

# **SOCIO-ECONOMIC COHESION AND SEE REGION'S STRATEGY FOR THE FUTURE**

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## **Abstract**

South Eastern Europe (SEE) region in the past decades has been undergoing structural reforms due to the constant changes in the economy. There have been changes in social situations and settings, economic transitions in the countries, post- conflict reconstruction, state-building, reforms in the administrative settings and the preparations for accession to the European Union. The instability in the region both political and economic; causes ethnic differences, spatial inequalities and social division. This paper seeks to explore the social and economic challenges in the SEE region and the improvements that can be made. It tries to determine the effect of social problems in the SEE region, to evaluate the relationship between social problems and economic instability and political problems. It is a try to develop better strategies how to deal with social issues and make recommendations on the best methods to change social and economic problems. It arrives in conclusion that the cooperation and socio economic region cohesion is the most beneficial instrument that countries in the region have at their disposal to achieve advancements in the economic, political and bridging inequalities, so as to naturally converge with more advanced European economies.

**Keywords:** socio-economic cohesion, region cooperation, sustainable economic prosperity, regional strategy

## **1.0 Introduction**

Regional integration is a very crucial strategy for enhancement of social, economic and political development among the involved nations. Quite a number of nations have for age been able come together and make agreements regarding their interest to merge their social and economic policies in a bid to foster regional development and create a platform for political development. South Eastern Europe (SEE) is one of such geographical and political region that includes a bevy of 14 sovereign states found on the Balkan Peninsula ( Bideleux 39). Indeed, there has been a significant improvement and development among the nations that have successfully implemented their regional developments policies and strategies. Among the successful regional integrations that have registered positive developments in the European Union (EU), which has been able to spur both social and economic richness as well as political development among its member states. However, this is not the case for the South Eastern Europe. In the past decades, the region has been on persistent structural reforms primarily triggered by the invariable economic changes including economic transitions among the vary nations that make up the region (Bideleux 53). In addition, there have been changes in the social situations and settings, post-conflict reconstructions, state-building, reforms in the administrative setting and preparation for accession to the European Union ( Ott at al 45). This study shall provide reliable data in line with the socio-economic challenges and solutions to foster fresh regional development and a prosperous future among the members.

**Hypothesis:** *Socio-economic problems in SEE region are affecting the general development of the region. Proposed solutions for these problems may contribute to the region's political, economic and social stability.*

### **1. 1 Background of the study**

The high number of researches conducted by a lot of scholars and research specialists in the EU has been the prolific contributor for effective decision-making as the research findings in various researches are relied upon to make decisions. This is mainly because of the fact that these researches cover intensively and extensively a wide array of both social and economic issues as well as a bit of political issues among the member states. Unlike in other boroughs, a lot of turbulences in the SEE region arise from volatility in both political and economic statures, which stimulates ethnic aggression, special inequalities and conspicuous social inequalities among the member states World Bank 18). However, despite all these startling social and economic issues, zero efforts have been put forward as far as studies in the social and economic inclusion and cohesion is concerned. This is in contrary to other regions that through consistent studies, they have been able to detect and control the impediments to regional development. There is need for further intensive studies on the various social issues that ought to be prioritized in the SEE region as they greatly affect the region as opposed to relying on secondary studies to make non-progressive decisions. Therefore, this study seeks to explore the social challenges in the SEE region and the improvements that ought to be done in a bid to enhance socio-economic cohesion. As such, the study will outline possible advantages that accrue to such essential studies to contribute to the region's advancement in the economic, political and bridging inequalities in the region.

### **1. 2 Problem Statement**

The SEE region faces a lot of problems that are embedded between political, social and economic as well as ethnic issues, which to a large extent contributes to the outright failure of the region to realize its potential. Basically, these challenges are the same issues affecting the region year in year out and they keep regenerating and present themselves in other forms. Coupled with lack of enough studies carried out to determine the nature and approach to tackling these issues, the SEE region is bound to hitting a hard rock of social issues, which will see its disintegration and an outright failure to provide regional cohesion for significant development. Therefore, this study shall aim at an insightful study of the social and economic issues with a view of developing reliable solutions and possible courses of action that include the following:

- 1. 2. 1** Poverty alleviation;
- 1. 2. 2** Bridging the inequality gap;
- 1. 2. 3** Education attainment policy;
- 1. 2. 4** Anti-graft policies and fight against corruption;
- 1. 2. 5** Extensive reforms in the social sector;
- 1. 2. 6** Integration of the social and economic sectors.

The study shall seek to address the challenges faced in by the SEE region in view of the afore mentioned socio-economic cohesion strategies, which will enhance regional development and realization of the set goals and objectives. As such, the study will play a vital role of the providing relevant findings for the benefit of enhancing policy development and coordination to spur both economic and social prosperity as well as political development for a better future.

However, it would be prudent for a proper consideration of the aforementioned courses of action because of the fact that policy formulation can help to reduce the challenges involved in fight to attain both social and economic prosperity as well as political stability in the SEE region.

### **1. 3 Research Objectives**

#### **1. 3. 1 General Objective**

To identify the key social problems affecting the general development of SEE region and propose solutions to contribute to the region's stability in all the sectors including political, economic and social issues.

#### **1. 3. 2 Specific Objectives:**

- To determine the effect of various social problems affecting the SEE region;
- To evaluate the relationship between social problems and economic instability in the SEE region;
- To evaluate the relationship between social issues and political problems in the SEE region;
- To develop better strategies to help in proper dealing with the social issues in the SEE region;
- To make recommendations on the best methods to change social problems so as to improve the SEE region in political, social and economic conditions.

#### **1. 4 Significance of the study**

This study will act as a relevant and reliable tool among experts and decision makers in politics, economics and sociology for effective decision-making process that covers all needs and requirements for SEE region development strategy. In addition, the research will serve as a crucial resource and reference and solve the problem of lack of enough studies into the social issues of SEE will aim of improving economic, political and ethnic issues in the region.

## **2.0 Literature review**

### **2. 1 Introduction**

Basically, socio-economic cohesion in any region encourages conspicuous development among the member states because of the fact that it provides a dais for various socio-economic activities that promote the region's growth and performance. It encourages the member states to engage in such productive activities such as trade and free movement of factors of production, which consequently augment the level of output as far as specialization and increased efficiently in production are concerned. Furthermore, regional socio-economic cohesion acts as a backbone for overall political, social, cultural and economic prosperity among the members (World Bank13). Therefore, this means that, for a region to develop and be able to attain its set goals and objectives there is need alienate ethnic differences the member states to provide the ease with which the region is determined to achieve the goals and objectives. To do this successfully, the members must be kept on toes in search of not only economic and political issues but also to quench the thirst of social issues. This will enable them to harmonize their cultural differences and develop reliable approach to a common culture that helps to easily solve any form of a social issue that may arise ( Faludi 27)

### **2. 2 Review of Past Literature**

Although there has been little effort in studies as far as unraveling the social issues affecting the progress of the SEE region, some indicators have been laid bare from a few studies (Alemany9). For instance, VojmirFranicevic explains that, higher inequality and widespread poverty has been on an alarming increase in the SEE region due to lack of a reliable framework to implement strategies that

promote a strong regional integration (Franicevic 223). Vojmir further elucidates that indeed, SEE is made up of a combination of weak states who have consistently registered high levels of corruption and severe fiscal deficits that deter the region from progressing. According to him, socio-economic cohesion can be achieved at the cost of low levels of corruption among the involved governments for the sake of enhancing regional growth in the various sectors and be able to recognize the goals and objectives of the SEE region (Franicevic 227). Besides, there is need for the implementation and coordination of policies and regulations that seek to strengthen the bond among the member states and redress the rather necessary fiscal balance to spur the economic, social and political development in the region. Indeed, poverty is a key impediment to achieving a robust regional integration that cultivates high possibilities for both social and economic prosperity because of the fact that it encourages inequality. Therefore, socio-economic cohesion in the SEE region will not be achieved pending to reduction of poverty levels among the member states bridging the gap of inequality in various social set ups (Franicevic 230).

In a larger context and at a distant perspective, a higher degree of economic freedom enhances success in fighting corruption as a critical measure of institutional performance. This is not a fix solution to the far more complex problem of corruption, but simply contribute to the understanding of an important relationship that, if addressed properly and effectively by relevant decision-making processes, would evidently enhance the realization of the desired outcome. ( Qerimi and Sergi 2012)

Predrag Bejakovic depicts the SEE region as a collection of weak governments where equity and efficiency in social policy including social welfare, employment and education are the key issues that the members have failed to address and solve the problems. Bejakovic continues to elucidate that the weak governments that make up the SEE region lack the required proficiency in developing reliable social policies that address the various social challenges that hinders the region's development. Besides, he explains that there is limited capacity and willingness among the member states to develop constitutional and legal measures that perfectly go with their own social, cultural, political and economic circumstances, settings and potential. Bejakovic goes ahead to opine that each government should strive to create a steady legal culture, develop a social infrastructure in collaboration with the citizens of each nation in a bid to set up the rule of law. This, according to Bejakovic will protect most social groups fund in adverse situations, especially the underprivileged and the socially excluded from suffering from a deficit of lucid acts and the reluctance of the society to respect those laws that exist to protect the common interest (Bejakovic 180). In other words, Bejakovic advocates for reforms and development of liable legal frame work in a bid to enhance equity and develop a strong policy that seeks to encourage socio-economic cohesion. In turn, this will create a fair ground for vigorous economic and social activities for regional development in the long run (Bejakovic 182).

According to a report tabled by the Council of Europe Development Bank (CEB), it claims that in the past few years, despite the region persistent struggle on development issues, all the members have been able to attain and manage a great progress in economic reforms. However, this is not the case in the social sector as social reforms have been ignored. The report further explains that, key social issues such as the ever augmenting cases of unemployment, soaring rates of poverty, and corruption should be addressed with a lot of vigor and vitality in a bid to achieve the region's full economic development. As far as the report is concerned, there is need to better integrate reforms in the social dimension with the economic development with an overall regional approach to promote social and economic cohesion (Smetet al 10). More economic activities should be encouraged in the region in a bid to create as many opportunities as possible and solve the quagmire of unemployment levels in the SEE region. This according to the report will also help to alleviate poverty because of the fact that more entrepreneurial skills will be utilized to increase revenue and raise the living standards of the citizens of each country in the SEE region. In addition, the report shows that, the governments of each country that make up the

SEE region need to develop anti-graft policies, which will aid in reducing the levels of corruption and focus on solving the equation of inequality and poverty (Smet et al 16).

The phenomenon of rising unemployment and jobless growth has often been mentioned in the European context, particularly for CEE, but the negative champion in this field is without doubt, south east Europe. Active labor market policies are required such as, for example, vocational training and educational programs for workers. If policy reforms were essential to restore competitiveness, boost job creation and make it more inclusive, this would impose a burden of wide-ranging social consequences. Extensive consultations between the social partners are crucial to maintain social cohesion while restoring overall competitiveness and engineering a successful and lasting economic recovery. (Gradev et al 2013)

### **2. 3. Theoretical Framework**

It is possible that the quandary in the SEE region can be solved through various approaches and use of practicable theories. For instance, the region harbors widespread corruption cases that revolve around senior public officials (Ott et al 23). Consequently, discrimination and criminal activities are what define the social and economic behaviors in the region. There is a dire need to understand these issues, which makes the rational choice theory a reliable tool. This theory does not only help in understanding but also in modeling the social and economic behaviors (Bartlett and Monastiriotis 75). It will help the relevant authorities develop the most efficient policies and strategies to carry out necessary social reforms and achieve the set goals and objectives. In addition, there is need to understand the principle of inclusion and exclusion especially among the minority. As such, the cognitive dissonance theory can be used to explain these social issues that are of great magnitude as far as the conflicting social norms of the SEE region is concerned. This theory as put forward by Leon Festinger that, despite there being many attitudes and beliefs one cannot be at peace unless he or she abdicates others and rely on one to be able to make a reliable choice and regain comfort (Oxoby 13). The risk of growing income inequality can lead to social, economic and efficiency damage, while missing the positive external effects of greater equality for society. (Gradev et al 2013). In trying to understand and solve the problem of poverty in the SEE region, it would be wise to rely on the cognitive dissonance theory to help individuals under the tyranny of typical social norms to renounce insatiable norms that cause them dissonance. The labor market situation is alarming in most countries. This is a biggest social challenge for the region, as well as for those whose purpose is the interpretation of economic and social facts. A critical review of the many social problems affecting the region reveals that they are the very reason why economical development has been a slow process despite there being enough resources to spur the development.

## **3. 0 Methodology**

### **3. 1. Study Design**

The target population explained certain issues regarding the variables of the study. The descriptive research design, which was used explore the relationships existing between independent variables and depended variable. The descriptive study design provided quantitative data from a cross-section of the chosen population drawn from each country that make up the SEE region.

### **3. 2. Study Population**

The study population was drawn from each country in the SEE region. Whereby, each country was represented with a sample population of 1000 respondents. Out of the 1, 000 respondents, 700 were common citizens, 100 were economic experts, 100 were social experts, and 100 were political experts. The study population accommodated a large number of common citizens because of the fact that it was assumed that they have first-hand information regarding their social situations. The experts drawn from

the aforementioned fields provided special and technical assistance as far as enhancing the reliability and validity of data collection was concerned.

Table 3. 2

Population Assortments	Population size	No. of countries	Total
Common citizen	700	14	9. 800
Economic experts	100	14	1. 400
Social experts	100	14	1. 400
Political experts	100	14	1. 400
<b>TOTAL</b>	<b>1. 000</b>	<b>14</b>	<b>14. 000</b>

### 3. 3 Sampling Strategy

The study population was sampled through random sampling strategy, which gave each item in the population size equitable prospects of being selected for the study. This is because, this method is unbiased and eliminates the possibility of collecting compromised data, which would have rendered the study unreliable in decision making to solve the various social, economic and political issues affecting the region. The sample size was considered a representative of each country, cheaper and cost effective. Additionally, this sampling method made the study run faster considering how limited time was for data analysis.

### 3. 4. Data collection

Data collection involved surveys with the aim of collecting primary information from a pre-determined sample group SEE region. This was done through mail questionnaires, telephone interviews, and personal interviews. The questionnaires were tailored in a manner that the collection of both quantitative and qualitative data was to be achieved. All the responses from each respondent were treated with confidentiality and proper ethical consideration was accorded.

### 3. 5. Data Processing

Data processing entailed the tabulation of the data collected by use of complex tabulation, which gave summarized information on inter-related data characteristics for effective data analysis. This enhanced the reliability and validity of the study materials for both qualitative and quantitative data analysis.

Table 3. 5 below shows figures results that were obtained from the study.

Table 3. 5

Population division	Poverty			Corruption			Literacy level			Income inequality		
	High	Medium	Low	High	Medium	Low	High	Medium	Low	High	Medium	Low
Common citizens	5020	2005	475	5000	1750	750	3750	3150	575	5015	2000	485
Economic experts	900	300	150	1200	100	50	850	350	100	1250	50	50
Social experts	1000	200	100	1050	150	100	1000	100	200	900	300	100
Political experts	900	205	45	1000	150	50	985	105	110	705	400	95
<b>TOTAL</b>	<b>7820</b>	<b>2710</b>	<b>770</b>	<b>8250</b>	<b>2150</b>	<b>950</b>	<b>6585</b>	<b>3705</b>	<b>985</b>	<b>7870</b>	<b>2750</b>	<b>730</b>

### 3. 6. Data Analysis

Analysis of data was made through quantitative data analysis using computer. That is, data was fed into the computer where the SPSS computer program was used to make the data analysis. The results

revealed that, indeed there was a correlation between the social and economic variables leading to lack of socio-economic cohesion in the region. The results showed that 69, 34% of the population believed that poverty was at its peak while 23, 88% of the population believed that poverty was evenly distributed with only 6, 78% certain that poverty was low. The trend is depicted even in the level of corruption and the literacy level as well as the level of inequality, which shows that there is a perfect relationship between these variables. That is the higher the level of corruption, the higher the level of income inequality, which translates to the higher level of poverty, hence augmented illiteracy levels. These results show that, for the SEE region to achieve its future development strategy, there is need to address the problems in education, corruption, poverty and income inequalities. This will ensure a socio-economic cohesion to spur the region's future developments plan. Where necessary, editing and descriptive data analysis was used in a bid to reduce any bias and enhance the reliability and validity of the study.

### **3. 7. Conclusion**

The region of South Eastern Europe is falling short of socio-economic cohesion, which has adversely affected its economic, social and political development. Certain factors that are usually neglected keep on retarding the region's development strategies unlike other neighboring regions. Specifically, the region is falling short of socio-economic cohesion to catapult its economic, social and even political progress in the future and be where it desires to be. The Region must vigorously pursue economic and democratic governance reforms, strengthen the institutional setting, fight corruption, enhance competitiveness and deepen regional socio-economic cohesion. A functioning single economic space in the region, along with sustained EU integration and efforts at the reform of the financial sector, is a path along which the weakened economies may not only be revived and set stable parameters for their strategic social and economic betterment in the longer term. This will entail a number of regional reforms and adjustments in various sectors to better position SEE region in a promising position for more improvement and augmented performance in terms of its full economic achievements and political stability. Therefore, this research paper has intensively covered and addressed relevant issues that the SEE region should critically look into in a bid to develop better and reliable strategies for livable socio-economic cohesion. The paper explicates issues of greater concern in the region such as poverty, inequality, education and corruption as the primary socio-economic factors affecting the region's economic and political stability. As such, the paper proposes better strategies to better tackle these problems and enhance the region's future progress. Such strategies include development of a more integrated approach to mitigate the socio-economic problems where the countries will make rules and regulations that seek to control the various activities that constitute these problems. In addition, through the findings from a few previous empirical studies, the paper advocates for the region to develop and uphold anti-graft policies as well as educational policies that address the issue of poverty across borders.