

SCHILLER INSTITUTE VISIT

With the New Silk Road, A New Sense of Optimism in Serbia

Nov. 28—During a just concluded, four-day visit to Serbia, Elke and Klaus Fimmen of the Schiller Institute found great openness and optimism about the potential of China’s “One Belt One Road” policy for the region. Academics, representatives of various organizations, and media were familiar with, and appreciate highly the crucial work and record of the Schiller Institute for the World Land-Bridge. One leading academic, who has written on the importance of the New Silk Road for Serbia, stressed that he completely agrees with Helga Zepp-LaRouche, that this is of global significance and a new paradigm.

At the end of the trip, Elke Fimmen gave a lecture on “The New Silk Road: A Regional and Global Peace Policy of Development” in Novi Sad, Serbia’s second-largest city, for about 50 students and economics faculty members, organized by the regional association of economists.¹

For the first time in decades—decades of regional wars, and economic and social destruction—people now see hope for the future. One former politician said that with the Silk Road, Serbia is in a position for the first time in history to use its geographic and strategic location for the good, instead of being ruined by geopolitics for millennia. The outcome of the U.S. presidential election added to this sense of new maneuvering room. In public “voting,” published by the media, the

1. At Novi Sad University in June 2001, Jacques Cheminade and Elke Fimmen presented the Eurasian Land-Bridge, the need for a global New Bretton Woods, and the principles of physical economy, as defined by Lyndon LaRouche. During the same visit, a lecture was also given at the prestigious Institute of Economic Science in Belgrade, founded in 1958.



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A new railway bridge (white bow) under construction across the Danube River at Novi Sad. It forms part of a new, joint China-Serbia-Hungary high-speed rail line from Belgrade to Budapest.

results had been 95% for Donald Trump. For the Serbians, Hillary was the embodiment of NATO aggression. People agreed that with the Trump victory, the war with Russia has stopped for now. There was great interest in the possibility of realizing Glass-Steagall now, and of reshaping the whole economic policy towards real economic development in the United States and worldwide.

Serbia’s Role

Serbia has become central to China’s approach to the Central and Eastern European region. At the recent Central and Eastern European summit in Latvia, a first visa-free agreement between Serbia and China was signed and will take effect in January, and the National Bank of China will open a branch under Serbian charter starting next year. And final agreements were made for



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Central Square, Novi Sad.

starting construction now on the Belgrade-Budapest high-speed railway, which will revolutionize the inland rail grid in Serbia as well. At present, the 80 kilometer train trip from Belgrade north to Novi Sad takes almost two hours.

Other projects are also under way: The Smederovo steel plant that employs 3,000 workers, purchased by the Chinese, is about to be modernized, including complementary port development at the Danube, where the plant is located. While the EU has been attempting to impede progress, there is nothing it can do, since all regulations (including anti-dumping rules) have been carefully followed. An industrial park for high-tech firms is planned for Belgrade, possibly combined with a new harbor. In Bor, the development of one of the largest European copper mines, which also produces silver and gold, is planned. In the past 25 years it has never been properly developed. China is thus vitalizing projects and sectors that have been put under privatization for decades and were left hanging in the air as a huge burden on the state budget.

Enforced Backwardness

While annual growth of gross domestic product (GDP) has moved up from 2% to 3% in the last year—which some attribute to the earliest effects of Serbian-Chinese cooperation—industrial production is abysmal, and there is a disproportionately large service sector. Many cheap goods (and not so cheap)

are imported, including from China. Unemployment is still massive, officially around 16%, while real unemployment is much higher. Youth do not have a future, university graduates end up as taxi drivers or tourist entertainers. In the second biggest city of Serbia, Novi Sad, the average income of a waiter is about 200 euros (\$213), while the cost of living is 500 euros (\$533). Young people are moving to the few cities

and abandoning the countryside, but at present, there are no jobs for them in the cities, either.

The amount of investment needed to renew the infrastructure is immense, ranging from 30 to 50 billion euros for the capital city of Belgrade alone.

Serbia has been seeking admission to the EU, which allows the EU to put great pressure on Serbia in many ways. Serbia sees the EU as having been a stumbling block for development over the past fifteen years. Not only have no projects been financed, but EU membership has been constantly delayed. Hundreds of thousands of Serbians have had to live and work in Germany since World War II. Serbians are fed up with the empty promises. Now, either Germany and other EU governments shape up and change course, or they will have lost their chance.



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Schiller Institute organizer Elke Fimmen speaks on the World Land-Bridge and the New Paradigm, in Novi Sad.

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TUESDAY, NOVEMBER 22, 2016

Volume 3, Number 65

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