



The Shape of the Things to Come - Presentation of Balkan Barometer 2020

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Webinar

Introductory remarks by the Secretary General of the Regional Cooperation Council *Majlinda Bregu*

Welcome to the 6-th edition of the Balkan Barometer, the annual survey of regional perceptions and attitudes across a wide array of social, political and economic factors impacting life in Western Balkan.

I am honoured to share this opening session with two distinguished guests Commissioner for Enlargement and Neighbourhood, Mr. Oliver Varhelyi and Ambassador Wolfgang Ischinger, Chairman of Munich Security Conference, a connoisseur of the Balkans.

While we were interpreting the data of BB 2020 the Pandemic arrived. I will not repeat the obvious here, but the quick spread of COVID -19 was a grim reminder of how the disasters ignore borders and that Cooperation is maybe the only blueprint that holds the promise, of ‘Stronger Together’.

Crushed in a landslide of data, nonetheless we thought it would be important to understand public and business sentiments after the outbreak of the pandemic, to have an accurate picture of its impact in our economies.



Let me thank first the team that professionally worked on these editions, even though the hurdles to start a new survey in lockdown were hard.

Said that, we are launching today two Balkan Barometers:

The Pre-pandemic reality of the region and a during pandemic one.

As you will see or most probably did already, the reality comes without masks. It continues to be inherently brittle, although with some improvements. Unemployment and the economic development remain the fundamental problems in the region for respectively 45% and 40% of respondents.

There is, discouragingly, a marked decrease in trust across all institutions since the previous edition of the Barometer with notable surge in the perceptions of corruption across the institutional landscape. 71% of respondents think that the governments are not fighting corruption successfully, compared to 61% in 2018.

The parliaments and the judiciary are tied as least trusted institutions as indicated by almost 2/3 of respondents, followed by the government (63%). The citizens consider the most corrupted categories:

- political parties (an 82%);
- judiciary (80%);
- public officials (70%)
- media (69%).

In contrast the Support for EU and regional cooperation keeps increasing. Namely, backing for EU membership continues to grow, with more than half of all citizens viewing EU accession favourably (59%). Albania and Kosovo* are once more the EU's biggest cheerleaders in the region, with 87% and 75%, respectively. Business support for EU accession is even higher - 63%. Regional cooperation continues to grow in prominence with an overwhelming majority of citizens (77%, up from 74% in 2018). 65 % of them believe that what brings WB citizens together is more important than what separates us.

Brain drain jumped 7 points as a main concern i.e. from 13% in 2018, to 20% in 2019. Hope is not yet rearing head here. 71 % of Western Balkans youth think about going to work abroad. There is likely a strong correlation between lessening concerns over unemployment and rising



anxieties over brain-drain as Western Balkans economies start to come to terms with exceptionally high outward migration of skilled labour.

For the first time since its inception, the Barometer is looking at which countries outside the region are the preferred trade partners. EU is convincingly leading the rankings with more than 2/3 of all respondents, while Russia and Turkey share the second position with 36% and China following with 31%.

Business leaders have taken a more positive look towards the investment environment, with 53% stating their economy is either a good or a great place to invest, a 5% increase compared to the previous year 38% expecting to hire new workers over the next 12 months; One in three respondents uses mobile data while on roaming in the region. Only 17% of respondents, do not use the Internet at all with majority of them being in the age group 65+. More than a third of all respondents report saving money on phone costs with the new Regional Roaming Agreement coming into force.

As you see there are uppers and downers moods, problems persisting, hope still high on the role of EU in transforming our societies.

Here we were standing until Covid-19 migrated to the region forcing us to deal with a parallel universe. Citizens of the Western Balkans feel that the coronavirus outbreak poses high threat to both global and their national economies. 72% of them consider it as a high threat for their respective national economies.

83 % of the respondents in Western Balkan were in favour of mandatory quarantine to curtail the spread of the coronavirus.

(65%) see favourably the foreign assistance aimed at helping the economy amid the coronavirus outbreak.

Only one third of respondents in the Western Balkans are satisfied with their Governments and ways how they ensure that people do not lose their jobs as a consequence of the coronavirus outbreak.



The majority of respondents (57%) said that their businesses were mostly faced with problems related to access to domestic customers, finances (42%), supply chain (38%) and staff availability (28%);

60% of the business respondents have reduced operation due to the COVID-19 outbreak; while 21% either temporarily closed or completely closed their businesses; only 5% have laying off staff permanently. The figures ironically oppose the pre- COVID outlook when 54% of businesses were expecting increased demand for their products/services and 38% expected to hire new workers over the next 12 months;

Businesses consider useful the measures provided by the national Governments (47%). Temporary reduce of employers' social security contributions and individual contributions were consider the most useful measure (59%);

The highest level of pessimism is observed in the companies in areas of transport, trade, tourism, catering industry, crafts, banking, and public utilities sectors, while the highest optimism is observed among the companies dealing with industry, mining, construction, education, science, culture, information, health and social protection.

On a positive note: whilst 37% of women are impatient to go back to normal work, 40 % of young people were very happy to spend time with their families - most surprising finding;

Although 34% of youth are angry on the restrictions of freedom, they remain the most optimistic/believers that life will get back to normal by June 2020 (35%);

Truth be told, the Covid-19 will be a tipping point for the region as well. Channelling information and perceptions in favour of policy orientations might be the glue that will hold us together. You may find a lot of more interesting data and analysis in full editions of BB. It might persuade everybody that the narrative of domestic competence wouldn't be wounded if accompanied by real measures of regional competence. That is how we may confidently 'shape the things to come'.