

<b>Institution:</b> University of East London (UEL)		
<b>Unit of Assessment:</b> 17 Business and Management Studies		
<b>Title of case study:</b> Improving Macro-Economic Governance and Ethnic Reconciliation in the Balkans		
<b>Period when the underpinning research was undertaken:</b> 2000 – 2020		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b> Professor Vassilis Fouskas	<b>Role(s) (e.g. job title):</b> Professor	<b>Period(s) employed by submitting HEI:</b> 2013 – present
<b>Period when the claimed impact occurred:</b> 2014 – 2020 (ongoing)		
<b>Is this case study continued from a case study submitted in 2014?</b> No		

### 1. Summary of the impact (indicative maximum 100 words)

Bosnia and Herzegovina (BiH) is a loose federation, segregated along ethnic-religious lines. It suffers from high unemployment rates (officially at 28.50% in 2014) and the phenomenon of “brain drain” (outbound youth migration). Furthermore, national integration and ethnic reconciliation are fragile. Fouskas’ research has achieved the following impacts: a) Influencing government policy in its drive to reverse high unemployment, particularly in defining the agenda of the Ministry of Science, Technology and Education in BiH’s Republic of SRPSKA; b) Improving regional reconciliation through the REDETE (Researching Economic Development and Entrepreneurship in Transition Economies) professional network; c) Enhancing student employability.

### 2. Underpinning research (indicative maximum 500 words)

Fouskas’ research focuses on the interaction between globalisation and the state, (**R1**). In particular, it explains how global transformations and hegemonic transitions from one imperial system to another affect states and societies. Fouskas’ region of interest is the Balkans and the Near/Middle East, where Soviet and Ottoman imperial systems and spaces overlap and conflict culturally, politically and economically.

Fouskas concentrates on three inter-linked fields of research: a) The politics and economics of Greece and the Balkans; b) Balkan geopolitics and international security; c) International conflict.

1. The first field examines the debt and banking crises in the Euro-zone and their impacts on Greece and the Balkans. His thesis is that successful economic governance in conflict-ridden multi-ethnic societies should be based on the relaxation of supply-side instruments, privileging aggregate demand management. This is especially true in periods of acute financial crises that undermine national-political consensus. Fouskas’ approach is framed by wider considerations, such as the political economy of conflict between the USA and China and a relative power-shift to Asia (**R2**). Fouskas proposed a relaxation of Bosnia’s currency pegged to the Euro, at the rigid [2 BAMs: 1 Euro]. Drawing from his work on government debt and monetary policy, Fouskas’ policy submissions maintained that the relaxation of this equivalence would boost the economy without causing inflation. Inflationary trends would be offset by public investment and a consequent decrease in unemployment rates. This could potentially put a halt to outbound youth migration.
2. Fouskas’ second research field scrutinizes the link between socio-economic networks and geopolitics, (**R3**). The research focuses on how government debt and resulting crises can be offset by cooperative societal networks and the creation of horizontally integrative structures. This, in turn, generates funds and novel institutional frames within which these societal networks find expression and scope.

## Impact case study (REF3)

3. Fouskas' research dwells also on vertical forms of social integration by way of studying the multi-faceted dynamics of conflict and cooperation in conflict-ridden societies (R4). Verticality involves state/hierarchical actors, as well as international organisations, as agencies of conflict prevention, management and resolution. His research uses comparative analytical frameworks and draws from the French School of Annales, which raises the global centrality of the Mediterranean civilization. Fouskas' research discusses the importance of education as geo-culture, connecting culture with economics and the issue of power-shift from the Euro-Atlantic area to Asia (R5). This approach underscores the potential of integration between tertiary educational settings and social strata of various ethnic and religious backgrounds that are embedded in the same civilizational geo-cultures (R6).

### 3. References to the research (indicative maximum of six references)

---

R1. Fouskas, V. K. (ed.) 2015. *The politics of international political economy*. Routledge.

R2. Fouskas, V. K. and Dimoulas, C. 2013. *Greece, financialisation and the EU: the political economy of debt and destruction*. Palgrave-Macmillan. This work has been translated, among others, into Serbo-Croat by Albatros plus.

R3. Fouskas, V. K. 2003. *Zones of conflict; US foreign policy in the Balkans and the greater Middle East*. Michigan University Press (USA) and Pluto Press (UK).

R4. Fouskas, V. K. (ed.) 2007. *The politics of conflict*. Routledge. 2nd edition, 2010.

R5. Fouskas, V. K. and Gökyay, B. 2019. *The disintegration of Euro-Atlanticism and new authoritarianism: global power-shift*. Palgrave-Macmillan.

R6. Fouskas, V. K. and Dimoulas, C. (eds) 2018. *Greece in the 21st century: the politics and economics of a crisis*. Routledge.

### 4. Details of the impact (indicative maximum 750 words)

---

Fouskas was approached by Professor Jasmin Komic, the Minister of Science, Technology and Education, BiH in February 2013 to write reports and policy briefings on three inter-related policy matters: a) monetary policy, economic governance and outbound youth migration; b) regional reconciliation; and c) student employability (S8).

#### a) Influencing monetary policy and economic governance, whilst assisting government to reversing outbound youth migration

Drawing from his work on economic governance, Fouskas' consultancy reports argued that foreign banks in the region, coupled with institutional agreements between BiH banks and the European Central Bank, drive monetary policy and supply-side implementation instruments (S1). Dr Marcic, in his internal Ministerial planning report for the 2017-2021 period, approved by both the Ministry and the Federal Parliament, quotes Fouskas' research to justify the Ministry's budgetary proposals. Dr Marcic states "[Fouskas'] work has been a useful resource while planning the draft document" (S2). Fouskas' policy recommendations informed the government of the economic consequences of unemployment and led to government intervention, resulting in a reduction of unemployment rates, according to Eurostat, unemployment in BiH fell from 28.50% in 2014 to 15.70% in 2019. (S3)

#### b) Effecting regional reconciliation through the REDETE professional network

Fouskas maintained that ethnic and religious tensions in the region run counter to the objective of peace, reconciliation and inclusiveness. It applied particularly to BiH, a co-federation deeply segregated along ethnic and religious divisions. As a result, he developed the REDETE

## Impact case study (REF3)

(Researching Economic Development and Entrepreneurship in Transition Economies) network and was appointed as Chief Advisor to facilitate the creation of horizontal networking platforms, relying on cooperation and inclusion of civil society actors. This provided business professionals in BiH and the Balkans with specialised workforce. Fouskas facilitated synergies between REDETE, local and international banks, Telecom companies, the Ministry of Science, Technology and Education of the Republic of SRPSKA and local SMEs. His work with the local business community brings to the REDETE network circa £50,000 a year, “*which is recycled via studentships and seed funding for local research projects*” (S4). Both the training workshops and the annual conference are funded by local sponsors. In turn, they recruit specialised workforce, which has a mixed ethnic and religious background.

Professor Ateljevic asserts: “*Fouskas’ strategy met with overwhelming success, benefitting multiple communities in BiH and internationally, especially by enhancing access of ECRs (Early Career Researchers), students and staff to institutional cultures and educational settings in which multi-faith and multi-ethnic cooperation becomes a source of strength rather than weakness*” (S5).

The annual REDETE conference attracts more than 400 participants and is one of the largest networking and business conferences in the region, allowing for knowledge exchange and dialogue between the various ethnic and multi-faith groups within the region. (S4)

### c) Increasing student employment opportunities and quadrupling student employability rates

The REDETE conference has created a link between the Ministry, the local university sector and labour market in BiH. Through Fouskas’ research and contributions, new employment opportunities for local graduates and post-graduates have opened up (S6, S9). As a direct result of the REDETE conference as a networking platform, nearly 50% of the 3000 graduates of the University of Banja Luka found full time employment in 2019, compared to 14% in 2012. In 2019, 85% of the graduates from the Faculty of Economics at the University of Banja Luka were in full-time employment as compared 23% in 2012. Further, there are increased numbers of local students pursuing the MA degrees at the Faculty of Economics (S7). Professor Ateljevic testifies that “employability rates among Economics graduates of UBL have quadrupled since Fouskas began working for the Ministry” (S5).

## 5. Sources to corroborate the impact (indicative maximum of 10 references)

---

S1. Testimonial letter from Dr. Sinisa Marcic, 23 December 2019.

S2. Correspondence between Dr. Sinisa Marcic and Prof Fouskas, 2 March 2017. The resulting confidential report is written in Cyrillic.

S3. [https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Enlargement\\_countries\\_-\\_labour\\_market\\_statistics#Employment\\_rates](https://ec.europa.eu/eurostat/statistics-explained/index.php?title=Enlargement_countries_-_labour_market_statistics#Employment_rates)

S4. See <http://www.redete.org/b2b-forum.php>

S5. Testimonial Letter of Professor Jovo Ateljevic.

S6. Fouskas interview on the EU Border MBA in June 2014 can be watched here: [https://www.youtube.com/watch?v=B\\_cZov2Eww](https://www.youtube.com/watch?v=B_cZov2Eww).

S7. <http://www.redete.org/b2b-forum.php>

S8. Yasmin Komic, Minister of Science, Technology and Education, Republic of SRPSKA, BiH, “Letter of Appointment”, Protocol No 19/6-010/911-81/12, 4 February 2013.

**S9.** A policy report on the issue of “brain drain”, was commissioned by the Ministry. Fouskas, V.K., Shampa Roy-Mukherjee, S., Pepic, A. and Vokojevic, B. 2020. *Brain drain in Bosnia and beyond. Issues, policy remedies and constraints*. STAMP policy report.