

UDK 342.228:327.5(497.7:495)

ASPECTS OF THE NAME DISPUTE BETWEEN MACEDONIA AND GREECE: SYMBOLS, CONFLICT AND ECONOMIC COSTS

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Abstract

The Republic of Macedonia and Greece have a symbolic dispute that lasts for almost three decades. In the centre of the dispute is the term “Macedonia” that Greece claims to be exclusively Greek, at the same time denying the right of the neighbouring country to freely use the name. The paper examines several aspects of the dispute. By utilizing the theoretical framework given by the ethnosymbolic school of nationalism (predominantly Smith and Hutchinson), it explains the theoretical aspects of symbols and their use in nation building processes. Furthermore, it examines the conflict itself and its background, trying to establish the precise kind of symbolic conflict it belongs to, and the possible outcomes given the asymmetric power relation between the two actors. Finally, it analyses the costs of the economic embargo imposed to the Republic of Macedonia by Greece, as a direct consequence of the symbolic dispute between the two countries.

Key words: ethnosymbolism, name dispute, national symbols, economic costs.

Introduction

Nation building processes are complex and often entail conflicts among different nations and ethnic groups, that are not just territorial, but can also be symbolic. Symbols, such as toponyms, flags, anthems, architecture can represent territory where neighbouring nations dispute their national ownership. Disputes of this kind can lead to different outcomes that could extend from armed conflicts to economic embargos. Punitive actions on both sides could be overcome, which heavily depends on the power positions of the dyad in ques-

tion, leading to different possibilities within such disputes. Moreover, such disputes create economic costs, that directly affect the economic wellbeing on the side to which punitive action is being imposed.

The Republic of Macedonia and Greece have a symbolic dispute that lasts for almost three decades. In the centre of the dispute is the term "Macedonia" that Greece claims to be exclusively Greek, at the same time denying the right of the neighbouring country to freely use the name. As a result, Greece imposed an economic embargo to Macedonia in the early nineties, and has vetoed Macedonia's accession to the NATO at the Bucharest summit in 2008. This has complicated heavily the relations between the two countries that was additionally burdened with provisions in the Macedonian Constitution from 1991 relating to national minorities in neighbouring countries as well as the flag of the country (until its change in 1995) that included the sun of Vergina, also claimed by Greece as an exclusive Greek symbol.

The paper examines several aspects of the dispute. By utilizing the theoretical framework given by the ethnosymbolic school of nationalism (predominantly Smith and Hutchinson), it explains the theoretical aspects of symbols and their use in nation building processes. Furthermore, it examines the conflict itself and its background, trying to establish the precise kind of symbolic conflict it belongs to, and the possible outcomes given the asymmetric power relation between the two actors. Finally, it analyses the costs of the economic embargo imposed to the Republic of Macedonia by Greece, as a direct consequence of the symbolic dispute between the two countries. The analysis answers the question: what is the essence and type of the dispute, what are possible outcomes in the event of unevenly powerful players as well as what are the economic costs of the dispute. The methodological approach utilizes process tracing as well as economic data analysis.

The nation and its symbols

Understanding of nation building and consequently state building differs greatly among the schools of nationalism present in current academic literature.⁴⁵ Primordialists (Geertz, Shills, van den Berghe) put an accent of primordial ties and organic relations among members of ethnic communities while the modernists (Brass, Gellner, Anderson, Hroch, Hobsbawm) refer to a more complex set of mechanisms that enabled shaping of the nation, situated in the modernizing process of historical developments, an interplay of economic, cultural and political factors that under specific circumstances led to nation and state formation. Notwithstanding that modern approaches such as the feminist approach (Yuval-Davis), post-colonial (Chatterjee) or discursive approach (Calhoun) have all influenced the contemporary academic discourse on nation building, it seems that the richest instrumentarium in explaining the connection between symbols and nations is offered by the ethnosymbolists, which perceive symbols as one of cornerstones of the nation building process.

National symbolism presents a fundamental mechanism through which the nation creates, recreates and solidifies itself. Symbolic ethnicity, as Gans observes, can be "expressed in a myriad of ways" (Gans, 1979) where people project their wish "to create a symbolic tradition" (ibid) enabling them to create a connecting point for all members of a given community. On these lines, the founders of the ethnosymbolic approach, Anthony D. Smith and John Hutchinson, relate to ethnicity as a category that is "more homogenous" (Özkirimli, 2010) compared to primordialists and modernists; meaning that they connect it to pre-modern ethnic composites that over time transform into modern day nations, with the tendency to be more stable than modernists would presume. In its effort to explain the concept of the ethnic core and bureaucratic incorporation in nation building, Smith refers to two types of nation building: lateral and vertical (Smith, 1989). The lateral nation building approach presumes that national elites have "grafted new ethnic and cultural elements on to their common fund of myths, symbols and memories, and spread them out from the core area and down through the social scale" (ibid). The symbols and the myths are the fundamental mechanisms through which all social layers and geographical regions are attached to the ethnic core thus enabling not mere survival of the nation, but its cohesion and structuring.

45) For a detailed overview of the most influential academic currents in theory of nationalism see Özkirimli, U. (2010). *Theories of Nationalism* (second edition). Palgrave MacMillan, London.

In a similar tone, John Hutchinson refers to the nation as a “moral community that binds individuals into a “timeless” society evoked by “unique” myths, memories and culture, so that they overcome contingency and death”(Hutchinson, 2003). The mythical use of symbols comes as a *modus operandi* of transforming the pre-modern ethnies into modern nations where nation builders try to “endow the nation of their dreams with a common history, based on shared ethnic memories; as well as a sense of common destiny, emanating from those shared memories” (Smith, 1994). This symbolic and mythical terrain must be ordained towards causing ethnic solidarity whereas “symbols in themselves have no efficacy unless they evoke a sense of a concrete collectivity” (Hutchinson, 2003).

This seems to be the very fundament of the ethnosymbolic approach to nation building which “emphasizes the role of myths, symbols, memories, values and traditions in the formation, persistence and change of ethnicity and nationalism” (Smith in Ozkirimli, 2010). In a nutshell Smith proposes that the ethnosymbolic approach:

“...stresses the need for an analysis of collective cultural identities over la longue duree, that is a time span of many centuries; the importance of continuity, recurrence and appropriation as different modes of connecting the national past, present and future; the significance of pre-existing ethnic communities, or ethnies, in the formation of modern nations; the role of memories of golden ages, myths of origin and ethnic election, cults of heroes and ancestors, the attachment to a homeland in the formation and persistence of national identities; the different kind of ethnic groups that from the basis of various kinds of nations; and the special contribution of the modern ideology of nationalism to the dissemination of the ideal of the nation” (ibid).

The ethnosymbolic approach stresses the cultural elements of the nation building process and the longitudinal dimension of the process, placing symbols in the center of its cohesive potential and mobilizing capacity. As Ichijo and Uzelac (2005) rightfully observe the ethnosymbolic approach “clearly defines nations as cultural, symbolic communities (...) embodied in a myth of descent, shared historical memories and ethnic symbolism.”

Why symbols?

Ethnosymbolism and modernist theories treat national identity as a constructed category with respective differences in the mechanisms and the factors that contribute to its emanation and maintenance. Ethnosymbolism accentuates utilization of symbols and myths by political elites, either through vertical or lateral mobilization. In this regard “national identity is not an innate quality in human beings, neither is it acquired naturally (...) national identity has to be learnt” (Kolst, 2006) and “that is why national symbols (flags, coats of arms, national anthems) play such a crucial role in nationbuilding and nation-maintenance” (ibid). As fundamental symbolic markers, group symbols from flags to national anthems originate from the feudal period and serve several functions and. As Cerulo (1989) explains “every nation creates and adopts national symbols (...) a long tradition in which groups or ruling houses used banners, crests, fanfares, etc. as a form of announcement and identification.” Ever since medieval times, symbols were used as signs of recognition and in belonging to a certain community and in the age of modernism “political leaders have created and used national symbols (flags, anthems, mottos, currencies, constitutions, holidays) to direct public attention, integrate citizens, and motivate public action” (ibid). Besides the function of representation and recognition symbols also have a mobilizing and motivational role, which makes them an even more sensitive terrain for negotiations and bargaining.

Additionally, recognizing somebody as a part of one's ethnic community through symbols can even have economic consequences meaning that “another way of reducing the costs of identifying a potential cooperating partner is to look for insignia-the external markings or symbols of group identity (...) coats-of-arms, blazons,

flags, totems, clothing and decorations, and so on.” (Carr and Landa, 1983). As the study of Carr and Landa shows, even economic relations can be in-group determined and exclude members of other communities, and in-group recognition is developed through recognition of familiar symbols used by groups, ethnic groups included.

However, already established and relatively newly established nations do not undergo identical challenges when it comes to use of symbols and their utilization. If symbolism in already established nation is reduced to everyday symbolic routines, or what Billig (1995) calls “banal nationalism” then newly established states often undergo failures of introducing national symbols, that can be either divisive or disputed by other groups. Kolst explains the challenge in front of which new states are put up against:

“The reasons behind the frequent failures of national symbols in new or newly re-established states are several. One is resources. New states normally are weaker than established states, institutionally and economically. Another reason is that the national symbols of new states have to fulfil a much more difficult task. They must not only keep alive, but create a national identity and an allegiance to a state that did not exist before.” (Kolst, 2006)

Kolst, without a specific intention, created a context for discussion regarding the symbolic dispute between the Republic of Macedonia and Greece. The conflict itself transcends the name dispute over the term “Macedonia” and enters the symbolic territory of flags and historical figures, as fundaments over which any nation are being built. In its efforts to strengthen its national identity, the Republic of Macedonia has utilized symbols that Greece claims exclusive rights over, being forced to change its flag and several constitutional articles from its 1991 Constitution; lately requests are becoming louder concerning alterations on the controversial architectonical project “Skopje 2014” if the two neighbors are to continue the dialogue over their infamous name dispute. Understanding the finesses of this symbolic conflict (and later proceeding in analyzing its costs) requires knowledge of the essence and the history of the dispute. However, the question of ethnic boundaries seems vital to the both the theoretical approach to symbolic dispute as well as the concrete case under scrutiny.

The question of boundaries

Not only symbols are crucial to nation building and cohesion. Symbols are one of the fundamental instruments through which the nation is established and maintained by it is the boundaries that safeguard it from intrusions and delineate a territory (geographical, cultural and even symbolic) within which the nation exists. Boundaries also help set a clear line between ingroup and outgroup members, and inform us on the end of “our” group outreach and the commencement of someone else’s.

The very point of existence of an ethnic boundary is that it “canalizes social life - it entails a frequently quite complex organization of behavior and social relations” where “the identification of another person as a fellow member of an ethnic group implies a sharing of criteria for evaluation and judgement (...) and this means that there is between them a potential for diversification and expansion of their social relationship to cover eventually all different sectors and domains of activity.” (Barth, 1969). Or as Anderson in his “Imagined communities” explains:

*“The nation is imagined as limited because even the largest of them, encompassing perhaps a billion human beings, has finite, if elastic, **boundaries, beyond which lie other nations.** No nation imagines itself coterminous with mankind. The most messianic nationalists do not dream of a day when all the members of the human race will join their nation in the way it was possible, in certain epochs, for, say, Christians to dream of a wholly Christian planet.” (Anderson, 1983)*

The imagined community beyond its borders has another imagined community. The two have to strictly be delineated, and no confusion must exist in this straightforward relation. This means that in geographical, cultural and symbolical terms, the two entities (nations) have to be separated, clearly defined and outlined with boundaries. On these lines Wimmer (2008) locates two dimensions of ethnic boundaries:

1. **Categorical dimension** - refers to acts of social classification and collective representation. Divides the social world into social groups - into "us" and "them";
2. **Social or behavioral dimension** - refers to everyday networks of relationships that result from individual acts of connecting and distancing. Offers scripts of action - how to relate to individuals classified as "us" and "them" under given circumstances.

Both the categorical and behavioral dimension refer to a clear distinctiveness between members of two groups, that must not be confused on matters of their belonging as well as symbolic "ownership". Boundaries serve exactly that given purpose being that they facilitate the "dichotomization of others as strangers, as members of another ethnic group" (Barth, 1969) which "implies a recognition of limitations on shared understandings, differences in criteria for judgement of value and performance, and a restriction of interaction to sectors of assumed common understanding and mutual interest" (ibid).

However, boundary maintenance when symbols are involved can be far more complicated than maintaining geographical borders. Especially if the symbols based on which a nation is being constructed overlap or are shared with another group, that is supposed to be clearly distinct. Such is the case with Macedonia and Greece, where both nation building efforts clearly draw from identical symbolism, be it the very term "Macedonia", Alexander the Great as a founding hero, or the symbol of the Vergina (Kutles) star as a national symbol. In this specific case, symbolic boundaries are blurred, indistinct and confusing, which creates specific political consequences on both sides, and on the long run – costs. Since not all symbolic conflicts are identical, it is appropriate to identify the type of symboli conflicts, in order to precisely place the analyzed Macedonian-Greek dispute, as well to briefly discuss the game theory determining the bargaining positions on both sides.

Types of symbolic conflict and the possibility of compromise

Not all symbolic conflicts have the same origin, neither is there a universal pattern for their solution. Contested symbolic territory among different nations may or may not result in direct political action on one or the other side, i.e. it might be contained in latency or manifested more aggressively, depending on a number factors. Having this in mind, and in order to discuss the potential cost of a given symbolic conflict, one needs to see the typology of symbolic conflicts in order to establish its very nature.

In its analysis of group identities and conflicts arising among persisting group identities, Harrison (1995) differentiates between four groups of symbolic conflicts:

1. Valuation contests.

In the first type of symbolic conflict, the issue at stake is the ranking of symbols of the competing groups' identities; their ranking, that is to say, according to some criterion of worth such as prestige, legitimacy or sacredness. All that may therefore change as a result of the contest is the relative positions of these symbols along some scale of value;

2. Proprietary contests.

These relate to the fact that groups often claim, proprietary rights in their distinguishing symbols, and treat attempts by other groups to copy them as hostile acts. A proprietary contest is a dispute over these rights and, at its simplest, takes the form of a struggle for the monopoly or control of some important collective symbol or symbols;

3. Innovation contests,

Essentially 'schizmogenic' processes of competitive differentiation. This type of status rivalry is perhaps particularly likely to occur when groups are seeking to establish or accentuate their distinctiveness from each other. An extreme form of these processes of group differentiation is schism or fission. An internal conflict splits a group in two, or a faction within some larger group seeks independence. To establish a separate identity in this way, a seceding group must generate a distinct set of symbolic representations of that identity;

4. Expansionary contests.

In this, a group tries to displace its competitors' symbols of identity with its own symbols. In other words, within some given field of social relations two or more group identities are competing for survival. A feature of an expansionary contest is that it can result in the disappearance of the defeated side's identity symbols. Because the symbolic inventories of groups can be partly or wholly destroyed in these contests, they are the opposite of innovation contests, in which these inventories are generated. In short, both sorts of contest alter the universes of symbolism in which they occur. After an innovation contest or an expansionary contest, the total assemblage of group symbols has changed because some symbols have been created or lost.

In the specific case of the Republic of Macedonia and Greece, which will be analyzed further on in the text, it is clear that there is a clear case of proprietary contests, where the legacy of antiquity and its symbolism results in mutual accusation of who holds exclusive rights over the term "Macedonia" and the specific period of antiquity, with the accentuated accusations by Greece to the Republic of Macedonia as a side that attempts copying Greek history and falsifying historical facts for its own symbolic and nation building benefit.

When it comes to discussing possible outcomes of symbolic conflicts, academic literature suggests that the outcomes depend on at least two factors: the actions of each of the sides in the conflict as well as their relative power positions. Lawler and associates (1988) give two opposing theories when it comes to the possible gameplay in context of conflicts:

1. Bilateral Deterrence Theory.

The basic prediction of bilateral deterrence theory is as follows: Given equal power, higher levels of total power in the dyad (i.e., the sum of the actors' coercive capabilities) will produce a lower frequency of punitive tactics by both actors. An extension of bilateral deterrence theory to the power inequality issue leads to the following prediction: Unequal power will produce a higher frequency of punitive tactics than equal power on the part of both actors.

2. Conflict Spiral Theory.

This theory's predictions which directly opposite to those of bilateral deterrence: 1) Given equal power, higher levels of total power in the relationship will increase the use of punitive tactics by both actors; and 2) Unequal power will produce a lower frequency of punitive tactics than will equal power.

It is obvious that these two theories stand in grave mutual contrast and that the outcome is context bound. On a similar note, Michener and associates in an earlier research (1975) on factors affecting concession rates in individual bilateral conflict negotiations, accentuate the position of power of the dyad involved in the negotiations. In this regard “a bargainer's power position is an important determinant of his reaction to concessions by the other” (Michener et al., 1975) since in situations where “where the participants do not have direct power capabilities (...) negotiators exchange bids and counterbids, but their tactical responses are limited to acceptances or vetoes of one another's offers” (ibid). However, in situations of unequal power positions the disbalance of power presents a serious gamechanger:

“When power capabilities are present, they provide an important backdrop against which concessions are gauged, especially when negotiators differ in the resources they control. If a bargainer occupies the strong position within the negotiations (and his opponent occupies the weak position), a concession by the opponent may be interpreted as no more than an admission of weakness and may result in a stiffening of the bargainer's demands and aspirations. But if the tables are reversed and the bargainer occupies the weak position (and the opponent the strong position), a concession by the opponent takes on different meaning because it must be interpreted in light of what the opponent could do if he chose to resist. Here, a concession cannot be construed as a sign of softness and it should not lead the bargainer to raise his level of aspiration. If anything, it will be seen as a move toward cooperation that had best be reciprocated. The general point, then, is that the meaning of a concession reconciliatory action depends on the alternative actions available to, but foregone by, the opponent.” (ibid)

The interplay between the actions of one of the stakeholders in the dyad and the position of power of the concessioner determines the scenario of the outcome. In the concrete example analyzed, the Republic of Macedonia is the weaker side in the negotiations being that Greece can exercise its veto power both in the NATO and in the EU, two organizations that the Republic of Macedonia aspires to join. Besides the possible outcome (which is pending due to negotiations over the name dispute) the symbolic conflict between the two sides produces costs for both sides. These costs increase as negotiations are prolonged, as do costs of opportunity in terms of a scenario where the Republic of Macedonia joins the EU and NATO. However, if one is to discuss the costs, one has to firstly know the disputed content between the two countries.

The Greek-Macedonian dispute – the name and its symbolic power

Disputed symbolic features of nations are not a novelty in the nation-building debate nor are they a novelty in the academic debate. However, the Republic of Macedonia presents a unique example of a country that has contested symbolic features by neighboring Greece. This unconventional dispute that the Republic of Macedonia is engaged in at the moment is the name dispute with neighboring Greece, vastly concentrated on the usage of the noun “Macedonia” and the adjective “Macedonian”, although this is far from being the only problematized aspect. Namely Greece “opposes the application of the name ‘Macedonia’ to any other place than what to them is Macedonia, namely, northern Greece, and denies the existence of any Macedonian national minority, claiming instead that those who call themselves Macedonians are Slavophone Greeks” (Engstrom, 2011). In a broader context one might also say that the origins of the dispute “lie in the differing perspectives on the history of the region and challenges which both nations perceive to their respective identities” (ICG, 2009) i.e. that “one dimension of the name dispute concerns the use of ancient names and symbols” (Seraphinoff, 2007) whereas “both Macedonia and Greece would like to extend their roots back to include ancient glory” (ibid). Additionally, “the name issue is part of a historically deep and emotionally charged inter-society dispute, and using the name - Macedonia is a question of national honor and dignity in the first place for both sides, especially Macedonia” (Ivanovski, 2013). This emotional issue has a very rich historical background and has a spurred an even richer exchange of arguments on both sides involved.

Taking the historical aspect in consideration, many authors agree that the name dispute is just a reflection of burdened historical relations between the two countries. Although some authors take the whole dispute back to ancient times of King Philip and its conquest of ancient Greece or the medieval dispute between Tsar Samuel and Byzantine Emperor Basil (Seraphinoff, 2007) one must underline that “dispute primarily stems from much more recent history” (ibid).

The root of the problem regarding the name dispute lies in the aftermath of the Second Balkan War in 1913 that had Bulgaria on side, and Serbia, Greece, Montenegro and Romania on the other. However, the division of the region of Macedonia is not the only disputed historical moment burdening the relations between the two countries. The aftermath of the WWII in Greece witnessed a civil war between the communists and the government whereas the Slavic Macedonian minority aligned its forces with the Democratic Army of Greece (DAG) i.e. the communist forces. As the communists lost the civil war in 1949, and the Slavic Macedonians found themselves on the wrong side of the conflict, it is not hard to predict what has been the outcome of the civil war. The International Crisis Group summarizes the problem:

“The key to Greek sensitivity over Macedonian identity lies in the Greek Civil War of the 1940s. During that conflict, “Slav Macedonians” in the northern part of the country made up a substantial part of the communist-led partisans. In line with the policy Tito inherited from the Comintern in the inter-war period, they fought to unite the Yugoslav, Greek and Bulgarian parts of Macedonia in an autonomous, communist Macedonia within Yugoslavia. Following the communists’ defeat in Greece, tens of thousands of partisans fled, including many Slavs who settled in Yugoslav Macedonia. Their properties in Greece were confiscated, and while ethnic Greek communist refugees were later allowed to return, Slav Macedonians were not. For Greeks, the notion of a distinct Macedonian nation was an artificial creation of Tito, with the aim of pressing irredentist claims against Greece, and the Macedonian language is just a local dialect of Bulgarian. According to this view, the only true Macedonians are Greeks” (ICG, 2009).

The existence of more than one “Macedonian” identity burdened the relations between the Yugoslavia and Greece for almost half a century. However, it was not until the independence of the Republic of Macedonia when Greece objected to the name of the newly formed state. The arguments against the usage of the name “Republic of Macedonia” are not just historical. Namely, alongside the Greek argumentation one should also mention the core arguments given lately in the debate and aside from the abovementioned historical context. In a position paper prepared by ELIAMEP’s analyst and advisor to the Greek Government, Evangelos Kofos, gives two main objections to the free usage of the name Macedonia by the ethnic Macedonians living in the Republic of Macedonia (Kofos, 2009):

1. The geographical region of Macedonia, which includes the entire region of “Greek Macedonia”, is not and cannot be considered the “tatkovina” (fatherland) of the *Makedonski* people living in FYROM;⁴⁶
2. Slav Macedonians need to realize that their newly conceived ethnogenetic dogma, extending to classical antiquity, encroaches upon the Hellenic cultural heritage and the identity of their Greek neighbours to the south. As such, **it threatens to ignite a clash of identities in the region as a whole.** The use of the Macedonian name as a state appellation in no way confers the right to appropriate everything and anything derived from or pertained to the entire region of Macedonia. This needs **to be legally clarified and remain binding erga omnes.**

Additional to these arguments Greece has also had specific security concerns when it comes to the name dispute (see Agnew, 2006) as well as many additional concerns and objections (see Floudas, 2002). Several

⁴⁶ The acronym means the Former Yugoslav Republic of Macedonia (FYROM). This is the provisional name under which the Republic of Macedonia has been admitted into the UN under Greek pressure.

issues raise suspicion in regard to the claim that Macedonia presents territorial threat to Greece: a) upon Greece demand, Macedonia has amended its Constitution to accommodate its objections (see Amendment I to Article 3 and Amendment II to Article 49), b) it has signed an Interim Accord with Greece by which both countries confirm “their existing frontier as enduring and inviolable (Article 2 of IA), and c) no report issued by international organizations like EU evidence such claim.

However, by far the most important move made by the Macedonian side has been the changing of the flag of the country to which Greece objected in the first place, being that the flag entailed a symbol (the sun of Vergina) that Greece considers an exclusively Greek symbol. In the Law on the Flag of the Republic of Macedonia (1995), the country accepted a new symbol, also a sun, but considerably altered. This means that Macedonia has made a number of concessions so far to the Greek side. However, these concessions by no means connote that the arguments of the other side are less numerous or weaker. In the most general sense the arguments of the Macedonian side are that:

“...for Macedonians, the choice of their name is more than just a basic human right. It is about their very existence as a people. Just as the Greek national mythology stresses continuity between the ancient Hellenic world, including ancient Macedonia, and the modern Greek state, Macedonians see their identity as being crucially bound up with and inseparable from their name. The difference is that, while the Macedonian heritage is only one part of the Greek identity, for Macedonians there is no other. As Macedonians sometimes point out, the name “Macedonia” is in their national songs. If they are not Macedonians, then what are they? Are they amorphous Slavs, or, given the linguistic similarity, perhaps Bulgarians?” (ICG, 2009).

Two additional arguments are posed in the response of a Skopje-based think tank (IDSCS) to Kofos’ position paper whereas the authors point out that (IDSCS, 2009):

1. The constitutional name of the country is not simply “Macedonia” - it is the **“Republic of Macedonia”**. There is a clear political qualifier (**“Republic of”**) preceding the noun “Macedonia”. If the Republic of Macedonia wanted to use the name “Macedonia”, without any qualifiers, then this might give rise to confusion or monopolization. However, this is clearly not the case.
2. In Greece there is **no region simply called “Macedonia” nor is there an “EU region of “Greek Macedonia”** as Kofos has erroneously claimed. In Greece, there are **three** separate administrative regions or “Peripheries” which use the noun “Macedonia” in their name.

The political developments in the Republic of Macedonia since 2006 have further complicated the situation. The Government led by the conservative VMRO-DPMNE party has added a new layer to the symbolic dispute over the name by introducing the “Skopje 2014” project, which entails erecting monuments that Greece considers part of their “symbolic territory”. As Vangeli (2011) states:

“The attempt to revise official history and to alter the image of the national-self among ethnic Macedonians has negatively affected the dynamics of the name-dispute with Greece, worsened the international position of the country, and also shook its fragile multicultural grounds and even producing tensions among ethnic Macedonians themselves. (...) Antiquization’s materialist display, Skopje 2014, is about to revamp the city centre. It has been carried out at a fast rate and with lots of fervor, being one of the rare governmental projects that are brought to reality. This leads us to conclude that tales of glory and pride are not to be underestimated even today. The Macedonian government, inspired by myths of the antiquity of the Macedonian nation, has engaged in a major nation building (or nation re-building) process that is yet to be studied and analyzed by scholars in the field.” (Vangeli, 2011)

The confusion created in the attempt of symbolic boundary creating between the two countries is three-fold: the name "Macedonia", the historical symbolism of antiquity (previous flag included) as well as the "Skopje 2014" project as an architectonical expression of symbolic identity in the midst of the disagreement between the two countries, that Greece considers a vast provocation. In this regard, the symbolic dispute between the two countries continues and a possible solution builds up incrementally and over a long period of time, with obvious setbacks. This prolonged process, create costs on both side, with Macedonia obviously being in the less favorable position, due to the veto power of Greece in the EU and the NATO.

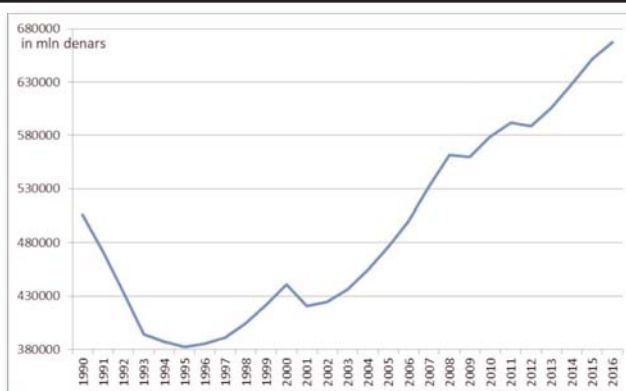
Evaluation of economic losses caused by the embargo imposed by the Republic of Greece against Republic of Macedonia

Within the former Yugoslavia, Macedonia⁴⁷ was part of the Less Developed Regions (LDR) benefiting from the subsidies from the More Developed Regions.⁴⁸ The World Bank (1993) stated that Yugoslavia was continually plagued by macroeconomic instability, in part because of the subsidisation of LDRs, poorly performing enterprises⁴⁹ and the tolerance of disintegrative tendencies. Further, accommodating its vast ethnic, religious and cultural differences Yugoslavia became a federation of six republics (World Bank, 1993). It was thought that this would resolve the burning national question and bring prosperity to all ethnic groups and decrease regional disparities.

Macedonia gained its independence on 8 September 1991. Macedonian currency was issued in the form of coupons with an exchange rate of 1:1 between the Yugoslav dinar and the Macedonian denar on 26 April 1992. At that time, the inflation rate was growing by two digits per month (by the end of 1993 it was already 229.6%) and a fixed exchange rate regime was selected to stabilize the economy (Nikolov 2013). From 10 May to 30 November 1993, the substitution of coupons for banknotes took place. On 8 April 1993, Macedonia became a member of the UN. Accordingly, it became a member of the World Bank in March 1993 and a member of the International Monetary Fund in April 1993. In 1994, the inflation rate at the end of the year was 55.4% and it was 9.2% in 1995.

Macedonian privatization started in 1993 with the Law on the Transformation of Enterprises with Social Capital (Official Gazette of the Republic of Macedonia, no. 38/93). The transition in Macedonia (like in other transitional countries) has led to a U-shaped response of output. Figure 1 illustrates the GDP in 1990 prices. It was only in 2008 that Macedonia reached the 1990 level of GDP.

Figure 1.
GDP in Macedonia in 1990 prices for the period 1990–2016 (in million denars)



Source: State Statistical Office Republic of Macedonia, Author's calculations.

47) According to the last census in 2002 the Republic of Macedonia has little over 2 million inhabitants.

48) Under a federal law from 1965, the LDRs in Yugoslavia included: Bosnia and Herzegovina, Macedonia, Montenegro and Kosovo and Metohija, comprising 40% of the Yugoslav territory and 30% of the Yugoslav population.

49) The poor performance of surviving Macedonian enterprises from former Yugoslavia continued even in the transition period. According to Zaldueño (2003), there are substantial differences in performance between surviving old firms and more agile new ones.

The blockade imposed by the Republic of Greece against Republic of Macedonia on 16 February 1994 has additionally worsened the economic conditions in Republic of Macedonia, multiplying already existing damage caused by implementation of the UN Security Council Resolutions No. 757, 787 and 820 against the Federal Republic of Yugoslavia. As a result of the blockade by Republic of Greece, railroad transportation has been completely disrupted, which especially adversely effected enterprises that had no option of substituting the railroad transportation by another means.

This situation was especially unfavorable for the industry sectors: energy, iron and steel, chemical industry, textile industry and other areas that provide raw materials and place their final products only by railroad transportation through the Thessalonica port. This situation along with other current problems caused rapid decrease of the GDP of the total economy, especially in the industry.

The blockade also affected the agricultural production, especially products of seasonal character (spring vegetables, lamb meat) that are traditionally placed on the markets of Western Europe and Near East through the Thessalonica port.

The following facts directly caused the damage for the economy of the Republic of Macedonia that occurred as a result of the trade and transportation embargo imposed by the Republic of Greece:

- goods stuck in the Thessalonica port;
- reduced production or complete stop of operation of the capacities due to disrupted provision; of raw materials and placement of products;
- unrealized import of goods and lost markets;
- increased transportation costs for optional roads and transportation means;
- damage to railroad transportation due to unused transportation capacities.

Based on Ministry of finance data, the direct damage for the Republic of Macedonia caused by the blockade imposed by the Republic of Greece within a one-month period has been estimated to approximately \$62 million. The total amount of damage caused by the transportation and economic embargo amounts to over \$1,200 million in 1994 and 1995. This amount was equals to around 14% of the annual GDP of Macedonia for that period. Note that the effects of the lost markets and other long run economic effects were not considered in these calculations.

Conclusion

Disputed symbolic territory between two nations in itself can speak on the importance of use of symbolism in nation building processes. Ethnosymbolists put strong accent on the importance of symbols in the process of nation building, and additional academic interest occurs in situations where such symbols are disputed. The attention given to such disputes is not important only from the perspective of nation building, but also from the perspective of conflict theory and economic costs that occur as a consequence of political processes centered around symbolic disputes. Rather than staying on its symbolic ground, symbolic disputes affect economic life as well and can lead to direct economic damages to one of the parties of a certain dispute.

One of the most well-known symbolic disputes in Europe is the name dispute between The Republic of Macedonia and Greece centered around the use of the name "Macedonia". Greece claims the term to be exclusively Greek and denies its northern neighbor the possibility to use it as an ethnic and state marker. The conflict has also had concrete political consequences – Macedonia was denied NATO membership in 2008 and had undergone an economic embargo imposed by Greece in the early nineties.

On these lines, the paper has analyzed the name dispute as merely symbolic placing in the group of proprietary conflicts. Furthermore, it has shown that the asymmetric balance of power between the two sides changes the framework through which the dispute should be perceived i.e. that in situation of uneven opponents in the conflictual dyad, bilateral deterrence theory and conflict spiral theory clash and give different outcomes of further action. These actions produce concrete costs, and an analysis of the embargo imposed by Greece to Macedonia (as a form of punitive action) shows that these costs can seriously affect the economic wellbeing of a country.

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