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# **Editorial**

## Integrating the Balkans (in a disintegrating Europe?)

If anybody thought that the Eurozone crisis was the apex of the challenges faced by the European Union, recent events—the refugee crisis that emerged in the summer of 2015, the terrorist attacks in France, Belgium and elsewhere, the attempted coup and its aftermath in Turkey, and the crisis of confidence to the European project as manifested in the British EU membership referendum and the rise of populist anti-EU parties across Europeremind us all that the problems facing the EU are much more diverse and multi-faceted. In this context of continuing and very urgent challenges - and potential disintegration of the European Union - the question of Balkan integration, within the region and with the EU, remains as important and pressing as ever. The past year has seen a mixed set of developments in the Balkans and the wider Southeast European region. Problems of democracy and governance have persisted, but also many positive developments were recorded: among them, the negotiations continuing accession Montenegro, the opening of negotiations with Serbia, the positive reports on the Stabilisation and Association Agreement (SAA) for Albania and on the Cooperation and Verification Mechanism (CVM) for Romania and (less so) Bulgaria, and the signing of the SAA with Kosovo. What is more, and despite the many problems, the region emerged rather unscathed from the refugee crisis with many countries praised for their contribution in the implementation of the 17-point Action Plan agreed by the (curiously named) "Leaders' Meeting" in October 2015. LSEE has - by now a long record of following closely political, economic and social developments in the Balkans and studying their policy and analytical causes and consequences. Through this, and through a range of activities that we undertake (scholarly research, policy analysis and knowledge exchange, academic exchanges, dissemination activities, publications, media presence, and many others), we like to believe that we make practical contributions to cooperation, development integration in (and of) the Balkans. The year before last we had put together a large consortium of academic researchers from across the region, leading a large project proposal on the theme of EU conditionality and integration in the Balkans. This past year our efforts for academic network- and capacity-building have gone much further. In September 2015 we organised what has become our biennial conference (in Milocer, Montenegro), hosting members from our extensive network of regional-based researchers (the LSEE Research Network on Social Cohesion in South Eastern Europe) and welcomed by the UK Ambassador to Montenegro. While our next conference is planned for early 2017, we have in the meantime launched two new initiatives to further strengthen our research network: the establishment of the fourth Working Group of the network (on the theme of Decentralisation) and the establishment of a fund for research bursaries, dedicated to fostering collaborative and high-quality research in the region. Perhaps more importantly, this year we are collaborating with the CEFTA Secretariat to run a Best Paper

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competition on the theme "CEFTA 10 years on: its contribution to the CEFTA economies", with the winning papers being presented in the 2016 CEFTA conference in Podgorica. Internally, we have also joined forces with LSE Enterprise, to enhance our capacity for providing a venue and technical support for academic exchanges, training and research. On these issues we are also extending our collaboration beyond established partners (e.g., the past South-East European Summer School for Democracy with the Anglo-Serbian Society at Belgrade; the thematic sessions at the 2011 and 2012

οf the conferneces Regional Cooperation Council; or the Summer School on Nationalism, Religion and Violence in Europe in 2013 and 2014), working together with the European University of Tirana, building on our recent contribution at their 3rd Annual Conference 'Albanian Studies Days'. As the pages of this newsletter testify, we are also continuing of course on all our other activities - from our Visiting Speaker Programme in London to conducting topical and academically rigorous research on a range of topics from "The threat of succession in Bosnia and Herzegovina" to "Education choices, labour market sorting and youth unemployment in Croatia". The period of the 2016/17 academic year promises to be a period of continuing challenges but also of a renewed effort of reconstitution in Europe. In this environment the Balkans will continue to wrestle with its many challenges of democratisation, development and integration. At LSEE we will continue to escort the Balkans in this journey and we very much welcome you to continue being with us in this endeavour.

## **Dr Vassilis Monastiriotis**

Director, LSEE

# LSEE staff at major events in the region



Dr Vassilis Monastiriotis at the European University of Tirana

In early 2016, LSEE participated in two major events organised by academic institutions with which LSEE has close and developing ties. The first was the 2016 Annual Conference of the Euro-Mediterranean Forum of Institutes of Economic Sciences (FEMISE), which took place in Athens on 13-14 February 2016. LSEE Director **Dr Vassilis Monastiriotis** was one of the plenary speakers in the

session "New paradigm for Europe-Mediterranean Partnership". His presentation on "The 'new EU paradigm' — the transformative power of the EU re-loaded?" was a feature article in the Newsletter of the Forum.

The second event was the 3rd Annual International Conference "Albanian Study Days" organised by the European University of Tirana (Tirana, 28-30 April 2016). Dr Vassilis Monastiriotis also gave a keynote lecture on "The EU reform leverage and the costs of structural reform"; while LSEE Visiting Senior Fellow **Dr Will Bartlett** presented the findings of a recently completed project on "Higher Education Provision and Labour Market Opportunities in the Western Balkans". In June 2016 Dr Will Bartlett has furthermore presented the results of this study, alongside LSEE Research Network member Professor Milica Uvalic, at the premises of the National Bank of Serbia, at an event organised by the World Bank and the Serbian government's Secretariat for Public Policy. Our collaboration

with these institutions and organisations continues and we hope to be able to report more concrete plans for collaboration in the near future.

**Dr Will Bartlett** has also taken part in the Belgrade Security Forum in late September 2015 and has presented the paper 'The United Arab Emirates as an Emerging Actor in the Western Balkans: The Case of Strategic Investment in Serbia' (currently undergoing peer review) at the Arab Gulf States Institute in Washington DC in October 2015.

We also continued to engage with the EU and UK institutions, informing their decision-making on the Western Balkans. LSEE Visiting Senior Fellow **Dr James Ker-Lindsay** took part in a policy discussion with members of the European Commission, government officials from the Balkans, and prominent analysts on the attitudes of EU members states towards enlargement in the Western Balkans held at the European Policy Centre in Brussels, on 29 September 2015. He furthermore gave oral

evidence (along with Adam Fagan) on the role of the Western Balkans in EU Foreign and Security Policy, EU External Affairs Sub-Committee, House of Lords, 5 November 2015.



Dr Will Bartlett and Prof. Milica Uvalic presenting their research findings at the National Bank of Serbia

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# LSEE Research Network on Social Cohesion in South East Europe

2015-16 has been a busy year for the Research Network. In September 21-22, the Regional Workshop on "Barriers to inclusive Growth in the Western Balkans" was held at Milocer in Montenegro. Nine papers were presented. The Research Network's three working groups (Employment, Social Protection and Education) held working meetings to plan the work ahead for the year.

The Education working group has prepared a special issue of the *European Journal of Education* on the theme of "vocational schooling and social exclusion in the Western Balkans". The special issue, edited by Will Bartlett and Claire Gordon, will be published in autumn 2016.

The convener of the Employment working group (Professor Mihail Arandarenko) has been awarded a regional network grant by the Regional Research Promotion Programme (RRPP). The grant finances the "RRPP Western Balkans Labour Market Research Network", which is running in parallel to the LSEE working group. It held its first meeting in Tivat, Montenegro on 7-8 July 2016 and two more meetings are planned over the next six months. The devoted meeting was preliminary discussion of a set of papers that will be published in a hook structured around Balkans Western "exit-loyalty" analytical framework that was developed by Mihail during his stay at LSEE as a Visiting Research Fellow in autumn 2014; Mihail presented his original concept at **LSEE** Visiting Speaker programme on 4 November 2014.

A new LSEE working group on the theme of "Decentralisation" has been established, led by Dr Sanja Kmezić from the University of Graz and researcher at the EURAK think tank in Belgrade. The working group has secured funding from the Regional Research Promotion Programme (RRPP) to support a number of meetings over the next six months, leading towards the publication of an edited book on the subject of decentralization in the Western Balkans. The first meeting of the working group will be held in Belgrade in July 2016.

Will Bartlett - LSEE Research Network Coordinator

Scan below to visit the Network's Page



# LSEE Papers on South Eastern Europe

The Hollow Threat of Secession in Bosnia and Herzegovina: Legal and Political Impediments to a Unilateral Declaration of Independence by Republika Srpska

James Ker-Lindsay



There have been growing fears that the political leadership in Republika Srpska (RS) is in the process of laying the foundations for an attempt to secede from Bosnia and Herzegovina. Drawing on a range of legal and political arguments, this paper assesses whether a unilateral declaration of independence is in fact a realistic scenario. It concludes that it is not. Apart from the international community's deep-rooted aversion to secession, there are very strong specific factors that mitigate against it. Moreover, for varying reasons, Bosnia cannot be compared to other cases, such as Kosovo, Scotland or Catalonia. Meanwhile, at a very practical level, any act of secession would need to be supported by Serbia. This will not happen. For all these reasons, the threat of secession, and even the significance of any referendum on separation, should be downplayed. Indeed, it is argued that the biggest threat to peace and stability in the country is

not the prospect of secession, but the danger that such a scenario is being given undue and unwarranted credibility by some officials and observers.

# Research by LSEE staff

## Will Bartlett



I have been working on a large-scale EC funded project on the graduate labour market in the Balkans, exploring the structure of provision

of higher education institutions, the main features of the graduate labour market, the difficulties facing graduates in their precarious entry into the labour market in search of work and the skill gaps and skill mismatches that are back productivity competitiveness in the region. The research has been carried out in collaboration with research partners mostly members of the LSEE Research Network. The full set of six country reports and a synthesis report will be published in July 2016. My continuing research on the political economy of the Western Balkans has led to the publication of two book chapters, and I have published two papers that have been the outcome of a project on regional development in the European Neighbourhood.

## Vesna Bojičić-Dželilović



Recently, the main focus of my research has been on the topic of insecurity in cities conducted as part of the ERC funded project on Security in

Transition. The project investigates how contemporary warfare and insecurity are manifested in cities and in what ways urban capabilities can help dilute conflict and mitigate insecurity. I have completed a paper on the city of Novi Pazar in Serbia for an edited volume on Cities at War, which will be published by the Columbia University Press. A paper on the prospects of regional cooperation in the Western Balkans entitled 'Taking responsibility for regional cooperation seriously: What is at stake?', was published by the Aspen Institute, Germany.

## **Spyros Economides**



Over the last year, I have continued my research into the relationship between the European Union and the region of the Western Balkans. My

main focus centres on question of security, enlargement, conditionality and Europeanisation. I have furthermore given expert evidence during the session 'Europe in the world: Towards a more effective EU foreign and security strategy', organised by the European Union Committee, House of Lords.

## Eli Gateva



I published a book titled 'European Union Enlargement Conditionality', Palgrave Series in European Union Politics. My article 'Post-Accession

Conditionality: Translating Benchmarks into Political Pressure' was included in the East European Politics Virtual Special Issue on Southeast Europe (April 2016).

## **Claire Gordon**



Over the past academic year I have deepened my research on the challenges of Roma inclusion in the EU and in the Western Balkans and have

continued my engagement in the Swiss -funded regional research programme 'RRPP — Western Balkans' as a member of their Steering Board. Together with Will Bartlett, I have led an evaluation project for the European Parliament, titled "Evaluation of the EU Framework for National Roma Integration Strategies". The report has been published and will be used to inform the European Parliament approach to Roma Integration in the EU.

#### Joanna Hanson



I have continued my work with the Kosovo -based NGO 'New Perspektiva', which I founded in 2014. I have developed their bilingual Albanian-

Serbian website and organised a series of weekly Salon debates in Pristina, which were focused on the Kosovo normalisation process and on human rights issues. I have participated in several academic events, acting as a joint panel discussant with British diplomat Sir Robert Cooper following LSEE's public showing of the film 'The Agreement' on the Belgrade-Pristina dialogue, March 2016, and was invited by the US Embassy to attend a closed meeting at RUSI with Hoyt Brian Yee, the US Deputy Assistant Secretary for European and Eurasian Affairs with responsibility for the Balkans to discuss current regional developments on 25 June in London. I have furthermore conducted research on the nature of the student protests in Macedonia in 2015 looking at how they evolved and what they achieved.

## James Ker-Lindsay



Over the course of the past year I have continued to focus on statehood and recognition. I am currently finishing a co-authored book on

secession and state creation for Oxford University Press. In a rather new direction for me, I also have a piece forthcoming in Survival on 'Climate Change and State Death' and have been working alongside Will Bartlett and other researchers at the LSE and in the UAE on the significance of Gulf states' investments in the Balkans. Meanwhile, I have maintained my close interest in EU enlargement and have been working on a piece with Spyros Economides on how the EU works with international judicial institutions in the Western Balkans.

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## ... more research by LSEE staff

## **Denisa Kostovicova**



For 2015-16 I have been awarded a Research Fellowship by the Leverhulme Trust for the project titled 'Reconciliation Within and Across

Divided Societies: evidence from the Balkans'. Building on my work on civil society in post-conflict contexts, I am looking into the RECOM process in the Balkans. This unique, locally-driven NGO initiative for establishing facts about war crimes gathers civil society groups from all ethnic groups in the region. The research will provide a systematic evaluation of a claim that a regional character of contemporary wars has to be addressed with a regional approach to transitional justice, and identify conditions conducive to reconciliation across the ethnic divide. I was furthermore a member of the Human Security Group that compiled The Berlin Report of the Human Security Group, 'From Hybrid Peace to Human Security: Rethinking EU Strategy towards Conflict'. I coauthored 'EU in the Western Balkans: Hybrid Development, Hybrid Security and Hybrid Justice' (with Vesna Bojicic-Dzelilovic and Elisa Randazzo, in: 'From Hybrid Peace to Human Security: Rethinking EU Strategy towards Conflict', The Berlin Report of the Human Security Study Group (LSE, ERC, and Friedrich Ebert Stiftung: London, 2016). The report was presented to the European External Action Service, on 24 February 2016, in Brussels.

## Vassilis Monastiriotis



My research this year continued to be on a diverse set of themes in economics, regional science and political economy. In the past academic

year I had three major publications ('The geography of intra-industry spillovers in the EU neighbourhood: do European firms raise domestic productivity by more?', Environment and Planning C; 'Public-private wage duality during the Greek crisis', Oxford Economic Papers; and 'The regional impact of EU association agreements', Regional Studies). While continuing past work on regional disparities and labour market adjustments in Greece, two new topics of research emerged in my agenda this year. The first is, on 'Education choices, labour market sorting and youth unemployment in Croatia', is in collaboration with LSEE Visiting Fellow Iva Tomic and follows an applied econometrics approach to examining the paths to employment, unemployment and inactivity of youths in Croatia in the period 2007-2014. The second is a more political economy piece, looking at the 'new approach' of the EU conditionality across three levels: inside the EU, for the candidate countries, and for the countries of the ENP region.

## Iva Tomić



My Visiting
Fellowship at the
LSEE was supported
by a research grant
financed by the
European Social
Fund, for the

project entitled 'ZAMAH - The impact of the recession on the structure and flow of youth unemployment in Croatia'. The work on the project includes a working paper on 'What drives vouth unemployment Europe?', published for the Institute of Economics, Zagreb, Croatia and a paper titled 'Self-employment of the young and the old: exploring effects of the crisis in Croatia' (written collaboration with Dr Valerija Botrić) that was presented at the 2nd Workshop on (Youth) Unemployment in Europe in Warsaw, Poland on May 5-6, 2016. Further work on the youth unemployment issues in Croatia is conducted in collaboration with Dr Vassilis Monastiriotis.

## Jaroslaw Wisniewski



My research covers two areas. The first one is energy security in the Balkans, or to be more specific, how countries in South East Europe use energy-

based initiatives (such as pipelines) as tools in their own foreign policies. My focus is primarily on two pipelines: Trans-Adriatic Pipeline (TAP) and its extension, the Ionian-Adriatic Pipeline (IAP) and on what seems to increasingly defunct Turkish Pipeline, but it also looks at their more famous predecessors - Nabucco and South Stream. The second area of my interest is Russian involvement in South East Europe, in particular in terms of its strategic communication and the narratives it promotes primarily in Bosnia-Herzegovina, Montenegro and Macedonia. In April I published a short opinion piece on LSE **EUROPP** - European Politics and Policy looking at the successes of Russian strategic communication in Serbia. Following from this I am working on a longer paper on the overall Russian strategic communication in former Yugoslavia, and how the EU could counteract it.



# Visiting Speaker Programme

## A series of research and policy seminars



Six years onwards, the LSEE Visiting Speaker Programme has continued its excellent range of contributions throughout the Michaelmas and Lent Terms.

Held on occasional Tuesday evenings, the programme has become a leading forum for new and established scholars working on aspects of contemporary economics, politics and international relations in South East Europe.

This year, the programme started with our very own Dr Will Bartlett, who presented his research on education and labour markets, which he has conducted for the European Commission. The seminar focused on the skills gap: 'From Education to Underemployment: How to Fill the Skills Gap in the Western Balkans'.

This was followed by a provocative talk on the impact of microfinance in the Western Balkans, by Dr Milford Bateman from the University Juraj Dobrila, Pula, Croatia ('Imposing local neoliberalism in SEE: How to destroy an economic space without really trying') and by an engaging exposition on the discussions regarding Kosovo's status in the EU by Dr Lorinc Redei of the University of Texas at Austin (Constructive Incoherence: Contesting Kosovo's Status in the European Union).



In the Lent Term, the continued programme with Professor Adam Fagan (Queen Mary University of London), who evaluated the EU's 'new approach' to judicial reform in the Western Balkans, and with LSEE's Dr Eli Gateva, who spoke post-accession conditionality in Bulgaria and Romania.







local government financing in Serbia and Montenegro. Finally, Dr Bernard Casey (LSE PSSRU) gave a comprehensive overview of the planned pension reforms in the Balkans and its neighbourhood, assessing which would be the best strategies for governments to take on this sensitive issue.

Podcasts for all of the events are available on the LSEE website.

Scan here to go to the Visiting Speaker Programme Page and access the events' podcasts, photographs and more





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## **LSEE Public Events 2015-16**

## Talk by Valentin Inzko, High Representative in Bosnia and Herzegovina



On 27 January 2016, LSEE welcomed H.E. Mr Valentin Inzko. the High Representative in BiH, to discuss the state of efforts to ensure peace and stability in the country. Twenty years after the signing of the Dayton Peace Accords, which brought an end to the bloody conflict in the country, Bosnia still faces deep economic, political and social problems. Despite the best efforts of the EU and the international community to bring about meaningful constitutional reforms, the political leaderships of the communities remain at loggerheads. This has raised all sorts of questions. Will Bosnia be able to progress towards EU membership? Will Republika Srpska try to secede? Could we see renewed conflict? The speaker provided a frank, but positive, assessment of the situation. While acknowledging the tensions that exist, he nevertheless offered hope that Bosnia may yet reinvigorate its EU accession path.

# The Agreement: Film screening and panel discussion



The screening of the 'The Agreement' was held on 3 March 2016. In 2011, government representatives from Serbia and Kosovo met for the first time since Kosovo's independence declaration to start the EU facilitated dialogue initiated by the EU High Representative. The EU's negotiator of the first stage of the dialogue, Sir Robert Cooper, allowed cameras to record part of the action. The film was directed by the Danish director Karen Stokkendal Poulsen. Sir Robert Cooper and Dr Joanna Hanson sat on a panel and participated in an animated discussion about these normalisation negotiations following the screening. The film is a valuable record of the beginning of the EU facilitated dialogue between Kosovo and Serbia. It constitutes the only document of this historic process graphically showing the minutiae of the highly sensitive situation between these estranged former warring sides.

## Talk by Kosovo's acting Foreign Minister, Petrit Selimi



On 11 March 2016, LSEE was delighted to host a talk by H.E. Mr Petrit Selimi, Acting Foreign Minister of Kosovo. its declaration **Following** independence, in February 2008, Kosovo has made considerable strides on the world stage. It is now recognised by 110 members of the United Nations and has joined a number of international organisations and bodies. This year Kosovo athletes will take part in the Olympic Games. And yet, internally, it is a country that faces major economic and political problems, not least of as concerns the ongoing EU -sponsored dialogue with Serbia. During the course of his talk, the minister offered a comprehensive overview of Kosovo's foreign policy over the past 8 years, and explained Kosovo's ongoing efforts to strengthen and secure its place in the international community. He also addressed questions about the fragile domestic political situation.

## **LSEE Panel Discussion**

# Brexit: What consequences for the Western Balkans?



The UK public voted in favour of leaving the European Union in a referendum held on Thursday, 23 June 2016. While the immediate consequences of that vote are still unfolding in the UK, it is likely that the decision will also have a profound impact on the countries of the Western Balkans aspiring to EU membership. Our expert panel discussed these implications at a public debate which took place in the LSE Wolfson Theatre on 12 July 2016. Dr James Ker-Lindsay (LSEE) addressed the impact on UK Foreign Policy, making considerations about the fading influence of the UK in the Balkans after

Brexit. **Dr Denisa Kostovicova** (LSE Government) spoke on the consequences in terms of peace and stability, and the normative power of Europe in the Balkans. Finally, **Dr Peter Sanfey** (EBRD) addressed the economic issues, examining the bilateral relations and the destabilisation

of the Eurozone.



## **Dr Vassilis Monastiriotis**

LSEE Director

Associate Professor in the Political Economy of South Eastern Europe, European Institute, LSE

## **Dr Spyros Economides**

LSEE Co-ordinator

Associate Professor in International Relations and European Politics, European Institute, LSE

## **Professor Kevin Featherstone**

Eleftherios Venizelos Professor of Contemporary Greek Studies and Professor of European Politics, European Institute, LSE

## Dr Vesna Bojičić-Dželilović

Senior Research Fellow, Department of International Development, LSE

## **Dr Denisa Kostovicova**

Associate Professor in Global Politics, Department of Government, LSE

## Dr Arjan Gjonca

Associate Professor in Demographics, Department of Social Policy, LSE

## **Dr Claire Gordon**

Teaching Fellow in East European Politics, European Institute. LSE

## Ms Tena Prelec

LSEE Administrator and Editor, EUROPP—European Politics and Policy, European Institute, LSE

Ms Aleksandra Stankova and Mr Michael Cottakis
LSFF Events Assistants

## Donors

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## Visiting Fellows 2015-16

## **Dr James Ker-Lindsay**

LSEE Visiting Senior Fellow

## **Dr Will Bartlett**

LSEE Visiting Senior Fellow Coordinator of the LSEE Research Network on Social Cohesion in South Eastern Europe

## Dr Joanna Hanson

LSEE Visiting Senior Fellow Director, New Perspektiva

## Dr Iva Tomić

LSEE Visiting Fellow Research Associate, Institute of Economics, Zagreb

## Dr Eli Gateva

**LSEE Visiting Fellow** 

## Dr Jaroslaw Wisniewski

LSEE Visiting Fellow

## **Research Associates**

## **Professor Adam Fagan**

Professor of Politics, Queen Mary, University of London

## **Professor Slobodan Markovich MBE**

Associate Professor, Faculty of Political Science, University of Belgrade

## LSEE - Research on South Eastern Europe

European Institute, LSE Houghton Street, London WC2A 2AE Tel: +44(0)20 7955 7198 Email: <u>Euroinst.Lsee@lse.ac.uk</u>

Website: www.lse.ac.uk/lsee

 ${\it Facebook}. \underline{facebook}. \underline{com/LseeResearchOnSouthEasternEurope}$ 

Twitter: twitter.com/LSEE\_LSE



