malaysia</td>
<td>17.4</td>
<td>20.0</td>
<td>14.0</td>
</tr>
</tbody>
</table>

The contents of the table includes the financial data of the bank's balance sheet of Islamic banks and Islamic windows.
Source: Hasan and Dridi (2010)

The division of global tools of Islamic financing itself (Figure 2) showed unitary trends until 2008. The so-called Takaful is the insurance services observing the instructions of Islam in the structure of which reciprocity, solidarity and mutual aid have been essential parts in the agreement between the participating parties since the crisis but it grows in an undiminished way (similarly to the Islamic investment funds). However, from 2010, merchandising of Sukuk shares in the system of
Islamic banks and investing in shares are getting more popular and popular that produces the fastest growth (10-15% annual growth within the global financial markets) and brings the alteration of rates. This trend can be seen in the balance sheet of BBI analyzed in details later.

**Figure 2**


![Graph showing growth of global assets in billion US dollars from 2006 to 2008 for different sectors: Takaful, Sukuk issues, Commercial banks, Investment Banks, Funds.](image)

Source: On the basis of the research of International Financial Services London In: Hasan and Dridi (2010)

**GENERAL DESCRIPTION OF THE BOSNA BANK INTERNATIONAL (BBI)**

The Bosna Bank International d.d. (BBI) was founded in 2000 as the first bank in Europe operating according to Islamic principles. Its official seat is in Sarajevo. In 2012 it was already the bank with the country's largest paid-up capital with its registered capital of 47.52 million BAM (Bosnia and Herzegovina convertible mark). The registered capital of the credit institution increased up to 80 million BAM to 2014. In 2002 it acquired the authorization to deposit insurances and to domestic payment transactions. The bank's main range of activities includes the following services: lending to natural and legal persons, deposits, interbank transactions, foreign exchange trading, and other banking services.

The owners of the Bank are the Saudi Arabian Islamic Development Bank with 45.46% shareholders’ ratio and two banks from the UAE with 27.27-27.27%, namely the Abu Dhabi Islamic Bank and Dubai Islamic Bank (Bosna Bank International, 2012). The current owners were also the founders. The numbers of the
BBI’s annual evaluation report show the success of the owner and founder banks’ investments, for example in 2012 the total assets of the bank showed a 27% increase, but there was 33% increase in total funding, 30% in retail financing, and 34% in business financing. Deposits increased by 21% and an increase of 17% were observed in the total sales revenue and 26% of the net profit. Numbers are similar to those experienced in 2013 and 2014 as well. Although the BBI bank operates in a different legal environment, but completely in accordance with Islamic principles, it operates in compliance with the rules of Sharia laws. András Kecskés draws attention to the fact that in the business and investment activities the differences between the legal systems should be considered and the possible application of foreign law is necessary to take into account during the investing process. Thus the adaptation of foreign law is necessary. (Kecskés, 2009)

In line with these as one reason for the success of BBI the application and proper harmonization of Sharia law and local legislation can be highlighted. An evidence for the compliance for legislation is the effective compliance on the audits by the supervisory authorities referred in the annual reports as well. The BBI’s finances based on the Accounting Act of Bosnia and Herzegovina (Official Journal of BiH Federation No. 83/09), the Law on Banks and the Federal Banking Agency’s decisions are controlled by the Bosnian authorities, in particular the FBA (Federal Banking Agency) and they must comply with International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS), in addition they are accountable to the parent banks on the basis of Sharia law as well, because various committees (eg. Sharia Committee) perform the supervising activities.

Among the banking activities mainly the Murabaha, the Musharaka, the Wakala and Iyar take a role, in respect of which the BBI itself advocates as well. According to the Murabaha agreement, the Bank gives so-called commodity goods or other assets to the client. It is such a Sharia compatible commodity purchase, during which the seller may inform the buyer in advance how much cost is going to be incurred because of the transaction and how much profit is required (as a sum), so at the moment of the deal this information is available for both of the partners. The commodity good is nothing else than something which is tangible. By Islamic banking lending precious metals or similar (silver, palladium, etc.) are such goods. Among the conditions it is stated that the selling price includes the cost of commodity prices and the shared profits.

In the case of the Musharaka agreement both parties get in capital, one of them does the job, they share the profit according to the pre-agreed ratio while losses are allocated on a percentage of the invested capital. In this case it is important that the property serving as a basis for the investment firm belongs to the client, as for example, because of the different ownership structure the risk increases excessively by the acquisition risk type of investment models – as András Kecskés pointed out (Kecskés, 2011) – and this is opposed to the prohibition of speculative transactions.

The Wakala is actually an agency contract. During the contracting by the occasion of opening of an account the depositor does not pay account maintenance fee but pays a certain fee for the professionalism of the bank because the client entrusts the bank as an agency responsible for his finances. The BBI bank stipulates
in the contract that the agent is obliged to return the invested amount in case of default or negligence or infringements of any term of the Wakala.

The Ijara is a transaction in which the bank buys property right or some tools, equipment, real estate, which is made available to the client for rental fee, so it is rented out. According to the financial reports conducted by BBI, except for the financing costs of the past the financing of the clients with whom the above mentioned type of agreements have been concluded have produced real results, both the investment and financial assets are returned. (Bosna Bank International, 2012)

THE ANALYSIS OF THE BBI’S BALANCE SHEET

In the following phase we are going to analyse the structure of the BBI’s balance sheet. Because of the easier overview the amounts of the balance sheets of the years 2013 and 2014 were exchanged from thousands of Bosnian convertible mark (BAM) to thousands of euro (EUR). The exchanges rate was 1,9558 BAM/EUR, which was valid on 27.07.2015.

The ratios in the percentage of the total asset show clearly the structure of the BBI’s balance sheet (Table 2). The Bosna Bank International had a total asset of EUR 287 million at the end of 2013, and EUR 325 million at the end of 2014.

The global balance sheet analysis shows that the granted loans add up to the majority of the total assets, in 2013 nearly half of it and 59% of it in 2014 (Table 3). This line requires a separate analysis, in which the highlighting of the Islamic products’ characteristics are important (Varga and Wickert, 2013).

Another huge item in the total assets is the liquidity assets. This includes cash and balances with banks; its amount was nearly one quarter of the bank’s balance sheet, exactly 23%. The bank receivables can be classified into this group as well with a rate of 6% in 2013 and 10% in 2014.

The resources of the Islamic bank’s balance sheet are the shareholders’ equity and the liabilities. The two main sources of funding liabilities include transaction and investment deposits. Among the resources the liabilities make up a significant part of the balance sheet – typically for the credit institutions: 278.804 of the 325.408 thousands euros. Most of the liabilities are liabilities due to customers; it is 72% of total liabilities. Another big part of liabilities are borrowings, this is 21% of the liabilities. The fact that the level of the provisions is negligible, shows the high level of financial stability of the Bosna Bank International credit institution.

Transaction deposits are related directly to the transactions and payments. In the traditional banking system the demand deposits and the check account with automatic credit opportunity correspond to this type of deposits. The account holder disposes the amount on the check account; the bank is obliged to fulfil it immediately. A 100% reserve requirement is insured for the nominal value of these deposits. These deposits satisfy the sharia-compatibility for people with Islamic religion.

The investment deposits are more similar to companies’ shares or rather to investment units of investment funds than to time deposits or to saving deposits of a traditional bank. Investment deposits issued by a bank have not got a guaranteed nominal value and a fixed return. The depositors are like the bank’s shareholders,
therefore they can share the profit earned by the bank. The full loss from the operation of the bank is also shared between the depositors and the bank.

Table 2

The structure of the BBI’s balance sheet in 2013 and 2014

<table>
<thead>
<tr>
<th>Bosna Bank International d.d., Sarajevo, Statement of financial position</th>
<th>BAM/EUR</th>
<th>1,9558</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1000 EUR</td>
<td>1000 EUR</td>
</tr>
<tr>
<td>ASSETS</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash and balances with banks</td>
<td>73 898</td>
<td>75 541</td>
</tr>
<tr>
<td>Cash and the balances with the Central Bank of Bosnia and Herzegovina</td>
<td>16 943</td>
<td>13 850</td>
</tr>
<tr>
<td>Placements to banks</td>
<td>31 686</td>
<td>18 809</td>
</tr>
<tr>
<td>Financial assets available for sale</td>
<td>24</td>
<td>23</td>
</tr>
<tr>
<td>Financial assets at fair value through profit or loss</td>
<td>306</td>
<td>277</td>
</tr>
<tr>
<td>Financing of customers</td>
<td>193 616</td>
<td>170 793</td>
</tr>
<tr>
<td>Other assets</td>
<td>1 345</td>
<td>2 669</td>
</tr>
<tr>
<td>Property and equipment</td>
<td>7 218</td>
<td>4 874</td>
</tr>
<tr>
<td>Intangible assets</td>
<td>371</td>
<td>410</td>
</tr>
<tr>
<td><strong>TOTAL ASSETS</strong></td>
<td>325 408</td>
<td>287 246</td>
</tr>
<tr>
<td>LIABILITIES</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due to banks</td>
<td>15 002</td>
<td>18 037</td>
</tr>
<tr>
<td>Due to customers</td>
<td>199 726</td>
<td>182 887</td>
</tr>
<tr>
<td>Borrowings</td>
<td>59 091</td>
<td>39 679</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>4 579</td>
<td>1 705</td>
</tr>
<tr>
<td>Provisions for liabilities and charges</td>
<td>405</td>
<td>388</td>
</tr>
<tr>
<td><strong>TOTAL LIABILITIES</strong></td>
<td>278 804</td>
<td>242 695</td>
</tr>
<tr>
<td>SHAREHOLDER’S EQUITY</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Share capital</td>
<td>40 934</td>
<td>40 934</td>
</tr>
<tr>
<td>Statutory reserves</td>
<td>1 193</td>
<td>889</td>
</tr>
<tr>
<td>Retained earnings</td>
<td>4 477</td>
<td>2 728</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY</strong></td>
<td>46 604</td>
<td>44 552</td>
</tr>
<tr>
<td><strong>TOTAL EQUITY AND LIABILITIES</strong></td>
<td>325 408</td>
<td>287 246</td>
</tr>
</tbody>
</table>

Source: *Bosna Bank International*, 2014

Unlike the traditional banking system, where the nominal value of their deposits is guaranteed for the investors through the explicit or implicit deposit insurance of the banks or of the government, here in the contract between the bank and the investors only the profit or loss sharing ratio is determined. The profits sharing ratio of the investor and the bank is agreed before the contract. This ratio cannot
be changed until the expiry of the contract and it can be changed only by mutual consent. There are two important differences between the banking ordinary shareholders and investment depositors: on the one hand the depositor has no say to the bank management, on the other hand, the dividends of the ordinary shares from the banks’ management are optional, while yields of investment are calculated based on the in advance fixed and constant profit rate.

The ratio of the equities is 14%, so the bank operates with sevenfold leverage. It provides prudent operation compared to the leverage of a classical bank (which is between 10 and 20).

Table 3

The balance sheet structure of the BBI

| Statement of financial position | |
| ASSETS | |
| Cash and balances with banks | 23% | 23% |
| Cash and the balances with the Central Bank of Bosnia and Herzegovina | 5% | 4% |
| Placements to banks | 10% | 6% |
| Financial assets available for sale | 0% | 0% |
| Financial assets at fair value through profit or loss | 0% | 0% |
| Financing of customers | 59% | 52% |
| Other assets | 0% | 1% |
| Property and equipment | 2% | 1% |
| Intangible assets | 0% | 0% |
| TOTAL ASSETS | 100% | 88% |
| LIABILITIES | |
| Due to banks | 5% | 7% |
| Due to customers | 72% | 75% |
| Borrowings | 21% | 16% |
| Other liabilities | 2% | 1% |
| Provisions for liabilities and charges | 0% | 0% |
| TOTAL LIABILITIES | 100% | 100% |
| SHAREHOLDERS’ EQUITY | |
| Share capital | 88% | 92% |
| Statutory reserves | 3% | 2% |
| Retained earnings | 10% | 6% |
| TOTAL EQUITY | 100% | 100% |
| TOTAL EQUITY AND LIABILITIES | |

Source: Bosna Bank International, 2014
CONCLUSIONS

Based on the bank balance sheet of the BBI we can talk definitely about successes in the recent years, which fit the observed trends on a global level. The Islamic banks and financial institutions operating according to Islamic principles were not only stable after the economic crisis, but they produced a significant increase as well. Their increasing number and volume of investment prove the popularity of Islamic banking at the same time.

During the 15 year long operation of the BBI, which is the first Islamic bank established in Europe, it has become the biggest bank of the country and has risen among the leading banks of the Balkan region. The authors analysing the bank balance sheets concluded that in the future development of the financial and economic life in the Balkans an outstanding role should be attributed to the Islamic banking institutions. The case of BBI and Bosnia and Herzegovina do not allow conclusions to be drawn only in the region but also it can be guidelines within the European Union. This is especially true for the cooperating opportunities among the Islamic banking system and conventional banks, and for the operation of the Islamic banking system and Islamic law in the shadow of external, continental legal systems.

The growing presence of Islamic banks in the global financial markets impacts the present and the future investments and regional economics towards alternative market economical opportunities, which are proved by the number and amount of such type of investments.

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