Basic Variables of Economic and Social Development in Balkan Region
(Regional Development -Industrialisation-Humanpower)

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ABSTRACT
In this study, three subjects had been investigated. Firstly history of industry Balkan region, secondly basic variables economic and social development, thirdly relation to variables. Industry is basic element of development. In addition to in this paper theoretical and literal concept has been investigated.

In this study is aimed at presenting the most important new trends of economic, social, political and institutional development of Balkan region with relation to four major factors shaping the regions countries. Industrial Revolution in Europe and made major investments in the first half of the 19th century particularly central Europe and Balkan region. Balkan regions represent complex and diverse reality. These regions are from Old Continent to Central Europe, South East Europe and Mediterranean. From Adriatic to Black Sea and Mediterranean also. In these regions there are some different economic, social and political events. I.e. Croatia moves to final round member of European Union some countries face to particular problems of political subjects.

I offer framework analysis of the regional country by country based on the existing set of criteria, which are variables of social and economic development. Those variables are including (cluster industry, expenditure R&D od GDP, variations of capitals, population and market, some trade block which are impact of economic and social development)

Proposed key pillars to support sustainable competitiveness in the Western Balkans. Sustaining competitiveness =Human capital development==Regional Cluster==Sector Policy reforms.(OECD,2008)

Key words. Balkan region, Social development, Globalisation, Sustainable development

1. Introduction

Turkey has 45 % exports to OECD countries. EU and Balkan countries and Black Sea countries are important partner of Turkey’s economic cooperation. Therefore regional economic development, human power and industrialisation are important subject economic and social development also. The EU concluded a customs union with Turkey in 1996. Sustainable development measure is not easy. It has social economic end ecologic factors. In this study investigated several aspects. Those are social, economic and environmental factors. Development means is including several means. Because classical sectors has chanced. Therefore sectors increased from three to nine. Inter alia regional development concept has chanced. Those impacts of Secondary affect other sectors. For example, capital flow.
Republic of Turkey is situated at the reshold of Europe and Asia where many borders coverage. I offer in this study three hypothesis.

H1. What is effect time and region economic and social development?

H2. What is relation to variables and can be formula?

H3. How is relation to innovation and R&D policy industrial development. Is there a relationship between R&D expenditure GDP?

Finally, I analysed and investigated theoretical concept. I compared with population, GDP, R&D, for testing my hypothesis.

2. Literature Review

With the world’s population set to increase by 65% (3.7 billion) by 2050, the additional food required to feed future generations will put further enormous pressure on freshwater resources. This is because agriculture is the largest single user of fresh water, accounting for -75% of current human water use. At present -7% of the world’s population live in areas where water is scarce. This is predicted to rise to a staggering 67% of the world’s population by 2050. Because of this water scarcity and because new arable land is also limited, future increases in production will have to come mainly by growing more food on existing land and water. Globally, in both irrigated and rain feed agriculture only about 10–30% of the available water (as rainfall, surface or groundwater) is used by plants as transpiration. In arid and semi-arid areas, where water is scarce and population growth is high, this figure is nearer 5% in rain fed crops. (Wallace; 1982, 105)

I summarized literature and theoretical background. Economic and social development is including other factors. This subjects multidisciplinary fields.

In 2011 the world population surpassed the 7 billion mark and, according to most commonly quoted population projections – the medium variant published by the United Nations Population Division – the world population will grow to over 9 billion by mid century (UNFPA, 2012...). Becker and Chisvick (1996) touched a neglect by economist of discussion of the issue of distribution of income because lack of economic theory able to explain differences the importance distribution across regions, countries or time (Savvides; 2009, 157) Sustainable development have three pillars.

1. Economic Prioritize profit and wealth accumulation within a consumer society. 2. Social Anthropocentric world-view. Social welfare is increased by more economic wealth. 3. Ecological Technology is a substitute for ecology. Markets capable of allocating natural resources optimally. (United Nations Environment Programme, 1999; Brown and Flavin, 1999). Industry, prioritizing economic outcomes, continues to resist change to renewable and clean sources of energy, preferring to consume low economic cost (although high environmental and social cost) non-renewable fossil fuel energy resources. Similarly, social and ecological objectives can conflict. (Lamberton; 2005, 6)

Correspondingly, the basic category of sustainability has the following formulation: “Sustainability is putting technical, scientific, ecological and economic social resources in order so that the resulting system can be maintained in an equilibrium state for some time and in space” (WCED, 1987)

The contemporary global economy has its share of discontents, from inequality and insecurity to environmental and social damage. (Fukuyama, 2003, 17)
3. EU and Balkan Region

Regional and Bi-Lateral Competition Laws the EU has one of the oldest regional competition regimes. Its approach to competition law is somewhat different in substance and procedure from the USA. The EU model, which traditionally has given effect to a wider range of policy goals and the use of exceptions, is very attractive to transition economies. This is due to several reasons. First, most Central and Eastern European countries aspire to EU membership and therefore their competition laws need to be adjusted to EU rules. Second, the EU law approach is mainly based on the civil law and many transition countries have civil law systems. Finally, most countries feel that the EU approach offers a ‘flexible framework for achieving political and social goals that go beyond achieving greater efficiency’. (Gehring: 2006, 194) European training foundation was established 1995 to make an important contribution to the effective provision of training assistance to the countries of central and eastern Europe eligible for economic aid to support the process of region (European council p.2(Viertele;2010,219) Europe 2020 75% of the 20-64 years olds to be employed.3% of the EU’s GDP to be invested in R&D&I.Greenhouse gas emission 20% lower than 1990.

Based on Article 10(3) of the draft law, they include, in particular: (a) national defence; (b) protection of public security and public health; (c) protection of constitutional rights and liberties; (d) free movement of goods and freedom to provide services in the national territory; (e) unity of the national market and territorial equilibrium; (f) environmental protection; (g) social policies; (h) protection of diversity in the information sector; (i) promotion of research and technical development; and (j) guarantee of an adequate maintenance of the sector regulation. 100. (Gehring: 2006, 194) Trade policies have been significantly liberalized since 1990, when the Uruguay Round negotiations were implemented. However, tariffs and nontariff barriers remain important, both for the EU and for countries in the CEE region. (Qiao, 2007, 8)

4. Theoretical Background

Theories of economic development the explanation of the role of capital in sustainable development draw many parallels with classical and neo classical theories of economic development. According to John Hicks (Hicks, 1965, ch. 4), the first simple growth models were constructed by the fathers of classical economics, Adam Smith and David Ricardo. The notion of capital as a framework for, or cause of, development goes back to the seminal thinking of Smith (1776) in the eighteenth century. He recognised savings and investment as keys to economic development. Without saving, there is no surplus from which investments can be drawn for maintaining or enhancing the capital stock. Probably the first systematic and rigorous treatment of this topic is found in Ramsey (1928). Nobel Prize winner Robert Solow revived interest in classical growth theory in the 1950s, summing up his work on neo classical growth theory in Growth Theory: An Exposition, in which he formalised production functions, or growth equations, explaining the forces driving economic development (Solow, 1988). The notion of human capital was introduced by T.W. Schultz and Gary Becker in the 1960s (Becker, 1964). In Romer’s models of endogenous growth of the 1980s and 1990s (Romer, 1987, 1990, 1994) Norms of economic growth are affected social structure.
During the 1960s interesting the contribution of human capital began to surface. In early contributions, the emphasis was on the contribution of human capital to a person’s standard of living (income per person) and its contribution to aggregate wealth; later, emphasis shifted to its role as a contributor to aggregate economic growth. The pioneering work of Schultz (1960) and Becker (1962, 1964) contributed greatly to the swing in emphasis away from physical capital accumulation and pointed the way to a systematic study of the role of human capital. Schultz (1960) identified human capital narrowly with investment in education and put forward the proposition that “important increases in national income are a consequence of additions to the stock of this form of [human] capital” (p. 571). He went on to argue that investment in education could account in large part for the increase in per capita income in the United States. Becker (1964) broadened the concept of human capital. (Savvides, 2009, 5). Core of economic development in USA period to 1929-1982 technological development, education and manpower rate had been %42. This means that human power, human capital and technological development are pillar local, regional social and economic development.

Local and regional development has become an increasingly important activity for national as well as local and regional governments across the world since the 1960s and 1970s. In parallel, the context for local and regional development has been dramatically reshaped by deep seated changes in the pattern of economic activity and has become significantly more challenging. Different localities and regions have been able to exercise differing degrees of agency in reshaping existing and developing new approaches and experiments for local and regional development. Initially, this involved a focus on the impact of economic development on the natural environment and the constraints this placed on development, but has evolved into a more general concern with questions of the quality of life. This new concern with sustainable development (Pike, 2006, 3)

There is three generation right. Three generation right has impact of social economical end environmental right. For example patent, property right. Globalisation requires protect those rights.

Population (growth, migration, refugees); human needs (health, food, housing, education, equity, security, etc.); renewable and non-renewable natural resources; environmental quality (air, water, land); ecosystems (acidification, eutrophication, biodiversity), economic sectors (and their impacts, including emissions, natural resource use, production and consumption patterns, technologies); natural and man-made disasters; global environmental problems (climate change, ozone layer depletion); globalization; institutions (Becic, 2009, 5)

The demographic transition causes significant changes in the age distribution of a population. At the beginning of the transition, the share of the working-age population decreases as infant and child mortality declines, causing the proportion of young dependents to grow. As fertility declines and babies born in the past enter the labour market, the share of the working-age population increases. The changes in age distribution have important implications for the labour force and hence the economy. (Kinugasa, 99)

Europe currently maintains several distinct national centres of production in many industries, from automobiles to financial services, whereas the United States has a single dominant producing region. As the European market becomes more closely integrated, will the polycentric geography of its industries unravel, giving way to. (Fujita, 1999…). First World War, at the same time as the United States was developing its transport
system and becoming an integrated national economy. Since the inter war years, regional specialization has been falling. This work is nicely mirrored by work on European data, suggesting that as European integration has proceeded, regional concentration of industry and divergence of countries’ industrial structures have recently increased (Amiti 1997; Brulhart and Torstensson 1996). (Fujita, 1999)

Labour markets in a number of South Eastern European countries are characterized by high levels of unemployment and low rates of job creation. Many of these economies face a unique set of challenges: labour market problems are especially severe among the emerging market economies which are not members of the European Union, namely, Albania, Bosnia and Herzegovina, Kosovo, the former Yugoslav Republic (FYR) of Macedonia, Montenegro, and Serbia. Given their many similarities and challenges, this set of countries, hence for the referred to as the “Balkan countries,” is the focus of this paper. In particular, this paper aims to (1) bring to light the relatively weak performance of the Balkan labour markets in a cross-country context; (2) analyze the factors that may have contributed to this longstanding problem the unfinished transition process, the institutional set up of labour markets, including possible market rigidities, and labour cost factors; and (3) present a range of policy recommendations for tackling these problems while keeping in mind that the labour market challenges differ across countries, and reforms to address these challenges must be carefully tailored to specific country circumstances. (Kovtun, 2014, 12)

How Do Balkan Labour Markets Compare With Others In Europe?

Labour market conditions and developments in the six Balkan countries share a number of similarities among them, and on the whole they are considerably worse than in most other European countries. One striking factor is the very low employment rates—the average ratio of employed persons to the working-age population in these countries was 46 percent in 2012, compared with 64 percent in the euro area and 63 percent among the new member states of the European Union (NMS) (Figure 1). These rates reflect low activity rates, high unemployment rates. The Balkan countries also have some of the highest youth and long-term unemployment rates in Europe (Kovtun, 2014-12) The break up of the Soviet Union into 12 independent republics and the economic and political realignment of eastern Europe have created on whole new group of nations out of what was formerly reformed to as the second world. (Todaro, 2012, 66)

According to Kalder industry sector have been priority sectors. Endogenous growth and human capital very important for economic development. The endogenous growth models have chanced concepts of economic growth, such as knowledge, R&D, social capital, technological progress and economic of scale. Turkey and neighbour countries has economic theory of absolute advantage and comparative advantage, thus Turkey and neighbour countries can use this advantage. EU’s polices are, single market, monetary policy, economic and social chosen and employment policy and environmental protection, the creation of an area freedom and justice industrial and social policy.

Overall, on a per-capita basis, much more food is wasted in the industrialized world than in developing countries. We estimate that the per capita food waste by consumers in Europe and North America is 95-115 kg/year, while this figure in sub-Saharan Africa and South/Southeast Asia is only 6-11 kg/year. The causes of food losses and waste in low-income countries are mainly connected to financial, managerial (Gusatvsson, 2011,
v) Attempts to avoid environmental problems caused by growth in production and consumption as well as fundamentals and strategies sustainable development.

Water resource problems at regional and global scales fall within the sphere of activities of many international governmental and non-governmental organisations such as UNESCO, WMO, UNEP, FAO, IAHS, IWAR and others, all of whom have sponsored numerous scientific conferences and symposium to focus on these problems. (Shiklomanov; 1998:3)

In today’s World have enormous differences between countries in wealth, social and political structure. In the World some countries differ from the others.

Turkey has young population. Unemployment is basic problem of development. As economic term are defined from multiple effects. In Turkey universities and other higher education institutions, as the pioneers of individual, social, economic and technological progress, are those that can most quickly adapt themselves to meet the needs of the modern times. Because of this modern times means has been rapidly social and economic changes. Especially for Turkey globalisation and European Union progress very important. As long as universities remain the spear heads of innovation and development, they can sustain their existence and efficiency, creating new areas of employment.

Social structure and political system is differing from other countries. This matter is reality, but sciences and knowledge are universal. For examples, share of education budget of GDP, budget system, enrolment student, informal education are differ from other country also. Meritocracy has been the best model development.

Very broadly this paper aims to critically engage with the fast growing theoretical and normative literature human capital in order to make better sense of the challenges its poses at the on set of a new century. Classical sectors are chanced today. Today society called “Knowledge society”. Productivity for work needs to quality education. Shortly, innovation policy, eu criteria, globalisation, Wrto rules, Wipo rule, Ptsa scores requires new studies this field. Basically social and economic development has been result. I will explain the reasons and cause that effect those reasons.

The indicators of sustainable development expressed in indicators of social subsystem represented a particular field of research as well as in countries of South Eastern Europe so as in the most developed countries of the European Union. The specific results of research of chosen indicators (published by World Bank, 2011)

The social element of innovation is highlighted later in the document: ‘Innovation is not just an economic mechanism or a technical process. It is above all a social phenomenon. (...) By its purpose, its effects, or its methods, innovation is thus intimately involved in the social conditions in which it is produced’ (p.11). (Sanatana; 2014, 43)
5. Methodology

In this study this formula is correlation methods. Dependent variable is social economic and sustainable development independent variables are other. Balkan region has important resources. Those EU criteria are including markets population human power ext. This study aims micro research to macro research methods. Because variables are rely on multiple effects. National and international NGO’s including regional sustainable development.

\[
\text{soc-eco-dev} = f \left( \sum \text{regional-crisis} + \sum \text{capital} + \sum \text{edu-manpower} + \sum \text{market} + \sum \text{trlaw} + \sum \text{transport} - \sum \text{industrial-locking} - \sum \text{crisis} - \sum \text{unemployment} \right)
\]

Social-economic-technological-sustainable development: requires interdisciplinary research. This models focus on the effects of human capital, manpower on quality of life standards of life and welfare of the Turkey and Balkan region.

Regional, conflict-border-taxes: Regional crisis is negative effect development. In this matter Pareto optimum is negative effect also. Because developing theories is a perplexing subject. Regional taxes system is affected economic relation.

Capital: Capitals are not fiscal capital. For country or regional in addition to the for World has social-fiscal-intellectual-cultural-human-religion-natural capitals forms.

Education: Education system and enrolment students and manpower positive effects social and economic development. Man power or skill worker has been affective increasing productive.

Manpower: Vocational education enrolment student 21% total universities enrolment student in Turkey. That means Turkey has young and skill worker manpower.

Market: Markets are Balkan region and Eu population. Especially Turkey is bridge between Europe and Asia.
Trade law: Trade law including taxes and custom rules. From GATT to WTO has important role international trade law.

Transport: - positive effects. Priority sectors. Countries have structural problems which are sustainable development.

Industrial locking: - negative effects industrialisation is basic element for development. Balkan and black sea region has lack industries area rather than Europe.

Crisis: - negative effects, when the crisis occurs this country expenditures its GDP

Unemployment: - negative effects, especially young unemployment population wants to work.


6. Oecd Set of Key Environmental Indicators Pollution issues

Climate change CO2 emission intensities index of greenhouse gas emissions ozone layer indices of apparent consumption of ozone depleting substances (ODS) same, plus aggregation into one index of apparent consumption of ODS Air quality SOx and NOx emission intensities population exposure to air pollution Waste generation Municipal waste generation intensities Total waste generation intensities, Indicators derived from material flow accounting Freshwater quality Waste water treatment connection rates Pollution loads to water bodies

Natural Sources & Assets

Freshwater resources Intensity of use of water resources same plus sub-national breakdown Forest resources Intensity of use of forest resources, Same Fish resources Intensity of use of fish resources, Same plus closer link to available resources Energy resources, Intensity of energy use Energy efficiency index Bio-diversity Threatened
species Species and habitat or ecosystem diversity Area of key ecosystem experience gained in using environmental indicators in the OECD's country environmental performance reviews (OECD, 105)

**Conclusion**

Since 13 century many scholar, social scientist and economist have tried to explain why some empire are richer then others. I converted this idea, why some county are richer than others. Why some regions are richer than some others. Because Social structure is differ from others. Those are Third generation rights, measuring underground economy, impact of globalisation, kind of poverty. Agenda UN conference environmental and development in June 1992. Those included basic needs, term used by ILO describe basic needs, goods an sources goods, shelters, clothing, sanitation, education necessary for a minimum standard living. Third generation rights should be ignored.

First generation human rights in general are civil or political by nature. Second generation human rights as laid down in the United Nations International Covenant on Economic, Social and Cultural Rights (ICESCR) refer to the assurance of adequate social and material general set-ups (e.g. the Right to Food, the Right to Education) for individuals. This is also true for the 'right to a clean environment'. The international movements of goods, services, money, people, businesses, technology, and information are accelerating day-by-day. We have economic problems, such as long-term economic stagnation, the globalization of domestic industries, aging society, and social security problems.

The so-called first-generation (human) rights21-4 refer to traditional civil and political liberties prominent in Western liberal democracies, such as freedom of speech, religion, and the press, as well as freedom from torture, which presuppose a duty of non-interference on the part of government towards individuals. Second-generation rights have generally been considered as rights which require affirmative government action for their realisation. Second-generation rights are often styled as group rights or collective rights. Similarly, critics have opined that, regardless of the political system or level of economic development, all states are able to comply with civil and political rights, but not all states have the ability to provide the financial and technical resources for the realisation of affirmative obligations such as education and adequate standard of living (Ruppel, 3).

Republic of Turkey and Republic of Kosovo, signed Agreement on Cooperation between The government of the Republic of Turkey and The Government of the Republic of Kosovo in the Field of environment. This agreement published Turkish official gazette in 21.may.2014 number.29006. This agreement have been supported my hypothesis. Republic of Turkey’s population is 75 bl. in 2014, which will be increase 99 bn. In 2050.Turkey's population, resources and other capitals are very positive for future. Turkey should be this advantage situation.

Social, economic and environmental factors should be measured. This measure requires for rational decision. This measure and result should have use for impact of globalisation. There are three kinds of poverty (chronic, absolute, relative). Future generation rights called for third generation right, which should be protect. Planned economy has chanced Balkan regions should be new planned forms. In sum up social
chance and social structure are prior to economic and social development. Industrial revelation was begun in Europe, which was period from 18th century to 19th century. Industrialisation was main element of development. Today manpower and kinds of capital and forms of capitals have been affected to development. Industrialisation’s variables are raw material, employment, region and places. Today we do not be ignored R&D and innovation, manpower social impact and social rights.

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