



UNIVERSITY "Sts. CYRIL AND METHODIUS" - SKOPJE

INSTITUTE FOR SOCIOLOGICAL, POLITICAL  
AND JURIDICAL RESEARCH

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## FOREWORD

On the 3rd and 4th November 2011, The Institute for Sociological, Political and Juridical Research and the Institute of Sociology – Faculty of Philosophy of the Ss. Cyril and Methodius University in Skopje, organized an international conference on the topic Identity in the Era of Globalization and Europeanization. Researchers from Macedonia, Serbia, Bulgaria, Bosnia and Herzegovina, Kosovo, Romania, the United Kingdom, France, Poland, Switzerland and Australia, from various scientific disciplines participated at the conference, providing for the truly international and multidisciplinary character of the conference. In this edition of the Annual of the ISPJR are several works of authors employed at the ISPJR, whose papers are related to the implication of globalization on the economic and social policies, the changes of identity, the national identity in Europe and the Balkans, political identity, and religion. According to the thematic content, the papers included in this collection point to the importance and the effects of globalization and Europeanization on the economic, political, national and cultural identity.

Prof. Jorde Jakimovski, PhD.

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## **GLOBALIZATION – A PROCESS OR PROJECT FOR HOMOGENIZATION**

### **ABSTRACT**

In the first years of the new millennium the domination of societies and economies based on the grounds of knowledge, which participate in the global markets is more and more common, as a consequence of the tendency of the organization and mobility of the business activities, knowledge and capital, as well as the liberalization and simplification of the foreign trade relations among countries. The globalization allows the economic subjects appearance on the global market, by usage of local as well as other available resources. Information systems and telecommunications give new physionomy of the world market, enabling the organizations to identify the specific needs of the consumers from different geographical regions in the world and to react quickly by diversification of products and services. Thus, the traditional advantage of the producers which are geographically closer to consumers is significantly reduced. Telecommunications also allow designing of the world electronic markets, where consumers and suppliers come in direct contact. Thus, the need of presence of classical intermediaries is lost, but of course there is the need for new ones. However, there is the question of whether the global market creates irresponsibility, because it presents interpersonal institutional infrastructure which does not take responsibility not even for itself. The global market risk allows to determine which, if there are any, to prosper, and which to suffer.

**Key words:** globalization, modern age, deregulation, logic of market, global localizing

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“GLOBALIZATION IS A PROCESS FOR STANDARDIZATION AND HOMOGENIZATION OF THE WORLD”

Before we can creatively formulate and discuss globalization, we should take a stand regarding whether this term implies a real historical process, or it is an ideological construction of the thought i.e. a project developed by powerful social groups intended to divert the attention away from the real social problems. This question is important because it determines our overall attitude towards the idea of globalization and affirms or brings into question the purpose of our efforts to study this phenomenon.

Authors who are of the opinion that globalization is a real social process disagree on many issues related to this process, and it should also be mentioned that that they are the majority.

What is important for us are the differences and attitudes of authors who see globalization as a project. It should be mentioned that the basic difference between them is the issue whether globalization is just a myth, an empty or superfluous construction of the thought (Wallenstein, Hirst), or it is an ideological project with a real content. According to Wallenstein who belongs to the first group, the globalization discourse is a huge misunderstanding of contemporary reality - which has been imposed by powerful authors. According to him the globalization discourse leads to ignoring real issues as well as misunderstanding the actual crisis in the world today. Thus, the world is the era of transition, but not a transition intended only for undeveloped societies that should join globalization, but transformation of the entire capitalist system into something different.

The future is far from being certain, says Wallenstein, it is uncertain. According to him the key question is not whether to obey the globalization or not, but what to do when this process begins to erode (Wallenstein, 1979)?

Such a position approaches the other group of authors who consider globalization as a project. It is about authors who see globalization as neoliberal project of influential groups that comes true and leaves painful consequences on the whole society especially on the processes of state welfare. The key authors that should be mentioned are Noam Chomsky and Susan George. For them, globalization is a powerful idea which justifies global capital movements, founded on gaining profits at the expense of marginalized individuals and groups. According to these authors the consequences of neoliberalism are devastating and evident in various areas of social life. First of all, neoliberalism leads to dehumanization, different types of alienation and exploitation of human and natural resources. The capital movement is out of social and state control.

On the other hand, as we already mentioned, a significant number of authors consider globalization as a process - historical process.

Discussing globalization consequences means or at least it could be understood to a certain extent as an assessment or evaluation of realized and expected effects of a comprehensive and long-term process. In other words, it is a kind of taking certain moral and valuable attitude towards the phenomenon. But, the problem arises at the moment when we face different assessments.

Questions: Is it good or bad when national states have less and less sovereignty or autonomy? Scientific objectivity implies neutrality on values, at least for those who accept such a possibility. There are some difficulties there because the affirmation of one value could mean degradation of the other at the same time. Furthermore, there are also difficulties because the globalization process hasn't been completed yet, and it could be hardly said that the recent effects were final and that in future they might be eventually transformed into something else or even in its own contradiction.

The next question is, whether the global expansion of the democratic regime consecutively leads to degradation of genuine democracy at the same time. There is also the problem that the process of globalization leaves opposing consequences as seen from the standpoint of a value. Namely, does the expansion of freedom in the economic activities mean a lack of opportunity in order to achieve the same freedom in other spheres?

Also, when starting from the same standpoint of values or when following only one dimension, there remains the problem of different understanding of short and long term effects. Namely, is capitalism entering a phase of expansion or is it cutting off the branch it is sitting on? Although there are confirmed empirical data, how could you explain the fact that globalization increases the gap between the rich and the poor, where the poor statesmen actually queue and desperately try to attract capital that "relatively speaking" could make them even poorer.

## HYPER GLOBALISTS' THESIS

For the hyperglobalists, globalization is a new era in the history of mankind, where "the traditional national-states become unnatural, even unsustainable economic units in the global economy"(Ohmae, 1995: 5). Economic globalization affects the denationalization of the economy by creating a transnational network of production, trade and finances. In these economies without borders, national governments became something more than transmission belts for the global capital, or simple transferring institutions, sandwiched between powerful local, regional and global mechanisms of governance. According to hyperglobalists, the economic globalization creates new forms of social organizations that suppress the traditional

– national states as primary economic and political units of the society.

The global expansion of consumerist ideology also imposes a new meaning of identity to the marginalized, distorting, traditional culture and way of life. The global expansion of liberal democracy further strengthens the sense of global civilization, which is defined by universal standards of the economic and political organizations. Since the institutions of global and regional authorities have even more significant role, the sovereignty and autonomy of the state erodes more and more. According to the hyperglobalists, the economic and political power becomes denationalized and scattered, thus the national state becomes more than a kind of transnational organization for economy management.

### SKEPTICS' THESIS

Sceptics argue that the governments are not passive victims of internationalization, but on the contrary they are its main actors. They say that the disappearance of inequality between the north and the south has nothing in common with internationalization and that the increasing economic marginalization happens in most societies in the Third World, since the market and the investments circulate within the boards of the rich world, which increases the exclusion of a significant part of the rest of the world. Thus, sceptics generally reject the term internationalization as well as existence of a deep-rooted inequality and hierarchy in the global economy. According to many sceptics, this inequality creates opportunities for development of fundamentalism and aggressive nationalism, so the world becomes fragmented into civilization blocks, cultural and ethnic enclaves. The emergence of cultural homogenization and global culture are myths.

### TRANSFORMATIONALISTS' THESIS

According to transformationalists in the new millennium, globalization is a central driving force standing behind the rapid economic and political changes that transform modern societies and the world order. In the transformationalists' explanations it is increasingly emphasized that globalization is a long historical process pervaded with contradictions and significantly shaped by conjuncture facts. First of all, regarding future globalization, this precaution is conditioned by the contemporary patterns of unpredictable global economic, military, technological, environmental, political, cultural and historical migration flows. Basically, views of the transformationalists represent a belief that contemporary globalization makes a reconstruction or creates power, functions and authorities out of national governments, although it

isn't opposed that the state still has pretensions for the highest executive authority of those inside the territory. Namely, along with the expansion of jurisdiction and compulsion of law enforced by the institutions of the international authorities, are also the obligations under by international laws. This is especially present in the EU and in the activities of the World Trade Organization where the sovereign power is divided among the international, national and local authorities. But, in situations where the sovereignty is untouched, the states will not be able to keep it like that for a longer period of time, although somewhere the exclusive jurisdiction over the run of events within their territorial borders might be preserved. Global systems, from financial to environmental, connect the fate of local communities with the fate of communities through out the world. Global communication and shipping infrastructure also encourages new forms of economic and social organizations that exceed the national boundaries without any impact on the performances and the control. Some states deplete absolute sovereignty within its territorial borders which could be witnessed by the practice of diplomatic immunity.

Thus, sovereignty today cannot be understood as a defined territorial border, but it could be understood more as a political bargain for the resources within the complex transnational networks (Held, 1991).

Supported by the revolution of information, the global market risk allows determining who, if there are any, will be prosperous and who will suffer. Namely, if there isn't global governance, the global market risk cannot be regulated by the model of the national markets, and also not a single national market could resist it.

A major problem in the process of overcoming the global market force is the creation, a process of interacting and incorporating the matrix of national and international public policy. Ohmae (Ohma1990, 1993, 1995) argued that corporations "without leaders" are the main drivers in the inter-linked economy concentrated in the US, Europe and Japan. He said that the macroeconomic and industrial state interventions made by national governments, can only distort and stop the rational processes of resource allocation with global corporate decisions and consumer choices. According to him, these corporations should follow the strategy "Global localization" worldwide, respectively in specific regional markets, and when positioned, effectively meet various specific needs of local consumer groups. This implies that trans-national corporations should primarily rely on direct foreign investments and entire domestic production in order to meet such specific market needs.

Globalization trends divided the world into two zones: a zone of stagnation and a zone of development, which has crucial impact on the position of each individual country. The countries that fail to articulate the development resources in the development of modern technologies inevitably remain in stagnation, failing to join the trends of the developed world.

The linking process of the economies of various countries is not new. From the beginning of the capitalist way of production, internationalization of the economy and the society itself has been a way for existence and survival of individual national economies. However, a complete internationalization and transnationalization of the economy is evident, so some aspects of normal way of living are opened to doubt. The benefits of globalization mostly belong to the private sector i.e. to the global entrepreneurs, traders in the form of multinational companies. Using the underdevelopment of the existing and the absence of some other necessary economic institutions, multinational companies organize the production at locations where their production costs are the lowest, while they book their profits in those countries where taxes are also the lowest that enables achieving the highest possible price for their products. Certainly, even the most powerful multinational companies expect help from their “own” countries. All global changes reduce and even tend to suspend the power of the influence of national states, so even in case when they are willing, these states are unable to offer the necessary protection for the citizens.

The supranational capital has no mercy towards the social policy, the equal care for all classes of people, especially for those who are unable to generate profits and most of all require help from the state. There is an increasing resentment and anger that these dissatisfied masses take out on their governments. So, it is urgently necessary to create a new international legal order that would regulate those relations, powers and privileges, otherwise ordinary people would be under pressure of intensive terror and merciless exploitation.

Global competition with its massive movement of capital towards recently underdeveloped countries creates a new economic phenomenon that increasingly becomes a foundation of the “new economy”. The consequences are high in developed countries characterized by old developed economies. The movement of capital towards underdeveloped countries creates new competitors and competition with such sizes as no one has expected until now. Large quantities of cheap goods are being produced in unimaginable proportions. Exports are allowed from the developed countries because of the opened markets. This “export offensive” today is called an “attack” of markets and economies from the developed countries. Domestic production is threatened, so certain ways and possibilities are initiated in order to protect it. The proclaimed worldwide liberalization is falling into crisis more and more.

Taking all that into consideration we can say that this situation looks like unfair competition, where small businesses especially suffer, being unable to cope with the enormous quantities of extremely cheap imported products.

These multinational companies make huge profits by using cheap labour and by exploitation of the population in underdeveloped countries.

Globalization affects the labour market and demographic rearrangement of labour, changes the flows of labour supply and demands. A great many of the working age population in the developing or underdeveloped countries mostly move towards western, capitalist countries, searching for better living conditions, better earnings and better social protection. The young people also leave their own country and mostly go to developed countries in search of a better life (better conditions for learning, studying, building a career, etc.).

But, negative consequences appear in poorer countries - as a result of brain drain and labour deficit, a gap occurs between the rich countries that attract educated and skilled personnel and the poor countries that fail to keep those highly skilled professionals, where the state invested for their professional status.

It becomes increasingly clear that poor societies, the countries of the so-called Third World, cannot withstand the race with rich countries, they simply have no chances in such an unfair competition that started with a tremendous advantage of the richest countries.

Someone should ask the question: Could such a globalization survive all the shocks which it undoubtedly entails?

A serious problem facing globalization is its selectivity. Namely, the globalization phenomenon is selective: it works in favour of some countries and does damage to others. Measured by “TERMS OF TRADE” (the ratio between export and import prices) and direct investments, the integration was quite uneven; some countries have managed to collect a huge part of the foreign capital, while other remained on the side. Those other countries have over two billion of population and unfortunately in those countries the only expanding process is poverty.

Briefly explained, globalization is not and has never been global. We can understand the Ulrich Beck’s thought who said that we couldn’t talk about globalization, since it is just internationalization. A great part of the world (one third of the total world population) has never participated, has never been a part of the positive consequences of globalization, while in the meantime, there is a threat of even greater marginalization of the undeveloped.

Although the globalization acts selectively, its effects are non-selective. Globalizing the ways of production, technological innovation, cultural patterns of living, environmental impact etc., strengthens the entropic processes (Rifkin.1986) - political, cultural and ecological entropy that standardize matrices of production, style of living etc., including them in a new sociality dimension - global society. Market globalization, technologies and information, basically allow the communities to have equal access to that communication level of the society.

However, having in mind the constant asymmetrical development of the world and the asymmetric information (Stieglitz, 2002) that assumes inequality, then this



is a new opportunity for total expansion of the new model - a pole in the asymmetry - its increase and a new division of the world.

It is a fact that the fundamental importance for the current economic globalization in this new system of the created global world, unequally prepared various nations and states differ in their economic, military-strategic and informational potential (Mazur and Chumakov, 2003: 183).

As implemented by institutions of the World Bank and the International Monetary Fund, the globalization in practice is just a momentary economic integration of rich and poor countries, regarding the market and the investment as well (Reipert, 2006: 57). Concerning this fact and the understanding that the rise of the standard of living in the history of human society depended on the growing market, it should be considered whether the result of globalization is an increased living standard in proportion to the market growth; in case of an increased standard, whether this growth is globally uniform for all states, and it is equal or not for all the citizens within a single state, as an expression of the growth of the total wealth in the globalized world society. The answer to this question should be sought in the theory of globalization.

Analyses show that the global market and transnational companies don't work on the principle of labour mobility, but work on the principle of capital mobility that requires a location that offers the best qualification structure and lowest cost of labour. Companies that look for high qualified and productive workforce have better opportunities to locate themselves in developed countries with all their conveniences, but instead, they locate capacities in countries with cheap labour, because these countries have the most flexible labour and low social expenses.

Thus, globalization as a process transforms i.e. reconstructs the power and authority of national governments, so the hyper globalization thesis "the end of sovereign national states" as well as the thesis of the sceptics "nothing has changed" should be rejected. Modern problems cannot be solved at the level of national states, but global processes must be taken into account in order to bring adequate solution of these issues. In this era of globalization, the global cultural approach should be focused on the cultural homogenization problem as well as on the influence of the culture and mass media on the situation of individual or national identity. According to Held: In a situation when the mankind has the capacity for self-destruction by means of wars and environmental disasters, the creation of a global democratic and humane society is the best long term guarantee for the survival of the mankind, although it may seem like an utopia (Held, 1995). And finally, I'd like to finish with the words of the Swedish anthropologist Friedman: Ethnic and cultural fragmentation and the modernistic homogenization do not represent two different arguments, two conflicted views about what happens in the contemporary



world, but they represent two constituent trends of the global reality.

Globalization is a process of standardization and homogenization i.e. globalization is a source of hybridization and creation of complex social relations.

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## **EUROPEAN IDENTITY VS. NATIONAL IDENTITY**

### **ABSTRACT**

The discussions regarding the significance and relevance of the identity represent an inevitable segment of the current sociological, anthropological and philosophical debates. On the other hand, the concept of the European identity formation is one the most relevant topic in the scientific and political sphere. There are several approaches or several aspects from which the European identity can be analyzed and defined as such. One of the existing definitions states that the European identity dwells on the idea of a cultural family. According to another definition, the European identity is founded on the idea of United Europe. Very often, European identity is equated with “universal values”, such as individualism, social cohesion and tolerance. Defined in such manner, European identity is transferred to the sphere of politics and it is given a political dimension i.e. it becomes a political identity. This paper examines comparatively the patterns and basis of European identity formation and national identity formation, using an approach based primarily on nationalist theory with special emphasis on cultural aspects. In other words, for the purposes of this paper the nationalist theory is the one that is providing a framework for the analysis of European identity formation. The paper is focusing also on the sustainability of European vs. national identity.

**Key words:** European identity, National identity

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## INTRODUCTION

Identity, as one of the most sensitive issues of current political, cultural, philosophical, sociological and anthropological debates, could be defined as a sense of belonging that enables the people to understand and categorize the world where they live in. Identity is a dynamic process of creating, changing and harmonization, determined by various internal and external factors.

The identity is considered to be a biosocial category. From a biological or sociological perspective, it is impossible to find two totally identical or totally different persons. Each person poses some features that make him/her similar or identical to some other person, or features that make him/her different from another. The dialectical nature of identity refers to the fact that it identifies and differs at the same time, bearing in mind that certain individual or group is identical with some other/s only if the given individual/group is different from another one at the very same time. So, the Us/Other dichotomy becomes a constitutive element of the identity.

The identity of each person encompasses both individual and collective dimension. Belonging to a certain group, based on some common features that simultaneously make the given group different from another, is defined as a collective identity. There are three main typologies of collective identity: social, cultural and political identity. Social identity refers to the relation between the individual and the social structures. Cultural identity relates to history and heritage. Political identity outlines the relationship between the citizens of a state and/or nation. According to Schneider (Schneider, 1999: 9), citizenship rights and duties provide the foundations of political identity. This division, however, does not preclude a close relationship between these three forms of identity. They are normally interrelated, particularly in the case of national identity. In this respect, the nation is supposed to embody all three forms of identity. The nation is clearly a political actor that strives for recognition. However, it is also supposed to provide the foundations of a society that is based on a shared culture and heritage (Guerrian, 2002: 137).

European identity represents a new form of political identity. There are several approaches in defining and analyzing the European identity. According to some scholars European identity cannot be expected to follow the pattern of national identity, simply because the EU is not a nation-state but a new genre of political institution born out of a new socio-political and economic environment shaped by globalization (Guibernau, 2011: 36). On the other hand, theories of nations and nationalism are well suited to illuminate these questions for two reasons. They can give us some idea of what the integrative factors are, because they try to explain

why certain human groups become nations. At the same time they can shed light on the barriers to integration, because they present causes for the rise of nationalist movements, who more often than not originated in opposition to integration attempts on part of the government (Bakke, 1995: 2)

This paper examines comparatively the patterns and basis of national and European identity formation, using an approach based primarily on nationalist theory with special emphasis on cultural aspects. In other words, for the purposes of this paper the nationalist theory is the one that is providing a framework for the examination of European identity and its sustainability compared with the national identity.

### DEFINING NATIONAL IDENTITY THROUGH CULTURAL ASPECTS

There is neither a simple nor a unique definition concerning the issue of national identity. For Anthony Smith (Smith, 1991: 14), national identity is fundamentally multi-dimensional; it can never be reduced to a single element, even by particular factions of nationalists, nor can be easily or swiftly induced in a population by artificial means:

“...national’ identity involves some sort of political community, however tenuous. A political community in turn implies at least some common institutions and a single code of rights and duties for all the members of the community. It also suggests a definite social space, a fairly well demarcated and bounded territory, with which the members identify and to which they feel they belong.”

Nonetheless, Smith mentions some other markers, in particular common beliefs that contribute to the formation of the national identity. They include the idea that nations are territorially bounded units of populations and that they must have their own homeland; that their members share a common mass culture and common historical myths and memories; that members have reciprocal legal rights and duties under a common legal system; and that nations possess a common divisions of labour and system of production with mobility across the territory for members (Smith, 1991: 13).

Culture, perceived as a set of elements used by the group for the purpose of self-identification, becomes an indispensable segment of the current discussions pertaining to nation. A great number of eminent scholars dealing with the study of nation underline the role and relevance of culture in the process of nation formation.

Why Culture. Culture is one of the fundamental areas of social existence and an immanent factor of identity and development of each and every state. It is an

exceptionally specific and heterogeneous sphere that comprises all the material and spiritual values which have derived from the process of thinking and the human intervention in the environment and the society.

A man is considered a cultural being due to the impact of culture in structuring his/her inner and external world. The culture had influenced the formation of the thinking process, which enabled him/her to think rationally, to judge about meaningful and valuable issues and, finally, to make decisions about the way people live their own life. It had an important role in the construction of human emotions, subconscious and unconscious dimensions of the individual. There would be no culture without man. Yet, no man would exist without culture.

Claiming that culture has an influential role in the construction of human identity, it is considered as a process of adopting a certain cultural tradition whose distinctive peculiarities derive from the cultural history of the community. Thus, depending on the cultural tradition of the community, the man experiences and lives through matters in a different way compared to others, as well as the expression of their reactions differs in identical situations.

Under the influence of different cultures, people began to come out with different feelings concerning identical issues. For example, those coming from different cultural backgrounds, experience differently and differently manifest the sense of self-awareness, consciousness, guilt and repentance. Some of them have much more pronounced sense of tradition, belonging, and loyalty to their ancestors and attachment to their own cultural heritage while the sense for the same values of the others is very poor. Subsequently, the issue of skin color, gender, sexuality, life, death, etc. have very different significance and meaning in different societies.

As Parekh argues, the skin color in some environments has a metaphysical significance and plays a role in defining the status and power in the society, while in other environments, it is absolutely irrelevant. Somewhere the sexuality issue is treated as a purely physical function, while at some other environments, the sexuality is attached not only with a cosmic significance, but also it is seen as a divine activity due to the bringing of a new life, and therefore it is covered with mystique and taboos. Even the inevitable things such as death, are experienced differently in different environments. Somewhere it causes a feeling of human weakness in relation to the nature, however somewhere it is welcomed with a sense of joy because of the belief that it is achievement of liberation from this earthly world of grief.

Through the culture we experience our own identification. The culture gives us a sense of belonging. The role of identifiers, particularly language and religion, are of significant importance in building a sense of belonging to a particular group. Therefore, in given historical circumstances, language and religion – used as an

instrument of identity policy - become a basis for determining the intra-group similarities and inter-group differences.

When culture is associated with the concept of nation it is also granted a geographical and political space. The boundaries of the Other therefore become social, political and geographical. Culture and community become one at same. The main implications of this shift are to create unity within imaginary community (Guerrina, 2002: 143)

For a great number of contemporary scholars the concept of the imagined community coined by anthropologist Benedict Anderson was a starting point in their studies and analyses of the origin and existence of nations. In his work "Imagined Communities" Benedict Anderson defines nation as an imagined community because the members of even the smallest nation will never know most of their fellow-members, meet them, or even hear of them, yet in the minds of each lives the image of their communion. The nation is imagined as limited because even the largest of them - encompassing perhaps a billion living human beings - has finite, if elastic boundaries, beyond which lie other nations (Anderson, 1998:19-21).

Eric Hobsbawm considers tradition, memories, myths and legends as a common fiction, thus providing the basis for nurturing the collective ego of certain social groups that subsequently a nation is built upon. He believes that the existence of cultural elites is of particular importance to the creation of works in all fields of culture and pertaining to building the national identity. Nonetheless, he regards literature and language as exceptionally significant, due to the fact that they contribute to the nation to distinguish and experience itself as a distinct entity.

Ernest Gellner (2006: 6), at the very beginning of his work "Nations and Nationalism", ascertains the difficulty in defining the notion of nation and pinpoints two, in his own words, provisional definitions:

1. Two men are of the same nation if and only if they share the same culture, where culture in turn means a system of ideas and signs and associations and ways of behaving and communicating.
2. Two men are of the same nation if and only if they recognize each other as belonging to the same nation. In other words, nations make the men; nations are the artefacts of men's convictions and loyalties and solidarities. A mere category of persons (say, occupants of a given territory, or speakers of a given language, for example) becomes a nation if and when the members of the category firmly recognize certain mutual rights and duties to each other in virtue of their shared membership of it.

Each of these two provisional definitions, the cultural and the voluntaristic, has some merit, pointing out an element which is of real importance in the

understanding of the notion of nation. Gellner highlights willingness and culture as crucial elements in formation of nations.

Dominique Schnapper, assimilating Gellner's views, believes that the sense of belonging, as one of the preconditions for formation of nations, derives from a rather long shared history, which according to her, in most cases is either fully or partially coined. When it comes to building of collective identity (in this case national identity) she believes that the adoption of the abstract rights, such as human rights and observance of the state, is insufficient compared to the interiorization of the national tradition, which she regards as a genuine instigator of political mobilization.

According to Pool (1999: 13), the nation is a specific cultural object and our national culture provides a moment of self-recognition through which we both confirm our individual existence and become conscious of ourselves as having a collective existence:

".....It exists in and through the language we speak, the public symbols we acknowledge, the history and literature we were taught in school, the music we listen to, the currency we use, the sporting activities we enjoy, and the news bulletins on the television. These cultural artifacts enable us to recognize that our way of life has an objective external existence, and constitute the social environment which we recognize as ours and in which we are "at home."

## EUROPEAN IDENTITY

European identity as a new form of political identity, derived from the novel political institution created out of the free will of sovereign nation states members of the European Union. Namely, the idea of Europe that has literally emerged from the ashes of the Second World War is enshrined within the guiding principles of the European treaties. This idea is founded on the principle of the establishment of economic and political cooperation for the mere purpose of fostering the security and stability in the European region. Simultaneously, the idea of Europe assumes recognition of some kind of common, or so-called universal values, such as: Greco-Roman tradition, Judeo-Christian ethics, Renaissance humanism and individualism, Enlightenment rationalism and science, civil right tradition, democracy, rule of law and human rights. These ideals, which have come to symbolize the guiding principles of the idea of Europe, comprise the core of the European identity.

The former Secretary-General of NATO, Daniel Tarshchys, provided the following definition on European identity:



“... a very strong commitment to the individual, a commitment to social cohesion and solidarity, a state that is neither too strong nor too weak, respect for human rights, tolerance, these are some basic principles. The rule of law of course, the idea that government must be bound by the legal principles and the people must be treated equally.”

(BBC World Service, 1998)

Subsequently, the European identity was equated with universal values such as individualism, social cohesion and tolerance, by means of which this category (i.e. European identity) was transferred to sphere of politics. In other words, it was given a political dimension.

Taking into consideration the multi-dimensional nature of identity, the European identity, although categorized as a political one, does not preclude the existence of the other two forms of identity: cultural and social. Even the proponents of the approach according to which the European identity can not be assessed through the lenses of the national identity formation pattern, can not ignore the fact that effort has been made to stress and discursively construct a common culturally defined European identity in a similar way as national identities have been constructed (Jacobs, Mier, 13-34).

European Commission has made an effort to find a new approach in defining a common cultural identity by understanding the political values and beliefs as basis of common culture:

(5) If citizens give their full support to, and participate fully in, European integration, greater emphasis should be placed on their common cultural values and roots as a key element of their identity and their membership of a society founded on freedom, democracy, tolerance and solidarity; a better balance should be achieved between the economic and cultural aspects of the Community, so that these aspects can complement and sustain each other.

(Decision establishing Culture 2002, 1)

The creators of European identity equated cultural values with the political ones, thus equating the anthropological and sociological interpretation of the concept of culture with political culture which is purely political concept. For the further promotion of common cultural identity, several symbols were used such as: European flag, European anthem, European day and the European currency.

Although for the purpose of defining a common cultural identity the political values were taken as a basis, the myth creation, which was not exception for the idea of Europe, became an inevitable part of the European identity:

“.....Contemporary ideas of Europe have inherited from ancient, medieval

and early modern Europe the assumption that Europe is and has always been the centre of civilisation. The Greco-Roman tradition has been portrayed as the root of European civilisation and association of the Christian faith with the European continent has presumed that Europe is, and has always been, the centre of “the Faith”. This process creates the mythology on which the idea of Europe is constructed. The assumption that Greek civilisation established the foundations of western and European civilisation is still felt strongly today. It is rare to encounter in-depth analyse of the pre-Greek civilisation in isolation, thus perpetuating the myth created by the Greeks themselves that Greece was the centre of civilisation and that the rest of the ancient world was dominated by barbarianism.”

(Guerrina, 2002: 64)

According to this approach European identity is based on the idea of common cultural heritage and common historical experience such as: Greco-Roman and Judeo-Christian. tradition. On the other hand, many scholars claim that European identity, as a political identity, should not be based on any particular culture, religion, past history, language or a set of allegedly superior “Western values”. This approach in defining the construction of European identity raises some interesting questions. For example: is it possible to neglect or deny someone’s particular culture having in mind that there is no human nature unrelated to culture, or in other words, no human being was created without the influence of culture; Is it possible to ignore or deny the importance of language in construction of someone’s cultural and overall identity having in mind its multi-meaningful function - as a means of social communication but also as an instrument that provides continuity of cultural tradition.

Is it possible to ignore and neglect religion as one of the most important and inseparable elements of the human identity in general; What about the Muslim population living in the EU member-states; What about Turkey’s accession in EU; Whether religion operates as an inclusion/exclusion mechanism in contemporary Europe and whether, for example, the opposition to Turkey’s accession expressed by some EU member-states derives from its Muslim allegiance rather than from the economic and geopolitical concerns often openly invoked by these countries. This is a highly sensitive and controversial issue (Guibernau, 2011: 34). Is it possible to ignore and neglect a history when many of European countries have spent centuries (and particularly the last one) killing each other, so the notion of a shared history has a sinister connotation (Castells.3).

These concerns and dilemmas question the sustainability of European identity. According to Bakke (1995: 8), Europeans must have something in common apart from living in Europe: in Gellner’s scheme, a shared high culture and increased

cross-border mobility would be helpful in making one “nation” out of the Europeans; Anderson’s emphasis is on communication networks; going along with A.D. Smith means to focus on the ethnic or historical foundations of a European identity; and finally, drawing on Hobsbawm, we would concentrate on whether the means of inventing European traditions are available.

## EUROPEAN IDENTITY VS. NATIONAL IDENTITY

Smith is pointing out that culture has a crucial role in determining the nature of the relationship between national and European identities. Comparing to the deeply rooted values such as culture, language, religion and cultural heritage, Europe’s common values, such as humanism, individualism, civil right, democracy and the rule of law are inadequate and insufficient in providing solidarity within a group.

Can we imagine an emergence of a European nationalism powerful enough to mobilize masses in the name of Europe; it would be problematic to find a common causes and interests uniting Europeans and prompting them to sacrifice their own lives in the name of the EU. So far, the nation-states retains the emotional attachment of its citizens and when it becomes alien to them or too wide and distant, individuals turn to regional, ethnic, local, and other forms of identity tying them to more sizeable communities that the EU (Guibernau, 2011: 41).

Exactly as Jovic (2003: 63-64) points out to the lack of the cultural aspect as one of the key arguments for the dissolution of Yugoslavia. Namely, starting from the definition of the nation as a political but also a cultural community, often created on the basis of a common language and/or religion, proponents of cultural argument, almost entirely connect the occurrence and disappearance of the nation to the cultural sphere, to the ideas and their realization. According to the same author, intellectual and cultural elites had the most important or at least very important role in the formation and dissolution of the Yugoslav state. Cultural argument claims that non-attractiveness of the Yugoslav idea (formulated by the cultural elites in 19th century) was the main reason for the breakup of Yugoslavia. Yugoslavs were Yugoslavs only in situations when/while sharing narratives about Yugoslavhood, the Yugoslav idea. Then, when they stopped to see themselves as part of that narrative, when they stopped believing in it, when it ceased to be credible and convincing, the Yugoslav nation disappeared.

Nations and nation-states are not going to fade away. In fact, they are going to grow and become important sources of collective identity, more than ever, as new, formerly oppressed nations, come into the open (Catalunya, Euzkadi, Galicia, Scotland, Wales, Wallonie, Flanders etc), and as strong nationalist movements

assert their rights in the public opinion against the submission of the nation to the European state (Castell, 3).

On the other hand, many examples point out to the fact that there is no united voice between member-states of the EU in some particular areas such as: international relations, foreign policy, security, and monetary policy. For instance: the recognition of Kosovo, the admission of Palestine in UNESCO, the military presence in Iraq and Afghanistan and the assistance for the financial crisis in Greece.

The nation-states within EU continue to establish a sharp distinction between “communitarian” and “domestic” affairs in terms of policy and decision-making. For instance, recognition of national and ethnic minorities as well as devolution models are considered as “internal affairs” and remain in the hands of each particular nation-state (Guibernau, 2011: 36).

## CONCLUSION

There are many elements that give priority and advantage to the national identity in terms of European identity. Some of them are history and culture as fundamental aspects of the tissue of everyday life. They provide us a sense of belonging to a particular group, telling us who we are, where we are coming from and where we are going to. Denial or marginalizing the histories and cultures that differ from those of particular group, has profound effects on the subjectivity and the identity in any society. Taking into consideration the Us/Other dichotomy as a constitutive element of identity (in this case European identity), language, religion, memories and cultural myths emphasise division rather than unity. The lack of cultural aspects makes European identity weaker than national identities. In other words, European identity fails in reaching a common sense of belonging, whereas the national identities accomplish this task in a very successful manner. In this respect, European identity, as merely political identity and an abstract concept, poses no threat to national identities in the foreseeable future. On the other hand, the creators of European identity should reconsider the future and the ultimate goal of this purely political concept, its prospects, durability and sustainability.

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**RELIGION AND NATIONAL IDENTITY  
IN MONO-CONFESSIONAL AND MULTI-  
CONFESSIONAL COUNTRIES IN EUROPE  
AND IN THE BALKANS**

**ABSTRACT**

In this paper, the authors will firstly analyze the different places and role of religion in relation to national identity, subject to the prevalence of one or more religions. Secondly, in this context the authors will pay due attention to the role of religion in relation to the historically shaped either strong or weak connection developed between religion and the ethnos.

Based on the analysis of the available empirical material, the authors will draw conclusions on the ambivalent potential of religion regarding national identity, depending on the combination of both of the abovementioned factors.

The conclusion remarks will be illustrated by two case studies, of Macedonia and Bulgaria in order to notice and to elaborate the specificities and similarities of the basic topic of this paper.

***Key words:*** national identity, religion, mono-confessional nations, poly-confessional nations.

Religion has complex and ambiguous relations with the strengthening or the weakening of the national identity. The mono-confessional or multi-confessional character of the given country is one of the factors that, interwoven with many others, demonstrate specific influence over those relations for each particular country. There are examples of such interwoven factors both in the Western European and Eastern European countries, no matter whether the basic religion is Catholicism, Orthodoxy, Protestantism or Islam; in this case the historically created and reproduced synthesis of the ethnos/ nation and religion in the mass knowledge is important. For example, interesting and informing is a recent study of those processes in Europe: Italy (Ferrari, 2005), Greece (Molokotos-Liederman, 2005), Denmark (Riis, 2005) are described as countries where “the religion makes the nation”, while the multi-cultural attitudes characterize predominantly England, Germany and Switzerland. Certainly, the thesis that “religion makes the nation”, as well as its consequences for the social status of the small religious groups and of the other denominations depends on a multitude of factors.

One of them is the role of the state as a regulator of those processes.

“Ontological primacy” of the state over religion and the church during the secular 20th century (Zylberberg, 1990, p.93) and in the presence, defines the tendency for each European country, not subject to the form of the government – democracy, totalitarianism, welfare states etc. The “project” of the state, not subject to being called “a dialogue”, “interaction”, dictate, “protectionism”, “ethnic management” etc., is to control the social positions of the church, to instrumentalize it for its own purpose or to marginalize it. In democratic regimes, it is realized through democratic means – legislation, consensus; in totalitarian regimes - both with violence and compulsion (Bogomilova, 2010).

The reason for the comparatively poor presence of the religious pluralism in the contemporary world is namely the state’s pursuit to support the historically created, or even to form missing symbiosis between ethnos and religion, nation and religion for the purposes of strengthening the very statehood. In this context, the mono-confessional character of the given nation is potentially “favourable” circumstance for its strengthening and the strengthening of the statehood, but the way of realization of the later depends on the type of the state and its regulation: monistic or pluralistic, secular or religious etc.

Another factor on which depends the connection between religion and national identity, the direction in which the mono-confessional or multi-confessional peculiarity and their potential conflicting character will act, is whether they are realized in a country, situated in the “centre” or in the “periphery” of the global world - problem, that is considered by the American sociologist of religion J. Spickard. He divides the ethnical conflicts in three types (Spickard, 2010). The



peaceful type is characteristic for the countries that are in the “centre” of the global economy (according to him, the economic factor, the level of the economic development determines the way of defence of the rights; in the more developed countries, identities are changed more freely). The conflicting type is valid for the semi-peripheral and peripheral regions of the global system.

E. Gellner conceives the created prejudices as being deeply determined by the social status of their holders, and secondary enhanced by the different cultural features /religion, race/. The ethnical, cultural and other distinctive marks are conflicting factors that underlines the basic features – differences in the access to education and power (Gellner, 1999, p. 128).

J. Liwerant also accepts that collective identities are marginal, secondary effect of the social-structural processes, related mainly to the power and the economic process. This “drama” unfolds in different social arenas (territorial, communal or religious) and in different political – geographic nets (regional, local, national) within the global context (Liwerant, 2002, p.254).

In contrast to the presented points of view, according to which the connection between religion and national identity and its social impact, especially in regard to the potential conflict, depends on the state regulation, economic and power processes, the location of the given country in the global system, Zigmund Bauman shares the thesis that the main factor in that relation are the interests of the developed countries. He associates the religious and ethnical conflicts in contemporary times, the opposition of the religious and ethnical relations to the interests of the powerful, developed countries. Confirming ironically, “The global order is in need of large local disorder ...”, he points out, that the issues of sex, the ethnical and religious feuds eliminate the debate on the material penury “as the deepest source of all inequalities and the entire injustice.” (Bauman, 2003, p.127). He endorses recently increasing criticism of the ideology of multiculturalism, but from a different, humanistic perspective – as a plausible facade that hides, conceals the depth of the problem of poverty, of “material penury”: “The moral shame of the deprivation of resources is miraculously interwoven as esthetical beauty of cultural diversity”; the new culturalism / multiculturalism is equal as the old racism, it is “reconciliation to the fact of inequality”(Bauman, 2003, p.129); “the intellectual burnish of the human’s doom”; “manifest of acquiescence”; “product of mimicry of the world” (Bauman, 2003, p.160). Z. Bauman shares the point of view of the philosopher Richard Rorty, that the involvement of 95% population of the world in the ethnical and religious feuds is premeditated policy.

Looking for the subjects responsible for such state of the matters, Z. Bauman blames the intellectuals to be lacking humanism and courage to choose and protect

some particular living style instead of declaring “multiculturalism”; instead of fulfilling their spiritual obligation, they enter new roles and niches of “experts, academic clowns or media celebrities” (Bauman, 2003, p.150). According to Bauman, determination of the theoretical and humanistic horizon in the solution of those problems is the “universality of the human” (Bauman, 2003, p.169).

As usual, each of the points of view, holds as the basic and determining the action of a sole factor (mono-confession, state regulation, position in the world system, economic and power status etc.) goes beyond its methodological limitation in the interaction with the other points of view and factors.

The above-mentioned trends are observable in the Balkan countries as well. One of the most marked tendencies in the last decades of the 20th century has been the involvement of religion, and especially of Eastern Orthodoxy, in the ethnic-political projects in most Balkan countries. But the situation is quite different in each of the countries here depending on the combination of many social and cultural factors.

## I. BULGARIA: THE DOMINANT ROLE OF THE POLITICAL-STATE SYSTEM

### 1. National Identity and Political Division

Although it was an important historical factor for cultural and national preservation in Bulgaria, Orthodoxy was not connected with the founding myth of nationality. Moreover, during the Turkish domination the religion tended to acquire an overtone of Greek domination, becoming associated with Greek interests promoted by the Patriarchate of Constantinople (Stanimirov, 1925, pp.141-142).

This was one of the causes why the attempts in modern times to unite the national idea with Orthodoxy were not particularly active or successful. National mythology about the values and missionary projects of the nation were fuelled mostly by the idea of joining “imported” large-scale mythologies such as European values (science, economic growth, pragmatism); or the Slavic idea, usually embodied by Russia and connected with values such as warm human relations, spirituality, etc. (Bogomilova, 2005).

The second reason for the gradual withering of the Orthodox-based national mission myth in Bulgaria is connected with the specific features of the Bulgarian political elite. In modern and recent history internal divisions and contradictions have marked this elite, by differing foreign-policy orientations, by lack of character and a sense of its historical mission. The political confrontation between the two basic political parties, UDF and BSP, has divided the Bulgarian society into two hostile factions ever since 1989, thus depleting the emotional energy of the elite.

This division affected the Bulgarian Orthodox Church as well, weakening it by the creation of two parallel synods vying for legitimacy. The use of Orthodox religion in the national historical mythology in the course of the changes would have been understandable if the confrontation had occurred along ethnic lines - Bulgarians vs. Turks - a conflict that the Communist Party tried to activate in the 1980s. With the start of changes in 1989, this confrontation was replaced by confrontation between parties: the political division overcame the ethnic confrontation.

## **2. The influence of the political division on the Bulgarian Orthodox Church: the Schism**

Since 1992, the Bulgarian Orthodox Church has been in a state of painful and lasting schism. This division and opposition was a reflection of and influenced by the political opposition between the two main Bulgarian political parties in the beginning of the democratic changes, the Bulgarian Socialist Party (former Communists) and the Union of Democratic Forces.

In coming to power after the democratic changes of the early 1990s, the party Union of Democratic Forces proclaimed that the Holy Synod of the BOC had been a collaborator of the communist regime. Three of the bishops belonging to the circle of associates of the Patriarch Maxim founded a new, “authentic” synod, which received legal status under the administration of the UDF. After the UDF fell from power in 1993 and the former communist party, the BSP, came to power in its turn, state support was transferred to the Synod headed by the Patriarch Maxim.

Analysts believe the schism has political, economic and religious causes (Broun, 2000). The political causes involve the political interests of the parties coming to power in turn and successively supporting either side of the divided Church. The economic interests involve ownership of the property of the Bulgarian Orthodox Church.

The ultimate result of the schism, to which the ruling party NMSS coercively put an end, first through the Religious Denominations Act in 2002 and then by the intervention of court and police in 2004, was the loss of authority and trust in the BOC. The fragile relation of the Eastern Orthodoxy to the national identity has been eliminated.

## **3. The state and the new Religious Denominations Act; mono-confessionalism and religious pluralism**

The new Religious Denominations Act (December 29, 2002) asserts “the right of each person to freedom of conscience and religion, as well as equality before the law, regardless of religious affiliation and conviction.” (RDA, 2004, p.77).

According to data of the Directorate on Religious Denominations, by December 29, 2002, there were 31 registered religious denominations. 6 years after the new Act coming into force there were around 100. The statistics of the process shows: 1989 – eight registered denominations; 2002 – 31; registered under the new Act: 2003 – 4, 2004 – 25, 2005 – 12, 2006 – 13, 2007-8 – 15; the total number of registered denominations in 2008 – was 99. The Christian religious communities are 87% of all registered religious communities. According to data from the statistical census (NSI, 2011) the confessional belonging of the Bulgarian citizens (total number 5 758 301) is as follows: Eastern Orthodox – 4 374 135; Muslims – 577 139; Catholics – 48 945; Protestants – 64 476; not indicated – 409 898, etc.

Regardless of its positive aspects, compared to the law of 1949 and the fact that it has taken into consideration the basic European standards in this sphere, the new Religious Denominations Act was quite critically judged by certain organizations for the protection of rights, by representatives of the new religious movements, by the largest opposition party, the Union of Democratic Forces especially regarding Article 10(1) of the law that states: “Eastern Orthodox is the traditional denomination in the Republic of Bulgaria. It has played a historic role in Bulgaria’s statehood and has current meaning in its political life. Its spokesperson and representative is the autocephalous Bulgarian Orthodox Church... (2) The Bulgarian Orthodox Church is a legal entity... (3) No Act or secondary legislature shall use Paragraphs 1 and 2 as grounds to grant privileges or any advantages.” (RDA, 2004, pp.80-81).

The specialists on the issue accept the “traditional Church” status as compatible with the European legal standards and practice (Ferrari, 2000, p.29).

Criticism was based on the interpretation of this Article whereby the very law assigns legal status to the Bulgarian Orthodox Church and to one of the two opposed synods, headed by Patriarch Maxim. According to “ECHR Judgment in Case of Holy Synod of the Bulgarian Orthodox Church and others v. Bulgaria”: “Moreover, although, the ex lege recognition of the Church cannot be seen as incompatible with Article 9 in principle, its introduction in a time of deep division was tantamount to forcing the believers to accept a single leadership against their will.”

## II. CASE STUDY - MACEDONIA

### 1. Macedonian Orthodox Church and National Identity

It is common to talk about the Macedonian Orthodox Church as a “spiritual mother of the orthodox Macedonian people, in or outside their homeland, as well as of all orthodox Christians living in the Republic of Macedonia” (Commission, 2011).

The commonly known syntagm, Macedonia – the biblical land, applies to Macedonia in the true sense of the word. The roots of Christianity are related to the missionary journeys of the Holy Apostle Paul, recorded in the Apostolic Acts. Macedonia is the first European country where the apostle Paul had arrived, upon the call of a “Macedonian” who had kindly asked him, “Come across to Macedonia and help us!” (Grozdanovski, 2007) Apostle Paul was followed by the other Apostles, Silas, Timothy, Lucas, Mathews. In the fifth century, apostle Paul’s brother, Apostle Andrew was crucified. Macedonia was entirely Christianized during the apostolic period.

The long history points out the significance of the establishment of the Macedonian Church Justiniana Prima, then the Ohrid Archbishopric and, of course, the Macedonian Orthodox Church.

In the history of the orthodoxy of exceptional importance is the work of the Slavic educators Cyril and Methodius, as well as their disciples Saints Clement and Nahum of Ohrid. During the Samuel Kingdom, the Ohrid Autocephalous Archbishopric was established with the rank of a patriarchate. After the fall of Samuel’s Kingdom, the Ohrid Archbishopric existed for entire eight centuries. It was abolished by the Turkish sultan (Mustapha III) in 1767. The period that followed was a period of strenuous and “fierce struggles” for its restoration and acquiring autocephaly.

In 1944, an Initiative Board for organizing the Macedonian Orthodox Church was established. Then followed periods of improving and worsening in its relations with the Serbian Orthodox Church, under which jurisdiction it was. However, because the Macedonian Orthodox Church did not find a common language with the Serbian Orthodox Church, the Holy Synod of the Macedonian Orthodox Church in Ohrid in 1967, two hundred years after the abolishment of the Ohrid Patriarchate, has proclaimed the Macedonian Orthodox Church as autocephalous (Dimevski, 1989).

The historical introduction to the elaboration of the issue of the orthodoxy and the national identity points out how big is the contribution of the orthodoxy, and at the same time, how big is its significance for the Macedonian identity. The very name – Macedonian, attached to the doctrinal determination, speaks about the special place that the Macedonian Orthodox Church has in the providing and, of course, preservation of the Macedonian identity. The proclamation of the autocephaly of the Macedonian Orthodox Church was simply inseparable from the political structures that have provided the necessary support. The building of the relations between the Macedonian Orthodox Church and the political structures has unfolded gradually without any disturbances and conflicts in the church / state relation. Exactly in those relations, church – state or vice versa, the symbolic, as well as the real significance of the Macedonian Orthodox Church – Ohrid Archbishopric for the Macedonian people is especially expressed. The symbiosis of the sacred elements

and the secular political practices, with their entire fierce occasionally express and develop both the collective and the individual identity (Belchovski, 2011).

The issue of the mythology bases of the Macedonian national identity, of course, supported by the historical facts, as well as the current events related to the non-recognition by the worldwide orthodoxy (Belchovski, 2011), as well as the disputes about the name issue, largely contributes to strengthening the historically founded bases of the Macedonian orthodoxy regarding the national identity. Nonetheless, they also create basis for production new myths (Proeva, 2009).

The sociological analyses of religion in Macedonia, after the collapse of socialism, point out to the revitalization process of the religion. According to the empirical data, obtained from the research, it is said that in Macedonia, religion is revitalized and it is promoted within the nation. In a period permeated with conflicts, religion becomes identification marker of the nation. The national designation in the political events in the region, involves religion in the political segment, whereby covering a significant level of legitimacy of the national policy. The conflicts on the territory of Yugoslavia in the post- socialist period cannot be defined as religious, but religion significantly affects both their course and consequences (Vrcan, 1986). The process of religious life basically expresses the need of emphasizing and living both the individual and collective identities. What characterized this period was, of course, the need to keep and clearly profile the specificity and the distinctiveness of the Macedonian identity. The opening and, of course, the development of the recent events related directly to the Macedonian identity, increasingly contribute for religion to play special important role in keeping the national identity.

It should be also taken into consideration the fact that the ethnical dimension of the political-party organization and operation, as well as the 2001 ethnical conflict, significantly positions the role of religion, assigning a specific colouring to the contemporary political struggle on the Macedonian social scene.

The Church is financially independent. The Church was supported by some of the nationalized assets. Part of some its objects as accepted as cultural heritage and the state takes care for its maintenance.

## **2. Macedonian Orthodox Church and the “possible” divisions**

The Macedonian Orthodox Church – Ohrid Archbishopric – acts as the sole Orthodox Church on the territory of Macedonia. According to the official data (Commission, 2011), other churches of orthodox doctrine in Republic of Macedonia do not exist or operate as un-registered.

Due to the fact that the Macedonian Orthodox Church – Ohrid Archbishopric is not recognized by the worldwide orthodoxy, part of the believers headed by the



Bishop of the MOC, Jovan Vranishkovski, entered into a canonical unity with the Serbian Orthodox Church and on 23 September 2002 the Assembly of the Serbian Orthodox Church appointed him Egzarch of all territories of the Orthodox Ohrid Archbishopric. Since Jovan was appointed a Serbian exarch in Macedonia, he was accused of several charges for financial misuses, as well as for “inflammation of national and religious hatred, discord and intolerance” (OOA, 2011). The Orthodox Ohrid Archbishopric is not officially registered and recognized by the Macedonian state.

At the official site of the Orthodox Ohrid Archbishopric, there are a number of articles, which inform about its existence and operation. Among them, the most striking is the movie that especially underlines that the Government of FYROM had destroyed the temples of the canonical Orthodox Ohrid Archbishopric, which is in unity with the canonical orthodox churches in the world. The movie points out that the temple they had sanctified was a month later destroyed by the police of FYROM (October 2004).

Currently the disordained bishop Jovan, as a Serbian exarch in Macedonia or as the Macedonian public calls him “schismatic”, because of the investigation actions and charges brought against him, is outside the borders of Republic of Macedonia. The top leadership of the Serbian church often connects (and sometimes conditions) the dispute with the Serbian Orthodox Church on the issue of autocephaly exactly with the operation of the Orthodox Ohrid Archbishopric.

However, what is characteristic is the fact that the Orthodox Ohrid Archbishopric headed by Jovan Vranishkovski did not meet with a response among the Macedonian believers and the number of its members remained relatively small. What caused criticism among the Macedonian believers is exactly the fact that part of the Orthodox Ohrid Archbishopric’s activities has been financed by the Serbian Government, as well as by the Greek.

According to the positive law in Macedonia, until 2008, within one religion cannot be registered more than one religious community. Therefore, the Macedonian Orthodox Church was already registered, which automatically means impossibility for the Orthodox Ohrid Archbishopric to be registered as another orthodox church. However, the application of the latest 2008 law allows that possibility. Due to the fact that the Macedonian Orthodox Church has added the words Ohrid Archbishopric to its name in the court documentation for registration, the Orthodox Ohrid Archbishopric had demanded to be registered as a Greek Orthodox Archbishopric of the Pekj patriarch. Their operation was often sanctioned by the state authorities as being illegal.

Although the Orthodox Ohrid Archbishopric enjoys the support of the orthodox world, it still does not enjoy the support of the Macedonian orthodox believers.

The large majority of the Macedonian population continues to identify themselves with the Macedonian Orthodox Church - Ohrid Archbishopric, which is not in canonical unity with the rest of the orthodox churches. The non-recognition of the Macedonian Orthodox Church - Ohrid Archbishopric by the worldwide orthodoxy is interpreted as a “motive” for increased need of identification with its ethnicity. In the empirical research, more than 90 % of the respondents that declare themselves as orthodox believers come out as Macedonians.

### **3. Legal Framework for Regulation of the Religious Life**

In the constitutional act of the Republic of Macedonia, the churches, religious communities and religious groups are part of the non-profitable sector. They have the opportunity to establish religious schools, as well as to act within the social policy sphere through foundation of social and charitable institutions. The Macedonian Orthodox Church, the Islamic Religious Community in Macedonia, the Catholic Church, the United Methodist Church and the Jewish Community are mentioned in the Constitution. The multiplication of the minority religious communities in Macedonia was intensified during the last decade of the last century. Their active missionary activity, attached to the established core as well as the developing of religiosity in general, first of all, of the dominant religious structure, stimulates their public promotion. This became especially apparent during the presidency of Boris Trajkovski (1999-2004).

According to the Law on the Legal Position of Church, Religious Community and Group (2008), there are 13 churches, 6 religious communities and 7 religious groups registered in Macedonia. In this classification, one cannot “recognize” the criteria according to which it is determined why religious collectivities are defined as a church, religious community or religious group. In such a typology of the religious organizations, new religions can register themselves like either a church, or religious community or group. The registration of the religious organizations is done upon the request they submit to the competent authorities, that is, more precisely, according to the title they determine for their religious collectivity. What is characteristic is the fact that most of the religious collectivities tend to register themselves as churches, that is, within that organizational framework. Exactly such arrangement of the matters makes the real picture of the typology of the religious organizations in the Macedonian society to become vague.

The long disputed article of the previous Law, according to which only one church, religious community or group can be registered for one religion, is amended. The objections which were often made and which contested this article as representing



“protection” of the traditionally existing or majority religious collectivities, now are not “legally” grounded. Reports of the various monitoring in this sphere state that “the freedom of religion is respected in the practice”. However, they underline that the latest legal frameworks regarding the procedure of registration are slowly going into effect and they disable the religious groups to acquire legal status (State Department, 2009).

The Primary court Skopje 2 is in charge of the registration of the religious groups, in accordance with the Law on the Legal Position of a Church, Religious Community and Group (2008). Although the Constitution lists five religions, as well as the fact that significant resources are “invested” in the majority religious communities, we must emphasize the fact that there is no state church in Macedonia.

There is a legal framework for revival of the religious pluralism. Nevertheless, connecting the issue of religion to the ethnic belonging leaves small space for development of other and new religions. The number of believers in the new religions is minor, which, of course, again indicates the importance of the symbiosis between the ethnicity and religion in the Macedonian religious configuration. The process of formation and registration of the new religious communities takes lot of time. The remarks regarding the “slow” application of the new legal regulation are also attached to it. Although there is a sound legal framework, it is occasionally applied incompletely and improperly.

## CONCLUSION

The dominant religious subject in the Bulgarian “case study” (the Orthodox Church) is in an ambiguous situation with regard to the state and political sphere: a) being institutional element of the as yet unstable state/national identity, the state tends to support and give it preference in some respects; b) being a possible institutional competitor of the political elite when vying for influence over mass demands and moods, the elite is motivated to limit the potential influence of the Church. Today those complex relations undergo interesting changes towards new symbiosis.

In the Macedonian case, the state tends to support the Macedonian Orthodox Church, as one of the key pillars of its identity. The Church and the political elite are rather partners than competitors, in the case of Macedonia. In general, the Church is financially independent, but not internally divided. The Church received support from some of the nationalized assets.

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**THE BIG GOVERNMENT' OF B. H. OBAMA  
AND THE DODD – FRANK ACT**

ABSTRACT

The global financial- economic crisis that all characteristics of its crisis nature began apparently to manifest in the summer 2008 in a completely striking and dramatically manner has highlighted and imposed the dilemma of power, competencies and functions of the modern capitalist state. In general, primarily and especially, in the area of the social-economic relations.

Especially the functions of the modern capitalist state that were applied and demonstrated in USA both as a respond to, and a solution of the financial–economic crisis (first of all, the anti-cyclic nature of the applied fiscal and monetary policies, exactly as determined and recommended by John Maynard Keynes), have theoretically, ideologically and politically troubled exactly the determination and definition of the social–economic functions of the modern capitalist state. That is, primarily the concrete concept and the concrete ways of anti-crisis application of the fiscal and monetary policy have clarified to the extreme limits the problem of the theoretical and ideologically political identity of the modern capitalist state. This clarification of the problem of theoretical and ideologically–political identity of the modern capitalist state in the societal field of social–economic relations, complemented and strengthened through the previously conducted reform of the health care system from the position of strengthening the power, competencies and functions of the modern American capitalist state, has also imposed the interest in the phenomenon of the so-called Big Government to the theoretical and ideologically–political plan.

It is understandable and very normal that this interest that is especially and primarily theoretically and ideologically–political, has occurred and was demonstrated exactly by the American theoretical and ideologically political (Republican) right wing. So it happened that among the other striking theoretical and ideologically- political products and reactions appeared ultra (neo) conservative and ultra (neo) liberal Tea party movement, as well.

If we sublimate, the (neo) conservative and (neo) liberal reaction to the awakening of the left–capitalist/capitalist interventionist “Big Government” is located and moving along the theoretical and ideologically political path of emphasizing the loss of the civil/individual freedom for the interest of expansion and growth of the state/ bureaucratic powers and functions. That is, the subordination of the civil/individual interest is explicated theoretically and ideologically–politically as being exerted for the benefit of the prevalence of the state / bureaucratic interests.

Within this thematic and problem context, besides and after the reform of the health care system, the theoretical and ideologically political troubling of the phenomena of the very intensive strengthening and expansion of the ”Big Government” in USA is included and manifested exactly in and through the concrete provisions of the Dodd - Frank Act.

It is so because this Act, on the basis of the strengthening and expansion of the theoretical and ideologically political concept of the state interventionism (the concept and the policies of the “Big Government”) regulates/reforms the social–economic area of the financial markets. It is an Act (Wall Street Reform) which from the theoretical and ideologically political positions of the capitalist state interventionism should essentially enable and provide stability, accountability and transparency of the financial markets and protection for the customers of those markets.

**Key words:** “Big Government“; B. H. Obama; Dodd – Frank Act; Wall Street reform; state interventionism.

## INTRODUCTION

The Dodd – Frank Act is passed with the primary goal to promote the stability and security of the financial markets (Wall Street) in USA, in a way that it would regulate the financial markets and protect the customers.

President B. H. Obama, after the Act was passed in both Houses of the Congress, has signed it into law on 21 July 2010 and the Act began to produce legal action.

The Act was previously submitted in the Congress by, at the moment, Democratic majority in the Congress and was aimed to express the state–interventionist, financial–economic and generally the social–economic philosophy, ideology and policy of the actual elite of the Democratic Party, as well as of the administration of the actual President Barack H. Obama in very effective way. The formal proposers of the Act, proposed on 2 December 2009 were the Democratic representative/parliamentarian (member of the Representative House of the Congress) and at the

moment the chairperson of the Finance Committee of the Representative House, Barney Frank, and Christopher Dodd, Democratic senator and at the moment chairman of the Banking Committee of the Senate.

This Act thoroughly and dramatically breaks off the continuity of the neoliberal deregulation and liberalization of the financial markets in USA, which has gained its strongest momentum during the presidency of Ronald W. Reagan and his neoliberal, social-economic theoretical conception, ideology and policy (Reaganomics) until the period of occurrence and development of the major financial–economic crisis, starting from the summer 2008 until nowadays.

The major financial–economic crisis being dealt with by the administration of the President B. H. Obama on the basis and through the theoretical concept and ideologies and policies of the state interventionism of J. M. Keynes, has created productive conceptual, ideological and political space for state–interventionist / regulatory activation in the field of financial markets.

The Dodd – Frank Act which contains a number of fundamental provisions through which the determination of the President Obama’s administration for regulation of Wall Street and protection of the customers at the financial markets is actually put into effect. At this point, we could systemize those fundamental determinations as follows:

1. Consolidation of the regulatory agencies and establishing a new Council for evaluation of the risk in the system
2. Comprehensive regulation of the financial markets, including the better transparency of the financial derivatives, which are exchanged / bought and sold at the secondary financial markets
3. Protection of the customers at the financial markets also includes establishment of a new Agency for protection of the customers and unification of the standards for customer / investor protection.
4. Tools that would be used in conditions of financial crises, including the “response regime” complementary to the existence of FDIC / Federal Deposit Insurance Corporation, intended to the proper / safe management of the firms that should go bankrupt, including that FED / Federal Reserve / the US Central Bank would accept the loan certifications of the Treasury / the Ministry of Finances of US in extraordinary and emergency cases.
5. Critical measures for increasing the international standards and cooperation, including proposals regarding the importance of the accounting regulation of the credit rating agencies.

The last, fifth provision is both very important and sensitive because the three of the large/global agencies for credit rating (Standard & Poor’s, Fitch Ratings,

Moody's Ratings) have permanently given the highest credit ratings to the financial derivatives that have shown and approved at the markets to be toxic and non-payable, in that way misleading (of course, for their own high profits) the investors to invest in "junk" securities.

## NEO-LIBERALISM, DEREGULATION, LIBERALIZATION

The Dodd – Frank Act should successfully play the role of a general legal framework aimed to the reforming of the financial markets in USA (Reforming America's. . . , 2011; US financial market reform, 2010). It is about an intention to reform the financial markets in general, which means regulation of the secondary financial markets, that is, the markets of financial derivatives as well (Ware, 2005). The secondary financial markets are exactly those markets that have experienced their radical expansion in the moments when the total economic growth in US has reached its highest rates (Gray, 2007). At the same time, those were the moments when the reputation of the neo-liberal economic / social – economic policies (Sasajkovski, 2004), grounded generally on the economic theories of the Chicago School of F. A. Hayek and M. Friedman, have also reached their highest levels. It is a period in which not only the Republican administrations, that is, those of R. W. Reagan (Reaganomics), G. H. W. Bush and G. W. Bush, have designed their social – economic policies naturally ideological/ideological–politically, strictly on the premises of the neo- liberal theories, but it is also a period of the Democratic administration of President W. J. Clinton (Eshbaugh, 2005).

In essence, the fact is that during the left ideologically–politically oriented democratic administration of Clinton, serious regulatory actions for regulation of the total complex of financial markets were not undertaken; in contrary, the process of virtually endless innovation of the financial derivatives of the secondary financial markets was permanently running. It was that way, in fact, it had to be that way simply because the possible ideologically motivated efforts of the President Clinton administration for pro-regulatory reform of the financial markets would unavoidably confront the major course of the substantially high economic growth of the American economy grounded on neo-liberal theoretical premises and performed through neo-liberal social– economic policies (Sasajkovski, 2001). Regardless the basic ideological determination of Clinton as a politician, it would clearly be political suicide to intervene in the ideological and political matrix of the neo-liberal social– economic paradigm, which provided high rates of economic growth within those historical and social moments.



Therefore, during the time of the left oriented Democratic administration of President Clinton essentially neo-liberal social and economic policies continued to be carried out, including also within those ideological- political frameworks the abstinence from reaching for policies of pro-regulatory reforms of the financial markets (de la Torre, 2006).

Moreover, during the administration of the President Clinton the Congress has passed a law, which open / deregulate the financial markets in US to almost maximum possible limits. Namely, on November 12, 1999 the Gramm – Leach – Bliley Act was passed, sponsored by three right wing / Republican Congressmen – Phil Gramm, Jim Leach and Thomas J. Bliley, also known as an Act for modernization of the financial services, in the period when the Republicans had majority in both Houses of the Congress. It's most important feature was that the US financial markets became open / liberated and deregulated for the banking, security and insurance companies, as well. In that way, the fundamentally important Glass – Steagall Act was derogated; this Act was passed in 1933, at the moment when the Great Depression reached its climax and that law prohibited the financial institutions operating on the financial market to be built like a combination of investment banks, commercial banks and insurance companies.

Regarding the topic of this paper, it is very interesting and important that the President Clinton, without any strong opposition, has signed the Act proposed by the Congressmen Gramm – Leach – Bliley, including himself / his presidency / his administration (left / democratic ideological – political orientation) in the main course of a continual (right / republic ideological – political orientation) pro-liberal and deregulatory reform of the financial markets in US (Sherman, 2009).

The passing of the Gramm – Leach – Bliley Act in the Congress and its signing by the President, placing it in the left / democratically right / republican ideologically political context, was in fact the second major economic / social – economic failure of the administration of President W. J. Clinton, at the end of his mandate, of course, after the disastrous failure of his effort to reform the American health care system through introduction of a basic health insurance for all people without exception, at the very beginning of his first mandate. This reform of the health care system in reality is contained in two legal projects: Patient Protection and Affordable Care Act, signed by the President on March 23, 2010, and Health Care and Education Reconciliation Act, signed by Obama on March 30, 2010. That is, the administration of President B. H. Obama succeeded to pass those Acts on the reform of the health care system and it is undoubtedly major achievement of his social – economic policies, in addition to the Dodd – Frank Act – the pro-regulatory (ideologically political left / democratic) reform of the financial markets in USA.

It is very interesting and indicative that through the entire period of dominant

reign of (right) neo-liberal theories and neoliberal social – economic policies in US, even at the time of (left) presidential administration, the period of significant growth of the American economy grounded on the ideological postulates and the concrete social – economic policies of the so- called Reaganomics, the presidents / governors of the Federal Reserve System ( FED ) , and the American Central Bank, were the two persons having rich careers in the investment banking and the insurance companies - Paul A. Volcker, Jr. and Alan Greenspan and one person from the academic community who is clearly neo-liberally determined – Ben Bernanke. Especially Greenspan was the one who has strongly and fiercely supported the further, almost unlimited deregulation and liberalization of the financial markets (Strahan, 2002), that is, he was also strongly and fiercely opposing all indications both by the academic and political circles, for possible regulation of those markets. Greenspan was extreme adherent and supporter especially of the development of the secondary financial markets, that is, maximum unlimited liberty of the financial subjects (not that much the commercial banks but the investment banks and insurance companies) to create and operate / market financial derivatives at the secondary financial markets.

Exactly the global financially economic crisis, that is, the bubble found in its generic core, were (that bubble and that crisis) in fact formed from boundless “mountains” of contaminated, worthless, non- payable (“junk”) financial derivatives, placed at the extremely deregulated and liberated secondary financial markets in US (Roxburgh, 2010 ) .

Indisputable is the exactness of the statement for that “junk”, that is, for the consequences caused by the global financially economic crisis (or, maybe they were only the last drop in the glass of crisis), but also so indisputable is the statement that those subjects (investing banks and insurance companies, especially the speculations of the hedge funds) that were marketing that “junk” had especially good earnings (through the famous bonuses) their managing apparatus.

Here is the connection between the business / working past of Volcker and especially of Greenspan and their positions and actions as presidents of the federal reserves, that is like fierce advocates of the unlimited development of wealth of financial derivatives and both the deregulation and liberalization of the secondary financial markets. For such positions and actions they had really suitable social – economic environment – the success of the neo-liberal Reaganomics (parallel to the identical success of the neo- liberal Thatcherism in Great Britain), that is the high rates of economic growth in US in the periods of their mandates as presidents of FED.

It is really very important to point out in this context that at the same time period Volcker and Greenspan had incredibly strong support for their deregulatory and

liberal policies by a number of Treasury secretaries / ministers of finance as well. In that sense paradigmatic is the case of Lawrence H. Summers, Treasury Secretary in the period of President Clinton and shortly the President of the National Economic Council / NEC of President Obama.

In the summer 2008 when the crisis appeared Henry M. Paulson Jr. was the Treasury Secretary who claimed that the crisis was not so serious and that the markets of derivatives were not so much contaminated; previously, he was CEO of Goldman Sachs, an investment bank that had a major role regarding the speculative investments in the secondary markets.

### 2008 GLOBAL FINANCIAL –ECONOMIC CRISIS, STATE INTERVENTIONISM, STATE REGULATION

This neoliberal idyll between the combination / “organic unity” of the market deregulation and liberal theories and policies and the high and stable economic growth was ruined by the global financial – economic crisis (The global financial crisis: . . . , 2009) . It was / it is still a crisis that has showed and proved without any dilemmas something which is of most profound and essential significance in the context of the topic of this paper. It is the fact that the neo- liberal economy, the economy of the rationally and to the maximum liberated / free markets, the economy of rationally and optimally conducted deregulation and liberation simply has no its own autonomous mechanism and instruments of something that could / should be an efficient and effective anti-crisis / counter- crisis management (Sasajkovski, 2009). It is in any case indisputable because the development of the crisis showed and proved that it can be prevailed only / exceptionally through the mechanisms, instruments, competencies and power of the state / the state interventionism / the state regulation (Aikins, 2009).

Speaking in this sense, it is not accidental the admission by neo- liberal theoreticians, politicians and bankers that “all of us were Keynesians“ . The fact that after the short denial of the Secretary Paulson Jr. to admit that the anti-crisis / counter- crisis instruments, measures and power of the state interventionism should be activated and mobilized, the very Secretary himself as well as the President of FED, Bernanke, were official proposers and bearers of the state – interventionist anti –crisis / counter- crisis measures. Measures that are by their nature in collision regarding the nature of the neo- liberal economy, that is, neo- liberal markets. In that way the right / republican neo- liberal government of G. W. Bush most openly and directly, at least with a function and objectives of anti-crisis / counter-crisis management, had to accept the capitalistic – left / state – interventionist theory

of J. M. Keynes on the counter-cyclic (anti- crisis / counter / crisis) of the use of the state interventionism, certainly, based and carried out firstly through activation and mobilization of the fiscal and monetary policy, among other things, followed / updated by decrease of the reference rates to zero (0,25 %) and by conscious and rational adoption of the growth of the budgetary deficit. The nature of the crisis enabled this anti-crisis / counter- crisis approach – the crisis was- and still is stag-deflation (recession + deflation) , it is a syntagm used for the first time by Nouriel Roubini, and not stagflation (recession + inflation) , such was the case for example with the Big Depression. Exactly due to this inflation component of the Big Depression, the right / republican administration of H. C. Hoover, consistently to its ideological / ideologically – political determination, anti- crisis / counter-crisis, that is, anti- depressive / counter- depressive, tried to act through the increase of the interest rates and introduction of fiscal discipline, simply in order to regain the trust of the markets which were to get the economy out of the crisis, instead of the state interventionism (relevant use both of the monetary and fiscal policies) .

In that way the right / neo- liberal government of G. W. Bush found itself in essentially the same position like previously did the government of W. J. Clinton, when, as it was previously elaborated and underlined, the administration of Clinton had to essentially redirect its left / state – interventionist ideally – typical ideological / ideologically - political orientation, being unable to opposite the main neo-liberal course of stable growing American economy, at the time when the Republicans passed the Gramm – Leach – Bliley Act.

Stag-deflation nature of the 2008 Great Crisis, that is, its deflation component (Roubini, 2008), enabled the strong use of the monetary and fiscal policies – their facilitation as two basic components of the anti- crisis / counter- crisis state interventionism. Although, we must emphasize that the left / democratic administration of President F. D. Roosevelt, which has inherited the Hoover's administration, in those stagflation conditions of the Big Depression remained ideologically / ideologically politically consistent and successful through the New deal project, that is through the activation and use of the fiscal and monetary policy, strictly respecting the theory of Keynes, succeeded to raise the level of the aggregate demand in an anti-crisis / counter- crisis manner.

Given the dominance of those theoretical and ideological / ideologically political frameworks of the anti-crisis / counter- crisis use of the state interventionism, the administration of B. H. Obama has had completely suitable ground to approach a serious revision of the neo- liberal basis of the today's American economy. It is special counter neo- liberal reform of the US economy, grounded on the fundamentals of the state – capitalist interventionism and carried out through the policies and the processes of strengthening of the competencies and the power of

the state regulation in regard to the permanent deregulation and freedom of the markets, predominantly in regard to that permanent deregulation and liberalization of the financial markets (U. S. Financial Regulatory Reforms: . . . , 2009) .

That is exactly the essence of the Dodd – Frank Act – to employ the almost epochal moment of the major financial – economic crisis, essentially as a crisis which has its own genesis at the point of the fundamental weaknesses and dysfunctionalities of the optimally deregulated and liberalized financial markets, especially of the secondary financial markets – the markets of financial derivatives, that is, as a basic crisis of both the American and the global neo-liberal economy (The Global Financial Crisis..., 2009). Economy which unlimitedly urges and radically strengthens the market speculations, based on the maximal realization of the greedy interests of the financial corporatism of Wall Street to disadvantage of the customers of those markets (Jafee, 2011). That is exactly why the Dodd – Frank Act is nominated and defined by its proposers in the Congress, as well as by Obama’s administration, not only as a law on (regulatory / state – intervening) reform of the financial markets (Wall Street), but it is also underlined that the aim of this law, that is, the reform of the financial markets (Calomiris, 2009), as one of its most essential and fundamental objectives, is to provide a protection of the customers of those financial markets whose interests are jeopardized by the radical greed of the neo- liberal financial – market corporatism.

Speaking in this context, we should also emphasize that the major financial – economic crisis, as one of its most relevant consequences, imposed the need of transparency and, it elucidated the incredibly strong unscrupulousness of the financial markets, caused fundamentally exactly from the greed of the financial – market corporatism, wherein that unscrupulousness is primarily manifested as disrespect and deceit of the customers of those markets (primarily the secondary financial markets) – placement and sale of securities (primarily financial derivatives) while completely knowing and being conscious that they are totally and absolutely speculative, worthless, non-payable, deeply toxic, in one word, simple “junk” .

## FINAL POINT

In reality, Dodd – Frank Act represents a synonym, symbol and metaphor for revitalization of the regulatory politics of the state interventionism in the fields of the social and economic relations in USA. This Act, along with the acts reforming the health care system – through introduction of obligatory basic health insurance (resulting in high penalties for the people who will not be insured), in the most

direct, thorough and essential way indicates and illustrates the directions, forms and contents of the building / restoration of the American “Big Government”.

In addition, these reform projects could be supplemented by the announcement of the Plan to create jobs made by the President Obama, which in this (preliminary) phase of its promotion, elaboration and argumentation contains a package of left-democratic/left capitalistic state intervention determinations/particular social – economic reforms that should really cause large ideological- political tensions in USA – for example, interventions / reforms in the tax, labor, social protection areas etc. It should be expected that the mentioned tensions would be more certain and stronger due to the actual right – republic / right – capitalistic majority in the Congress, which will surely try to force the actual administration, as well as the left – democratic/state – interventionist minority in the Congress to involve in heavy discussions and compromises that would certainly and possibly, even in certain strategic points ideologically and politically balance the reform/state – interventionist sharpness of the plan.

Yet, while analyzing in this sense we should not exclude the ideological and political relevancy of the pressure that the radical right (neo-conservatist and non-liberal) movement Tea party would more than certainly exert.

However, that is what exactly happened – the ideological and political discussions and compromises that have followed this summer 2011 the painful proposing and passing the law on increasing the amount of the fiscal debt, for example.

In any case, the statement for the missed opportunity is undisputable, created by and through the depth and seriousness of the American and global financial – economic crisis, as well as from the theoretical concept and the concrete social and economic policies for its resolution (both the concept and the policies of the state interventionism), by the Administration of the President Obama through those two legal projects – the Dodd – Frank Act and the laws on reform of the health care revitalizing the theoretical concept of a “Big Government”, that is revitalizing the theoretical concept of the left – capitalistic state interventionism – the concept of state regulation of the social and economic relations/state regulation of the markets (primarily the financial markets) *visa vi* the competition/exclusively right – capitalistic concept of neoliberal deregulation and liberation of the social-economic relationships/neo-liberal deregulation and liberalization of the markets (primarily the financial markets) .

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**CORPORATE SOCIAL RESPONSIBILITY –  
NEW REALITY OF CORPORATE IDENTITY OF  
EUROPEAN COMPANIES**

**ABSTRACT**

Corporate social responsibility is defined with the European document of 2006 (Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on CSR), in which corporate social responsibility is a concept by which companies integrate care for the community and environment into their business activities and their interdependence with other stakeholders on a voluntary basis. This definition implies that in order for business entities to be socially responsible they have to act over the existing legal framework to meet certain social requirements. By embracing the principles of corporate social responsibility, it is expected that business entities together with the other stakeholders would have an agreement on economic, social and environmental objectives.

The aim of the Lisbon Strategy for Growth and Jobs of the EU is to create a business environment that will maintain the sustainable development of society as a whole and to presents an opportunity for promotion of initiatives for development of civil society. Corporate social responsibility is a complex phenomenon whose far-reaching implications contribute to the development of such a business environment.

The text will make a comprehensive analysis of European policy, which encourages the practice of corporate social responsibility in terms of social expectations, the expectations of consumers, investors, community and NGOs.

For competitive functioning of Macedonian companies on the European market, making a series of bureaucratic, financial and legal settings will not be enough. There is a need for building a corporate identity, or more specifically, improvement of one aspect that has been largely neglected, and this is promoting the aspect of corporate social responsibility that should target the socio-economic challenges and integrate them into the business practice. Building a corporate identity that is perceived mainly through the corporate brand or brands

should consider the corporate communication, corporate image and corporate reputation. Corporate identity actually represents the reality and uniqueness of a company.

**Key words:** corporate social responsibility, corporate identity, companies, European market

## INTRODUCTION

The concept of Corporate Social Responsibility (CSR) as defined by the European Commission is the subject of the paper, as a new reality for companies and high-level priority goal for every country in the EU and worldwide as well. More specifically, the authors give a comparative analysis between Republic of Macedonia as native country and Sweden, identified as the best positive leading example in CSR, based on the European Policies and other important documents considering the CSR trends, legislatives, conditions, initiatives and statistics.

### **European Policies for Corporate Social Responsibility**

The European Commission defines CSR as: “A concept whereby companies integrate social and environmental concerns in their business operations and in their interaction with their stakeholders on a voluntary basis.”<sup>1</sup> Such a definition indicates that business entities should act beyond the defined legislative frames in order to satisfy certain social needs/requirements and be considered socially responsible. CSR basically suggests that the investors, the employees, the NGO-s, the local authorities, the society and the consumers should be able to assess the present and the future achievements and effects of the business entities on the economic, ecological, social and/or social sphere. By accepting the principles of corporate social responsibility, business entities along with the other stakeholders are expected to reach agreement regarding the economic, social and ecological objectives in defining their business strategies.

On European level, it all started on 10 January 1995, when 20 business leaders and Jacques Delors adopted and announced the European Business Declaration against Social Exclusion<sup>2</sup>. In this Declaration, business organizations express their willingness to take part in the joint efforts to prevent and combat social exclusion. The declaration has three parts. In the first part of Declaration titled: “For business involvement in a joint effort against social exclusion”, the extent of exclusion and

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1) Commission Green Paper “Promoting European Framework for Corporate Social Responsibility”, COM (2001)366 Final, 2001.

2) <http://www.csreurope.org/pages/en/declaration.html>

poverty within the European Union has been described in figures, like the existence of 17 million unemployed, 53 million living below the poverty line and between 3 and 5 million in inadequate housing. Different areas of exclusion have been noted as follows: in the fields of employment, housing, health care and education and also in access to certain services and the law. Different forms of exclusion as well: the districts and urban areas in crisis; marginalization of the long-term unemployed; the helplessness of young people with few qualifications; the persistence of barriers to the integration of migrants and minorities; the slide into poverty of over-indebted households; the rise in the number of homeless people.

The second part described is “Principles on an Overall Strategy Against Social Exclusion”. The main principles can be summarised as partnership and cooperation between the public, semi-public and private institutions and organisations at all the relevant levels in a fight against exclusion. Close interaction between economic and social policies; the promotion of economic and social integration of the socially excluded and restoration of social links; action to prevent and combat social exclusion is essential to respect for human dignity and associated rights and responsibilities.

The third part is about: Areas for action by businesses. The areas are: Promoting integration on the labour market; Helping to improve vocational training; Avoiding exclusion within the business and minimizing redundancies or providing for appropriate measures where they are inevitable (*Vademecum*); Promoting the creation of new jobs and businesses; Contributing to social integration in particularly deprived areas and of particularly marginalized groups. As an annex this document contains Guidelines and Examples for Action by Businesses. It describes guidelines and possible courses of action which business may like to pursue.

Under the umbrella of the King Baudouin Foundation and with the support of the European Commission, the initial group of company signatories of the Declaration appoints Ann Vandenhende and Jan Noterdaeme to set up and coordinate the European Business Network for Social Cohesion (renamed CSR Europe in 2000).

The European initiatives directed towards enhancement of CSR can be conceived through the work programmes and the results from the Lisbon Summit (2000) at which the leaders set out the goal of making Europe the most competitive and dynamic economy in the world. This was followed by the Communication from the Commission of July 2002 (COM 2002) (347) in which the Commission recommends a strategy focused on the following fields:

- Enhancing of knowledge about CSR among representatives of the business community and society both in Europe and beyond, particularly in the developing countries;

- Development of a practice of exchange of experience and good CSR practices among the business entities;
- Development and promotion of managing skills related to CSR;
- Enhancing CSR among small and medium size enterprises;
- Facilitation of convergence and transparency of CSR practices and tools;
- Establishment of a Multi Stakeholder Forum on CSR at a European level;
- Integration of CSR in social policies.

The Multi-Stakeholder Forum was established in October 2002 and it released its final report in July 2004.

The communication of 2002 was written on the basis of public consultations arising from the Green Paper of the European Commission (2001) entitled “Promoting a European Framework for Corporate Social Responsibility” which opened an extensive debate about the concept of CSR and modes of establishing partnerships for the development of a European approach to CSR.

The Commission for CSR Policies published the new Communication on CSR (22 March 2006) entitled “Implementing the Partnership for Growth and Jobs: Making Europe a Pole of Excellence on CSR”<sup>3</sup>. In this Communication, the Commission supports the European Alliance on CSR whose aim is further promotion and encouragement for implementation of CSR. The Alliance represents a political umbrella for CSR for both medium and small-size enterprises. It is not a legal document that has to be signed by enterprises but represents a guideline for the resources and the capacities of the European enterprises and their stakeholders towards enhancing the interest in sustainable development, economic growth and creation of new jobs. It is stated that the enterprises are the main actors of CSR and that the stakeholders in the sectors **other than business** also play an important role.

An emphasis is put on the CSR potential to participate in the **sustainable development of the European growth and strategy for creation of new jobs**.

The Commission identifies eight fields for future promotion of CSR:

1. Raising of the awareness and exchange of good practices;
2. Support to the Multi Stakeholder Forum;
3. Cooperation with the member countries;
4. Informing the consumers and transparency;
5. Research;
6. Education;
7. Small and medium size enterprises;
8. International dimension of CSR.

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3) Implementing Partnership for Growth and Jobs: Making Europe a Pole of Excellence on CSR” (COM (2006) 136 final)

These conclusions mark the beginning of the new phase of development of CSR of the European policy.

So far, CSR has been embedded in EU's employment and social affair policy, enterprise policy, environmental policy, consumer policy, public procurement policy and external relations policy.<sup>4</sup>

On the 25th October 2011, the European Commission launched its new Communication on CSR for the period 2011-2014<sup>5</sup>. The renewed Communication aims to strengthen EU global leadership on CSR by implementing an intensive Agenda for Action with around 30 proposals for CSR commitments. In the context of the **EU's Europe 2020 strategy**, **Enterprise 2020**<sup>6</sup> highlights the contribution that businesses can make to achieve the EU goals for building a **smart, sustainable and inclusive economy** delivering high levels of employment, productivity and social cohesion by 2020.

Based on a shared vision of the **enterprise of the future**, Enterprise 2020 is a new reference initiative for companies committed to developing innovative business practices and working together with their stakeholders to provide solutions to emerging societal needs.

"Enterprise 2020" is there to act as an incubator and spin off for companies willing to innovate with peers and expert stakeholders on projects to produce tangible results and models that can be shared externally across industries.

Collaborative ventures have been organised under four main thematic areas: Transforming markets; Inclusive societies; Health and Wellbeing; Transparency for trust.

Various European networks have been established to support the concept and practice of CSR, such as:

- The European Multi – stakeholder forum<sup>7</sup>. It brings together EU organizations of employers, business networks, trade unions and NGO in order to improve knowledge and practice between CSR and sustainable development;
- CSR Europe,<sup>8</sup> a business network devoted to promoting CSR;
- The European Alliance for CSR.<sup>9</sup> The European Alliance for Corporate

4) Outlined in Strategy for sustainable development, adopted by European Union at the Gothenburg Summit in June 2001 and charter for fundamental rights of the European Union proclaimed in Nice 2001.

5) The Communication can be downloaded from the European Commission website: [http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item\\_id=5511](http://ec.europa.eu/enterprise/newsroom/cf/itemlongdetail.cfm?item_id=5511)

6) <http://www.csreurope.org/data/files/enterprise2020/enterprise2020hr.pdf>

7) [http://circa.europa.eu/irc/empl/csr\\_eu\\_multi\\_stakeholder\\_forum/info/data/en/csr%20ems%20forum.htm](http://circa.europa.eu/irc/empl/csr_eu_multi_stakeholder_forum/info/data/en/csr%20ems%20forum.htm)

8) <http://www.csreurope.org>

9) <http://www.csreurope.org/pages/en/alliance.html>

Social Responsibility is an open partnership for enterprises to promote and encourage CSR. The Alliance was launched in 2006 as a joint initiative of the European Commission and the business community;

- Various networks have been established to promote business ethics like: European Business Ethics Network (EBEN)<sup>10</sup>, Social Venture Network Europe (SVN EUROPE)<sup>11</sup> or European Social Investment Forum (EUROSIF)<sup>12</sup>;

### **Cluster analysis by responsible competitiveness and national competitiveness**

Clusters have become the focal point of many new policy initiatives in the last few years, in Europe as well as elsewhere around the globe. The challenge set out by the Lisbon European Council in 2000 to make Europe “the worlds most competitive and dynamic knowledge based economy” in particular has sparked interest in new approaches to economic policy for competitiveness. Mobilizing the potential of clusters is seen as critical to reach this ambitious goal (Ketels, 2004).

Michael Porter (2001) defines clusters as geographically proximate groups of interconnected companies and associated institutions in a particular field, linked by commonalities and complementarities. Clusters are important, because they allow companies to be more productive and innovative than they could be in isolation.

While clusters are part of regional economies in countries across the globe and at all stages of economic development, there are indications that they might be particularly important for understanding and addressing the economic challenges that Europe is facing. Many Europeans are concerned that their prosperity, productivity, and innovation levels fail to keep pace with the United States and increasingly with competitors from other parts of the world like Asia. While the overall levels of skills, infrastructure, and institutional capacity in Europe seem to be on par or even better than elsewhere in the world, many researchers have identified rules and regulations that hamper flexibility, for example on the labour market, or reduce incentives, for example through high tax rates, as potential reasons for the European performance gap. The recent work on clusters and competitiveness suggests that differences in regional specialization patterns across cluster categories could be an additional, potentially very powerful driver of this gap. Regional clusters enable companies to reach higher levels of productivity and be more innovative – this is what the available research indicates. If European regions suffer from weaker regional clusters and cluster portfolios than their peers elsewhere in the world, this might be an important factor keeping them behind

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10) <http://www.eben-net.org/>

11) <http://www.svnnederland.nl/svneurope>

12) <http://www.eurosif.org/>

in global competition. Comparing higher-ranking countries such as Belgium, Malaysia and Costa Rica with lower ranking countries like Paraguay, Pakistan and Mali has limited policy implications, as well as comparing them with other wide-angle lens international indexes like the Human Development Index and the World Economic Forum's Competitiveness Indexes.

The analysis revealed a statistically-robust set of four clusters of countries, broadly distinguished by their stage of development. What these clusters show is that there can be no cookie-cutter approach to building responsible competitiveness. Countries need to design their own strategies, blending business action, policy drivers and social enablers in the most effective and appropriate combination for their stage of development. Nevertheless, some generalizations are possible for the four broad clusters of countries (figure 1):

- **Starters:** this cluster of lowest scorers is made up of 31 countries, or 29% of the total list. The largest countries to fall into this cluster include China, Bangladesh and the Russian Federation. Many of these countries have already signalled a commitment to responsibility through signing and ratifying international treaties, and other policy drivers, but are struggling to implement the basics, like workers' health and safety and freedom to organize among businesses. The need for Starters to focus on these basic rights is strongly emphasized by Guy Ryder, General Secretary of the International Trade Union Confederation. These countries mainly are constrained in their focus on low-value and often low-quality exports and are a long way from moving up the value-chain or developing global brands.
- **Compliers** (Republic of Macedonia): India is unusual in being a low-income economy, while the other 32 Compliers are classified as middle-income countries. Other large countries in the Compliers cluster are Brazil, Turkey and Mexico. The Compliers account for as much as USD 1 trillion of global trade. Compliers focus on demonstrating progress on meeting international quality, labour and environmental standards, and so are building their capacity to capture market share in the global supply chains of more quality-conscious brands and consumers. Domestic civil society is not a significant driver for compliers.
- **Asserters:** this cluster is made up of 24 countries, just under a quarter of the total list. Countries asserting their responsibility credentials range from Spain and Italy to the United Arab Emirates. Asserters are countries moving from the back foot to the front foot, seizing opportunities in responsible competitiveness. Some of them, like Chile and South Africa, are actively engaged in developing and promoting international standards that will provide them with a competitive advantage. Some Asserters are building



national brands associated with responsible business and government practices to attract foreign direct investment and promote a first generation of global product and corporate brands. For many Asserters, a vibrant civil society environment – challenging business but ready to collaborate in finding solutions – is a critical element in advancing the broader national project.

- **Innovators** (Sweden): this cluster of highest scorers is made up of 20 countries and the list is dominated by Europe, followed by other OECD countries. Innovators are working to embed responsibility into the core of their domestic economies, stewarded by relatively well enforced statutory regulation, well-designed corporate responsibility strategies, reinforced in most instances by strong NGOs, media watchdogs and consumers demanding responsible new products. Beyond this, knowledge-based innovation provides the leading edge of all of these economies. Sustained innovation in the context of scarce and highly mobile talent requires flexible working conditions and dynamic, trusted public as well as private institutions. It also demands attention to detail, cascading responsibility into SMEs and overseas investments as well as large domestic firms. For Innovators, responsibility competitiveness is no longer an add-on, but the heart of the economic model.

## CSR: MACEDONIAN CASE

The interest in the CSR concept in Republic of Macedonia is growing. In December 2004, the UN Global Compact in Macedonia was launched. The membership in the Global Compact Network is increasing. By the end of May 2006, the number of Macedonian companies - members of GC has increased to 47. On May 25 and on November 30, 2005, Conferences on Corporate Social Responsibility supported by UNDP and USAID project were held. In the mean time, journalists were trained in the CSR concept. At the initiative of several NGO-s, separate investigations about the CSR were performed among business entities in Macedonia. A number of initiatives in the CSR sphere were also separately taken by the economic chambers. Although there has been an increase of activities in the field of CSR, there still remains the need of a holistic frame that will be a guideline and an initiator of the activities in the CSR domain. The results of the recent research<sup>13</sup> showed that those business entities who say that the term CSR is completely unknown to them account for 24,35% of the respondents, while 48,45% said that the term is

13) Conducted by Mirjana Borota Popovska, Institute for Sociological, Political and Juridical Research – Skopje, and commissioned by UNDP, 2006.



known by them, i.e. that they have heard of it but cannot define it. 29,9% of the respondents completely knew what the term means. This investigation represents part of the activities of UNDP towards enhancing CSR aimed at definition of the level of knowledge on CSR and providing recommendations for further activities.

According to the findings of the research and the results of the SWOT analysis of CSR development in Macedonia, the National Agenda on Corporate Social Responsibility for the Republic of Macedonia 2008-2012 was prepared and published<sup>14</sup> and the vision, objectives and priority measures have been established:

**Vision:**

*Promoting sustainable business growth that encourages social inclusion and prevents environmental degradation.*

**Main objectives and measures:**

1. Raising awareness on CSR
  - ✓ *Public campaigns on CSR*
  - ✓ *Research on CSR*
  - ✓ *Stimulating cooperation and dialogue*
  - ✓ *Creating databases in the field of CSR*
  - ✓ *Providing CSR training and education*
2. Developing the capacities and competences to help mainstream CSR
  - ✓ *Training and exchange of experience*
  - ✓ *Developing CSR performance management*
  - ✓ *Improving corporate governance*
3. Ensuring an enabling environment for CSR
  - ✓ *Creating CSR incentives*
  - ✓ *Creating legal obligations for CSR*
  - ✓ *CSR disclosure*

Still, the truth is that there is a need for greater effort and proactive approach from each possible side: the governmental bodies, business associations, labour unions, companies, academic society, media and NGOs in implementation of these measures and activities that will promote the CSR concept in Macedonia.

**CSR: Sweden as a positive example**

Sweden is doing more than most, and has been doing so for some time. Back in

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14) By the national coordinating body on CSR in 2008.

2007, in the final State of Responsibility Competitiveness report by international non-profit organization AccountAbility,<sup>15</sup> Sweden topped the Responsible Competitiveness Index. The index was based on a range of parameters covering climate, working environment, corruption and social issues among companies in 108 countries.

AccountAbility's Responsible Competitiveness Index (RCI) ranks Sweden as the country that is doing most to advance its business competitiveness through responsible business practices, ahead of Denmark, Finland, Iceland and the United Kingdom. In other words, Swedes know how to do business while taking climate change, gender, human rights and anticorruption into account.

Responsible Competitiveness's findings are based on a wealth of sector and issue-specific cases from Brazil, Cambodia, Chile, Europe and South Africa, two new innovative country-level indices, and findings emerging from a Global Policy Dialogue on Responsible Competitiveness conducted over two years in association with the UN Global Compact and partners from Africa, Asia, Europe and Latin America.

The RCI is an innovative, country-level index that provides metrics and methodology for exploring the relationship between corporate responsibility and competitiveness, and includes the National Corporate Responsibility Index (NCRI) that measures the national state of corporate responsibility covering 80 countries across five continents. Responsible Competitiveness predicts that governments worldwide, as well as businesses, will increasingly build responsibility issues into their strategies to develop and maintain their national competitiveness.

Responsible competitiveness is about making sustainable development count in global markets. It means markets that reward business practices which deliver improved social, environmental and economic outcomes; and it means economic success for nations that encourage such business practices through public policies, societal norms and citizen actions.

There is a significant correlation between the competitiveness of a country and its corporate responsibility level. This might indicate that (AccountAbility, 2005):

- Competitiveness gains in a country may not be sustainable unless underpinned by responsible business practices. That is, consistent growth in competitiveness depends on a greater responsibility of the society as a whole, business, government and civil society.
- Corporate responsibility can fuel country competitiveness. This possibility, the heart of the Responsible Competitiveness proposition, seems to get some support from the data.

The results (figures 2, 3) verify in short, that Sweden is on top on current world

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15) Institute of social and ethical accountability - Copenhagen

trends, maintaining a sustainable economic growth based on business practices that achieve economic development without significant damage to the environment, taking stakeholders into account and working together with civil society to achieve these objectives.

Sweden leads as best example in:

- ***Women's Empowerment***

The World Economic Forum has developed a benchmarking system to measure the size of the gender gap in various countries according to the level of advancement of the female population. It includes 58 countries (30 OECD countries & 28 other emerging markets) and measures the extent to which women have achieved full equality with men in five areas: economic participation; economic opportunity; political empowerment; educational attainment; health and wellbeing. The top ten countries were (1st to 10th): Sweden, Norway, Iceland, Denmark, Finland, New Zealand, Canada, UK, Germany, and Australia (AccountAbility, 2005). Sweden is the most progressive country worldwide, in part due to an equal number of men and women in parliamentary and ministerial positions, a long-history of women at the ballot box, high female labour force participation rates and generous maternity leave (AccountAbility, 2007).

- ***Environmental management***

Sweden stands out in first place of the ranking, obtaining a score of 2.7, a full 0.9 above the second-placed score. This points towards a great efficiency in the application of environmental programmes and a remarkable example of interaction between the regulatory environment and business practice (AccountAbility, 2005).

- ***Low carbon economy***

Another important report considering Sweden is the Climate Competitiveness Index 2010, which identifies good practices in countries around the world in the low carbon economy.

- ***Compulsory reports***

Sweden was also the first country to demand sustainability reports from state-owned enterprises. The reports have to comply with guidelines from the Global Reporting Initiative (GRI). The GRI seeks to uphold global standards in sustainability reporting and make it easier to assess and compare companies from social, environmental and economic perspectives. A survey has shown that compulsory sustainability reporting has raised awareness among companies and led to greater sustainability efforts.

**Figure 1.** Countries in each cluster

Starters	Compliers	Asserters	Innovators
Angola	Albania	Botswana	Australia
Bangladesh	Argentina	Chile	Austria
Benin	Brazil	Costa Rica	Belgium
Bolivia	Bulgaria	Czech Republic	Canada
Burkina Faso	Colombia	Estonia	Denmark
Cambodia	Croatia	Greece	Finland
Cameroon	Dominican Republic	Hungary	France
Chad	Egypt	Israel	Germany
China	El Salvador	Italy	Hong Kong, China
Ecuador	Georgia	Jamaica	Iceland
Ethiopia	Guatemala	Korea, Rep.	Ireland
Gambia, The	Honduras	Kuwait	Japan
Kenya	India	Latvia	Netherlands
Kyrgyz Republic	Indonesia	Lithuania	New Zealand
Madagascar	Jordan	Malaysia	Norway
Malawi	Kazakhstan	Mauritius	Singapore
Mali	Lesotho	Portugal	Sweden
Mauritania	Macedonia, FYR	Slovak Republic	Switzerland
Mongolia	Mexico	Slovenia	United Kingdom
Morocco	Moldova	South Africa	United States
Mozambique	Namibia	Spain	
Nepal	Nicaragua	Taiwan, China	
Nigeria	Panama	Thailand	
Pakistan	Peru	United Arab Emirates	
Paraguay	Philippines		
Russian Federation	Poland		
Tanzania	Romania		
Uganda	Sri Lanka		
Ukraine	Trinidad and Tobago		
Zambia	Tunisia		
Zimbabwe	Turkey		
	Uruguay		
	Venezuela, RB		

Source: AccountAbility (2007) *The state of responsible competitiveness: making sustainable development count in global markets.*

*Figure 2. National Corporate Responsibility Index 2005*

	National Corporate Responsibility Index - NCRI - 2005	Internal dimension:	External dimension: Civil society context	Environmental management
1 Sweden	73.5	1.85	1.30	2.68
2 Finland	72.2	2.12	1.35	1.82
3 Switzerland	70.7	1.51	1.46	1.80
4 Denmark	70.7	1.91	1.43	1.39
5 United Kingdom	69.0	1.96	0.99	1.34
6 Netherlands	68.3	1.53	1.16	1.33
7 New Zealand	68.2	1.98	1.28	0.62
8 Australia	68.1	1.78	1.16	0.97
9 Germany	68.0	1.51	1.01	1.45
10 Estonia	67.8	0.85	1.14	1.92
11 United States	67.5	1.80	1.16	0.72
12 Norway	67.3	1.42	1.17	1.04
13 Canada	67.1	1.63	1.09	0.88
14 Austria	66.7	1.17	1.14	1.17
15 Belgium	66.7	1.39	1.23	0.80
16 Ireland	66.6	1.20	1.14	1.09
17 France	65.3	0.97	1.00	1.06
18 Japan	65.2	0.69	1.06	1.27
19 Slovenia	64.6	0.19	1.21	1.40
20 Israel	62.0	0.91	0.61	0.47
21 Spain	61.9	0.13	0.70	1.20
22 South Africa	61.4	1.08	0.29	0.49
23 Lithuania	60.5	0.06	0.70	0.73
24 Hungary	60.3	-0.07	0.05	1.71
25 Slovak Republic	59.8	0.22	0.27	0.89
26 Czech Republic	59.5	-0.47	0.46	1.32
27 Portugal	59.1	0.26	0.43	0.37
28 Korea	58.6	-0.06	0.70	0.17
29 Chile	58.3	0.48	0.42	-0.14
30 Malaysia	58.1	0.91	-0.50	0.56
31 Costa Rica	57.5	0.13	0.38	0.02
32 Thailand	57.5	0.34	0.21	0.01
33 Greece	57.4	-0.27	0.47	0.28
34 Latvia	57.2	0.08	0.55	-0.29
35 Italy	56.9	-0.60	0.53	0.41
36 Mauritius	56.7	-0.13	0.57	-0.27
37 Brazil	56.4	0.08	0.01	0.16
38 United Arab Emirates	55.6	0.18	-0.72	0.79
39 Poland	54.7	-0.67	0.14	0.19
40 Bulgaria	54.6	-0.49	0.34	-0.30
41 Namibia	54.5	0.41	-0.25	-0.53

	National Corporate Responsibility Index - NCRI - 2005	In term of dimension:	External dimension: Civil society context	Environmental management
42 Philippines	54.1	0.18	-0.14	-0.56
43 India	54.0	-0.17	-0.06	-0.32
44 Jamaica	53.9	0.24	-0.15	-0.70
45 Botswana	53.7	0.12	-0.18	-0.58
46 Trinidad & Tobago	53.7	0.08	-0.32	-0.37
47 Panama	53.6	-0.27	0.09	-0.55
48 Egypt	53.6	0.08	-0.35	-0.36
49 Jordan	53.5	0.14	-0.86	0.26
50 Romania	53.2	-0.55	-0.14	-0.09
51 Uruguay	53.1	-0.81	0.25	-0.36
52 Sri Lanka	52.5	0.06	-0.37	-0.72
53 Mexico	52.4	-0.67	-0.10	-0.31
54 Croatia	52.3	-0.66	-0.19	-0.21
55 Tunisia	52.2	0.22	-1.08	-0.02
56 Colombia	52.0	-0.45	-0.44	-0.24
57 Kenya	51.2	-0.22	-0.16	-1.15
58 Argentina	50.9	-0.78	-0.25	-0.50
59 Ukraine	50.4	-0.75	-0.46	-0.44
60 Morocco	50.3	-0.04	-0.78	-0.83
61 Peru	50.2	-0.67	-0.24	-0.90
62 Indonesia	49.8	-0.64	-0.60	-0.58
63 Dominican Republic	49.5	-0.93	-0.11	-1.07
64 Turkey	49.1	-0.70	-0.24	-1.28
65 Uganda	48.9	-0.67	-0.84	-0.56
66 China	48.8	-0.35	-1.31	-0.28
67 Nigeria	48.8	-0.56	-0.50	-1.19
68 Zambia	48.6	-0.36	-0.65	-1.27
69 Macedonia, fyr	48.3	-0.43	-0.52	-1.47
70 Russian Federation	48.3	-0.66	-0.83	-0.80
71 Malawi	47.4	-0.68	-0.87	-1.07
72 Honduras	46.4	-1.23	-0.88	-0.77
73 Venezuela	46.4	-0.99	-1.01	-0.89
74 Paraguay	45.9	-1.54	-0.59	-1.03
75 Ecuador	45.5	-1.22	-1.05	-0.89
76 Zimbabwe	45.0	-0.20	-1.70	-1.29
77 Bangladesh	44.9	-1.65	-0.79	-0.98
78 Guatemala	44.9	-1.42	-0.81	-1.24
79 Vietnam	44.8	-0.70	-1.70	-0.85
80 Bolivia	44.2	-1.80	-1.04	-0.73
81 Bosnia & Hercegovina	43.4	-1.22	-1.08	-1.62
82 Algeria	41.0	-1.36	-1.76	-1.39
83 Pakistan	39.2	-1.80	-1.69	-1.67

Source: AccountAbility (2005) *Responsible Competitiveness: Reshaping Global Markets Through Responsible Business Practices*.

**Figure 3. Responsible Competitiveness Index 2007**

RCI Ranking 2007	Country	Country Abbreviations	Responsible Competitiveness Index 2007	Policy Drivers	Business Action	Social Enablers
1	Sweden	SWE	81.5	86.0	90.2	74.7
2	Denmark	DNK	81.0	89.9	86.9	76.6
3	Finland	FIN	78.8	83.9	84.1	76.7
4	Iceland	ISL	76.7	83.5	74.9	86.3
5	United Kingdom	GBR	75.8	88.8	75.9	76.6
6	Norway	NOR	75.5	83.8	77.3	75.9
7	New Zealand	NZL	74.9	88.6	72.2	80.0
8	Ireland	IRL	74.6	85.0	73.8	78.1
9	Australia	AUS	73.0	82.7	73.6	73.3
10	Canada	CAN	73.0	83.7	72.5	74.8
11	Germany	DEU	72.7	81.8	74.8	70.1
12	Netherlands	NLD	72.6	81.6	75.0	69.5
13	Switzerland	CHE	72.5	87.8	74.5	65.7
14	Belgium	BEL	71.9	86.1	70.1	73.0
15	Singapore	SIN	71.3	83.7	74.4	63.5
16	Austria	AUT	70.9	84.1	71.6	67.2
17	France	FRA	70.1	76.9	69.2	73.6
18	United States	USA	69.6	72.6	72.1	68.6
19	Japan	JPN	68.8	80.7	68.9	65.7
20	Hong Kong, China	HKG	68.3	84.5	68.9	60.6
21	Portugal	PRT	65.9	79.2	63.1	65.7
22	Estonia	EST	65.0	73.5	67.4	73.0
23	Slovenia	SVN	64.1	76.0	61.3	63.7
24	Chile	CHL	64.0	80.3	65.4	67.9
25	Malaysia	MYS	63.7	82.3	68.4	59.2
26	Spain	ESP	63.7	73.3	61.4	63.3
27	Korea, Rep	KOR	63.0	69.3	62.8	60.7
28	South Africa	ZAF	62.5	75.8	66.9	61.3
29	United Arab Emirates	UAE	62.4	75.1	63.6	52.1
30	Lithuania	LTU	62.1	78.7	64.0	63.6



RCI Ranking 2007	Country	Country Abbreviations	Responsible Competitiveness Index 2007	Policy Drivers	Business Action	Social Enablers
31	Israel	ISR	61.6	76.9	63.1	64.2
32	Italy	ITA	61.2	76.0	55.8	61.6
33	Greece	GRC	61.0	72.9	61.1	52.6
34	Taiwan, China	TAI	60.7	68.8	62.5	67.5
35	Latvia	LVA	60.3	77.6	61.0	62.1
36	Costa Rica	CRI	60.2	78.8	64.2	54.8
37	Thailand	THA	60.0	76.3	65.3	53.5
38	Jamaica	JAM	59.8	77.0	64.9	52.8
39	Czech Republic	CZE	59.7	78.0	61.1	59.1
40	Mauritius	MUS	59.3	79.4	58.0	62.7
41	Botswana	BWA	59.3	82.0	57.5	61.8
42	Kuwait	KWT	58.7	74.1	61.6	56.5
43	Slovak Republic	SVK	58.2	77.9	59.0	57.0
44	Hungary	HUN	57.7	79.9	57.8	55.9
45	Peru	PER	56.8	70.3	60.7	52.8
46	Trinidad and Tobago	TTO	56.7	76.6	57.4	54.4
47	Namibia	NAM	56.4	77.6	55.5	56.1
48	Indonesia	IDN	56.1	72.5	59.0	51.3
49	El Salvador	SLV	55.9	77.8	55.7	53.5
50	Jordan	JOR	55.7	74.9	57.9	50.3
51	Turkey	TUR	55.6	72.4	56.9	53.6
52	Uruguay	URY	55.6	75.5	52.7	59.8
53	Croatia	HRV	55.5	73.1	58.0	50.6
54	Poland	POL	55.4	74.7	53.6	57.8
55	Kolombia	COL	55.1	77.4	56.0	49.9
56	Brazil	BRA	55.0	72.3	56.4	52.3
57	Mexico	MEX	54.8	70.5	57.6	50.1
58	Romania	ROM	54.6	68.1	54.9	56.4
59	Bulgaria	BGR	54.4	70.4	51.3	60.9
60	Tunisia	TUN	54.3	79.4	60.6	35.8

Source: AccountAbility (2007) *The state of responsible competitiveness: making sustainable development count in global markets.*



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