<table>
<thead>
<tr>
<th>Title</th>
<th>Pages</th>
</tr>
</thead>
<tbody>
<tr>
<td>Awakening of African Children to Their Plight as Depicted in Akpan’s Say You’re One of Them</td>
<td>5-12</td>
</tr>
<tr>
<td>Yıldıray ÇEVİK</td>
<td></td>
</tr>
<tr>
<td>Legal Aspects on the Harmonization of Albanian Legislation for Industrial Design Protection</td>
<td>13-31</td>
</tr>
<tr>
<td>Maksim QOKU</td>
<td></td>
</tr>
<tr>
<td>Did Iceland Change Monetary Policy Response in Period of Financial Crisis?</td>
<td>33-43</td>
</tr>
<tr>
<td>Bojan GEORGBEVSKI</td>
<td></td>
</tr>
<tr>
<td>English Interlanguage of Macedonian Preschool-Aged Speakers - A Case Study</td>
<td>45-62</td>
</tr>
<tr>
<td>Marija STEVKOVSKA</td>
<td></td>
</tr>
<tr>
<td>The Poetics of Identity and The Representation of the Other in Dejan Dukovski’s Balkan is not Dead</td>
<td>63-72</td>
</tr>
<tr>
<td>Sezen ISMAIL</td>
<td></td>
</tr>
<tr>
<td>What is Expected for the Future of Iraq and Syria?</td>
<td>73-84</td>
</tr>
<tr>
<td>Fehmi AGCA</td>
<td></td>
</tr>
<tr>
<td>Islamic Banking in Kosovo–Obstacles and Opportunities</td>
<td>85-104</td>
</tr>
<tr>
<td>Rexhail MUSTAFI</td>
<td></td>
</tr>
</tbody>
</table>
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AWAKENING OF AFRICAN CHILDREN TO THEIR PLIGHT AS DEPICTED IN AKPAN’S SAY YOU’RE ONE OF THEM

Yildiray CEVIK

Abstract: Stories of battered children are legion, but only few cut as close to the bone as the collection of 5 stories by Uwen Akpan. Akpan’s collection of stories, a Winner of the Commonwealth Writers’ Prize (African Region), leads the reader into gruesome records of man’s slaughter executed in some African countries. Each story is embedded with a gradual awakening of children protagonists to unbelievable horrors of African tragedy. This article aims at depicting how children become awakened in order to find a way out in the turmoil. For this reason three stories from the collection are selected as they are interpreted to depict children’s awakening as a common way out.

Key Word: Children suffering, Africa, degradation, awakening, awareness.

1. Introduction

Say You’re One of Them takes the reader inside Nigeria, Benin, Kenya, Rwanda and Ethiopia displaying in the prose the harsh consequences for children sucked up into war-torn Africa. Christians clash with Muslims, parents succumb to Aids, and gruesome events follow through the “wide-eyed gaze” of the children caught in the middle. Uwen Akpan, a Nigerian Catholic priest is expected to utilize some religious characters

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in the collection of 5 stories, “Say You’re One of Them”. Although Akpan is an experienced priest who knows the dark side of African tragedies, readers find no preaching in the stories. As a man of faith, which never gets away from a man of common sense, Akpan appears with a difference as it is stated in an interview conducted by New York Times:

Since it is not something I can put away, my faith is important to me. I hope I am able to reveal the compassion of God in the faces of the people I write about. I think fiction has a way of doing this without being doctrinaire about it” (newyorker.com)

Uwen Akpan wrote five stories depicting about African children in different countries suffering major problems. As to the purpose of writing stories, Akpan states:

The people in Nigeria don’t know what’s going on in Rwanda and the Rwandans don’t know what’s going on in Nigeria. You can live in Nigeria or Benin and not fully understand the evils of human trafficking (newyorker.com).

He apparently wrote them not only for the Americans or Europeans but also to enlighten the Africans by making them awakened to their own plight. He also wants to feature how children might react within the social, familial and political turmoil of the African scene, providing the accounts that take no place in newspapers. When asked why he writes only about children, Father Uwem’s answer was simple; “I was inspired to write by the people who sit around my village, and shared palm wine after Sunday mass, by the Bible, and by the humans and the endurance of the poor” (newyorker.com). He aims at presenting the brutal subject through the bewildered, resolutely chipper voice of children.

2. ‘An Ex-mas Feast’

The first story in the collection, embedded with tension in Kenya where street children are great in number as an increasing problem, features how vital the meaning of family is in the lives of children. Told in the first person narration, the story embodies a child protagonist Jinga who, in the end, feels obligated to abandon his family due to inter-familial relations. Jinga has to raise education money for his schooling. His desire to go to school is very keen as he puts on school uniform many times a day. His older sister Maisha goes out the streets as a prostitute just to earn some money for her brother’s education. His younger sister Naema also feels she has to chip in school expenses, so she imitates Maisha. Jinga feels guilty in the employment of his sisters
for his sake and contemplates taking revenge on the white tourists so that the exploitation of the sisters in this way should come to an end. Jinga awakens to Maisha’s degradation and, thus, outbursts the idea of school however; his father (Baba) expresses his eagerness for his schooling (Akpan 2009: 13). At this point we realize the dilemma the father lives through as he seems not to do his best to alleviate brutal situation when he is offered opportunity to earn more wages by sweeping the church. Akpan highlights the sordid condition by featuring father’s insistence to manage Jinga and abuse Maisha’s service as a prostitute.

Akpan reveals the sordid and gruesome condition of the families without “mockery, ridicule or condemnation” (Kearney 2011: 92). For instance, Mama shockingly consults to the use of glue sniffing to keep the children not hungry before the bed, which is brutal ridicule of the drastic conditions; however, Akpan develops Mama’s image within the family by making her read a psalm from the Bible acknowledging the significance of Christmas (Kearney 2011: 92). In this an awareness of spirituality comes to the foreground as result of degradation of Maisha. Akpan wants to convey the idea that no matter how backward the living conditions may be, innately rooted awareness to human plight exists in inter-familial relations. Illustration of such a forcible awareness brings the glimpses of hope to children’s vindication in Africa.

A kind of Christmas feast in the story is a possibility only by the food that Maisha provides through her degradation. When she has to leave ‘Ex-mas feast’ early without experiencing the celebration, inter-familial awareness arouses. As a result, Jinga resorts to “glue sniffing” (Akpan 2009: 7) again and destroys the school books, which can be interpreted as an exit from the entanglements of disempowering family conditions. It is ironical however self-sacrificial Maisha is towards education, Jinga gets that amount self-sacrificial of the situation he has caused in the family. In this way, Jinga becomes all the more resolute that his family is breaking up for his insistence to go to school (Akpan 2009: 22). Symbolically, however, Jinga proudly declares that the street family stayed together until the “Ex-mas season” (Akpan 2009: 6). Jinga’s departure enables him to get the education without imposing his dream on the sister’s abuse. Nevertheless, his independent life in the streets doesn’t guarantee him to receive the desired education.

3. ‘My Parents’ Bedroom’

Akpan’s story My Parents’ Bedroom takes place in Rwanda in 1994 when the genocide between Hutus and Tutsis froze the human blood in
gruesome violence. The dilemma of the story is reinforced when family members become the target of genocide as chilling acts of human slaughter and when parents from each family justify the violent actions in the presence of UN soldiers just in the close vicinity. As Richard Holloway states, “the human herd, when collectively aroused, is the most ferocious beast on the planet (2009: 33). Akpan's story justifies this view when husband and wife become ethnic enemies in the same bedroom in front of their own children. The justification is reinforced when immediate relatives of the parents in the story rush into the house to kill the wife and set the house on fire. The child protagonist of the story, Monique, describes his parents as such:

My mother is a Tutsi woman. She has high cheekbones, a narrow nose, a sweet mouth, slim fingers, big eyes, and a lean frame. Her skin is so light that you can see the blue veins on the back of her hands ... I look like Maman, and when I grow up I'll be as tall as she is. Papa looks like most Hutus, very black. He has a round face, a wide nose, and brown eyes. His lips are as full as a banana. He is a jolly man who can make you laugh till you cry. Jean looks like him (Akpan 2009: 326).

The history of the problem between the Tutsis and the Hutus go back to 1956 when the Hutus felt threatened by the fact that the Tutsis, better educated and privileged class, were protected under the administration. When the plane of the president crashed on land in 1990, the attack by the Tutsi rebels triggered the civil war which lasted 3 years. The Hutus were persuaded to exterminate the race of the Tutsis for the egalitarian rights in the administration. In hundred days, eight hundred thousand people from both sides were killed according to UN reports. In the face of this figure, Akpan opens the 'Pandora's Box' and directs the sensitive questions “why does God permit evil to flourish in the world” (Kearney 2011:96)? This question becomes all the more intriguing to comprehend how a priest who has always affirmed the existence of benevolent providence can ask the question originating from the accumulated information of hellish tragedies in some African countries and then reflected into the stories. Akpan still asserts that the divine benevolence is possible to affirm on the grounds of its acceptance by various ethnic groups composed around common humanity (Kearney 2011: 96). Monique is repeatedly advised by her mother to “say you're one of them” (Akpan 2009:327) as if she were trying to encourage the little child to protect herself and her brother Jean from ethnic prejudice. The side of ethnicity doesn't matter for Maman as long as any ethnicity of the children would satisfy her questioners. Within this dialogue, Akpan encourages the recognition of common
humanity of other ethnic groups not only for escaping the ethnic cleansing but also for promoting the common “humane” way between the ethnicities.

This story, like the other in the collection, can be interpreted as children's awakening to the realities of the African plight. It is the one in which the explicit use of Catholic images is more predominant. Akpan gives the detailed description of the self-glowing home altar crucifix self-glowing (Akpan 2009:327) that draws Monique's interest to possess upon Maman advice to forsake it and save it for the coming generations. The dialogue between the mother and daughter about the significance of the crucifix short before the bloodthirsty human herd pour into the house and torture Monique for the location of the mother. When the Hutus arrive and the man called Wizard smashes the crucifix on the wall breaking it into pieces, Monique rushes and hides the broken part of the crucifix for her dear life (Akpan 2009:353). Akpan uses the broken piece as a symbol of still divine benevolence to stick to as an awakening; the only thing to do in the man slaughter. As Kearney remarks in his article the glowing crucifix can be seen as the only remaining hope in her awakening so that the remaining parts hint at “possible future for her as a reconciler for the people” (2009:96).

By the similar token Maman who awaits her death from her husband's hands is the ironic version of the conventional representation of mother as the Mother of Sorrows. Monique asks her father to forgive Maman for her activities the previous night (Akpan 2009: 348). This innocent request displays the level of evil to which Papa has been driven through the trap of ethnic genocide. The two children can't escape witnessing the horrific sight (Akpan 2009:349), which in the end further consolidates Monique's resolution to stay awakened and alive in the land of agitations. The ending of the story might pose some optimism for children's freedom and survival in a hatred ridden adult society. However, “Saying you’re one of them” to the questioners might not well suffice for their security. Monique's determination “not to be afraid” (Akpan 2009:336) as Maman has insisted is needed even if these actual children's lives are in perils. Through Monique Akpan injects the spirit of divine benevolence at work (Kearney 2011:97).

Under the spell of the promise Monique will take care of her brother Jean, and so she escapes into the unreal and the unknown in order to protect her mental sanity against the violent collapse of the family (Knapp 2009:9). Monique also gets awakened holding tight onto the translucent crucifix and by doing so onto her family's values. She is
awakened to the plight of the Rwandan gruesome conflicts by staying alive at all costs. “I must be strong, we don’t want to die” (Akpan 2009:345), she says as is acknowledging and hoping “that evil is but a temporary manifestation of a still hidden good (Arendt, on violence, 56, gtd in Knapp 2009: 9).

4. ‘What Language Is It?’

Uwen Akpan’s mind must have been busy with the Ethiopian conflicts, so he included this story about Ethiopian families. The clashes between Christians and Muslims began in October 2006 at Denbi. Orthodox Christians celebrated the annual Meskel festival involving the burning of a giant cross. Not the cross itself but the location of the festival triggered the clashes as Muslims who claimed that the burning took place on the Muslim land. The focus of the story is around two young girls: Muslim girl Selam and unnamed narrator who is Christian and whose name is designated ‘Best Friend’ (Akpan 2009:178). The two girls get on well despite religious differences. Akpan includes the scenes where the discussion about eating pork by Muslims is handled between the girls and Christian family appreciates the “open-mindedness” and “sincerity” of the Muslim family (Akpan 2009:178). Akpan works on the ironic point that jealousy can possibly sever the relations, but the religious differences are not likely to.

Where there have been clashes in town both fathers have seemingly decided over the issues of whether continuing the friendship between the girls (Akpan 2009:180). The girls are warned not to go to the same school (Akpan 2009:182) and cut off their friendships, which is hard to comprehend for them. Even after the parents take shifts not to let the girls see each other from the balconies (Akpan 2009:181), Christian girl under the effect of her dream can no longer resist going on the balcony and waits for her friend to appear at the window. Fortunately, on the final afternoon when one appears on her balcony, Selam also shows up and the both start to mime their hugs, “hugzee” (Akpan 2009:185). At first they can’t figure out how to find common gestures for the silent distant communication. Selam imitates “Best Friend’s” embracing and kissing an imaginary person. In this way, while the story ends, Akpan celebrates the innocence of friendship between the two children in an environment where hatred for ethnic differences and religious prejudices come to apex. It is through the two girls’ loyalty Akpan can find the medium to glorify fidelity and rejection of artificial discriminates. As Knapp states in his article, “Being free from their parents’ authority the two girls fight the enforced control of
their intercultural communication” (2009:7) by regaining the control of awareness of the strong ties between them and again by awakening to the need to disregard the parental surveillance. Thus, secretly mimicking each other on the balconies, they set up reach awakening that an artificially designed language of mutual understanding can do well even without words.

5. Conclusion

The children protagonists of three stories are the victims of the “inter/intra-ethnic” (Knapp 2009: 7) divisions and they strive for survival and recognition in different African countries under diversified pressures. Traumas are connected with forced migrations and escapes lead to a common ground for awakening to the tragedies in the African scenery. As Knapp verifies, “by breaking with and undermining violence and injustice of the present web of relationships” (2009: 5), these children develop a common way out as much as possible in their capacities. They act outside the perceived norms of obligation and break with inherent violence that leads to only sufferings. The protagonists do not escape into forgiveness which may continue the adult way of approaching the gruesome deadlocks of man’s slaughter. Further, they open up new possibilities for the future as in Jinga’s case, escaping and pressing for the education he desires without turning into “a social parasite feasting on sisters’ exploitation, and the Christian and Muslim girls to explore “the sounds of unspoken words”. As in the case of Monique, these protagonists re-establish the trans-cultural bonds within her promises to stay alive at all costs. Children’s brevity to explore new horizons in adult war-torn world is actually a search for a new home. By sharing the resilience and genius of children depicted through their suffering, Akpan leaves adults no alternative, but feel guilty about the world they have created. So, his stories can be interpreted as an opportunity to see the world differently in pristine-eyes and to condemn the violence in the adult world.

Works Cited

LEGAL ASPECTS ON THE HARMONIZATION OF ALBANIAN LEGISLATION FOR INDUSTRIAL DESIGN PROTECTION

Maksim QOKU*

Abstract: Based on the analysis and interpretation of the provisions of the Albanian legislation, directives and regulations of the EU, we can say that Albania has succeeded to achieve a good protection of industrial designs, according to the criteria and standards of the EU. Admittedly, the process of integration serves for more interaction and better understanding of the community system, as well as it offers a chance to increase the level of governance, finding the right balance between efficacy and the need for democratic legitimacy. A unified legal regulation at a European level rather than a national one, became so indispensable to guarantee the proper functioning of the internal market, in relation to the products containing designs. This primary interest was accompanied by the one on the investments of European enterprises in the field of more efficient forms of final products compared to the one granted in the past by each state. Thus, the unified European law on designs and models, proposes a special protection technique and increases the value of the products form, as a competitive tool in the market.


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1. Introduction

Until now the EU’s activities in the field of intellectual property, has been mainly for the harmonization of national substantive law and the creation of a uniform EU law. This harmonization is achieved on one hand through the designs, models and patents in the field of biotechnological inventions and on certain aspects of copyright and related rights, and on the other hand the EU has created a uniform right, immediately applicable throughout its territory, such as community trademarks, and finally, the community designs and models. The legal regulation of industrial designs and models has been codified in the European legislation on the basis of provisions of TBE and the decisions of the ECJ. Until the unification of the law on industrial designs and models, the legal regulation in the member states was generally different in terms of the object, conditions, duration and thoroughness of the rights recognized by releasing them. The initial harmonization was not sufficient, to expand the freedom of movement of goods in the community, due to the significant differences in national legislations, regarding the object, conditions, duration and scope of the exclusive right. This change caused for commercial enterprises to face the risk that designs and models, which were protected by the law of a member state, not to find protection under the law of another state. This phenomenon brought as a consequence, the legal uncertainty, increasing the legal costs for the protection of these rights, as well as causing the change of the forms of products available in different markets.

2. Judicial-legal source

There are two main sources at the European level: EC Directive no. 71/1998 of the European Parliament and the Council, dated 13 October 1998 (Directive), and Regulation (EC) no. 6/2002 of the Council, dated 12 December 2001 (Regulation on Community Designs, referred to as R.C.D). The Directive has largely harmonized the material legal regulation of registered design and models law, which have consequences on member states in terms of the object, conditions, scope of protection, and the invalidity of actions that guarantee these rights. The legal regulation of the holder of the right, the registration procedure and the cancellation of the actions that guarantee these rights, has been attributed to the national legislator. Later, through Str. D.K., the unique character of this law and the law itself have been acknowledged throughout the territory of the member states, with the same effect in all the Community. The regulation, except for the criteria provided in the Directive, also provides a uniform regulation regarding the subjec-
tive profile, procedure of registration and cancellation of actions which guarantee these rights. The above system includes, on the one hand the national designs and models registered in each state, and on the other hand, community designs and models (registered and unregistered), that have consequences on the entire territory of the EU. The law on designs and models is also regulated by community sources, which regulate in general lines, the field of intellectual property (e.g. the Enforcement Directive). Lately, the convents in which the EU has adhered for matters of its competences and which may be called "communitised", are also sources of the community law on designs and models. The present legal framework for the protection of rights deriving from the industrial property in Albania, consists as follows: The Constitution of the Republic of Albania, article 58/1; Law No. 7819, dated 27.04.1994 "On the Industrial Property"; Law No. 8477, dated 22.04.1999 "On some additions and amendments on law no. 7819, dated 27.04.1994 "On the Industrial Property"; Law No. 9947, dated 07.07.2008 "On the Industrial Property"; The Albanian Civil Code approved with law No. 7850, dated 29.07.1994, articles 628-640; The Albanian Criminal Code, articles 148, 149 and 288; The Albanian Civil Procedure Code approved with law No. 8116, dated 29.03.1996, articles 348, 334-336, 208-212, 527-608; The Internal Regulation of ZPM "On Patents, Models for Usage and Industrial Designs".

3. Conditions and the right of protection

3.1 Object of protection

The community harmonization has created a uniform notion of designs and models which are entitled to legal protection. In fact, the international convents mentioned above do not offer a definition of the object of the law on designs; this definition is found in some specific provisions of the Directive and the Regulation, as well as in law no. 9947 dated 07.07.2008 "On Industrial Property" (articles 1, 3.3 and 7 of the Directive; as well as articles 3, 4.2 and 8 of the R.C.D. and article 112.1 of the law). The community sources determine above all, the characteristics of the "aspect" of the product which in principle must be registered as a design or a model. This way: the lines, colors, forms, superficial structure of the products, materials or their decorations, article 1, letter a) of the Directive and article 3 letter a) of the R.C.D. The definition of designs must be coordinated with the expanded definition of the product, which includes "any industrial or handicraft object", including "the packaging, presentations, graphic symbols and topographic letters" (article 1/b of the Directive, article 3/b of R.C.D). The object of the
protection is especially broad and includes two or three dimensional forms, which may be applied to an object producible in series (the latter also two or three dimensional) and which influence in its external aspect. It is not required that the protected forms must be presented aesthetically pleasant or to have a useful value. The field of protected forms is restricted by some other provisions, which aim to reduce the protection guarantees in order for the monopolistic effects to be balanced. The first exclusion, is related to the useful forms, also mentioned in the TRIP-s agreement as elements of the form, which are not protected by the law on designs. Article 25 of the TRIP-s agreement, article 7.1 of the Directive, article 8.1 of R.C.D. and article 112.3/a of law no 9947 dated 07.07.2008 "On Industrial Property", provide in general that"...the characteristics of the aspect of a product determined only by its technical function, are not protected by the law on designs and models...". This means that the characteristics of the aspect of a product with technical values may be registered, if the same result achieved by them (the aspect), is possible to be achieved with other forms providing the same function. The second exclusion, is related to the forms that make possible the interoperability among the products. Articles 7.2 of the Directive, 8.2 of the Regulation and article 112.3/b of law no. 9947 dated 07.07.2008 "On Industrial Property", provide that "...there is no protection by the law on designs and models for the characteristics of the aspect of the product which must be necessarily produced in their exact forms and measures are not protected by the law on designs and models, in order for the product in which the design or model has been incorporated, can be joined or linked automatically, with another product in order for each of the products can provide its function...". Conjunctions are not protected as models even when they provide another function other than interoperability, so even when they are substituted with suitable alternative forms (in contrast to the elements with a utility value). This exclusion aims to encourage the activity of enterprises which propose replacement or integration parts popular in the market, together with their original products. The third exclusion\(^1\), regards the registration of parts of a complex product, composed of many components, which can be substituted allowing the dismantling and re-fitting of the product. Two types of such products are distinguished:

\(^1\) Article 3.3 DIRECTIVE 98/71/EC OF THE EUROPEAN PARLIAMENT AND OF THE CO-
a) those composed by a number of specific parts since the beginning and necessary to provide the function for which they have been created;

b) products that may be composed (or not) and which become complex after the conjunction of two or more independent products: these components may also be traded in a separate way. The Directive and the Regulation provide a unified regulation regarding the registration of parts of complex products, despite the fact that they may pertain to the first or second category. The component of the complex product may be protected only if two conditions are completed, as follows:

1. the visibility during the usage by the final consumer (excluding e.g. the gears and the invisible circles during the usage);

2. the independent presence of the innovation and individuality; for this condition to be completed, the component must have a market value of its own for the user, notwithstanding if it is separated from the value when it is joined with others - the components that are launched are protected despite the need to repair the product in its entirety, which excludes the spare parts from the protection of designs and models.

3.2 The conditions for protection

Article 25 of the TRIP-s agreement has regulated for the first time, in an international level, the conditions for the protection of designs and models, by determining that in the member states, the industrial designs that are protected are the ones which are "independently created" and "new or original". Article 3.2 of the Directive, article 4.1 of the Regulation, as well as article 113 of law "On Industrial Property", provides that they shall be "new" and have "individual character", compared to the one which is popular in a certain moment, in order to be competitive in the market. The reference point regarding the timing from which the protection starts:

a) for the designs and models registered in the member states - the date of the filing for registration near the local competent office;

b) for the registered community designs and models - the date of the submission of the request near the Office for the Harmonization of the Internal Market (OHIM), or near one of the national offices for the intellectual property of one of the member states;
c) for the unregistered but protected community designs and models - the date of their launch for the general public (according the relevant forms).

Thus, the criteria for the innovation and individuality are assessed by referring the comparison with designs and models created before the abovementioned dates (the criteria of the priority in time). The Directive and the Regulation have not adopted this version of universal and absolute expansion, in relation to other patents. Regarding the designs, the regulation is more specific, since the element of the priority in time, may only be acquired if performed according to these rules. Both conditions, the innovation and the individuality, must exist simultaneously.

3.3 The priority in time and innovation

Article 6, paragraph 1 of the Directive provides that, "...a model is considered 'popular' when it has been published as a result of the registration or in another way, or when it has been used in commerce or has been made public in another way, except for the case when these happenings could not be recognized in a reasonable way, from the specialized environments in the relevant sector acting in the community during the performance of the ordinary commercial activity..." (a similar provision to article 7.1 of R.C.D.). The category of experts is composed by all the professionals of studying, producing and marketing of products which contain designs or models even in only one of the member states. Article 6 of the directive provides three other cases when the design known by third parties, is not considered popular for the general public:

a) when the third person is obliged to save the privacy (article 6.2 of the Directive and 7.1 of R.C.D.);

b) when an abuse has been committed towards the creator of the design or the holder of its right (article 6.3 of the Directive and 7.3 of R.C.D.);

c) when it has been launched by its creator or the holder of the right (...) 12 months before the submission of the request (article 6.2 of the Directive and 7.2 of R.C.D.).

The period of 12 months reserved to the holder of the right, aims to test the trend in the market of the design before its registration, which is meanwhile protected by the community law although it is not yet registered. The moment of the launch for the general public is crucial for the determination of the criteria of innovation and individual
character. Article 4.2 of the Directive, 5.2 of the Regulation and article 113 of law "On Industrial Property" provide that, "...designs and models are considered identical when their characteristics differ only from 'unimportant' details...". The element of innovation, must bring to an assessment of non-identical, and this assessment is only performed after the first assessment of innovation (the element of time).

3.4 The individual character

The Directive provides that the industrial model will be considered individual if the impression it gives to the informed user differs from the overall impression that this user has had from other designs or previous models. The regulation provides one more element, that of the "significant" change of the impression, in comparison with the precedent one: therefore, it is all about a qualified difference.

The doctrine arises a question: who will be considered an informed user: the professional or the ultimate user? In fact, Article 4 of the Directive and Article 6 of the Regulation refer to the informed user, while the figure of the specialist is provided, only in the provisions referring to the criteria of the priority in time. Article 3.4 of the Directive and 4.4 of the Regulation, refer to the customer and ultimate user. Its experience in the field, does not come from theoretical or professional preparation in the field, but stems from the purchase or previous use of the product.

The second problem that arises is about the minimum level of individual character, in order to have protection: a) the difference from the previous design or model must be important or b) enough that the products are not identical? The difference should be perceptible by the customer. The second problem that arises is about the minimum level of individual character, to enjoy protection: a) change the design or model foregoing, it must be important or b) enough that the products are not identical? The difference should be perceptible by the customer.

3.5 The allowance

The designs must complete another condition, in order to be protected: they should be allowed. Article 8 of the Directive and 115/1 of the Law "On Industrial Property" sanction that, "... the model is not protected when it is inconsistent with the public order and good morals (moral norms) ...". The concept of public order and good customs are not unified at a community level, therefore should be created as concepts on the basis of national legal orders when it comes to national designs and
models and on the basis of common principles when it comes to community designs and models.

3.6 Industrial designs created upon request or by an employee

A design is the result of the creative activity of one or more individuals, but this does not mean that this individual is necessarily also right holder (e.g. the designer is employed). Usually designers exercise their activity during labor relations, or on the basis of the orders of a company that rewards this activity, in order to gain the rights to use the designs. Issues of designs created during labor relations, are addressed by the Regulation. They are not addressed by the Directive, but by the legislations of the member states regarding the determination of the entities that have the right to require registration. However, each state must provide that a model or design cannot be registered, or if it is registered, it will be invalid if the applicant for registration, is not eligible based in the local legislation. The Regulation on the other hand, provides in Article 14, a unified regime regarding titularity, under which the right on a community design or model arises automatically upon its author, but this titularity may be transferred to third parties, against a compensation. In this case, Article 18 of the Regulation provides that, in cases of registered designs and models, the author or authors have the right to have their names mentioned in the registration. Article 14.3 of the Regulation, also resolves potential conflicts between employers and employees, stipulating that if the designs or models "have been created during the employment relationship, they belong to the employer, unless otherwise provided by national legislation." So in this case, the European legislator has provided a unified regime on the basis of which the transfer of ownership from the employee to the employer is not necessary, if the above conditions are met. In fact, these rules do not apply, however, beyond the cases of employment according to law provisions of the member states: in fact, in cases of models or designs created upon request, the regulations on copyright would apply.

4. The procedure of the registration of designs

The procedure of registration of the design passes in four stages:

a) The submission of application for the registration of the design;

b ) Examination of formalities;

c ) Publication of application;

d ) The registration of design.
These stages are the same both in the European Union as well as in Albania. The only difference lies in their rankings. Under Albanian law\(^2\), the publication is an earlier stage than the registration, while the EU regulation\(^3\) foresees the inverse.

Based on Article 35 of the regulation, the application may be filed with the Office for the Harmonization of the Internal Market (OHIM), near the central industrial property office of a member state, and for the Benelux countries, near the Benelux Office for Designs. According to the Albanian law, the application is filed at the General Directorate of Patents and Trademarks. The EU application form contains also the obligation to determine the first and the second language, which will be used during the procedures. Currently, the second language may be English, French, German, Spanish and Italian. The application can be completed online via email or via fax.

In the EU, as well as in Albania, two or more designs may be subject to the same application, provided that they belong to the same class, according to the international classification of Locarno. Exceptionally in the EU, the number of designs that may be subject to the same application, shall not exceed 99 designs per application, when it is performed online. The right of priority is regulated in the same way in both legislations. Priority can be claimed only when the application for a Community design is made within six months from the date of filing of the first application in one of the member states of the Paris Convention, or a member state of the World Trade Organization. The effect of the right of priority is that the priority date is calculated as the date of filing of the application for a registered Community design.

The second stage is the examination of the application. The examination is conducted only formally, if all the requirements of the law are met. In the EU regulation, there is no determination on the time when this examination may be performed, while the Albanian law provides that, "... within three months from the date of receipt of application for the registration of a design, the General Directorate of Patents and Trademarks (GDPT), conducts the preliminary examination of the application .. ". When noted that not all the Law/Regulation requirements are met, the applicant is required to complete them within three months from the date of notice under the Albanian law and within a

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\(^2\) Law No. 9947, dated 07.07.2008, "On Industrial Property"

certain time, according to the EU Regulation. The Albanian law gives to
the applicant the opportunity to postpone the completion of the defi-
cencies, with an additional month, while the regulation does not pro-
vide for such a thing.

The third stage according to the EU Regulation is the registration,
while the Albanian law stipulates the publication of the application as
the third stage. The regulation provides that, "... if the requirements
that an application for a Community design must meet, are met and
the application is not rejected, the Office registers the request in the
Register of Community Designs as a registered Community Design ...".
The registration will also show the date of filing of the application.
After registration, the Office shall publish the registered Community
design, in the Community Bulletin of Designs. The registration date
shall be the date of filing of the application. The office, thereupon, is-
sues the certificate of registration. This moment constitutes the fourth
and last stage, according to the EU Regulation. The same Regulation,
also provides for the postponement of the publication, which regards
the case when the applicant, in the moment of the filing of the applica-
tion, asks that the publication of the registered Community design, be
postponed for a period of 30 months from the date of filing the applica-
tion, or if priority is claimed, from the priority date. When there is such
a request and the conditions are met, the design will be registered, but
neither presentation of the design, nor any folder related to the appli-
cation, may be open for public inspection. Upon expiry date or earlier
with the request of the right holder, the registered community design is
published in the Bulletin of Community Designs. If the owner does not
pay the publication fee within the deadline, the registered Community
design, will not be published and will be considered lost. The right to
postpone the publication, is not provided by the Albanian law. Accord-
ing to both legislations, the exclusive right on the design, is obtained
upon registration with the relevant office.

Another difference lies in the fact that, according to Albanian law,
certain persons may object the published design, within a period of
three months from the date of publication although this design has not
been registered, as opposed to paying the relevant fee. The examina-
tion of the opposition is performed by the Board of Appeals of GDPT
and its decision may be appealed in court within 30 days of receiving
notice about the decision of the board.

Meanwhile, according to the EU Regulation, only after the design
is registered, may a third party request the declaration of its invalidity,
through the submission of the complaint near the OHIM. For the initiation of invalidity procedure before OHIM, a person must submit a written request for the declaration of the invalidity. The request must contain specific facts, evidence and demonstrable arguments. It may be submitted by mail, special service distributor, hand delivery by the person himself or by fax, paying a fee of EUR 350\(^4\) for the request. OHIM does not invested itself in finding other evidence, but is limited to the facts and the evidence offered by the parties\(^5\). If the Office finds that the request for the declaration of invalidity is acceptable, the latter shall indicate the grounds of the invalidity. The appeal against the decision of OHIM, may be presented near the Board of Appeal, within two months from the date of notice of the decision and this appeal has a suspensive effect. Once the Board has made a decision, any party affected by it may file a complaint with the Court of Community Designs. Such action shall be performed within a period of two months after the notice of the decision of the Appeals Board.

The court appeal can only be filed because of lack of competence, infringement of an essential procedural requirement, infringement of the Treaty, the violation of this Regulation or any legal right in relation to their application. The Court has jurisdiction to annul or amend the appealed decision. The Albanian law does not regulate the invalidity of the design, it only provides for the repeal and desist from it. The invalidation is mentioned very little in Article 138\(^6\), which states that, "... the right on the design may be declared invalid even after it has lapsed or been given waived from it ...". Waiving is also stipulated in the EU Regulation.

The waive from a registered Community design shall be submitted in writing near OHIM by the right holder. It will not be effective until recorded in the registry. If a community design, which is subject to the deferment of publication, is waived, it will be considered from the beginning that did not bring the effects specified in this Regulation. A registered design may be waived in part, provided that its form is changed in accordance with the requirements for protection, in order for the identity of the design be preserved as well. Such a regulation is not provided by the Albanian law. Regarding the repeal of the design, the Albanian law provides that the repeal can be performed by the court, upon the request of an interested person, when it does not meet


the criteria for protection. A repealed design is impaired from the date of its filing. The decision of the court on the repeal of the design is notified to GDPT, which records it in the register of designs.

5. The exercise of rights

The applicant, the owner of the registered design, the licensee, the authorized users, or any other person whose rights are violated, have the possibility of the access to the court for these violations. The lawsuit against the violation of rights, must be filed in court within three years from the date the claimant becomes aware of the violation and the violator. The aforementioned persons have the right to address to the court also to demand the banning of other actions in violation of the rights; the removal or blocking of the objects that constitute a violation of civil circulation and if there is no other way, their destruction; the removal or blocking of machines used exclusively for the creation or production of products; the publication of the final court decision in the public media, at the expense of the person who committed the violation. The court decides in each case, the compensation when the violator is liable for damages caused to the plaintiff.7

This provision approaches with Directive 98/71 EC of the EC, which in its Article 12 provides that, "... upon the registration of a design, its holder has exclusive rights on it and the use by third parties is prohibited ...".8 The aforementioned use shall include in particular the production, delivery, placing on the market, importing, exporting or using of a product in which the projection is incorporated or to which, such a product has been applied or deposited for the same purposes. The second paragraph of this provision recognizes the abovementioned rights even in the case of an unregistered design, but with the condition that the challenged use is only derived from copying of the protected design.

The court may order that information on the origin and the distribution network of the goods infringing the design, be given or provided by the infringer and/or any other person for whom it the infringement has been deemed on a commercial scale; is has been found to be providing services used in infringing activities on a commercial scale; involvement in the production, manufacture or distribution of goods or the provision of services. Upon request of the party which has presented sufficient evidence to support claims and to base these claims, has

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7 Article 132 of Law No. 9947, dated 7.7.2008 "On Industrial Property"
8 Article 12 of Directive 98/71 EC
other specified evidence, that are in the possession of the opposing party, the court may order that the opposing party submits such evidence provided that the confidential information is protected.9

Upon taking early measures, at the request of the person concerned, the court prohibits: the imminent violations or violations that are being incurred; prohibits the entry of goods into the civil circulation, as well as a range of other measures explicitly determined in article 135 of the Law "On Industrial Property". These measures may be taken by the court without hearing the other party, if they cause irreparable damage to the right holder, or where evidence might be destroyed. The opposing party is immediately notified after the execution of these precautions. The court when deciding on these measures, sets a timeframe when the person who has asked for these measures, may file a suit. This period starts from the date of taking of these provisional measures and ends no later than 15 days after this date.

The Directive also provides the restriction for the rights on a Community design. The rights derived from a community design, will not be exercised in respect of acts conducted privately for non-commercial purposes; acts done for experimental purposes, and finally acts of reproduction for the purpose of making quotations or teaching, but with the condition that such acts should be in accordance with fair trade practices.10

Our law provides that, if the owner registered designs owner or he holder of the design, represents a appeal-claim for goods imported into the Republic of Albania, or for other goods within the market, which violate its rights, the customs authorities or structures responsible for the market surveillance, are obliged to make the necessary inspection and based on the findings, decide the blocking clearances or their removal from the market, as well as their placement in a safe place. These measures can be removed if the owner of the registered design, or the holder of the design, do not file a lawsuit in court for the violation of rights, for a term within 20 days (working days), from the date of notice of the taking of certain measures by these authorities or structures.11

9 Article 134 of Law No .9947, dated 7.7.2008 "On Industrial Property"
10 Article 20 Regulation of the Council (EC) no. 6/2002 of 12.12.
11 Article 136 of Law No .9947, dated 7.7.2008 "On Industrial Property"
6. Effects of the registration of a design

6.1 The rights deriving from the registration

In order for an industrial design to be legally protected, it must be registered. Our law provides the rights deriving from the registration of an industrial design. The owner of a registered design, has the right to prevent third parties from producing, importing, exporting, putting on the market, supply, distribute, or keep in custody or possession for these purposes, any product that has this design. The protection of a design shall include any design which does not create a different impression, as a whole, to the informed user (explained in detail above). In assessing the scope of protection, the degree of freedom of the designer in developing the design, should be taken into account.

The rights deriving from the registration of a design shall not be exercised for:

a) acts conducted privately, or for non-commercial purposes;

b) acts conducted for experimental purposes;

c) acts of reproduction for reference or teaching purposes, provided that they are in accordance with fair trade practices, do not unfairly impinge the normal use of the design, as well as mention the origin of the design.

Also, the rights deriving from a registered design, shall not be exercised for:

a) the equipments on ships and aircraft registered in another country when these equipments temporarily enter the territory of the Republic of Albania;

b) the import of spare parts and other accessories, for the repair of these vehicles;

c) repair of these vehicles;

d) the use, of a component part of a complex product, to repair this product so as to restore its original appearance, provided that consumers are duly informed about the origin of this component, to make an informed choice between competing component parts.\textsuperscript{12}

The same is provided in the European Directive for the protection of industrial designs, in Articles 12 and 13, while Regulation No.

\textsuperscript{12} Article 127 of Law No .9947, dated 7.7.2008 "On Industrial Property"
tection and which corresponds with a predictable time of the stay of their products in the market.\footnote{www.ladas.com/bulletins/design\ regulation/be}

6.2 Duration and renewal of the registration

Based on the legal regulation in Albania, a design registration is valid for 5 years from the date of filing the application for registration. The registration may be renewed at a certain payment, for an additional period of five years, up to a period of 25 years, from the date of filing the application for registration of the design.\footnote{Article 128 of Law No. 9947, dated 7.7.2008 "On Industrial Property"}

Also, the European Community, has provided the same terms for the validity of a design in Article 10 of Directive 98/71 "On the Protection of Industrial Designs"

6.3 Licensing

The license contract shall be in writing and signed by the contracting parties, otherwise it is invalid. The contract can be exclusive or non-exclusive. The owner of the design may use the rights arising from the registration of the design against the licensee who violates the conditions specified in the contract, during its duration, the form in which it is used, the list and the quality of the products, which the licensee will produce and for which the license has been issued. The license contracts is recorded in the GDPT, in the register of designs, against the payment of a certain fee. The licensee has the right to address the court and perform any other actions provided by law, against the violation of the rights on the design, only with the consent of the licensor, unless when otherwise provide by the license contract provides. When the license is exclusive, the licensee has the right to sue in court and to perform any other actions by law, the violation of the rights over the design, even without the consent of the licensors, if he, although it is informed by the licensee reasonable period. The licensee has the right to intervene in a lawsuit filed by the licensors on infringements of the design rights, when the intervention aims the compensation for the damage suffered by the violation of his rights.\footnote{Regulation (EC) No 6/2002 of 12 December 2001 on Community designs, Article 32}

Whereas for the European Community design may be licensed for the whole or part of the Community. The contract can be exclusive or non-exclusive.\footnote{Article 128 of Law No. 9947, dated 7.7.2008 "On Industrial Property"} The holder of the right of the community design may require the rights derived from the community design, against any li-
censee who violates any provision of the contract, in the same manner described above for the holder of rights in Albania. Regarding the registration, whereas the license contracts in Albania are registered in the General Directorate of Patents and Trademarks (GDPT), the authority responsible in the European Union, is the Office of Harmonization in the Internal Market (Trade Marks and Designs), referred to as the Office, established by Regulation of the Council (EC) no. 40/94 dated December 20, 1993.\(^\text{18}\)

The Office shall maintain a register which will be known as the Register of Community Design, which must contain details on the registration provided under this Regulation, or under the Regulation of implementation. The register is open to public inspection, unless otherwise provided by law.\(^\text{19}\)

### 6.4 Transfer of the design ownership

In our law on industrial property, Article 131, it is provided that "... GDPT registers in the register of designs, at the request of the owner of the design, or its new owner, the transfer of ownership of this design, against the relevant payment ... ".

The owner of a registered design may transfer its rights on the design, fully or partially, through an agreement signed by both parties, which shall be deposited near the GDPT. The rights on the design, can be transferred along with the business activity or without transferring the latter. The transfer has no legal effect, if not recorded in the register of designs. GDPT refuses the registration in the registry of a required transfer of ownership, if the relevant documentation is not submitted within the deadline.

Regulation 06/2002 of the European Union provides additional provisions to what is mentioned above, specifically in its article 28, concerning the transfer of a design between different states of the community.

The transfer of a Community design will be possible under the determinations of the following provisions:

- (a) at the request of one of the parties, the transfer will enter in the register and get published;

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\(^{19}\) Council Regulation (EC) No 6/2002 of 12 December 2001 on Community designs, Article 72
(b) until the time the transfer enters in the register, the successor in title, may not invoke the rights derived from the registration of the Community design;

(c) when there are deadlines to be respected in relation to the Office, the successor in title may perform the corresponding statements near the Office, immediately after the request for the transfer has been accepted by the Office.

The European Community inter alia, has regulated, in Directive 98/71 "On the Protection of Industrial Designs", as well as in Regulation 6/2002 also some other relationships, in terms of the effect that the registration of industrial designs has.

6.5 The relationship with copyright

A design protected by a law on designs, registered in a state, or related to a Member State, will also be eligible to protect its legal rights, the law of copyright of that State, from the date on which the design has been created or fixed in any form. The extent and conditions under which such protection has been provided, including the level of the required originality, shall be determined by each Member State.20

7. Conclusion

Albania needs to undertake a continuous commitment to achieve a similar level of protection of industrial property rights, with the European Union countries. In this context, the discrepancies between the national legislation and the one of the EU, weaken the enforcement of industrial property rights and at the same time cause the fragmentation of the internal market in this field. Precisely for this reason, the objectives of this process remain to be: the undertaking of continuous measures in relation to the improvement of current legislation that governs the industrial property and its full harmonization with the TRIPS Agreement, as well as with the EU Directives in this field; adherence to treaties, conventions and international agreements, in which member countries of the EU have adhered, in order to ensure a higher level, more homogeneous and at the same time, equivalent to the domestic market; establishment of inter-institutional cooperation contacts with counterpart structures of the European Union; drafting of joint programs and participation in joint projects, especially for the training and preparation of specialized people, from all of the above mentioned

institutions, on the problems of industrial law. Based on an analysis and interpretation of the provisions of the Albanian legislation with the Directive and the Regulation of the EU, we can say that Albania has already achieved a good and effective protection of industrial designs according to the criteria and standards of the EU. The integration process will serve to more interaction and better understanding of the community system, as well as offering the chance for an increase in the governing level, finding the right balance between the demand for efficacy and democratic legitimacy.

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21 Statement on the Approximation of the Draft law with the STRIP-s Agreement and Directives of the EU, prepared by the Office of Patents and Trademarks.
DID ICELAND CHANGE MONETARY POLICY RESPONSE IN PERIOD OF FINANCIAL CRISIS?

Bojan GEORGIJEVSKI*

Abstract: This paper addresses the following: The banking system is essential in everyday activities. They are cornerstone in the economic activity. Any potential threat to a specific bank can lead to systemic crisis and deterioration of entire economic activity. This is why banks have been saved many times through history. Starting from the first major financial crisis in 1929-33 until the last financial crisis, banks have been saved. Iceland made a change in this approach, when they decided not to save their biggest banks in their last financial crisis. When the government decided against saving the banking system, they actually changed the perspectives of the banking system. Iceland’s approach will revolutionize the way we approach distressed financial institutions. Government will have to look after the needs of its population and not after the needs of the bankers. Saving banks is rewarding bad management decisions. So, it’s not for the government to save the banking system, but to look after the needs of its inhabitants.

Key Word: Banking System, Economy, Financial Crises, Iceland

1. Financial crisis

Latest world financial was initiated in the housing market. What began as a real-estate bubble, turned into a world systemic financial crisis.

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The expansion of the US economy was most visible in the housing market. Historically, the prices in the US housing market grew at the rate of inflation, which was in an average of 3%. But in the period of 1995-2000 they started growing at a faster pace increasing, to 5.2 on an annual level. Lowering of base interest rates from the fed further inflated the market and increased the rate after 2000 for an average of 11.2% on an annual level (The Financial crisis inquiry report, 2011). The effect of the financial crisis was not just local. The sub-prime lending crisis led to a global recession, which led to economies collapsing, and financial losses around the world. In a globalized world, only few countries escaped the consequences of the crisis.

Several things inflated the housing market. Low interest rate, securitization and mortgage brokers who were willing to give loans to almost any one that applied, plus government tax advantages impacted the real-estate bubble.

The Federal Reserves kept a low level of interest rates. At was at a level close to 2% even during the recession in 2001. This led to cheap loans and increase borrowing. In an attempt to slow the inflated borrowing the fed started increasing the interest rate from 2006. The base rates reached 5.2% in the third quarter of 2008. In a period of just two years this led to a large increase in interest rates for people who borrowed money (Sowel, T 2009).

Figure 1- U.S Default Interest rate

Source: Mortgage bankers association (www.mbaa.org, National Delinquency Survey)
Additionally, banks lowered borrowing standards, which led to increased lending of sub-prime mortgage loans. One of the reasons why subprime was growing was the fact that difference between prime and sub-prime rates was diminishing. In 2001, the difference between the rates was 2.8% and this fell to 1.3% in 2007. Cheaper loans, accompanied with lowering of borrowing standards led to decrease of quality of credit borrowers. Additionally, government sponsored companies such as Fannie Mae and Freddie Mac increased their activities. Initially, they lowered standards for families with low or moderate incomes, with a goal to foster a home-ownership society.

This resulted in creating a sub-prime market of 8 trillion dollars. As a result homeownership increased from 64.1 percent in 1982-94 to 67.3 percent in 1995-2007 (Kroszner, Analyzing and Assessing Banking Crises, 2007). Sub-prime lending was considered risky and fraudulent. On the other side this was supposed to increase homeownership to people with low to moderate incomes. The increased credit and cheap money inflated the market. Historically, the real estate value started increasing significantly. All of these activities resulted in an increase in vacant houses. The inventory of new unsold homes mounted up to 573,000 in July 2006, which is more than 50% from the previous high in 1989. During the savings and loan crisis the vacant houses climbed to 377,000.

![Figure 2: Historical rates of unsold US homes](http://www.census.gov/construction/nrs/pdf/newressales.pdf)

The financial crisis initially impacted the United States, but resulted with a global recession. In an attempt to inject liquidity to the finan-
cial market, the government injected money through the Troubled Asset Relief Program (TARP). The costs of this project was 700 billion $, and the prime objective of the program was to stabilize the financial system. Also, the collapse of bigger financial and non-financial companies led to decreasing of activity in the financial sector, which directly impacted the national economy. Some estimations imply that the cost of financial crisis include 648 billion $ in unrealized GDP, due to slower growth and recession, and 3.4 trillion $ reduction in real-estate wealth. Also the financial crisis increased unemployment. United States unemployment increased to double digits, with the loss of 5.5 million American Jobs (Bradford, B 2011).

Some of the biggest companies that faced financial trouble included Bear Stearns, which was acquired by JP Morgan (with the government instrumenting the acquisition). The price was just 236 million $, which was 13 times less than the highest Bear Stearns highest share price. Other government bailouts included government sponsored lenders Freddie Mac and Fannie Mae, the biggest world insurance company AIG. Also we witnessed the bankruptcy of Lehman Brothers, which was the largest individual bankruptcy in US financial history (Rose, Bergstresser and Lane, 2009).

Additionally this financial crisis impacted the world economy. It caused liquidity crisis around the world. We witnessed the bankruptcy of Iceland, Ireland and other European countries.

2. Systemic risk and the concept of too big to fail

2.1. Systemic risk

Systemic risk is defined as the occurrence of material financial loss to banks, that may occur due to insufficient, incomplete, inaccurate or inadequate legislation, or as a result of frequent changes in legislation that affect the relationship system in the country as a whole (Arsovski, D 1998).

Financial crisis may lead to systemic events. Systemic event is defined as a financial crisis that causes significant decrease in the total economic activity (consumer expenditure, employment, real-estate prices). A systemic crisis may occur when there is a possibility of failure of several financial institutions, or if a failure of one financial institution may lead to disrupt and failure of other financial institutions. The problem with financial institutions is that they are deeply involved in everyday activity. The potential collapse of the system may cause increased expenses for the total economy, and decreased trust in
DID ICELAND CHANGE MONETARY POLICY RESPONSE

the financial institutions. This is why bank regulation is focused on social and economic costs of such systemic crises are large. Main focus on bank’s prudential regulation is to make sure that the system stays stable, and not just particular financial institution.

What can lead to systemic event is an economic shock or an institutional failure, this might bring to failures and bankruptcies of financial institutions, therefore causing significant losses to the financial system in total and the the economy in general. Banks are sources of capital. Losses in these institutions lead to increase of cost of capital, and decrease of money availability. This leads to deprive of capital and increase in costs. They are directly involved in the exchange of cash flows, provide loans directly stimulating the development of a society. They do this through mobilization of savings, collected information on investments and allocate resources for them, perform risk diversification, participate in the exchange of goods and services.

Because of all previously mentioned are considered banking system is more susceptible to systemic risk than other sectors. Primarily, because if there is a collapse of the financial institution that might create a decline in the overall economy. Financial systems, that are in decline often faced with inflation and depression. Therefore preserving financial stability is one of the main interests of central banks and financial authorities in the country.

A general type of systemic risk that occurs is a “bank run”. In the last financial crisis the bank run on Northern Rock in England was the most famous one. In a bank run situation, the banks are failing because of increased deposit demand by its customers. This increased demand happens because depositors panic, converge on the bank to withdraw their savings as soon as possible. Banks cannot respond to increase deposit demand, because they keep only small portion of money as cash reserves. The increased deposit demand may cause the bank to default and fail. Why a failure of a bank may lead to failure of several institutions lies on two things. One, is that, because of increased dependants on financial institutions a failure of one bank may cause general distrust of the system in total. This will turn a bank run in to a deposit withdraw fight, with all, not just individual banks. This will hurt not only the banks that are in distress but will also affect stable financial institutions.

Additionally, banks are closely linked and intertwined financially. Banks make payments, lend and borrow, hold deposits. This is why
central banks focus on banking stability. Prudential regulation’s main focus is maintaining the stability of the financial system in total.

2.2. Too big to fail and politics for protection of banks

Despite all the safeguards and safety nets set by the state, central banks and special regulatory framework, banks will continue to collapse in the future. An institution may be impaired because of bad loans that were placed and that threaten its solvency or for not accepting new techniques or due to unforeseen circumstances that have arisen. The actual bankruptcy or failure of a particular bank, it is not so bad, because it eliminates the weaker institutions, and enables the better market to fill the void.

Potential failure of banks attracts the attention of central authorities (governments, central banks and other market regulators), primary because of the large number of subjects that use banks services (companies, private individuals, government agencies etc.) The potential failures affect both lenders and borrowers of banks. Main reason why central banks and authorities are afraid of potential insolvencies is the prospect of indangering the total financial system. These fears of a potential systemic break down, leads to reactions by authorities to protect creditors of banks whose losses would rise.

The concept of an institution which is not allowed to fail (too big to fail) applies to banks, whose uninsured creditors will benefit from discretionary support by the government, although formal legal should not. This concept is perceived, as, government guarantee program that exceeds deposit insurance. The aim of the concept is to benefit creditors of banks, not its shareholders. Another thing is that the size of the institution, doesn’t always affect the decision of potential help to a specific institution. This intervention applies to banks that perform a specific function that is influenced by the overall system (services of the area of operation of securities or the area of payment transactions or participation in the international market, etc.).

Historically, the doctrine of too big to fail, received the public attention in 1984, with the intervention of US federal reserves in Continental Illinois Bank. The Fed feared that the collapse of the bank, could lead to a systemic crisis, because of the size of the bank. Continental Illinois Bank in 1984 was the seventh largest bank in the U.S., which was also a center for money for other local banks, which put their deposits in Continental Illinois Bank.
This basics of the doctrine meant, that a financial institution will continue to exist in the market, savers will be protected, but shareholders, managers, creditors and some lenders may suffer losses. The Continental Illinois Bank had assets in excess of 41 billion dollars and had deposits of more than 2,000 banks (Barth, Prabha 2013). The biggest fear in this case, was that, the collapse of banks can lead to a reduction in the volume of money in circulation and have a significant impact on the overall economy. Finances are an effective mechanism for conducting monetary policy, the collapse of the bank will lead to a change in the volume of loans that will be in circulation. The collapse of financial institutions, leads to a reduction in overall demand. Because of all these things, no government would allow financial institutions to collapse, and would intervene in case banks face severe problems. The size of the banks is not important. Governments intervene in smaller banks since the crisis may begin in some smaller banks and to spill across the financial sector and across the economy.

This whole concept has several benefits to the overall system and to its stability and efficiency. The concept promotes the stability of the financial system, and impacts the potential spill-over in the banking system's overall economy. The instability of the financial system will affect the availability and cost of credit, as well as the cost of the entire process of lending. Additionally, it will affect the process of financial intermediation and will affect aggregate demand, which, in turn, itself, will have an impact on employment and the economy in general. Banks provide short-term (daily) liquidity of other participants in the financial system. The main concern of authorities is the stabilization of the financial system, maintenance of the lending process and the overall economic activity.

The downside of this policy is that it increases moral hazard in the financial system. If, a financial institution collapses, creditors and uninsured depositors will suffer losses. In order to prevent these losses creditors and uninsured depositors, must have an incentive to monitor the activities of the bank and to withdraw cash if the bank is exposed to too much risk. In such a case, the bank will not want to lose their lenders, will have to engage in less risky activities. However uninsured creditors, who are familiar that a bank is "too big to fail" they have no incentive to monitor the activities of the bank and withdraw their money if the bank is exposed to too much risk, because, whatever happens with the bank, they will not suffer any losses. Additionally, this concept promotes banks to take bigger risks, because they know they are protected. of protection of banks, or promote greater risk taking by banks.
The mere belief in this policy is usable in other industries and not tied to the financial system. Often, states intervene in certain economic sectors, because of the importance of a particular company, or because of the size of company and number of employees.

If a company has a great impact on one industry or mostly for large companies with a large number of employees, the state can intervene.

3. Iceland’s crisis response

The way that Iceland responded to its financial crisis, changes the perspective of dealing with financial crisis, and distressed banking system. The government of this small country decided against saving of the largest banks, and placed them effectively in receivership. Although, the reasons for this decision, was definitely the size of the banks, this changes the concept of too big to fail. In period of financial distress and financial crisis, decided against saving banks and financial institutions that are having problems. This is done in order to preserve the stability of the financial system.

The US approach of the financial crisis is different from the approach that was adopted from Iceland. The American government responded by saving financial institutions and saving the citizens by increasing the public debt. A similar approach was introduced in UK, where the government responded by increasing the public debt by 50%. (Debt/GDP ratio was 40% before the crisis and it climbed over 60% after government measures were taken). Both governments absorbed the costs for bailouts of financial institutions, fiscal costs, and social and stimulus packets for citizens by increasing the public debt.

The main reason why Iceland couldn’t save its biggest banks and guaranty the liabilities of these banks was the size of these institutions. These banks held assets that were much larger than the GDP of Iceland. Additionally, Britain’s response and freezing the assets of these banks under the terrorism act additionally eased the decision of Iceland’s government. The financial authorities, FME, decided to split the bank’s assets and liabilities on where they were initiated. Then the government decided only to guarantee the liabilities that were originated in Iceland, leaving foreign countries (namely Great Britain) to deal with the losses that resulted of the activities of these banks in foreign countries. The government created tree new banks (Arion Banki, Íslandsbanki and Landsbankinn), and transferred all domestic assets to these institutions. This enabled the financial and payment system to
remain stable. The total cost was 22.5% of the country’s GDP or 346 billion ISK (Thorhallsson; Kirby 2013).

In 2008 because of the US sub-prime financial crisis, there was a run on liquidity on all capital markets. When this happened the biggest Icelandic banks, lost their ability to obtain additional finance on international capital markets. The total size of liabilities of these 3 banks exceeded 60 billion $ (Wibel, M; 2010). Initially this created a currency crisis, and the Iceland Krona depreciated from 90 Krona for 1 Euro to 190 Krona for 1 euro. The central bank could perform the role of Lender of last resort, because most of the debts were created in a foreign currency and were much larger than the country GDP. The government adopted legislation with which they separated the assets and liabilities of these banks. They created 3 new banks that took the assets and domestic debts of these banks, and left the old banks with foreign liabilities in other countries. This maintained the stability of the payment system and the safety of the deposits. Additionally, with this emergency legislation the government gave priority to domestic creditors over other creditors. The government additionally imposed capital controls to halt the further depreciation and sell-off of the currency.

Iceland’s approach revolutionized the approach of dealing with distressed financial institutions. Instead of looking after the system and banks, this approach first initiated care for its population, then the interest of the country and then the banks and institutions.

Besides the size of the banks, second problem that occurred during Iceland’s financial crisis was the legal dispute between Iceland, Great Britain and Holland better known as Icesave dispute. This dispute is mainly about who is supposed to repay the obligation from the fallen Icelandic banks for their overseas activities. UK and Holland are requesting 4.5 billion $ from Iceland as compensation for the retail clients of these 3 banks (Orebech, 2010). These banks attracted large deposits through high interest rates across Europe, especially UK and Holland. All the clients from these countries are originally repaid through UK and Holland insurance schemes and now request that amount that they paid to be reimbursed from Iceland’s government. One of the reasons why Iceland decided not to try to save the foreign activities of its bigger banks was the decision invoked by UK government to freeze all assets of Icelandic banks in UK. This was done under the British act for Anti-terrorism, Crime and Security and in order to prevent further trouble to the national economy. This played a major role in collapse of the Kaupthing bank, and further deepened the finan-
cial crisis in Iceland. Although Icelandic government agreed some solutions both with UK and Netherlands, the inability to pass the obligation through the parliament and the president of the country still affects the final decision of this dispute.

4. Conclusion

No matter what is the reason, why Iceland decided not to save its financial institutions, this affects the perception of government role in period of financial crisis. When saving a financial institution in period of crisis it’s like rewarding for bad management. Additionally, this may force people to look where to trust their money. The doctrine of too big to fail represents the basics of modern banking, creates more financial trouble than anything else. Additionally if you look at Scandinavian resolution of financial crisis shows that they not only look after the needs of their banks but also after its population. The solution imposed in Icelandic crisis and in Scandinavian crisis in the 1990 not only saved the economy but also brought profit to the government after privatization of banks that they saved. So the change of prospect of the American system has to happen. The doctrine of too big to fail or better said what is good for the banks is good for the economy has to be changed with what is good for the population is good for the economy. This doesn’t mean that the government didn’t have any financial outlays, and didn’t have additional financial burden, but Icelandic government protected its population, and didn’t allow asset price deterioration like in other countries.

References
Mortgage Bankers Association (www.mbaa.org, National Delinquency Survey)


Abstract: Acquisition of English as an L2 is very successful with children aged 3-6 according to the Critical period hypothesis. The interlanguage of preschoolers is similar to the language of native speakers in all language areas: vocabulary, morphology, syntax, semantics, phonetics and phonology. There are certain differences due to L1 and L2 language typology as well as language interference.

The aim of this article is to provide an overview of the phases of acquiring English as a second language by a Macedonian preschooler. To this end a case study was made with a Macedonian speaking child in a period of three years. According to theories of children’s cognitive development and study results several conclusions have been drawn and recommendations have been given on improving the process of teaching English to young learners.

Key Word: interlanguage, second language acquisition, Critical period hypothesis, language competence, language performance, language interference.

1. Introduction

Nowadays children in Macedonia have the opportunity to learn English long before they start going to school, both from their parents and the
media. Therefore teachers and parents should help children develop their linguistic performance rather than their linguistic competence. This article provides a brief account of theories of language acquisition, followed by a description of the case study with a six-year-old boy. The results are thereafter discussed in order to draw conclusions and outline pedagogical implications for teaching English as an L2 to young learners.

1.1 Definition of linguistic terms and concepts

At the beginning of this article there are several terms and concepts from linguistics that need to be defined. These are to be encountered in the text below.

- **interlanguage**: a phenomenon in linguistics which was first noticed by Uriel Weinreich in 1953, and 19 years later, in 1972, Lary Selinker named it interlanguage (IRAL, 2009). This phenomenon refers to the language of L2 learners, which is between L1 and L2. An L2 learner is trying to approximate the proficiency and fluency of native speakers. Error analysis indicates that certain errors are result of language interference, i.e. influence or transfer of L1 features into L2, whereas the majority of them are so called developmental errors, deriving from a learner's attempt to approximate his/her speech to that of a native speaker and overgeneralization of the target language rules, thus producing non-native speaker-like sentences.

- **linguistic competence**: the first member in the dichotomy competence vs performance, which is part of Noam Chomsky's language theory within his transformational-generative grammar (TGG). Linguistic competence refers to what a speaker knows about a language in terms of its components: phonetics, phonology, morphology, syntax and semantics. According to Chomsky competence is the 'ideal' language system that makes it possible for speakers to produce and understand an infinite number of sentences in their language, and to distinguish grammatical sentences from ungrammatical sentences. This is unaffected by "grammatically irrelevant conditions" such as speech errors" (Chomsky, 1965:63). Long before Chomsky it was de Saussure who called it langue. (Saussure & Riedlinger, 1983)

- **linguistic performance**: the second part of Chomsky's dichotomy which refers to language production itself and understanding a language, both in a written and spoken form. This is what Ferdinand de Saussure called parole. *Performance refers to what a speaker can say,*
with all his/her errors, hesitations, pauses and other extra-linguistic factors which influence speech.

- **language learning**: conscious, directed, organized learning of a language with teacher's instructions, most often in school environment.

- **language acquisition**: unconscious, unorganized, informal acquisition of a language, usually through direct communication with native speakers. With children it is the very acquisition of their mother tongue or a foreign or second language, provided they are: a) in L2 speaking country/environment; 2) they communicate with people who speak the target language as their L1; or. 3) they watch a lot of TV or listen to music in the target language. L1 acquisition is a process of recreation of a language and not learning it.

2. Theories of L1 acquisition

“Just as birds have wings so do humans have language”

(George Henry Lewes, 1817-1878)

People have the innate ability to learn languages. Chomsky supports this claim in his Innateness hypothesis (Cook et al. 2007:204). The evidence to Chomsky offers is the fact that all normally developed children begins to acquire their mother tongue at approximately the same age and they go through the same stages of language development. Children learn to talk just as they learn to walk. There is no need for any instructions by parents or teachers so that a child would start talking. Language ability is a unique human feature.

2.1 Critical period hypothesis

In 1967 Eric Lenenberge climed that there is a certain age limit until when a language can be acquired with no instructions by adults. This is the so called ‘Critical period’ hypothesis (Lennenberg, 1967:342). Lennenberg claims that the age limit is somewhere around the beginning of puberty (between 12 and 14 years), which is not always the case when it comes to acquiring a second language, a process heavily influenced by numerous social factors. John Schumann mentions the following factors: age, teaching methods and approaches, language aptitude – which seems to play a significant role in formal education, as well as several affective factors such as: fear of target language and its native speakers, motivation, affective filter and acculturation (Schumann, 1980).

Schumann believed that the problems adults face when learning/acquiring an L2 are because of the end of brain lateralization and
atrophy of brain plasticity after puberty (Singleton & Lengyel, 1995:75).

On the other hand, according to Krashen’s biological argument (Krashen, 1973) the development of lateralization is complete around the age of five and is thus not a barrier to second language acquisition/learning after puberty.

There is still plenty of research done on what the best age for SLA is, and some of it supports the hypothesis that it is better to start learning a second language at a young age. However, other research proves quite the opposite.

In conclusion, all theories on language acquisition support the thesis that the process of learning a language, in this particular case a second language, at a young age has a lot of similarities with acquiring a language. The latter is more efficient than simply teaching the target language.

2.2 Developmental stages in language acquisition

It is worth mentioning the stages in L1 acquisition even though they are not the subject matter of the case study. This is done for two reasons:

a) The child involved in the study was 3 years old at the beginning of the study, which is a period when the child was at the end of the telegraphic stage of L1 acquisition (L1 in the study being Macedonian).

b) As many studies have shown there are a lot of similarities between acquisition of English as L1 and L2.

L1 acquisition can be divided up into five stages: a prelinguistic stage and four linguistic stages. The prelinguistic stage is one of babbling or cooing, which is simply a reaction to a stimulus, just as the first linguistic stage at around the sixth month. By six months, infants typically begin to babble and add consonant sounds to their sounds such as ba-ba. However, these stages will not be considered in the case study as they are not necessarily a precondition


**Cancino et al. 1978; Harley, 197 in Tohidian 2009:3

for language acquisition and one cannot distinguish between two different languages, English and Macedonian in our case.
2.2.1 One-word or holophase stage

Around their first year, children will begin to produce their first real words. While children are only capable of producing a few, single words at this point, it is important to realize that they are able to understand considerably more. Infants begin to comprehend language about twice as fast as they are able to produce it. They use one-syllable words, consisting of a consonant and a vowel: /da:/ for dog, /sa:/ for /sock/, or in Macedonian: tao za chao (bye), vo for voda (water). Instead of a vowel a child may use a diphong, depending on phonetic and phonological inventory of its mother tongue, which is the same in this stage: /dae/ for daddy.

2.2.2 Two-word stage

This age begins around the age of two (with some children it starts a year alter) when children use a combination of two words (noun + verb; noun + adjective, etc). At the beginning each word is stressed. However, children soon start creating two-word sentences, with clear syntax and semantic relations and common stress:

<table>
<thead>
<tr>
<th>Katherine sock,</th>
<th>it ball</th>
<th>Pepe nema (Pepe no have)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Byebye boat</td>
<td>here pretty</td>
<td>Dade mene (Give me)</td>
</tr>
</tbody>
</table>

No morphological or syntax markers are used at this stage, i.e. there are no endings for person, tense, number or gender. Pronouns are scarcely used, apart from me (me)/mene (to me) when children refer to themselves. In sentences consisting of a noun+noun, e.g. Daddy sock, the two words may express different grammatical relations which they would express differently in later stages. For example, Daddy sock may express a subject-direct object relation, in a situation where the father is putting on the child's sock. This sentence may also express a relation of possession, in case of a child pointing at the father's sock.

2.2.3 Telegraphic stage

The last stage before a child starts producing complete sentences is the so called telegraphic stage, around the age of two and a half or three. This is when a child begins to join more than two words to form a sentence, using only main parts of speech: nouns, verbs and adjectives, and omitting functional words, such as: conjunctions (and, if), prepositions (on, of, in), articles (a/an, the, some), auxiliaries (will, do), particles (kje (will) a future tense particle).

Here are some examples of a child's language from the telegraphic stage:
Children gradually begin to use functional words with their syntax and grammatical function as well as to adopt inflectional and derivational morphemes and flexions. In this way children’s language begins to resemble adult talk, although there are frequent mistakes due to generalization of rules. For example:

<table>
<thead>
<tr>
<th>Daddy bought me a doll.</th>
<th>Ne ti daduvam nisto. (I am not giving you nothing)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Look, one, two, three sheeps.</td>
<td>Vidi, eden, dva, tri vojnikl. (Look, one, two, three soldieries)</td>
</tr>
</tbody>
</table>

3. Description of the case study and analysis of results

The aim of this research is to study the way Macedonian speaking children aged 3-6 acquire English as an L2 in a classroom setting. Throughout the study I use the term acquisition and not learning since the child reached the second preoperational stage at the end of the study according to Piaget’s theory of cognitive development (Pijaze, 1988).

During this stage (from 2-7) children are able to use and present objects through pictures, drawings and words, of course. They are not, however, prepared for abstract explanations and use of grammatical terms. Therefore teaching English should resemble real-life situations in which children acquire English as L1.

3.1 Target group

The study was made with a Macedonian boy over a period of three years. At the beginning of the study the boy was three years old and was six by the end of the study. He is monolingual, with Macedonian as his mother tongue. He comes from the capital of the country, from a middle-class family. Both of his parents speak English quite fluently. The child attends a course in a private school of foreign languages. Classes are held twice a week, for 45 minutes. However, the child is exposed to English on a daily basis through watching cartoons and other TV programmes in English and using the computer, primarily for playing games and watching video clips. The child has never been in an English-speaking country, nor does it have any contacts with native speakers.

* for definitions on language learning and language acquisition see 1.1 above
3.2 Research methodology

Methods and instruments are adapted to the boy’s age. A qualitative method is used for gathering information by keeping a diary, taking notes while observing the child in class and recording the child on camera while describing pictures and retelling a picture story. Recordings were made every four months over a three-year period. Video materials were transcribed for further study. After analysing results conclusions were drawn in order to provide practical advice on teaching English to young learners.

3.3 Results

Results from the case study were divided in five language components: phonology, phonetics, morphology, syntax and semantics. The study showed both similarities and differences between acquiring English as an L1 and L2 (e.g. non-existence of certain sounds and grammatical forms, no use of determiners some and any, differences in forming interrogative form etc.). Language transfer is obvious in terms of word order in negative sentences (since English does not allow double or multiple negation, which is not the case with Macedonian) and interrogative sentences.

3.3.1 The acquisition of grammatical morphemes in first language acquisition

Roger Brown is perhaps best known for his research on the different stages of first language acquisition in children. In one of his studies, Brown and his colleagues focused on the spontaneous utterances of three children. He was able to conclude that children acquire grammatical features, in this case fourteen carefully chosen morphemes, in the same order (Brown 1973: 272).

Table 1. Brown’s 14 morphemes

<table>
<thead>
<tr>
<th>Morpheme</th>
<th>Example</th>
<th>Age of mastery (in months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present progressive – ing</td>
<td>Mommy driving</td>
<td>19-28</td>
</tr>
<tr>
<td>(no auxiliary verb)</td>
<td>In</td>
<td>27-30</td>
</tr>
<tr>
<td></td>
<td>Ball in cup</td>
<td></td>
</tr>
<tr>
<td></td>
<td>On</td>
<td>27-30</td>
</tr>
<tr>
<td></td>
<td>Doggie on sofa</td>
<td></td>
</tr>
<tr>
<td>Regular plural –s</td>
<td>Kitties eat my ice cream</td>
<td>24-33</td>
</tr>
<tr>
<td>Irregular Past</td>
<td>Came, fell, broke, sat, went</td>
<td>25-46</td>
</tr>
<tr>
<td>Possessive ’s</td>
<td>Mommy’s balloon broke</td>
<td>26-40</td>
</tr>
<tr>
<td>Uncontractible copula</td>
<td>He is (response to “Who’s sick?”)</td>
<td>27-39</td>
</tr>
<tr>
<td>Articles</td>
<td>I see a kitty; I throw the ball to daddy</td>
<td>28-46</td>
</tr>
</tbody>
</table>


Regular past –ed | Mommy pulled the wagon | 26-48
Regular third person –s | Kathy hits | 26-46
Irregular third person | Does, has | 28-50
Uncontractible auxiliary | He is (response to “Who’s wearing your hat?”) | 29-48
Contractible copula | Man’s big
| Man is big | 29-49
Contractible auxiliary | Daddy’s drinking juice.
| Daddy is drinking juice | 30-50

(Adapted from: Owens 1998: 153)

3.3.2 The acquisition of English as a second language

The study with the Macedonian speaking boy has shown similarities with the order of acquisition of grammatical morphemes in English as an L1.

Table 2. Acquisition of English grammatical morphemes by a Macedonian speaking boy

<table>
<thead>
<tr>
<th>Morpheme</th>
<th>Example</th>
<th>Age of mastery (in months)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Present progressive -ing (no auxiliary verb)</td>
<td>Dog eating</td>
<td>48</td>
</tr>
<tr>
<td>In</td>
<td>Robin in house</td>
<td>58</td>
</tr>
<tr>
<td>On</td>
<td>book on table</td>
<td>64</td>
</tr>
<tr>
<td>Regular plural -s</td>
<td>I like biscuits</td>
<td>58</td>
</tr>
<tr>
<td>Possessive ‘s</td>
<td>This is Sally’s nose</td>
<td>68</td>
</tr>
<tr>
<td>Uncontractible copula</td>
<td>He is (response to “Who’s this?”)</td>
<td>66</td>
</tr>
<tr>
<td>Articles</td>
<td>This is a dog; The pen is blue</td>
<td>54</td>
</tr>
</tbody>
</table>

As the table shows the Macedonian boy was not able to acquire some of the morphemes until the age of six, in particular the morphemes which do not exist in Macedonian (auxiliary verbs does and did, contractible copula, regular and irregular third person –s for Present Simple and Past Simple irregular verbs).

Another difference is the earlier age of morpheme acquisition by native speakers of English, which is natural to happen as they are acquiring their mother tongue. The Macedonian boy did not acquire Past Simple irregular verbs, auxiliary to be for forming the Present continuous and other auxiliaries for future tenses.

We shall now describe the way the Macedonian boy acquired English according to the five language areas.
3.3.3 Phonetics and phonology-acquisition of the English vowels and consonants

The boy was able to acquire a certain native-like accent. The biological reasons why children between the age of 3 and 6 find it quite easy to imitate different sounds are: a) their vocal tract is still developing and b) children’s vocal cords are thus more elastic and they can easily pronounce sounds that do not exist in their L1 (Kilminster, 1978). We shall now discuss only those English sounds which do not exist in Macedonian.

a) Vowels and diphthongs

► all five vowels a,e,i,o,u present in both languages (English and Macedonian) are pronounced by the boy, as well as the short vowel sound /æ/ as in cat /’kæt/. This sound can be found in some Macedonian dialects as well. However, the boy cannot make a distinction between /æ/ and /e/ as in bad /ˈbæd/ vs bed /ˈbɛd/. The boy has no difficulties pronouncing the sound /ə/.

► Long vowels such as /aː/, /eː/, /iː/, /ɔː/, /uː/, /zː/ do not exist in Macedonian. The child pronounces these vowels, but they are not always with the appropriate length.

► Diphthongs such as /aɪ/, /oɪ/, /eɪ/, /ou/ and /əʊ/ are easily pronounced since the same combinations of speech sounds exist in Macedonian. Sometimes these combinations can be found within a word (maj-May, moj-my, nejzin-her) or between two words (these are usually called stress junctures: vo uciliste-at school). The rest of the diphthongs can be easily pronounced by the Macedonian boy. Even when he was four the boy said to her teacher:

e.g.          Teacher: Is this a robot /ˈrɒbɒt/?
            Child: No, teacher, it’s a robot /ˈrəʊbət/.

b) Consonants

► The Macedonian boy has no difficulties pronouncing the English alveolar or retroflex approximant /r/. It is very important to note that by the age of five the boy is able to pronounce the Macedonian trill or popularly known as rolled /r/. According to speech-language pathologists the process of mastering this rhotic sound should have finished by the age of 5,5 (Bowen, 1988). Children who cannot pronounce the /r/ sound replace it with the consonant /l/ (bling instead of bring) which is also the case with the Macedonian boy (bloj instead of broj-number).
Consonants /ð/ as in they /ðei/ and /θ/ as in three /θri:/ do not exist in Macedonian. Therefore the boy replaces them with the /f/ sound by the age of six, whereas native speakers of English are able to pronounce these sounds clearly by the age of five (Bowen, 1988).

The boy pronounces the /w/ sound easily and never replaces it with /v/ which is the case with many adult learners.

As far as syllable/consonant shifts are concerned the boy makes the same shifts both in L1 and L2: copara instead of corapa-sock and kepac instead of kecap-ketchup in Macedonian and chicken instead of kitchen and deks instead of desk.

3.3.4 Morpho-syntax and acquisition of morphosyntactic rules

a) Verbs and tenses

The boy participating in the study used two tenses: Present Simple and Present Continuous. Both tenses are taught implicitly at courses, however they are not included in the national curriculum for first graders (Ministerstvoto za obrazovanie i nauka, 2008).

Present simple was used both for habitual (I like chocolate) and past actions (I go to kindergarten yesterday). Past tenses are not taught until the age of nine, although children do come across past tense verbs (in stories, cartoons, and films). However, they do not perceive these verb forms between the age of three and six.

The participant uses a verb in infinitive to form the Present Simple in all persons, singular and plural; in the positive form (e.g. I have a parrot. My mummy has long hair). In 80% of sentences in third person singular he uses the auxiliary is (35%) and personal pronoun it abbreviated form of auxiliary is = it’s in front of the main verb in infinitive (e.g. My daddy is know/ Daddy it’s have a sister).

In the negative form the participant uses the following forms:

- **negative particle no + verb in infinitive** for the first and second person singular and plural (e.g. I no like it) in 80% of the negative utterances
- **don’t + verb in infinitive** for the first and second person singular and plural (e.g. I don’t know) in 20% of the negative utterances
- for the third person singular the boy uses three negative forms:

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* In Macedonia children start going to school between 5.5 and six years. The participant in the study was already going to school during the last five months of the study.
a) don’t + verb in infinitive (25 %) (e.g. My daddy don’t drive)
b) it’s not + verb in infinitive (20 %) (e.g. My daddy it’s not know)
c) it’s no + verb in infinitive (55 %) (e.g. Daddy it’s no have a brother)

The first way of negating negative particle no + verb in infinitive may be considered an error due to negative transfer from L1. Namely, in Macedonian this is the only way of forming the negative form in all tenses. On the other hand, “this kind of negation occurs with English children as well, but at a younger age (Krashen, 1982). Considering this fact the negative form no+verb in infinitive should be treated as a developmental mistake in the interlanguage of the Macedonian learner rather than a result of language interference.

In the positive form in Present Continuous the participant uses the following forms:

► verb + ing, omission of the auxiliary to be. This form is used for all persons, singular and plural (e.g. I playing) in 35%.
► to be + verb+ing (e.g. He is sleeping; You are eating) in 65%. No short forms are used here.
► For the third person singular only the boy uses an idiosyncratic form it’s + verb+ing (e.g. Ronny it’s watching some TV) in 72%, and the rest of the utterances are either with the correct form or without the verb to be.

In the interrogative form in in Present Continuous the participant uses the following forms:

- Yes-no questions
  a) No inversion with rising intonation e.g. You playing? In 40%
  b) inversion of subject and auxiliary to be e.g. Are you listening? In 60%

- Wh-questions
  a) no inversion e.g. Where my mother is working? In 14%
  b) inversion of subject and auxiliary to be e.g. Where’s you living?; Where are you living? In 28%
  c) inversion of subject and entire verb phrase (to be + verb+ing) e.g. Where it’s working my mummy? In 58 %

It is interesting to note that the child sometimes uses this tense for past actions (e.g. What are you doing yesterday?).

Another fact worth mentioning is the fact that although the boy is not aware of the existence of static verbs—ones which cannot be used in a progressive tense— he does follow the rule and always says I want it rather than I am wanting it.

In imperative mood the child uses the verb in infinitive in sentence initial position (e.g. Come with me!). He also demonstrates pragmatic competence by using indirect questions instead of imperative (e.g. Can you give me the pen?). These kind of polite requests are probably learned as formulaic utterances since the child is not able to use other pronouns apart from you—2nd person singular and plural.

In terms of syntax rules the boy is not aware of the elation subject-verb. Nevertheless, he always follows the rule and uses a personal pronoun in front of the verb, unlike in Macedonian, where the personal pronoun is optional. This could be attributed to input frequency, since children always hear sentences with a subject.

b) Nouns

Let us consider the following examples: I like mouses./Three sheeps.

Examples from L1: Ima pet vojniki/detinja.

Due to generalization of the rule for making plural forms of nouns the boy adds the –s ending to nouns with irregular plural. The mistakes the boy makes are identical to the ones of English-speaking children (Owens, 1998). Children form the most general and simplest rules and use them whenever they can.

c) Pronouns

The boy rarely replaces nouns with pronouns. He only uses the third person pronoun for neuter gender—it quite often (e.g. I like it).

The most frequently used pronouns are the personal pronouns I, you and me and possessive adjectives my and you. He does also use the possessive pronoun mine (e.g. It's mine). He certainly does not know the rule and the sentences with mine are probably memorized chunks he has previously heard on many occasions.

When the boy was five and a half he started using the pronoun one (e.g. This one? Yes, this one) but only with the demonstrative pronoun this. Plural forms ones and these are still not used. The pronoun one is not taught at this early age, which means that its use is influenced by L2 input from both teachers and cartoons.
d) adjectives

These are used in the positive form, but not in the comparative or superlative. The boy uses the adverb of degree - very. (e.g. I'm very hungry)

e) definite and indefinite article

In Macedonian there is no indefinite article, whereas the definite article is used in postposition (Bojkovska, 1997), unlike in English where both definite and indefinite articles are placed in front of a noun phrase. The boy places both articles in the correct position (e.g. Daddy buy a car./ I no have a chair/ Give me the book!). The percentage usage of articles is 70% vs 30% of article omission.

f) conjunctions

The boy does not use any conjunctions until he is six years old, with the exception of the linking word expressing cause and effect relations - because. Its first usage was recorded at the age of five. The conjunction is only used in sentence initial position. Conjunctions are not taught at an early age. Therefore, its usage is a result of L2 input from teachers and television.

Let us consider the following examples:

a) Teacher: Why did you bring this toy to class? – Child: Because I like it.

b) You buy me this toy I be very happy.

In the second example it is a conditional clause (the boy was five when he pronounced this sentence) and the existence of the cause-and-effect relation is obvious, however, there is no conjunction for conditional clauses - if.

g) double negation

In standard English there is no double negation, unlike Macedonian which allows for multiple negation (e.g. Nikoj nisto ne znae - Nobody doesn't know nothing). Due to negative transfer from L1 the Macedonian boy uses sentences with double negation:

e.g. My daddy it's not know nothing.
3.3.5 Semantics - how Macedonian pre-school children perceive polysemy

Polysemy is very common in English. At the age of five the Macedonian boy was able to realize that a certain word which has a definite meaning attached to it may also be found in different context with a different meaning. Considering the fact that by the age of seven children are not taught how to write they cannot make a distinction between homophones and homonyms. The boy considers son and sun to be the same word, although he is aware of their different meaning depending on the context.

e.g. I have a son and a daughter. The boy knows that in this context it is a son and not sun. The boy does not distinguish between /a/ i/æ/ (which does not exist in Macedonian) and thus considers bad and bed the same lexeme which refers to two different things, again depending on the context.

To conclude, all these language errors are within what Noam Chomsky defines as Universal grammar (UG). UG encompasses principles governing all grammars and all languages in the world. Children's errors are within syntactic, phonological and morphological language processes (Cook & Newson, 2007).

No English-speaking child would ever say Table on is ball because there is no word order in any language which allows for this, just as no Macedonian speaking child would ever speak with this word order. This is in favour of the hypothesis that language acquisition is construction of grammar (Cook & Newson, 2007).

However, in some cases grammatically correct sentences are simply formulaic utterances and memorized chunks (What’s this?/Can I go to the toilet?) which are frequently used. Children hear them so often, both on TV and by teachers, that they begin to use them unconsciously.

The study has two limitations:

a) it is a case study with only one participant and the results cannot be used to draw general conclusions; and

b) it has a rather wide scope of language, which may at times make results less valid.
4. Pedagogical implications

a) Grouping students by age

It is common practice in private schools of foreign languages to have groups with children ranging from three to six years of age. This is undoubtedly done for practical reasons, it would otherwise be unprofitable for schools to have very small classes. Mixed-age classes would not be inappropriate if classes were individualized and different course books were used for different age. In private schools there are currently workbooks with writing exercises or exercises where students are asked to recognize letters and numbers, which is rather challenging for three-year olds. Therefore, I believe that this kind of grouping is inefficient due to children’s different stage of both cognitive and physical development.

b) Classroom conditions and equipment

Classes are often held in inadequate facilities, which are small in size and usually equipped for older students (there is not much space as classrooms are packed with desks and chairs). Sometimes there is no whiteboard or a stereo and computers are rarely used. This kind of media is necessary for young learners as they are all digital natives and most of them acquire English by watching cartoons or playing computer games, just as the boy from the study was able to pick up English from different kinds of media. The teacher is not always in a position to change these conditions. However, it is teaching itself that he/she can be in power of.

c) Teaching methods and approaches

Teaching English to young learners (TEYL) has often been underestimated as it is still widely believed that it is sufficient for the teacher to have intermediate knowledge of English to be able to teach young learners. Teachers themselves should consider this kind of profession to be a challenge and closely study child psychology and apply theoretical and practical knowledge from research done on both L1 and L2 acquisition.

Teachers should abandon the behavioristic approach because it is obvious children do not acquire language by the process of imitation and stimulus-reaction conditioning. Considering abovementioned utterances in L2 of the Macedonian boy one can notice there are many utterances an adult/a teacher or an English-speaking child would never say, such as: Where it’s working my mummy? Ronny it’s watching some
TV. Children form their own hypothesis about how the language functions; they test them and form rules.

In Jerome Brunner’s constructivism (Jerome, 1966) there are three ways of presenting new language that a teacher should combine: presentation based on action, on pictures and a symbolic way-based on language itself. Although this is contrast with Piaget’s theory of the four stages in a child’s cognitive development, Brunner and Bloom talk about a progression in the cognitive development made by the teacher, who is to determine when a child can push the boundaries of its own limits and through a dialogue with the teacher/parent it can build its knowledge, and by being taught by teachers/parents. Children should be given the opportunity to explore and discover language and its rules (Poposki, 1997).

Vygotsky talks about a “Zone of Proximal Development). (Vigotski, 1988). This concept can apply to pre-school children as well. Vygotsky mentions the importance of social mediation, unlike Piaget, who neglects class interactivity altogether. Social mediation means providing children with the class context that would motivate them to talk to each other in L2, as language is essentially communicative in nature, which does not mean denying the importance of the so called ‘inner talk’, as Vygotsky claims (Vigotski, 1988).

Use of L2 ought to be much greater than L1 use. Teachers should talk in sentences rather than separate words. As we can see from the examples of the Macedonian boy he acquires language through the process of ‘forming grammar rules’ (Fromkin at el, 2003) and he should be provided with the opportunity to do so. This means using complete sentences when addressing learners, particularly for classroom instructions. In this way children will be able to generalize rules, which will in turn help them create their own sentences, as it has previously been mentioned that children do not learn by imitating.

5. Conclusion

According to the results from the case study we can conclude that the process of L2 acquisition by the Macedonian speaker is similar to acquisition of English as L1, both in terms of phonetics and phonology and morphosyntax and semantics. The study can be used to draw several conclusions regarding teaching implications for TEYL. Since the scope of the study is very wide I would recommend other aspects of language that could be studied in detail and with more participants in the study:
the use of definite articles, the use of indefinite articles, demonstrative pronouns this and that and space relations and prepositions of place.

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THE POETICS OF IDENTITY AND
THE REPRESENTATION OF THE OTHER IN
DEJAN DUKOVSKI’S BALKAN IS NOT DEAD

Sezen ISMAIL

Abstract: The aim of this paper is to look at a different perspective of the often stereotyped character of the Ottoman Turk in Macedonian literature. For this reason, it will focus on Dejan Dukovski’s The Balkan is not dead or the Edelweissmagic (1992), as a procedure of reconstruction and reconsideration of the historical issues in Macedonian Bloody Wedding, by Vojdan Chernodrinski (1900). Using the notions of the Other and Otherness, the paper will further focus on the representations of the problems of cultural Identity in the context of the Balkans.

Key Word: The Other, identity, balkanization, the Turk.

1. Introduction

Elaborating on the subject of identity belongs to the field of cultural studies and to the seemingly safe indications that fall under the “micropolitics” of power. As a matter of fact, literature as an artistic mode represents a space for “provocative articulation” of the aspects that relate to the question of identity; such as body, family lifestyles and knowledge, to discuss the issue risks being judged and labeled despite the provocations that we as individuals and residents come across when doing so. This statement is made as a result of an ongoing project
for establishing and reaffirming the cultural and historical identity of all the “Macedonians”, be it ethnic minorities or natives.

In the spirit of the post-modern world, it seems like a common trend to deal with issues such as identity-fragmentation that are a result of the multiplication of bordering, and the shifting boundaries between ethnic cultures. Nevertheless, the answer to the question when and where identity takes place is not easy to give. Homi Bhabha (1994: 23) argues that identities are brought about from an awareness of subjectivities. Postmodern identities can be changed and manipulated as often as the subject determines it is needed. Thus, to identify means to establish the notion as a category within the frames of space and time. Perhaps identity could be defined as a sum of all distinctive features that make us different from others. Considering this is an accurate definition, and then this suggests that the category of identity is grounded on a model that juxtaposes differences, hence excluding and eliminating the rival sides. Such a postulation leads to the creation of the inevitable Other. Namely, the identity of the individual is generally determined by the negation of the Other. As defined by Edward Said, The Other refers to the one which is alien and divergent from that which is given, such as a norm, identity, or the self (Said 1979:12). The constitutive Other often denotes a different, incomprehensible self outside of one’s own; thus the spelling is often capitalized, because the Other is a mystification fetishist by a hegemonic subject. Obviously this model of identification bears serious problems, mainly because it is based upon a “concealed exclusion” that, in other words, is elimination.

Another aspect that is essential to the notion of identity is the binary polarization. When interpreting it, we should keep in mind that identity is in fact a result of power that is the power that one has in order to articulate him/herself. Once the power and the boundaries are marked then, it can be easily established.

Other aspects that need to be taken into consideration when defining identity are the differences between politics and culture. The identity politics favors the model of representative identities, thus creating competitive areas that initiate struggles. The term identity politics and movements linked to it came into being during the latter part of the 20th century. It can most notably be found in class movements, feminist, ethnic and post-colonial movements. Identity politics is open to wide debate and critique (Heyes 2012: 11). These representative identities render the individual a model, a metonymy of the collective. Related to this issue, Elif Şafak stated the following:
When identity politics tries to put labels on us, it is our freedom of imagination that is in danger. There’s a fuzzy category called multicultural literature in which all authors from outside the Western world are lumped together. I never forget my first multicultural reading, in Harvard Square about 10 years ago. We were three writers, one from the Philippines, one Turkish and one Indonesian... And the reason why we were brought together was not because we shared an artistic style or a literary taste. It was only because of our passports. Multicultural writers are expected to tell real stories, not so much the imaginary. A function is attributed to fiction. In this way, not only the writers themselves, but also their fictional characters become the representatives of something larger (Şafak 2010).

Here the individual is imminent only as a delegate of a larger group. She further comments on the problems arising when fiction is mistaken for political affiliation, in that manner she says:

Writers are entitled to their political opinions, and there are good political novels out there, but the language of fiction is not the language of daily politics. Chekhov said, "The solution to a problem and the correct way of posing the question are two completely separate things. And only the latter is an artist's responsibility." Identity politics divides us. Fiction connects. One is interested in sweeping generalizations, the other, in nuances. One draws boundaries. The other recognizes no frontiers. Identity politics is made of solid bricks. Fiction is flowing water (Şafak 2010).

In regards to the principle of representativeness from political and cultural stand points, it should be emphasized that the political principle of representativeness as founded on rivalry and competitiveness regards the Other as an opponent, an enemy that should be defeated in the name of personal prosperity. On the other hand, culture is seen as a mosaic, a place for coexistence in a place that produces hybrid identities. There the Other is not someone to be afraid of, s/he is not a threatening enemy, but s/he is someone who is the driving force, an ally who is existentially necessary.

The process of establishing identity on a general level involves a study of cultural identity in the areas covered by postcolonial criticism. The study is not however limited to the colonists; it also refers to the colonizer, because its conception is a two-way process, a process that covers both sides. Within these studies, identity becomes the starting point in any attempt to analyse, judge or learn about a particular culture. The duty of both, the colonizer and the colonized is not only to
learn about the historical past and its geo-political status but it above all means understanding its way of living within a culture. There are various definitions, theories and attitudes about the concept of identity. What connects them all is agreeing that identity is single, inseparable and complex in nature, and as such, it cannot and must not be divided into groups.

Sheleva in her essay collection “Home and Identity” (2005: 77)1 refers to the question of identity in the Balkan context. She observes that the concept of identity often means stirring up national, religious and ideological affiliations of an individual, people and culture. Such inflammatory notions of identity are due to misunderstandings, and ignorance of the meaning of identity. She further argues that when a person has a "task" to define his/her own identity, s/he often reaches for his/her national or religious affiliation, as one of the essential comprising features of identity. This attitude proved to be false, but at the same time suggesting that these elements are not to be excluded entirely from one's identity. Those aspects are not essentially important; they are just segments among many others that form the identity. Identity is often preferred over a national and religious symbol. Further, it incorporates aspects that are cultural, historical, sexual, racial, intellectual, and sociological characteristics that make identities different and distinguish people from one another.

Burdened by prejudices, by our personal and collective memories, people and cultures of the Balkans rely on memories which they call history. In critical moments the first thing that they turn to is “history”; their history in this respect becomes a crying shoulder in the moments of self-identification. However, it’s important to note that such an attitude has proven to be problematic, if considered that histories are subjective creations.

Among Balkan people there is a tendency to recognize the affiliation that most affects them. Usually it is a national, ethnic or religious affiliation of a particular cultural community membership in which they feel like being part of. Such affiliations trigger solidarity and mobilize the masses against the Other, because it "represents another threat to the ethnicity, the nation and their religion; and everything they do make them seem completely justified" (Maalouf 2012: 26).

Often such defense mechanisms cause homicidal impulses that lead to massacres, genocide, murders of all kinds, by a "culture" and

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1 Elizabeta Sheleva , Dom i Identitet [Дом и идентитет].
the past is being disputed, such a relation proves to be problematic (Maalouf 2012: 34).

With regards to the Balkans it could be argued that it is a field that enables identity production because they feel the necessity to produce the authority that will reflect the male principles that have been broken down or even disappeared. From such a phallocentric position it is easy to understand the reason why the Balkan depends on the Other as essential for its existence and identification. In this respect Sheleva argues that the Balkans are experiencing the effects of neo-colonizing trends referring to a symbolic castration executed by Europe. The reason for this could be traced in the past, particularly in the Ottoman past, and its reign with the region. (Sheleva 2005: 108) Even after its withdrawal, the Balkan people are in certain disharmony and restlessness that is due to the need of external help.

2. The poetic Balkan Chronotope

For many intellectuals, writers and politicians, the Balkan chronotope is that in which the evil occupies the main space as a fundamental segment of the Balkanic existence. Namely, the evil stands for an important benchmark through which the notion of Balkanization is being characterized. There are political and sociological studies that illustrate this aspect, but the most vivid medium that reflects the problem is the poetics of the evil. In particular, this refers to the entire literary corpus that represents the hardships of the Balkan people under the rule of the Ottoman Turks. The term poetics is used because this term has a poetic function in relation to the Balkan people, and it functions as the aesthetic of the evil and ugly.

According to the literary representations, it becomes apparent that the evil becomes specific to the Balkan peoples. With its sadistic attraction and the "need" to torment the weaker, the Other becomes basic human need. This kind of evil as such becomes the fundamental asset for many Balkan wars that happened in the past. In this respect, the following question occurs: Which standpoint should the Balkaninan take in relation to the evil? Is his need for evil destruction, anxiety and hysteria intrinsic; or, is it that such feelings have been imposed to him by somebody from outside; or, that role has been "granted" by someone from outside, from someone who has some interests and goals? There are many answers to the above questions, but this paper will try to
provide answers through analyzing some of the canonic Macedonian works that very closely address this issue.

In the poetry of Blaze Koneski, in one of his most acclaimed poems *Bolen Dojcin* (Sick Hero), a poem based on inter-textual allusions such as legends from the Macedonian literary heritage. There the evil is described, in its basic modification, as a destruction, which is usually performed by the Other, the terrible, the unwanted Black Arab\(^2\), at the same time creates the same drives and desires with each other, the one that is repressed. Here the evil is a part of a dialectic circle. In his collection of poems the character of the Black Arab is always referred to in negative connotations as the Mighty Arab, the Terrifying Other despite the fact that his origin and what he really does has never been given. Most often the Mighty Arab is associated with the Ottoman Turk to whom the attributes of the evil, destruction and anarchy are attached. Such symbolic dimensions of the Mighty Arab are further reinforced by adding the adjective “black”, that is, evil, bad and horrible; in combination with the Arab who is the Other, a foreigner from far away. In relation to the notion of identity politics, it could be argued that such canonic works that represent Macedonian literary heritage render a major setback in ethnically diverse societies

The evil indeed becomes an image of a dialectic relationship, and this dialectic clearly is present in Dojcin, the ill hero. The evil that he possesses is justified because he needs it in order to defend himself, his honor and virtue; he is the hero of the nation the one that will save his family and all the people from the evil of the “black” Arab. Hence, a conclusion can be made that each Balkanian is predetermined to choose evil, depending on which evil is chosen; the greater or the lesser evil. Each is an aspect of a binary opposition. One is ugly the other is beautiful; one is Dojcin the hero and the other is the “black” Arab. However, for the Great Other, the Balkan chronotope becomes a space in which the evil blooms and is born. The evil in this space becomes a symbol, a sign for identification. The Great Other is not the only responsible that stigmatizes; also the Minor Other who is the neighbor, the one who has perpetual aspirations towards those smaller than him belonging the less powerful culture. Macedonia is constantly under colonial repression by its immediate neighbors. Her name and nationality are constantly being denied by her neighbors, and such a behavior is

\(^2\) In Serbian, Macedonian and in Bulgarian mythology, Black Arab (Macedonian: Црна Арапина, Crna Arapina) is a designation for the Ottoman Muslims. The Black Arab is often depicted as a dark–tanned ruffian who kidnaps women and girls. In the beliefs of Balkan peoples, the Arab is a chthonic demon, a replacement for the devil.
potentially evil and contagious waiting for the proper moment to infect the entire space.

2.1. Analysis of the play The Balkan is not dead or the Edelweissmagic

The Other that is the enemy within Balkan literature is established as the Other who has the power and control over the identity formation of a certain culture which in this case is the Macedonian. The space as previously mentioned is the domain where mutual and different identities are being constructed, identities that are likely to be modeled according to some ideological and geopolitical constructs. Therefore the Other is highlighted as the good or the bad depending of the position of the focalizer, from the position by which the events are being transmitted. He can be destructive and constructive as well, because through him the former defines and determines itself.

In an attempt to further illustrate the previous arguments, I have chosen to examine the plays of Dejan Dukovski, a renowned Macedonian playwright whose plays reflect the truth not only about the Macedonian identification but of the region as well. His works are redefined illustrations of the Great Other who is involved in the process. The Balkan is a place full of aggressive ethno-nationalities and systems prone to evil and destruction. Dukovski’s plays do not represent the Balkan in that manner. He, on the contrary, represents the Other as attractive, with a potential that is not at all repulsive and doesn’t cause fear of the enemy. This Other possesses a certain attractiveness that tempts the subject to accept the risks and surrender to the differences, because those differences are indeed appealing.

The Other for Dukovski, is the unknown mystery for which the individual longs. It’s like Dracula, the Transilvanian seducer who carries destructive and evil forces within himself. It’s a magic that attracts. Such a magic and power is as well possessed by the Ottoman Turk in Macedonia. The representation that Dukovski gives about the “Damned Turk” is the total opposite of the stereotypical representations that are a common subject in the plays of Vojdan Chernodrinski. In Chernodrinski, the image of the “Damned Turk” is the antagonist who wants to take away the religion, the nation and the life of the non-Muslim Macedonians. These representations have been the essential political ingredient used to build the identity of the Macedonian. Such an approach proves to be utterly problematic considering the fact that the Macedonian ethnic Turks constitute a large portion of the Macedonian population.
I died but I didn’t become a Turk\(^3\), is the most famous maxim in Macedonian literature. This illustrates the treatment of the Other during the process of self-identification. The Turks are the infamous, the imposed other, the Other that colonizes, terrorizes and oppresses. He is the Other that suffocates the identity of the Macedonian, whereas the Macedonian is the freedom fighter and the defender of the national identity. In this respect it’s not difficult to conclude that the Other or the “infamous Turk” in the plays of Chernodrinski is not the desirous one.

Unlike Chernodrinski, whose attitude towards the Other is exceptionally antagonistic, Dukovski in his play Balkan is not Dead or the Edelweissmagic takes a different stand point. Dukovski’s text is in-fact an adaptation of Chernodrinski’s famous Macedonian Bloody Wedding set in a contemporary context. The play overturns the preconceptions of the stereotypes, and rather creates a more humanistic approach towards the inherent cultural diversities of the Balkans.

As argued before, the relationship towards the Other Turk in Dukovski’s play is one based on attraction rather than repulsion. His alluring potential is essential for self-identification. This Turk is appealing, and therefore, his Otherness is lovely. “The encounter with the Turk doesn’t suggest a stereotypical slavery; it rather is a transcendental ritual, a crossing to the other side of the border a border that is essential in order to meet the Other” (Dukovski in Stojanoska 2002: 15). Through the character of Osman Beg in Dukovski’s play, Cveta, the Macedonian archetypal slave female character is being radically transformed into a character who is given freedom that is in correspondence with the “western standards”, which serves modern thinking within the frame of feminist proclamations. Obviously Cveta gains this liberating status via Osman Beg. She is no longer the submissive slave who lacks self confidence, but she becomes the strong confident woman, who is capable of accepting the Otherness of the Turk, who in return demonstrates his endearing aspect, not only to her but to the entire prejudiced society. Cveta also dies, uttering I died, but I … (Dukovski in Stojanoska 2002: 78) a closure that is left open to interpretation, as is her and Osman’s concept of identification open and flexible. This final closing phrase no longer suggests the ultimate resistance to accepting the identity of the Other as it was the case in Chernodrinski’s bloody wedding. On the contrary, Dukovski’s Cveta creates an allusion that she is liberated from the national and ideological handcuffs that have been imposed on her by

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\(^3\) “Македонска крвава свадба” (Bloody Wedding) Vojdan Chernodrinski, 1900
history, and political construct that favors separatism. She becomes the prototype of openness, tolerance and multiculturalism, aspects that are vital for a construction of cultural identity in the modern world.

3. Concluding thoughts

The Balkan cultural identity has been, and is still, open to accepting the one which is foreign and different. By doing so, it has integrated it but, at the same time, has kept the aspect of Otherness so that it could be defined. At this point, it can be argued that the Western discourse is being imposed on the Balkan Other and that it is done by the power of knowledge constituted by the role played by particular forms of expertise in discourses that exert their own form of identity normalization on all of us (Clarke 2011: 510).

The interpretation of Homi Bhabha’s (1994) notion of cultural hybridity as it relates to the Balkan context indicates to the ubiquitous forces shaping the Balkan identity. The everlasting question concerning this issue is; whether identity should be examined as a separate individual identity, or an amalgamated collective identity? Hybridity, as an alternate notion of postmodern identity, provides a narrative space in which the local and global forces of domination are examined (Bhabha 1994: 42).

“Balkans produce more history than they can consume” –Whether these were Churchill’s exact words is of no great importance here, by the same token, I would also prefer to overcome this unfortunate fact; for that reason, I refer to Elizabeta Sheleva’s concluding argument, “Cross-cultural hybridization is a particularly emphasized idiomatic feature of first-rate importance for the border cultures; that, despite the independent political rulings, remain “doomed” to each other inevitably and for an indefinite period” (Sheleva 2003: 60). It is this exciting and unpredictable mixing and overlapping between separate identities a unity that, in fact, provides the substance for their specific cultural value and privilege. The Balkans, as we all live in, is such border culture - more often cursed than blessed, yet a geographical, historical and cultural bond between East and West; Christianity and Islam; Europe and Asia. Macedonia also represents that link for such border culture. This cultural border not only marks the length of its external dividing lines, but it also penetrates inside, along its most profound cultural core.

References


WHAT IS EXPECTED FOR THE FUTURE OF IRAQ AND SYRIA?

Fehmi AGCA*

Abstract: In 1916, with the secret agreement of Sykes-Picot, British and French Empires secretly agreed to divide up the Ottoman Empire's territories in the Middle East among themselves. The arbitrary borders forced ethnic and religious groups to live together, but separated from each other and living in conflicts. The major question facing Iraq is if it is possible to overcome the sectarian divisions and make Sunnis, Shiites and Kurds feel that they are part of the same Iraqi state. The answer seems negative. They do not want to live together, in line with the western political ambitions in the region. Maliki policies also deepened the divisions between Shiites, Sunni Arab tribes and ethnic Kurds and drove Sunni Arabs into the arms of the Islamic State of Iraq and Sham (ISIS) fanatics.

Key Word: Islamic State of Iraq and Sham (ISIS), Peshmerga, sects, oil reserves, new borders.

Introduction

The realization of Sykes-Picot agreement created an environment for the continuous warfare and violence in the Middle East. Crucially, the borders between the French and British interest zones later became the borders between Iraq, Syria and Jordan. The arbitrary borders between those states forced ethnic and religious groups to live together, but separated from each other and living in conflicts. Should the arbitrary

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borders imposed by European powers be replaced with new borders along the region's religious divide? The idea may create new problems.

In Iraq, there are three main groups; Shia Arabs living in the south, Sunni Arabs living in the north and west, and ethnic Sunni Kurds living in the northeast. Between the Kurds and Sunni Arabs from Baghdad to the city of Mosul and Telafar, Turkmen region lies. The capital city of Baghdad is mixed populated with Sunni and Shiites. The divide among Sunnis and Shiites is crucial to understand the Iraq crisis. Shia governments of Syria and Iraq always followed discriminatory policies against its Sunni population.

The Kurds have been oppressed in Iraq, Syria and Iran. The Kurds in Northern Iraq have been fighting for independency since the end of First Word War. Following the US Military operation in Iraq in 2003, the international community supported the Kurds to obtain autonomy in the northeast Iraq. The real problem for Kurds is that all of Iraq's neighbors don't want an independent Iraqi Kurdish state because they fear their own Kurdish populations could fight to separate and join to the new Kurdish State of northern Iraq.

Now, Sunni Islamist extremists have seized much of western Iraq and eastern Syria. On the other side, the Syrian Government only controls the western parts of Syria where Nusayri and Christian populations have been living. The major question facing Iraq is whether Sunni and Shiite Arabs, Turkmens and Kurds feel that they are part of the same Iraqi state. So far, the main obstacle was the Iraqi government Shiite Prime Minister Maliki and his pro-Shiite policies. Maliki always followed sectarian policies and started attacks on the Sunni tribes in the west of Iraq. His policies deepened the divisions between Shiites, Sunni Arab tribes and ethnic Kurds (Peterson, 2014).

1. The reasons of ISIS birth

Iraq Sham Islamic State (ISIS) is a Sunni Arab organization. ISIS was formerly known as al-Qaeda in Iraq (AQI). In 2006, AQI controlled significant parts of Sunni Iraq, and set up a quasi-government in some regions. However, the Sunni population turned on AQI, because of anger with its brutal rule. Thus, AQI lost its effective control over all regions.

Over the last ten years ISIS has evolved to become an increasingly powerful, violent and effective Sunni Islamist organization. Its primary goal is to establish an Islamic caliphate spanning the Middle East, from Iraq through to Syria, Jordan, Israel, Palestine and Lebanon.
The strength of ISIS has been bolstered by an influx of foreign fighters and the release of detained jihadists. Today ISIS’s personnel strength is estimated over 20,000 fighters. ISIS is led by Abu Bakr al-Baghdadi, and he is a battlefield tactician with extensive military experience in all kinds of urban warfare, and is more violent, more virulent, and more anti-American than al-Qaida’s new leader, Ayman al-Zawahiri (Worsdell, 2014).

In 2003, after the second Gulf War, the US government disbanded the Iraqi army. As a part of a policy of de-Baathification, the purpose was to make free the government of any influence from former members of Saddam’s Baath Party. Consequently, a large number of unemployed Iraqi soldiers joined to the anti-government forces and, thus, ISIS became more skilled by incorporating Saddam-era officers (Beauchamp, Fisher & Matthews, 2014).

In 2006, Iraq’s conflict became as a civil war among three factions: Sunni insurgents, including Islamist extremists and former Saddam loyalists; Shia militias; and the US-led occupation force. In two years period, civilians were often the target of the violence. Bombings and death squads tried to cleanse Baghdad ethnically. The conditions improved after 2008, but many people continued to fear that the sectarian hatreds could be reignited.

Iraqi Prime Minister Maliki did a lot to assist in ISIS’s rise. Since 2006, he has centralized a great deal of power in his office and ruled Iraq, along Shia sectarian lines. Naturally, this infuriated Sunnis, and they organized many protests in 2012. The forcible break-up of the protests by Maliki government convinced some Sunni groups that the only solution was to help militant groups like ISIS (Beauchamp, Fisher & Matthews, 2014).

2. The rise of ISIS

The ISIS rebels are mostly from the Sunni Muslim majority. This is crucial for understanding the Iraq crisis because ISIS spent a year fighting and winning territory in Syria before offensive attacks in Iraq. ISIS fighters have been fighting with and overpowering the more moderate rebels. Because they have received funding from Gulf countries and they are now better at attracting foreign fighters. Syria’s government did not target ISIS, believing that foreign powers like the US may hate Assad, but would ultimately prefer him to ISIS. This helped ISIS to gain a staging ground, territory and battlefield training for its assault now (Beauchamp, Fisher & Matthews, 2014).
ISIS advanced rapidly after taking Mosul, on June 10th of 2014. In Mosul, Iraqi army units melted away against the ISIS advance. ISIS currently controls much of its desired territory. Some reports indicate that ISIS has enough oil production and refinery facilities to fund its own war. The Iraqi army units were unprofessional, insubordinate, undisciplined and unwilling to risk their lives in the face of well-armed and experienced ISIS resistance. In Mosul, for instance, 800 ISIS soldiers sent 30,000 Iraqi army troops running. The collapse of the Iraqi army units explains why ISIS could take so much territory in Sunni Iraq so quickly. When they approached to Baghdad, Maliki asked for the US to renew military action within its borders or carry out airstrikes against ISIS strongholds. This request was accepted by the US and many air strikes hit the ISIS targets.

In order to keep public support of the Sunni populations, Baghdadi has followed a tolerated policy against the Sunni people so far. ISIS rebels have been ordered not to bother local people. Merchants and farmers were ordered to reduce the prices of their goods. But tolerance and moderation of ISIS may be temporary. In some captured towns, fanatical ISIS militants are imposing rules about women's clothing, watching TV in coffee shops and cigarette smoking (Cockburn, 2014).

Baghdadi has the intention of creating a new Islamic state in Iraq and Syria. The success of his plan depends on the US decision to stop its march. As of September 2014, the territories controlled by ISIS in Iraq and Syria are shown on the map below: (Beauchamp, Fisher & Matthews, 2014)

Map 1: ISIS controlled territories in Iraq and Syria
3. The effect of ISIS march to the Kurdish region

Although Northern Iraq Kurdish Authority has its own defense forces and police, it was difficult to stop the ISIS attacks over the Kurdish region. Many Kurdish villages had been seized by the ISIS forces. However, the successful march of ISIS provided the Kurds with a new opportunity to control the city of Kirkuk and the oil-rich area around it. Kirkuk has been one of the main conflict areas between the central government in Baghdad and the Kurdish Regional Government (KRG). Thus, Kurdish leader Barzani sent the Peshmerga (Kurdish military forces) to the city. Peshmerga fighters swept into bases the Iraqi army had previously vacated. The whole of Kirkuk has fallen into the hands of peshmerga. Then, Barzani claimed that it was part of Kurdish region. There was no objection or resistance against this initiative.

In many fronts, Kurdish forces were not successful against the ISIS attacks. Therefore, Barzani has preferred to make cooperation with the Iraqi Central Government. Even this cooperation did not stop the ISIS forward march. After the occupation of Yezidi in the Kurdish region, thousands of Yezidi people had fled to the mountains. Then they fled to the Kurdish region and Turkey after a long march. PKK terrorist organization has even sent its militants to support the Peshmerga forces. Later, the US also had many air strikes against the ISIS forces to support the Kurdish forces. American military involvement helped to stop and slow the ISIS march.

During September 2014, ISIS attacks successfully defeated the PYD Kurdish militants in northern Syria. The great part of Rojave has been occupied by the ISIS forces. On the 20th of September 2014, ISIS started a big attack over the Kobani Kurdish region in northern Syria. In two days, about 130,000 Kurdish people crossed the Turkish border to survive from the attacks.

4. The effect of ISIS over Turkmen regions

In Iraq, Turkmen people have been living in and around the cities of Kirkuk, Erbil, Mosul, Telafar, Basra and Baghdad. The majority of Turkmens are Shiite Moslems and the rest are Sunni. When ISIS seized the city of Mosul from Iraqi Army, most of the Turkmens tried to escape to the Kurdish region. But, when the ISIS militants approached to the Turkmen villages of at the south of Kirkuk and Tuzhurmatu, they mostly preferred to go to the Shiite regions of Southern Iraq, particularly Baghdad and Basra.
The biggest tragedy for the Turkmen people took place in Telafar. The great majority of the city is Shiite Turkmens, and many of them were slaughtered by the ISIS militants. They were not able to escape to the Shiite regions because of the long distance. In general, Turkmen people have been living around the oil rich areas of Iraq. Because of not having any armed organization, their existence has been ignored by both the Iraqi government and the Western World.

5. American approach to Iraq issue

Iraq has the fifth largest oil reserves in the World. Production has increased after the collapse of Saddam Hussein regime by the US Army. In February 2014, the production has reached 3.6 million barrels a day. It was only about 2 million barrels a day in 2002. This situation best explains the American interests in Iraq. Interests of the US in the Middle East include fighting al-Qaeda and preventing it from gaining a safe haven from which to operate energy security in the region. The US interests in Iraq are at risk, as ISIS militants move further toward Baghdad. The security of the less affected allies like Jordan and Israel may be also at risk if the situation is not quickly contained.

The US spent more than $20 billion to train and equip the Iraqi security forces over the last decade. But, when confronted with ISIS offensive, military leaders instructed their troops to flee. In Fallujah, the Army has proved unable to defeat ISIS from their strongholds, despite having superior numbers and access to aircraft (Brown, 2014). Taking into account his inaptness, the US pressure over Maliki has forced him to resign in August 2014. New prime minister is now trying to get political and military support from the outside world, particularly from the US.

The US may be the only state with the capability to substantively change the facts on the ground. Nonetheless, the US should be wary of actions that would give the appearance of siding with the Shiites as such moves could provoke further sectarian conflict. American interests require not allowing Iran to emerge from this situation as a dominant actor in the Middle East (Misztal, 2014). In fact, American interests require that no regional state would be a dominant actor in the region, even if it is an American ally.

The president of the US can start to implement any of the following policies or a few of them together: (O'Malley, 2014)
WHAT IS EXPECTED FOR THE FUTURE OF IRAQ AND SYRIA?

a. Protecting American personnel

275 troops equipped for full combat have been deployed to help protect America’s embassy. Another 100 special force troops may be sent to the region to help with training and targeting should air strikes be approved.

b. Full military intervention

Obama declared that he would not send troops into Iraq to engage in the fight against the ISIS. Obama was elected to extract the US from Iraq and shows no inclination to veer from that path. A new poll shows 74 per cent of Americans support Obama’s decision not to return militarily to Iraq.

c. Strikes by US navy aircraft and cruise missiles

The aircraft carrier USS George H.W. Bush and two guided missile ships has entered into the Persian Gulf. Their strikes depend on accurate targeting by ground observers. There is also a possibility for the pilots being shot down and needing rescue or recovery, perhaps necessitating the deployment of special force. Further, ISIS fighters are well dispersed among the civilian population, so that the US air fighters couldn’t be capable of finding ISIS targets.

d. Drone strikes

Drones are less risky and cheaper than air strikes. However, drones are less powerful than air strikes; they require good ground intelligence and may kill civilians.

e. Intelligence and logistical support of Iraq

The US has already increased its drone surveillance since the ISIS attacks and is sharing intelligence with Iraq. In addition, the US delivered 24 armed reconnaissance helicopters, 10 reconnaissance drones, thousands of rifles, millions of rounds of ammunition, and special operations forces started a month of counter-terrorism training with Iraqi soldiers. According to the State Department, further arms sales have been expedited. Iraq is spending more than $100 million to buy as many as 200 heavily armed Humvees and a deal worth billions of dollars will create an advanced air defense system for the Iraqi government. Lockheed Martin is selling 36 F-16 fighter jets to Baghdad, with the first planes scheduled for delivery before the end of the year. The administration is also selling 24 Apache attack helicopters.
f. Increased co-operation with Iran

This can be possible, if Iran respects to the integrity and sovereignty of Iraq and ability of the government to reform. Pentagon press secretary clarified that this would not include military co-ordination. The US has no intentions, no plans to co-ordinate military activities with Iran.

g. Allow for the splintering of Iraq

Another option is allowing Iraq to be a federation along ethnic and religious lines, under a weak central authority based in Baghdad. Strong regionalism would ignite sectarian cleansing. As it was in Bosnia, a strong federal system is a viable means to prevent both perils in Iraq. Federalism could solve many of the problems. This requires a shift of power from the center to the periphery.

h. Nothing

America’s 11-year engagement in Iraq has failed to unite and stabilize the country. Prime Minister Maliki’s heavy-handed employment of surveillance, incarceration and violence has driven Sunni Arabs into the arms of ISIS fanatics. No policy easily moves Iraq into a fragile and fractured situation and makes Iraq a haven for terrorists. Coming days will show if this policies of the US will be sufficient to prevent the ISIS march in Iraq and Syria.

6. General approach of the Western powers to the region

At the background of the religious separations in the Middle East, there is a huge perception operation by the West. The Western media always try to create a general perception in the world about the existence of great separation and hostilities between Shiite and Sunni sects.

The goal of western states is to keep Middle East always weak and separated, and keep their control over regional governments. Therefore, they always encourage separation and hostilities against each other. The greatest fear of the US and powerful European States is the development of democratic regimes in the region. The best example is Egypt. The West preferred the military authority instead of democratically elected government in Egypt.

Why are the US and Europe supporting dictatorships in the Islam World? This is a very conscious preference of the West. They know very well that the democratic and peaceful Islamic states would be very powerful in a very short period. This possibility is of course unacceptable for the economic and political ambitions of the capitalist West.
They need to keep full control over the huge oil reserves of the Middle East in order to easily reach oil at lower costs.

Another important reason is to protect the Israel state from a possible aggression from Islamic states. They believe that democratic and powerful Islamic states could force Israel to make peace with Palestine people and allow them to establish their own state in the occupied territories. Peace itself is a danger for the interests of the West. Peace will make the region economically and politically powerful. Consequently, a great resistance will emerge against the imperialist and divisionary policies of the West. Thus, democracy is the worst scenario for the West. Small dictatorships are the best regimes that the West wants to see in the region. In parallel to this strategic vision, they encourage and support terrorist and separatist organizations in the regions, such as Al Qaida and ISIS. Because, this extremist organizations act as the agents of the West to keep the region in the state of war, turmoil and chaos. Then, the West easily dictates its policies over the regional governments for the sake of protecting the current totalitarian administrations.

7. Turkey's policy

So far, White House officials have denied any chance of ground troops being used in Iraq. But now, Obama is trying to form a coalition force against the ISIS. Particularly, there is a great pressure over Turkey to give support for the ground troops. The western states do not want that their soldiers are being killed during the battles with ISIS. They think that regional states, particularly Turkey should deploy its military for this purpose. The American media has started a perception campaign against Turkey, attempting to show Turkey as the friend and ally of ISIS. So far, Turkey defended its pacifist policy because of the Turkish consulate members who were captured as hostage by ISIS.

On 20th of September 2014, with the successful operation of Turkish Intelligence Service (MIT) Turkish consulate members were freed by ISIS and received at the Syrian border. Following day, the US secretary of state John Carry said that it was time for Turkey to prove itself.

Turkey is now at the brink of a difficult decision. Actually, the US policies in the region only brought blood and tears for all parties. This time, by forcing Turkey to take action, they aim to start more bloody fighting among the regional nations. So, a permanent hate and separation could be created in the region which is well suited to the Western interests.
Inside Turkey, PKK terrorists started to burn the schools to instigate the Turkish military to use violence. The same method has been used at the Syrian border, during the exodus of Kurdish people from Kobani region of Syria to Turkey. But Turkish military forces have acted very professionally and patiently. All these efforts seem to instigate Turkey to involve in the fighting which has been occurring outside Turkey. By this way, the only democratic country of the region would become a part of the problems of the region.

Turkish political leadership needs to show its capability to escape from this trap. Actually, Turkey has been deceived in Syria by its western allies. The US and European allies did not continue to support the Free Syrian Army for its fighting against the tyranny regime of Bashar Assad. Instead, and allowed the terrorist organizations such as ISIS and Al-Nusra to accumulate power. As a result of this approach, more than 200,000 people had been killed and 1.5 million Syrian refugees have fled to Turkey.

Conclusion

The situation in Iraq and Syria is likely to worsen. The current fighting will only strengthen sectarian separation among Iraqis. More divided, more hostile, poorer and radical Islamic societies in the region may serve better to the western interests and of course to the security of Israel. America’s famous journalist, Carl Bernstein, speaking on NBC during a debate over the Bush legacy, openly stated that “Jewish neocons” were behind the war against Iraq. The collapse of Iraq into powerless factionalism, and even the ongoing conflict in Syria, were all mapped out by the Jewish neocons in 1996, and implemented by a team of activists who could use easily-manipulated men such as George W Bush to carry it out (Duke, 2014).

Western states do not have anything to lose. Unfortunately, they never mind the mass killings that they caused. They are far enough from the region and the risks. Middle East is a good place to play chess and to test their new weapons regularly. The rise of ISIS provided a new opportunity to sell new weapons to Iraqi government and to some other regional states. The West never liked the peaceful solutions to the problems in the region. Therefore, they are not happy to see Turkey’s honest and sincere policies supporting democratic forces in Syria and Egypt and new policies to solve the Kurdish issue inside Turkey. Actually, together with the improvement of democracy, human rights and minority rights in Turkey, the critics against Turkey from the Western world have increased a lot.
Under the light of these assessments, it seems impossible to establish a peaceful and integrated Middle East. The contemporary values of human rights, tolerance and co-existence with diversities have been forbidden in the Middle East. Only during the Ottoman Empire, the whole region lived in peace and dignity. After World War I, Great Britain successfully implemented its “divide and rule” policy in order to exploit the oil reserves of the region. After the Second World War, the US took over its position. The order established by the West still continues to prevail. The regional dynamics are not able to be effective to shape the political structure. Instead, the peoples of the region are being tried to be separated more deeply. Regional governments also support this separation which makes the people weak and unresponsive.

On the final stage, the new political map with the new borders may be as it is shown on the map below. (Beauchamp, Fisher and Matthews, 2014)

Map 2: Expected political map in Syria and Iraq for the future

Iraq faces a future as a violent country, with a weak central government and many areas dominated by extremists. The “divine conquest” of Mosul by a group of Islamic extremists is a bitter consequence of the American invasion. For now, there seems to be little to do about it. But things could get much worse than that. (Filkins, 2014)

The security and peace in the region could be best maintained through the development an effective regional integration. Many of the
countries in the region are subject to the internal and international constraints which prevent them from implementing effective policies. Political fragmentation and conflicts have hampered the development of democratic institutions. Civil organisations are weak and often co-opted by the governments. Therefore, a successful regional initiative could not have been started to finalize the crisis in Syria and Iraq. (Agca, 2013)

Extremist organizations, such as Al Qaida and ISIS, are helping to keep the region in the state of war, turmoil and chaos. Then, the West would easily dictate its policies over the regional governments for the sake of protecting the current totalitarian administrations. It seems that the exploitive policies of the West will continue until all the oil and natural gas reserves dry up. The establishment of pro-western political orders may end the fighting and turmoil for a while. But later, the conflicts will be restarted to prevent the rise of any regional power.

References
Abstract: Banking sector in Kosovo has been developed considerably during the last decade. The entrance of international banks has improved the services provided by them. Banks have contributed in developing the economy of Kosovo by being a key player in financing businesses. Besides the positive effect of banks in financing companies, in some cases high interest rates offered by them resulted to be a burden of liquidity. Hence lots of businesses have failed to survive in the market. Kosovo needs more improvements in the business environment in order to obtain lower credit rates by commercial banks.

Except for changes in business environment, Kosovo can benefit also from the application of Islamic banking system given that they operate on interest free basis. Islamic banking has been the best financial solution toward global financial crises. Growth and spread of Islamic banking has raised the attention of global economy. Islamic finance is a system that is not dedicated only to Muslims but to all people not matter their religious belonging. Kosovo has done first steps toward having Islamic banks. It is important to mention changes in the law for banks and other financial institutions which enables Islamic banking to operate in the market of Kosovo.

Key Word: Banking, Kosovo, Businesses, Islamic banking, Obstacles and Opportunities
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Problem definition

The role of the banking sector in the post war economic development of Kosovo is crucial. There have been lots of startup companies (small, medium and big) that besides business ideas needed financial support, with banks being the main source of financial support. The banking sector last decade has been quietly developed with the entrance of some international banks in Kosovo’s market. Still, the issue of high interest rates is a problem the businesses that have decided to address their need for financial help to the doors of banks. Notwithstanding, the improvements made Kosovo remains a leading country for highest interest rates in the region. Regarding this issue along with the decrease of the interest rate as a result of improvements of business envi-
ronment, we shall expect entrance of additional financial institutions into this market.

The appearance of microfinance institutions that operate according to Islamic rules and principles which means no interest rate is a component that interest rates are going to decrease. Additionally, those small financial institutions are a sign that a bigger institution like bank can operate in the market of Kosovo. This project aims to research the possibilities, obstacles and benefits of applying Islamic banking in Kosovo.

Background to Problem

-A short history of Islamic banking

Islamic banking for most of people is viewed as a new way of banking. Especially in Europe this issue is commented as a recent story. The way Islamic banks operate at present time is true that is new concept. Anyhow each idea that has been a synonym of success has its own history of how it has started, when, where, why and who has done it. This implies that Islamic banking also has its history of development and that history goes back more than 14 centuries ago. “Principles and techniques of Islamic finance originate since the time of Prophet Muhammad (pbuh). There where people that have practiced banking services and transactions which exist even today. Some services existed before the time of Prophet Muhammad (pbuh). That’s why when we study the history of Islamic banking we should study from the time of Prophet Muhammad (pbuh) till these days.” (Hasani, 38) There were several important economic institutions established at the time of Muhammad. One of earlier and most important is Bejtul Mal (house of treasury). “This institution was important for financing and for supporting citizens and it was not considered treasure only for Muslims but also for non Muslims living within the state.”(Hasani, 39) Another feature of this time was the use of ‘cheques’ in order to do payments.” In early ages respectively in the first century of hijr (Muslim calendar) Muslims used to trade with coupons which were named ‘Sakk’. The term ‘cheque’ which is used in today’s banking originates from the Arab word ‘sakk’ plural sukuk and of the concept of Persian word

‘Suftaxhah’ and means “paper money” or “letter of credit.” (Hasani, 40) This was in short the early history of Islamic banking when financial transactions were practiced but institutions as are today were not present. The modern development of Islamic banking is characterized by three phases: “the first one is when Islamic banking was only idea,
the second phase is characterized by first attempts to establish these institutions which failed, and the third one is when establishment of Islamic banks became reality and started to operate in Muslim countries as well as in Europe. The first Islamic bank was established in Egypt in year 1963.” (Hasani 30) At present time half of the globe is practicing the Islamic banking. A major characteristic of this type of banking is the financial stability which is crucial at this time considering the global financial crisis.

- The differences between Islamic Banking and Conventional Banking

Banks in general play the same role in terms of financing, crediting, depositing, performing transactions etc. Appearance of Islamic banks which also serves for the same purpose as conventional banking opens a discussion for the similarities and differences between Islamic and Conventional banking. The main difference is the way Islamic and conventional banks realize their profit. In conventional banking one of main sources of profit is the interest rate. In contrary Islamic banks are prohibited from use of interest rates and their profit is realized in other forms mostly by trade and partnership. “The difference with the conventional banking, in my view, is focused on the application of Shariah principles, not only the issue of the interest rate, but also the role in embarking in licit and lawful activities according to Islam.” (Sulemane, e mail interview May, 10, 2012).

The following table will provide us with main differences of these two types of banking.

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<td>The investor/lender is guaranteed of a predetermined rate of interest or returns.</td>
</tr>
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<td>It also aims at maximizing profit but subject to Shariah restrictions.</td>
<td>Unrestricted profit maximization illustrated by derivatives trading</td>
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In the modern Islamic banking system, it is one of the service-oriented functions of banks to be a Zakat Collection Centre and they also pay out their Zakat. It does not deal with Zakat.

| Participation in partnership business is the fundamental function of the Islamic banks. Lending money and getting it back is the fundamental function of the conventional banks. Money is a commodity and the motivation. |
|---|---|
| Islamic banks have no provision to charge any extra money from the defaulters except compensation (typically such proceeds is given to charity). Rebates early settlement at the Bank's discretion. It can charge additional money (penalty and compounded interest) in case of defaulters. |
| Due importance to the public interest/ Its ultimate aim is to ensure growth with equity. Often, lenders/banks interest becoming forefront. It makes no effort to ensure growth with equity. |

Table 1 (Abu Bakar, 12-16)

Elaborating the differences between two types of banks we should consider that Islamic banks design their banking products according to Shariah-compliant which means in respect to Shariah laws. "Islamic or Sharia-compliant banking products are financial transactions that do not violate prescriptions of the Quran. Specifically, Islamic financial transactions cannot include the interest payment (Riba) at a predetermined or fixed rate; rather, the Quran stipulates profit-loss-risk sharing arrangements, the purchase and resale of goods and services and the provision of (financial) services for a fee. A second important characteristic of Islamic banks is that they are in general prohibited from trading in financial risk products, such as derivative products. In order for banks and their clients to comply with Shariah, over the past decades, specific products have been developed that avoid the concept of interest and imply a certain degree of risk-sharing." (Beck, Demirgüç-Kunt, Merrouche, 7) Hence the legal framework of Islamic banks is regulated by the board of Shariah consisted of people with expertise in the field of Islamic economy and Islamic legal studies. The legal maxims for evaluating Islamic banking product weather are forbidden or not by Shariah law is based on the following statement: “Everything is allowed unless you find a fact or argument that prohibits it.” (Hasani. personal interview. May, 1, 2012). This statement indicates that not all
the products of conventional banking are in conflict with Islamic banking products. There are several products that are used in both types of banking. Another difference between these systems is the destination of investment. Islamic banks also pay attention on the purpose the money is invested. Some of the restrictions are as follow: “Avoidance of speculations (gharar), Avoidance of oppression (zulm), Discouragement of the production of goods and services which contradict the Islamic value (haram).” (Abu Bakar, 3)

-Some data for the banking sector of Kosovo

According to Kosovo’s Central Bank, currently in the market of Kosovo are operating 8 commercial banks. Along with commercial banks also are operating 15 microfinance institutions. (BQK retrieved 2012). Even though the number of banks and microfinance institutions is considerable comparing to the market size of Kosovo still the interest rates comparing with other countries in the region are high. In the following table I am going to present the lending interest rates for Kosovo, Albania, Bosnia and Herzegovina, Macedonia and Bulgaria. (World Data Bank, 2012)

<table>
<thead>
<tr>
<th>Country</th>
<th>Lending interest rate % -2010</th>
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<tbody>
<tr>
<td>Kosovo</td>
<td>14</td>
</tr>
<tr>
<td>Albania</td>
<td>13</td>
</tr>
<tr>
<td>Bosnia and Herzegovina</td>
<td>8</td>
</tr>
<tr>
<td>Macedonia</td>
<td>9</td>
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<tr>
<td>Bulgaria</td>
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</table>

Table 2

As seen from the table Kosovo has the highest lending interest rate in the whole region. High interest rates have negatively affected business that needed financial support. According to research done by Re-invest Institute “Great number of enterprises (81%) has reported that credit conditions offered by banks in Kosovo are severe. Whereas, approximately 74.2% of enterprises inform that they have paid around 10 to 15% annual interest rates for credits obtained, and no more than 11% of enterprises have obtained credits with lower than 11% interest rates. Thus, this allegation is drawn from the verity that the level of interest rates of commercial banks, as a core external financial resource
of enterprises, is qualified as high and as a burden for the liquidity of businesses.” (Albulena 5)

-Some facts about Islamic banking

Islamic banking is only a segment of Islamic economy. Since there are tons of information and books about Islamic economy we will stick only to the Islamic banking in our research. The modern Islamic banking has been developed recently, but its spread and the success is to be admired. According to Central Bank of Malaysia “Islamic finance has grown tremendously since it first emerged in the 1970's. Current global Islamic banking assets and assets under management have reached USD750 billion and is expected to hit USD1 trillion by 2010. There are over 300 Islamic financial institutions worldwide across 75 countries. According to the Asian Banker Research Group, The World's 100 largest Islamic banks have set an annual asset growth rate of 26.7% and the global Islamic Finance industry is experiencing average growth of 15-20% annually.” (Central Bank of Malaysia, 2012)

Islamic banks offer a wide range of banking products. Some of them are as follow:

- Ijarah- refers to a lease or commission contract that involves an exchange of usufruct or benefits of an asset or a service for rent or commission for an agreed period.

- Istisna` is a contract of sale and purchase involving manufacturing, producing or constructing a particular asset.

- Mudarabah is a contract between two parties to conduct a particular joint venture.

It involves the rabbul mal as investor who provides the capital, and the mudarib as entrepreneur who manages the joint venture.

- Musyarakah is a contract of partnership between two parties or more to finance a particular business joint venture whereby all parties contribute the capital either in the form of cash or others.

- Qard means giving a property to a party who will benefit from it and who will subsequently return an equivalent replacement. (Central Bank of Malaysia, 2012)
-Islamic Banking in England

In the sections about the history of Islamic banking we saw that they have appeared firstly in Islamic countries. Initially Islamic banks evolved as alternative for Muslims as they are not allowed to use the interest rate due to religious restrictions. The rapid and successful development of Islamic banks raised the curiosity in many countries despite religious views. The case of England is the most known example till now. England till now is the leading non Muslim country that has successfully applied Islamic banking considering the legal framework, economic and business environment. “The establishment of an enabling fiscal and regulatory framework in the UK for Islamic Finance since 2003 has resulted in a number of advantages for Islamic banks. Globally, the demand for Islamic Finance is clear. The market for Islamic Financial Services, as measured by Shariah-compliant assets, is estimated to have grown more than threefold over the past decade – from around US$150 billion in the mid-1990s to US$500 billion in 2006. Islamic banking accounts for nearly 90% of assets with other products also growing rapidly, albeit from a smaller base. The UK Financial Services sector is a springboard for global growth and the partner of choice in the delivery of Islamic Finance excellence in the Western world” (UK excellence in Islamic finance 4) England is a model for setting the legal framework for developing Islamic banking in a secular country. The body of FSA (Financial Service Authority) is the most important institution that regulates the law issues in respect to Islamic banking in England. This body till now has licensed three Islamic banks. “To date, the FSA has authorized three wholly Islamic banks, initiated by Middle Eastern investors and institutions. The Islamic Bank of Britain began operations as an authorized firm in 2004 and by June 2007 had a balance sheet of around £140m.16 On the same date, the European Islamic Investment Bank, which was authorized in 2006, had a balance sheet of £302m.17 The Bank of London and the Middle East was authorized in July 2007, with a startup capital of £175m.18 The first of these is retail and the last two wholesale.” (Ainley, Mashayekhi, Hicks, Rahman, Ravalia, 12)

Investigations Conducted

Throughout this research I have used primary as well as secondary sources for getting insights about Islamic banking and identifying the possibilities of having them in Kosovo. Primary data were collected by surveys and interviews. The survey based questionnaires were used to get a picture about people’s knowledge about Islamic banking in Koso-
In the sample were included 50 people. The average (mean) age of people surveyed is 23.56 and almost all of them are in their bachelor studies. Out of this figure, 15 of them are AUK students which were randomly chosen during break times around the campus and the other 35 were surveyed in different locations in Pristina mainly in places where students go out during their breaks. In gender basis, 56% of the surveyed were males and 44% were females. The survey anonymous people were not asked of their names but they were asked about their age, gender and their field of study. There were 4 closed questions and the time per person to finish the survey was around 5 minutes. The appendix provides the excel sheet with detailed information about the results.

I also have conducted five interviews with people that I consider are relevant to the subject of research. Interviews have helped me a lot to understand current potentials of developing Islamic banking in Kosovo. All interviewed people work on important financial institution of Kosovo. I have to note that in some cases their answers are personal reflections and opinions and not institutional representation.

Secondary sources also enrich this research. Several articles and publications that I have used discuss Islamic banking from different perspectives like history of development, product development, application in different countries throughout the world and future potentials. I also have used data from central bank of Kosovo, Malaysia and from world data bank which are credible sources. I consider that all the data gathered are qualitative and credible and have made this research more valuable. Despite the fact I have thought I will face obstacles finding data for Islamic banking the results show that this field in a near future will be present also in academic level and people won’t face difficulties finding resources for further research.

Analysis of Results

Survey analysis

Establishing Islamic banking in the financial market of Kosovo is followed by several issues. Some of them are: having the right laws and regulations that enable this type of banking to operate; having the experts and trained labor force in order to implement it; and having an information session to citizens, businesses, government and organizations in order to explain what Islamic Banking is. That is why during this research I have tried to collect data from many people of different profiles to identify what is needed for consideration. In this section I
will analyze the results of data gathered from primary research in order to perceive the potentials of developing Islamic banking in the financial market of Kosovo. Firstly, I provide an analysis of the survey results and then will elaborate the findings from the interviews conducted. The form of the questionnaire used in the survey is shown under appendix 1.

On the question “What do you think Islamic Banks are?” the following results were retrieved:

![Fig 1](image)

According to fig 1 the second and the third option is how mostly Islamic banks are perceived currently in Kosovo. First option “NGO” was chosen by 24% of the respondents. So who is right in this case? This question is quite broad for discussion in the case of Kosovo. The first option can be right if we refer to the Microfinance institutions. In this case we are referring to all microfinance institutions not only Islamic ones. According to laws of Kosovo on Banking and microfinance institutions microfinance can be registered as NGO. The definition by current law is:” Microfinance Institution - is a legal entity organized as either an NGO under the NGO Law or as a joint stock company under the Law on Business Organizations which provides as its primary business loans and a limited number of financial services to micro and small legal entities, low-income households and low-income persons.” (Official Gazette of the Republic of Kosovo, page 3 retrieved 2012). The second option in this case is irrelevant because neither microfinance nor banks can be treated as humanitarian since both of them aim profit. The third option is the right one. Islamic banks are profitable entities as all other banks. What distinguishes Islamic banks is the way they operate. The answers of this question tell us that Islamic
banks are wrongly perceived currently. The community is still not informed of what really Islamic banks are. From this we can draw a conclusion that the community is still not clearly informed how to define Islamic banking and more promotion is needed.

In addition we will see the results of the question “How widespread are Islamic banks throughout the world?”

Responses provided in the figure 2 entail that we have no clear picture for the spread of Islamic banking. While half of the surveyed persons claim that the Islamic banks are very little spread worldwide, about 34% have no answer to this question. Still, Islamic banks presently are quite spread. “Currently concentrated in the Middle East, North Africa, and Southeast Asia, Islamic banking is spreading to sub-Saharan Africa, Central Asia, and Western Europe. Of the 180 banks in the Bankscope database for 2006, 61 percent are in Middle Eastern countries, 21 percent in Southeast Asia, and 11 percent in Sub-Saharan Africa.”(Imam and Kpodar 8)

Next question “Do you think Islamic Banks can operate in Kosovo?” is consisted of two parts. If the respondent answer with yes then continues in the second part which asks for the possible effects of Islamic banks would have in Kosovo. In the second part respondents could choose more than option. Following figures illustrate the results attained.
Nevertheless citizens still are not informed enough on Islamic banking they support the idea of having them here. Of 50 people surveyed 92 % have answered pro Islamic banks and only 8 % do not support them. In the question of possible effects of Islamic banks in Kosovo’s economic environment the options 1 and 4 were mostly chosen. Respondents believe that Islamic banks would affect the interest rates and the increase of number of businesses. The two factors are excep-
tionally important for the current economic development of Kosovo. Anyway in our case this is still an issue that needs to be proved.

Following question: “Are you informed if there is any microfinance institution operating according to Islamic rules in Kosovo’s Market?” provided the subsequent result.

Only 30 % of surveyed people were aware that microfinance institutions that operate according to Islamic principles are present in Kosovo’s market.

In primary research I also conducted interviews with people that are relevant subject to research. Their profile is described in the acknowledgments section. During the interviews mainly were discussed the following issues:

- Legislative Issues for operation of Islamic banking
- The treatment of Islamic banks by CBK (Central Bank of Kosovo)
- Economical and political environment of Kosovo in respect to Islamic banking
- Effects of Islamic banks in the economic development
- Personal opinions and reflections toward Islamic banking and its development in Kosovo
In addition will be presented findings of each issues mentioned above.

-Legislative Issues for operation of Islamic banking

Recently there have been some changes in the law for banks and microfinance institutions. These changes also give opportunity for Islamic banks. “CBK (Central Bank of Kosovo) has set the option for Islamic banking in order to explore the possibility of an Islamic bank applying for license.” (Jazbec)\(^1\) Laws play a fundamental role when we explore the potentials of Islamic banks for the reason they operate according to Sherriah- Law and Kosovo practices secular laws. The practice has shown that Islamic banks can be integrated also in countries with secular laws. At present in Kosovo by law Islamic banks are defined as” A type of bank, including an Islamic banking window that undertakes the business of banking according to Shariah principles and subject to the provisions of this Law and regulations promulgated by the CBK; “Islamic banking window” refers to a department or division of a non-Islamic bank that provides financing services according to principles of Shariah” (Official Gazette of the Republic of Kosovo, page 3 retrieved 2012). Changes in the law on banks and microfinance institutions in a way promote Islamic banking. Currently in Kosovo the operation of Islamic banks can be in two forms. One way is a current commercial bank can have so-called Islamic banking window as department and another way is if an Islamic banks applies for a license and starts to operate. Kosovo has the prevalent potentials for development of Islamic banking. It is a market that needs more banks to increase competition, is part of pioneering countries in the region that is doing right law reforms and is implementing this way of banking along with Bosnia and Herzegovina and Albania. “For now the Central Bank of Kosovo is working a lot on creating all the necessary conditions for the operation of Islamic banks.”\(^2\) (Dërvari). This is the first phase. In case we have an Islamic bank operating in Kosovo we need to continue on secondary issues that need to be well thought-out. Secondary issues mainly have to do with more effective adoption of Islamic banking in respect to harmonizing the laws of Kosovo as well as rules of central bank with rules and principles of Islamic banks.

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\(^1\) Retrieved from personal interview

\(^2\) Retrieved from personal interview
The treatment of Islamic banks by CBK (Central Bank of Kosovo)

Among initiatives for having Islamic banks in Kosovo, Central bank of Kosovo plays the basic role toward developing them. Till now CBK has constructively contributed on the way to foundation of Islamic banks. CBK is doing the right reforms in laws for having Islamic banks operating in near future. Still there are issues that need to be considered in order to overcome barriers of start for Islamic banks. Islamic banking is different in a sense that you are not allowed to ask for interest rate and you are not allowed to invest on certain areas that are prohibited from Quran. The profit of the bank is considered to be asked in other ways like partnerships, trade etc. In this respect there are some characteristics of Islamic banking that need to be considered. Otherwise “there are not any special treatments or barriers for Islamic banking, they are treated as all other financial institutions.”

Changes in law appearance of Islamic microfinance institutions and by some means promotion of Islamic banking leads us to the idea that Kosovo has the right potentials for developing this type of banking. Further development leads to new obstacles that need changes and adoptions according to market and other needs. After the first phase which till now can be considered successful there is a need for treatment of secondary issues that have to do with guidelines between the central bank and the Islamic bank in terms of deposits, interest rate, taxes etc. Islamic banks prohibit the interest rate in both credit and deposit side and this leads to complications. Example the minimum required reserves which central bank lends with interest rate. Another issue is the interest rate for depositors. Islamic banks do not offer interest rate but offers gifts and the amount is not predetermined. These issues need to be treated carefully and for solution we can refer to countries passed over this, example England. “Also IDB (Islamic Development Bank) provides assistance in regulating the above mentioned concerns.”

Economical and political environment of Kosovo in respect to Islamic banking

Existing economical and political environment favors development of Islamic banks. As Dr. Hasani states “comparing the time where I have come back three years ago, I can say that political and economical environment have positively changed.” Self-consciousness of society for Islamic finance is increasing. Lately the approval of new law on banks

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3 Retrieved from personal interview
4 Retrieved from personal interview
5 Retrieved from personal interview
and financial institutions gives opportunity to establish Islamic banks. This means that in respect to economic and institutional environment for developing Islamic banks Kosovo has made progress more that any country in the region. Applying Islamic banking in Kosovo despite changes in laws and having right institutional support also needs changes in people perceptions of Islamic financial Institutions. For development of Islamic banking we need changes in the way certain activities are done. “Namely risk sharing activities, the role of a national growth strategy and use of financial resources to develop investments in productive activities related to the growth strategy.” (Sulemane)\(^6\) Changes in perception of Islamic banking as any other perception take time and effort. For now Islamic banking can be seen as opportunity for contribution toward enrichment of financial market and contribution for economy of Kosovo.

\textbf{- Effects of Islamic banks in the economic development}

Taking into account application of Islamic banks in Kosovo we should ask a basic question. What is their effect on economic development? This question is easier said than done at this time. Looking at the growth of Islamic banks looks promising. Countries that have applied Islamic banking and individuals that have knowledge on Islamic finance recommend application of it. “I see it as an application of financial instruments within a framework of a way of life with specific basic principles, in particular with an emphasis on risk sharing mechanisms in finance and business.” (Sulemane)\(^7\) Islamic banks would have positive effect on decreasing interest rates and increasing number of new businesses on partnership basis. The aim of Islamic finance is to provide financial stability based on real assets and share of risk. Attention for Islamic finance is increasing also in the academic level. Islamic economy is being promoted in many worldly famous universities. Courses on Islamic economy are taught for different reasons. “Some study for religious purpose, some for economical purpose and some for the increase of demand of experts of this field. I think that Islamic economy will be taught also in Kosovo.” (Hasani) By now in Kosovo we have only Islamic microfinance institutions. Mr. Salihu states “at present time Islamic microfinance in the market of Kosovo are operating with four Islamic banking products. Maximum time for lending credits

\(^6\) Retrieved from personal interview

\(^7\) Retrieved from personal interview
is year and a half. Most used contracts are ones of trade and active partnership. (Salihu)⁸

-Personal opinions and reflections toward Islamic banking and its development in Kosovo

Having personal reflections form people interviewed is helpful bearing in mind they are part of processes and changes in banking sector of Kosovo. Current phase of development does not give too much space for researching the real functioning of Islamic banks so we will refer to opinions gathered from interviews. The demand for Islamic financial services in our country has increased. This is for two main reasons, some wants Islamic banking as they don’t use conventional one due to religious restrictions of interest rate and the second reason is the economical one. Islamic finance provides financial support without interest based of partnership between the lender and the borrower. This concept is shown very successful and resistant against financial crises that have happen lastly.” I am convinced that as much as community here is informed for Islamic finance the demand will increase much more for these services.”⁹ (Hasani)

Another issue important to tackle is whether Islamic banks are dedicated only to Muslims or also to non Muslim population? Even though Islamic banks work on Islamic principle the practice has shown that Islamic banks can be applied in countries that have non Muslim population as we mentioned England. If we look from the perspective of a company or a business doing, Islamic finance is a system in which people can be integrated despite religious differences. “I think that Islamic banking is for all people not only for Muslims, as long as they want to abide to certain basic principles on what type of activities to embark with the financial resources from an Islamic bank” (Sulemane)¹⁰

Conclusion

Financial market of Kosovo is improving lately since its start a decade ago with the end of the war. We are witness of having better services day by day. Entrance of international banks has increased competition as well as the expertise and new banking products. Number of Commercial banks and microfinance institutions in respect to market size is considerable still waiting to increase in near future. Anyway Kosovo

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⁸ Retrieved from personal interview  
⁹ Retrieved from personal interview  
¹⁰ Retrieved from personal interview
still faces high interest rates which are considered a burden of liquidity for people and companies that need financial support from banks. Kosovo still leads with higher lending interest rates in the region. Main reasons for having high interest rates are political challenges, law enforcement, economic and business environment. Improvements in these fields contribute for having lower interest rates. Financial institutions assist on increasing the number of new startups and help in expanding current businesses. An additional building block for developing financial market and having lower interest rates is the appearance of Islamic microfinance institutions and potentials for having Islamic banks. They are first signs that we can have Islamic banks operating in the market of Kosovo in a near future. Changes in the law for banks and microfinance institutions open the door for development of Islamic banks in Kosovo. Islamic finance is growing rapidly and it promotes financial stability through partnership investments and based on real assets. Practice of Islamic banking till now has shown that are the best solution for global financial crises. Kosovo is on the right path of establishing Islamic banks which are very beneficial at this stage of economic development. We hope in the near future financial market of Kosovo will be enriched with an Islamic bank.

Recommendations

For the period of research lots of insights have been discussed of what is needed for further development of Islamic banks in Kosovo. The first phase of introducing Islamic banks in the market of Kosovo has resulted in establishment of Islamic microfinance institutions and changes in law by which Islamic banks can start to operate either with so-called Islamic Banking widow or as a whole Islamic bank. First phase looks impressive but still we have to consider obstacles that come when second phase starts. In respect to higher development of Islamic banking in Kosovo I consider the following recommendations.

Maintaining relationship with central banks is vital for development of Islamic banking. There are few issues that I think are important to consider in order to help set the framework for future development of the Islamic Banking in Kosovo. “First, the Central Bank of Kosovo is a relatively young institution (in terms of numbers of years of existence), which from the outset can start with implementing “best practices” around the world whenever it starts to design and implement structures, policies, software and management practices. Therefore, it can start applying easily new issues and financial instruments. Second, the fact that at this moment there is no monetary policy, CBK
can focus its attention to regulatory issues for better financial stability in the country. Third, CBK is, in my view, the “best” public institution in Kosovo and it should use this feature to be even better, as it can use this feature to develop and enhance the potential flourishing of Islamic banking in Kosovo. (Sulemane)

Apart from the constructive role of CBK, developing academic programs for studying Islamic economy is a key incentive for development of Islamic financial institutions. Lots of universities in Malaysia, England, Turkey and Arab Countries provide courses and programs for Islamic economy. These studies can be of bachelor level, masters and also post graduate studies. Islamic economy is a broad area of study. Kosovo till now has cooperated with the international community in each field as well in education systems and programs. I am also part of international University which is in cooperation with RIT (Rochester Institution of Technology) from New York. Having departments in universities or exchange programs opens new opportunities for student that want to be pioneers of developing modern Islamic economy which is becoming more and more famous.

Another recommendation to facilitate Islamic banking is membership in the IDB (Islamic development Bank). “The present membership of the Bank consists of 56 countries” (www.isdb.org, 2012) Kosovo would benefit by this membership exchange in expertise considering the initial phases Kosovo is passing through in establishing Islamic banking. IDB also provides financial support which is interest free. Kosovo would benefit a lot in financing national projects with the help of IDB.

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