



Briefing

Political Trends & Dynamics in Southeast Europe

December 2016 | January 2017

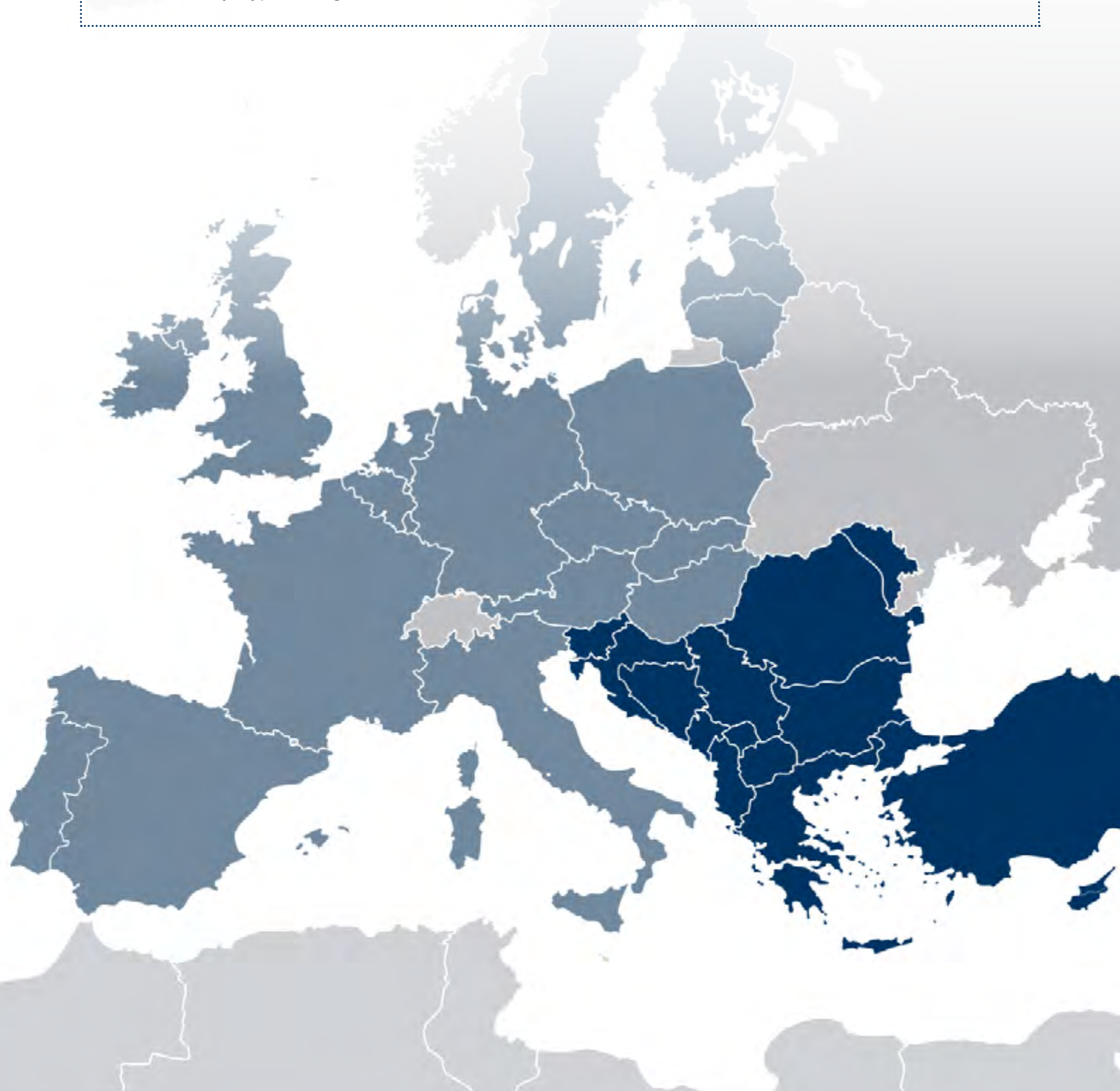
[#BriefingSEE](#)

Political Trends & Dynamics in Southeast Europe

#BriefingSEE

A FES DIALOGUE SOUTHEAST EUROPE PROJECT 2016–2018

Peace and stability initiatives represent a decades-long cornerstone of the Friedrich-Ebert-Stiftung's work in southeastern Europe. Recent events have only reaffirmed the centrality of Southeast European stability within the broader continental security paradigm. Both democratization and socio-economic justice are intrinsic aspects of a larger progressive peace policy in the region, but so too are consistent threat assessments and efforts to prevent conflict before it erupts. Dialogue SOE aims to broaden the discourse on peace and stability in southeastern Europe and to counter the securitization of prevalent narratives by providing regular analysis that involves a comprehensive understanding of human security, including structural sources of conflict. The briefings cover fourteen countries in southeastern Europe: the seven post-Yugoslav countries and Albania, Greece, Turkey, Cyprus, Bulgaria, Romania, and Moldova.



Editorial Note

The winter months were less calm than one might expect regarding political dynamics in Southeast Europe. As in the previous period, trends within and between countries have not lent much hope for positive change. Nationalist notions have remained prominent, as seen in the case of Bosnia and Herzegovina, where the public discourse was dominated by nativist narratives, or in the case of the relations between Serbia and Kosovo, where an attempt at symbolic politics followed well-known patterns of testing and provocation.

The assassination of Russian Ambassador Andrey Karlov in Ankara and terrorist attacks throughout Turkey shocked the world, buttressing the concentration of observers on regional security. President Donald Trump's inauguration in the United States and the first actions of his administration have created uncertainty not only regarding the American posture, but also in Southeast Europe. A further retreat of the US from the region is to be expected.

Attempts in solving the remaining bilateral disputes in the region may have received some backwind in Cyprus, where the population is voicing demands for peace and reunification.

As the old Balkan proverb says "svakog čuda, tri dana dosta" – a marvel is only a marvel for three days. So, despite the unusual density of media hype, even for this region, it seems too early to identify a substantial trend for the new year.

Regional Developments

The establishment and operationalization of the Regional Youth Cooperation Office (RYCO) has not received much public attention. However, the Governing Board had its constitutional meeting in December, followed by a Boost Conference for potential partners and representatives of youth organizations. Soon after, an open call was launched and advertised for the position of the Secretary General, which is to be filled at the beginning of February. Crucial further steps for the finalization of RYCO's establishment will follow in the coming period.

The WB6 Advocacy Group, launched another major regional initiative, presenting their "Advocacy strategy for the EU integration of the West-

ern Balkans" in several regional capitals, as well as EU member states. This consortium of think tanks aims to accelerate the accession of the remaining Western Balkans countries to the EU.

The Regional Cooperation Council released two flagship publications on (1) Connectivity and (2) Competitiveness for 2016. They advocate for speeding up national reforms related to connectivity, as well as a regional investment agenda, among other things. The publications list the major impediments regarding connectivity and competitiveness, along with an overview on RCC's plans for the forthcoming period.

A joint EU-Western Balkans Ministerial Forum on Justice and Home Affairs took place in Slovenia to discuss efficiency and cooperation on matters of migration, border management, and internal security. Exemplifying the ongoing securitization of EU-WB relations, the meeting happened under the auspices of Slovakia's EU Presidency.

The Western Balkans Summit was confirmed to take place on July 12th in Trieste, under the patronage of the Italian government.

On a somewhat different note, an article by Timothy Less, published in Foreign Policy Magazine and titled "Dysfunction in the Balkans," sparked criticism over the authors' views that multiethnic states in the region have failed and should not be encouraged.

Bosnia and Herzegovina

The political agenda in Bosnia and Herzegovina (BiH) in December and January was dominated by the celebration of the contested National Day of Republika Srpska (RS) on January 9th, and U.S. sanctions against the President of Republika Srpska; the European Commission's assessment of the country's readiness to receive official candidate status for European Union (EU) membership; the de facto suspension of the IMF loan; and increased media reporting on consequences of failed public policies across the country.

Key developments

- The heated debate over the National Day of Republika Srpska Day continued, reaching its climax when RS authorities organized a cele-

bration of the holiday on January 9th in Banja Luka, despite the Constitutional Court's decision from November 2015 that the holiday is unconstitutional. Politicians in Sarajevo maintained their agreement with the Court, while politicians in Banja Luka refused to recognize the Court's jurisdiction, arguing that the Law on the National Day of RS (published in the RS Official Gazette on December 27th 2016) was passed on October 25th, predating the Court's decision. Tensions rose further due to disputes regarding the participation of some of BiH's Armed Forces in the parade celebrating the holiday. The Ministry of Defence is leading an inquiry into the matter. While the reform of BiH's Armed Forces was hailed as a major success story, in this instance the military has been instrumentalized for political purposes.

- On January 17th, the U.S. State Department and Treasury introduced sanctions against Milorad Dodik, the president of the RS and leader of the biggest party of the ruling coalition in that entity (the Alliance of Independent Social Democrats – SNSD). U.S. authorities explained that Dodik obstructed the implementation of the Dayton Peace Agreement by holding the referendum on the National Day in RS on September 25th, in violation of the decision of the Constitutional Court. Dodik is banned from traveling to the U.S.A and his assets in the U.S. are frozen. He continued to demand the adoption of a new law in the Constitutional Court that would allow changes to its set-up and decision-making. All relevant political forces in Sarajevo oppose such changes. Dodik repeatedly argued that the RS should utilize the consequences of Brexit, the insecure future of the EU, and President Trump's election to achieve full independence, unification with Serbia, or the return of all competences transferred to the federal level since 1996. He announced there would be at least one referendum in RS in 2017.
- In May 2016, the IMF and BiH reached an agreement on a 500 million euros loan to be given in 12 tranches. However, the payment of the second instalment of the loan, scheduled for December 2016, was halted by the IMF citing 'non-compliance' with agreed reforms. According to BiH's government, 75 million euros should be made available after an agreement on the Law on Excise Duties is reached.
- In an effort to consolidate the political left in the country, representatives of non-nationalist political parties, civil society, academia and NGO's signed the so-called "Jahorina Declaration". The declaration calls for 'political and social conditions for a better society', and has been considered as a first step in the preparations for the general elections in 2018. With this declaration, chances increased for the formation of a 'unified front' of political forces, which consider themselves civic and non-nationalistic.
- In the reporting period, media coverage on problems of air pollution, water shortages, interruptions in the heating supply networks, failing health systems, and illiquidity of public companies intensified. The air quality reached dangerous toxicity levels in all the country's major cities. Heating supply was interrupted for weeks in Zenica, Tuzla, and Banja Luka. Thousands of households in Sarajevo stayed without water for days. In the small industrial town of Lukavac, authorities failed to promptly inform citizens about a factory accident which exposed them to increased levels of dangerous gases. Media coverage also included reports on the country's growing indebtedness in the health sector, resulting in shortages in cancer treatment drugs, as well as the economic emigration of hundreds of medical staff leaving to pursue better paid work in the EU. Furthermore, there are reports of the possible foreclosure of Sarajevo's public transportation company.
- As part of the process of preparing an assessment of BiH's readiness to receive official candidate status for EU membership, the EU's commissioner in charge of enlargement policy visited Sarajevo, on December 9th to hand over a list with 3,242 questions for the country's institutions. The experience of other countries that went through the process of collecting the information necessary for drafting these answers suggests that this will be the most demanding challenge yet for the BiH administration. The process will force the country's administration to look into every nook and cranny of its public policies, from health and environment to taxes and agriculture. BiH is expected to send one set of answers; due to the highly federalized nature of the country's constitution, the in-

puts will have to be gathered from several different levels of government. This will test the government's readiness to work together, exchange information, and agree on joint answers. BiH's authorities are expected to finish the task within a provisional deadline of six months.

Next month's prospects

In the next month, political tensions are expected to continue as are the devastating results of failed public policies. In the beginning of February, the publication of the findings of the Defence Ministry's internal inquiries on the participation of the Armed Forces in the January 9th celebrations in the RS is expected to provoke further tensions. Budget constraints are likely to lead to a much-needed agreement on reforms for the IMF loan to continue.

Bulgaria

Bulgaria's political agenda was dominated by the inauguration of the newly-elected President Rumen Radev, the uncertainties around the appointment of a caretaker government, and allegations accompanying the campaign ahead of early parliamentary elections.

Key developments

- After winning the second round of presidential elections on November 13th 2016 with nearly 60 per cent of votes, Rumen Radev took office on January 22nd as the fifth President of Bulgaria. In his farewell speech, outgoing President Rosen Plevneliev reiterated the need for more justice in Bulgarian society in order to counter the rise of populism built on people's fears. Plevneliev assessed his term as difficult and praised himself for setting the right priorities and for avoiding strategic mistakes in Bulgaria's foreign policy. In turn, President Rumen Radev's solemn speech called on political parties and society to unite for justice and firm defence of Bulgarian interests. Notably, Radev said he would actively work with Bulgaria's partners for a speedy integration with the EU, thus downplaying the pro-Russian image painted by his opponents and the media through-

out the presidential campaign. Radev's first presidential visit was to Brussels for meetings with the President of the European Commission Jean-Claude Juncker, the President of the European Council Donald Tusk, the newly-elected President of the European Parliament Antonio Tajani and the Secretary General of NATO Jens Stoltenberg.

- President Radev's first task was to ensure a smooth transition to a stable government. Prime Minister Borisov and his cabinet resigned in November after the GERB party's candidate Tsetska Tsacheva lost the presidential elections, sparking a political crisis. Radev disbanded the 43rd National Assembly and nominated a caretaker government on January 27th. Former Chairman of Parliament professor Ognyan Gerdzhirov became Prime Minister. Radi Naydenov, Ambassador to Germany, was made foreign minister. The caretaker government insist of experts from different political wings. The Socialist Party (BSP), which supported the nomination of Rumen Radev, declined any interference in the appointment process, while Radev promised to install a government composed of experts. Only one of the four deputy Prime Ministers - Denitsa Slateva is a member of the BSP. On his first day in office President Radev signed a decree on the appointment of his cabinet members: Dimitar Stoyanov, former Air Force commander was appointed Secretary General; the journalist and director of the left-wing foundation Solidary Bulgaria Ivo Hristov will be the President's Head of Office; Atanas Krastin, Bulgaria's former Consul General in Nis (Serbia) will serve as Foreign Policy Secretary.
- The Bulgarian political debate is already dominated by the upcoming early parliamentary elections convened by the President to take place on March 26th. Given that it is highly unlikely that any party will win the majority of votes, the building of a stable government will be a very difficult task in a polarized society. A coalition between the two largest parties, GERB and BSP, seems unlikely. GERB's leader Borisov publicly invited the winner of the election to hastily form a minority government in an attempt to avoid an impasse. In the meantime, GERB has undertaken a campaign to counter what they claim is disinformation on the part of

the BSP. GERB regularly publishes counter-active statements in response to allegations made by the BSP; for example, BSP accused GERB of mismanaging EU funds and Bulgaria's energy sector and failing on a number of reforms. Recent opinion polls showed a tiny difference in support for GERB and BSP. The third largest party coalition, the ultra-right-wing Patriotic Front is expected to be key for the forming of a government, as their candidate Krasimir Karakachanov won 15 per cent of votes in first round of presidential elections.

Next month's prospects

Media and society will continue to focus on the unstable political scene. The political debate will be dominated by the early elections and the importance of finding a working coalition and support to form a stable government. The upcoming Bulgaria's Presidency of the Council of the EU in January 2018 will certainly be an incentive for political parties to work for stability.

Cyprus

Domestic support for peace negotiations has been increasing in the last few months, as demonstrated by the organization of several peace rallies, with Turkish and Greek Cypriots standing side by side to support the island's leaders in their attempt to reach an agreement. The negotiations resumed in January in Switzerland, after their premature halt in November, and are expected to go ahead at a steady pace.

Key developments

- Thousands of people demonstrated for the political reunification of the island. The demonstrations were organized in the UN buffer zone and gathered Cypriots from both communities. These rallies were attended by both Greek and Turkish Cypriot organizations. Their main purpose was to urge their leaders to intensify their effort to find a solution to reunite the island.
- The negotiations ended in early January without a conclusive agreement, though many controversial topics were discussed. The nego-

tiations are divided in six chapters – five discussed by the two Cypriot leaders, and the last discussed together with the guarantor powers (Greece, Turkey, and the United Kingdom). No agreement on any chapter can be signed until all six chapters are agreed upon. On the first five chapters, the two Cypriot leaders agreed on the basic framework of a deal to reunify the country, namely a 'bi-zonal, bi-communal federation' with a deep decentralization and a shared-power in the center. This is believed to be the deal that would gather the most support from the two communities on the island. For the first time in history, the two leaders offered their proposed map of the administrative borders in the country. The difference between the Turkish-Cypriots' and the Greek-Cypriots' proposal came down to a single percentage – the Turkish-Cypriots want control over 29.2 per cent of the island, while the Greek-Cypriots have offered them 28.2 per cent. However, the differences are much bigger than it seems given that the maps differ considerably on the areas to be returned. The question of the presidency is still ongoing; the Turkish-Cypriots support a rotating presidency, but the Greek-Cypriots oppose it, arguing that giving this amount of power to the Turkish minority would not follow democratic principles. President of north Cyprus Mustafa Akinci insisted that he would not agree to a relocate Greek-Cypriots who had to flee their homes in 1974, as it would displace the Turkish-Cypriots now living there. More negotiations are needed to determine the sort of compensation will be necessary.

- The chapter concerning security is the main cause of the stall of negotiations, as the talks include both Cypriot leaders and the guarantor states. The issue relates to the Guarantor status of Turkey, Greece and Britain, which was used by Turkey as the justification for the invasion of 1974 as well as the military presence of Turkey (but also Greece) after a solution. The Greek-Cypriots want to eliminate the Treaty of Guarantee, while Turkey and the Turkish Cypriots are only willing to modify it and insist on the need for a permanent Turkish military presence on the island. President Nicos Anastasiades proposed instead the creation of an international police force. President Akinci opposed this as of now, but remained open to deal with this question after the creation of the Cyp-

riot federation. However, Greece and Turkey could not reach an agreement, each blaming the other for the failure. The UK pledged that they would follow the wishes of the two communities, provided that they reach an agreement.

Next month's prospects

Senior civil servants are now laying the groundwork to agree on a roadmap for future talks. A meeting between the two leaders, based on these preparations, will take place soon (though no date has been fixed yet). However, any deal before the referendum about the presidential system in Turkey in April is unlikely. There is still hope that an agreement can be reached soon thereafter – in time to organize a referendum in late summer or fall. However, fear of foreign interference remains high and could hinder further progress. For example, Turkish President Recep Tayyip Erdogan stated: "We have told Cyprus and Greece clearly that they should not expect a solution without Turkey as guarantor. We are going to be there forever."

Kosovo

A variety of topics regarding Kosovo-Serbia relations dominated the public discourse, mainly in negative tones. However, an agreement was reached between the two sides on Kosovo obtaining its first international dial code, +383.

Key Developments

- Former Prime Minister and the head of the Alliance for the Future of Kosovo, Ramush Haradinaj, was detained on January 4th by police in eastern France, after flying in from Prishtina. He was detained on the basis of a Serbian arrest warrant alleging he committed war crimes while he was a guerrilla commander with the Kosovo Liberation Army (KLA). Haradinaj was acquitted twice by the International Criminal Tribunal for the former Yugoslavia. He has since been granted bail in France, pending the final decision of the French courts on whether he will be extradited to Serbia or released. At the same time, protests calling for his release were organized in Kosovo and by Albanian diaspora around the world. The pro-

testers were supported by all political parties and from all social backgrounds in Kosovo. Protests in front of Serbian embassies and diplomatic missions in some countries triggered an angry reaction from Serbian Foreign Minister Ivica Dacic, who suggested that protesters were planning to attack a Serbian embassy.

- On December 8th Kosovo's Ministry of Environment and Spatial Planning ordered a halt to the building of the two-meter-high wall on the Serb-controlled north side of the Ibar River in Kosovska Mitrovica. Kosovo Serb authorities in north Mitrovica had begun erecting a concrete wall on the banks of the Ibar River, just next to the bridge that divides the town's Serb-dominated north and largely Albanian-populated south. The move angered Kosovo Albanian officials, although Serb officials in the divided city insisted that the construction is purely practical and implies no aggression. Due to the last moves in the relation between the two states, President Thaci stated that those who built the wall will have to demolish it as well.
- On January 24th a high-level meeting between Prime Ministers Isa Mustafa of Kosovo and Aleksandar Vucic of Serbia and Presidents Hashim Thaci and Tomislav Nikolic took place in Brussels, continuing the EU-led talks on 'normalizing' relations between Serbia and Kosovo, which were started in 2011. The meeting comes at a time of palpable tension and evident disagreements over a number of issues that could be seen as targeted provocations.
- Srpska Lista, the ethnic Serb party in Kosovo's coalition government, announced on December 28th that it would seize its participation in Kosovo institutions, following a request from Serbian Prime Minister Aleksandar Vucic. It is believed that this is due to the dismissal of Ljubomir Maric, the Minister for Local Governance in the Kosovo government, after he met with Serbian politician Marko Djuric in north Kosovo – despite the fact that Prishtina had issued a ban on Djuric's entry into the country. The sacking provoked an 'ultimatum' from Belgrade, demanding the reinstatement of Maric. Some days after the dismissal, Kosovo's Prime Minister appointed the former deputy Minister of Labor and Social Welfare Mirjana Jevtic to take up Maric's position. While Srpska Lista appeared divid-

ed on the issue, Jevtic eventually resigned the post, following continued pressure by the Serbian Prime Minister.

- The election of President Trump was seen as a disappointment by Kosovo Albanians, who hold deep respect for former Secretary Hillary Clinton, whose husband launched the NATO bombing campaign which ended the war in the country. There are fears among Kosovo's public that President Trump's favorable view towards Russia and the actions of President Vladimir Putin could put the strong relationship Kosovo has forged with the United States at risk. On the other hand, the new U.S. Secretary of Defense James N. Mattis declared that the Kosovo Security Forces should receive a mandate to conduct domestic security and territorial defense. Vlora Citaku, Kosovo's ambassador to the U.S., met briefly with incoming President Donald Trump, stating that Kosovo was the most pro-American country in the world.

Next month's prospects

Preparations for the Kosovo Specialist Chambers are expected to continue, as the Hague-based court readies to put on trial some members of the Kosovo Liberation Army, who are suspected of war crimes. Issues in need of resolution in the coming months are the formation of the Serb-majority legislative body in the north, known as the Association of Serb Municipalities, and the ratification of the law on the border demarcation with Montenegro. After the last events, many national and international security experts say that it's time for Kosovo to change the Kosovo Security Forces into the Kosovo army.

Macedonia

The political ambient in the Republic of Macedonia in the months of December and January was dominated by the elections that took place on December 11th 2016 and their aftermath.

Key developments

- Election Day passed calmly, without greater breaches of the Electoral Law, and without major incidents. The results of the elections

indicated a very close electoral result: the governing coalition led by VMRO-DPMNE won 454,577 votes, which, according to the six electoral units, resulted in 51 seats. The opposing coalition led by SDSM won 436,981 votes or 49 seats, whereas other parties that exceeded the threshold and won MPs in the Parliament were DUI (86,796 votes – 10 seats), BESA (57,868 votes – 5 seats), the "Alliance for the Albanians" coalition (35,121 – 3 seats), and DPA (30,964 votes – 2 seats). Although VMRO-DPMNE clearly won the most votes and seats, the opposing coalition led by SDSM experienced a big comeback, after winning only 34 mandates in the 2014 parliamentary elections in 2014, with many votes originating from Albanian-populated areas (estimated between 50,000 and 70,000 votes). On the other hand, the ethnic Albanian party DUI lost almost half of its MP group compared to the last elections (down to 10 from 19), receiving only half of the votes it won in 2014 (153,646 in 2014 compared to 86,796 in 2016). This indicates a big swing in the mood of Albanian voters in Macedonia, who have put their confidence in SDSM rather than in one of the ethnic Albanian parties.

- The electoral result indicated that there are numerous possibilities of both VMRO-DPMNE and SDSM forming a government, given that a coalition with some (or all) Albanian parties is necessary in order to form a government (for which a total of 61 MPs are needed). The practice of the two parties with most votes in the two ethnic groups (Macedonian and Albanian) forming the government has been a long-established practice in Macedonia. Since no party leader stepped forward with the possibility of having a clear parliamentary majority, President Gjorge Ivanov, within the constitutional deadlines, gave the mandate to the leader of the VMRO-DPMNE, Nikola Gruevski. However, since Gruevski cannot form a parliamentary majority, it remains unclear if the mandate will then go the second party in line, SDSM. Although such a precedent has been made in Macedonia (in the 1992 elections), expert opinions differ on the issue.

- In the aftermath of the elections three Albanian parties and coalitions (DUI, BESA, and the "Alliance for the Albanians") drafted a joint platform that should serve as a pre-

condition for forming a government with any of the Macedonian parties. The platform was previously drafted and agreed upon in a meeting of the Albanian political parties and the President of the Republic of Albania Edi Rama in Tirana. The platform consists of ethnic demands such as enhancing the position of the Albanian language in the country (acceptance as an official language) and full implementation of the Ohrid Framework Agreement, among other things. This spurred reactions on the ethnic Macedonian side, with the Ministry of Foreign Affairs directly accusing Tirana of interfering with the internal affairs of its neighbor. The platform also hampered efforts to form a government coalition between VMRO-DPMNE and DUI, with both parties drawing “red lines” related to acceptability of the demands put forward in the joint platform.

- The Special Public Prosecutor’s Office continues its activity. On January 24th 2017 it raised allegations related to two new cases – “Tariff” and “Tank”. The first case relates to misallocation regarding the public procurement of software in ELEM (Macedonian power plants), while the second relates to abuse of public position in cases of procurement of a vehicle for the Prime Minister in 2012. Besides its constant activity, the future of the Special Public Prosecutor is uncertain, since its mandate is time-constrained by law. One of the major conflicting points in the negotiations for forming a new government is the continuation of the Special Public Prosecutor’s mandate, which has been denied by VMRO-DPMNE as a possibility.
- In January 2017 a group of intellectuals formed an organization named “Stop Operation Soros” protesting against the activity of the Foundation Open Society Institute – Macedonia (FOSIM). They accused FOSIM of anti-governmental activity, calling for the State Department of the U.S., the Congress, and the Senate to revise the work of USAID in Macedonia in the last four years. “Stop Operation Soros” accused FOSIM and USAID of politicization and abuse of US aid to Macedonia, claiming that they directly supported the political opposition in overthrowing the governing structure in the Republic of Macedonia. It also announced further actions related to investigating the activity of FOSIM in Macedonia.

Next month’s prospects

The following period will be mostly devoted to forming a new government. Since several scenarios are possible due to constitutional ambiguities and the relatively equal political potential of the two political blocks, moderate instability may follow. However, the major issue that has been debated and shall be intensively discussed in the upcoming period is the date for new elections, since no major political party is in a position to form a stable and long-lasting government with the present distribution of seats.

Moldova

Key Developments

The newly elected President Igor Dodon’s highly divisive statements in Moscow instigated strong reactions at home and abroad. Meanwhile, the EU dispersed 100 million euros worth of aid, while other domestic controversial developments were overshadowed by President Dodon’s trip.

- In the first visit of a Moldovan president to Moscow in 9 years, Dodon sought to reaffirm his geopolitical aspirations vis-à-vis the Kremlin and his electorate. Despite his open pro-Russian views, Dodon’s strongly-worded geopolitical rhetoric was unexpected given his earlier promises of merely restoring good neighborly relations with Moscow. In a meeting with President Putin, Dodon announced that he would scrap the EU-Moldova Association Agreement, citing erroneous trade facts, and suggested solving the Transnistrian conflict through federalization under the “Kozak Memorandum,” proposed by Russia. Dodon caused further outrage by posing alongside Putin with an old map of ‘greater Moldova’, featuring parts of today’s Romania and Ukraine.
- Prior to his Moscow visit, Dodon showcased his soft antagonism towards the EU and neighboring Romania in particular. During his first days in office, Dodon removed the Presidency’s EU flag and stripped former Romanian President Traian Basescu of his Moldovan citizenship. He also requested (unsuccessfully) to recall the Moldovan ambassador to Romania for stating his personal views. The president’s initiated meeting with

the Transnistrian leader Vadim Krasnoselsky, prompted the coalition's Liberal Party to call for an impeachment referendum against him, as they claimed the move was illegal.

- The EU dispersed 100 million euros in macro-financial assistance in three progressive instalments, subject to reform. Up to 40 million euros of the sum are grant, while the rest are loans at favorable rates. This came weeks after the government suggested a draft law on 'capital liberalization', which international experts said would further facilitate money laundering. The media scene has also been affected – Jurnal TV, famous for criticizing the ruling Democratic Party, were forced to leave their premises for allegedly defaulting on rental payments, which they openly deny. Moldovan extra-parliamentarian opposition leaders Andrei Nastase and presidential runner-up Maia Sandu claimed that Dodon's hard geopolitical statements in Moscow only served to strengthen the ruling coalition's role as the only pro-Western force.

Next month's prospects

Dodon's second official visit will be to Brussels, where he is expected to change his tone. His statements are nevertheless generally perceived as populist and deceptive.

Romania

After a year of a technocratic government, Romanians elected the Social Democrat party (PSD) back into power in a landslide victory. The forming of the new government, however, was not unproblematic.

Key developments

- The Parliamentary elections on December 11th saw the center-left PSD winning by 45.5 per cent of the vote, allowing them to form an easy coalition with liberals from ALDE (5.62 %). The center-right Liberal Party (PNL), running with technocrat Dacian Ciolos as their candidate, came a distant second with 20 per cent of the vote. The Save Romania Union (USR), a brand new anti-corruption movement-turned-party were pleased with 8.8 per cent in their first

ever ballot. Although originally described as 'anti-establishment', in this election USR pragmatically backed Ciolos, who governed Romania for the past year. Unlike in other countries, Romanian elections did not experience any geopolitical or Euro-sceptic motif.

- Since PSD's leader Liviu Dragnea has a two-year suspended jail sentence for abuse of power, his plans of becoming Prime Minister would have been upset by President Klaus Iohannis (PNL), who promised to reject any candidate with a criminal record. Therefore the designation of the new PM Sorin Grindeanu on December 30th came with potentially destabilizing effects. Grindeanu, the former Communications Minister, was the party's second candidate that President Iohannis considered after rejecting Sevil Shhaideh, a Muslim woman from the ethnic Tatar minority.
- Eventually, the 43-year-old Grindeanu's government won a confidence vote in Romania's parliament on January 4th by a wide majority, bringing stability to year-long political uncertainty under a minority government. The new government proposed stimulating economic measures such as increasing the minimum wage (from 277 to 322 euros), elimination of the threshold on social and health insurance, wage increases to public servants, pension increases, and tax cuts to companies with a threshold below 500,000 euros.
- Romania's poor prison conditions and the Constitutional Court's demands to address certain legislative loopholes spurred the new government to introduce two draft emergency ordinances on amending the criminal code and providing for collective pardon. The decrees were pushed through during the night of January 31st which intensified the already growing popular protests against the decrees.

Next month's prospects

Just after the European Commission released its annual report on corruption in Romania, Brussels warned the government to "urgently reconsider" its latest ordinances saying that its funding could be at risk. President Iohannis vowed to refer the ordinances to the Constitutional Court, as the last resort to prevent them from becoming law.

Serbia

The political discourse in Serbia has been shaped by bilateral disputes and agreements. Croatia first blocked and later unblocked the opening of the negotiations chapter on culture and education in Serbia's EU accession. At the same time, Belgrade took a controversial stance regarding the National Day of Republika Srpska. Progress in the dialogue between Prishtina and Belgrade was hampered by diverging views, amongst others regarding a newly established train from Belgrade to North Mitrovica.

Key Developments

- A new train connection from Belgrade to North Mitrovica caused tensions between Serbia and Kosovo, mainly due to the exterior design of the train, which included the phrase "Kosovo is Serbia" in 21 languages. The train was seen as a provocation by officials in Prishtina, who sent special forces to the northern border of the country to prevent the train's entry on January 14th. In response, Serbian President Nikolic said that he and his sons were ready to "fight in Kosovo if need be." Causing a storm of publicity, the train eventually returned to Belgrade without having reached its final destination. The affair has been received as a PR stunt, albeit both creative and successful, by Serb officials.
- Serbian Prime Minister Aleksandar Vucic visited Moscow on December 21st to finalize an arms deal with Russia wherein Serbia will acquire six MiG-29 fighter jets and other military equipment. The cost for maintenance and pilot training is estimated as very high. Critics of the deal have argued that the MiG-29 jets could only be used for a maximum of 10 years, so fewer and newer planes should be bought to minimize costs in the long run.
- Activists of the Youth Initiative for Human Rights NGO were physically attacked in Beska, close to Novi Sad, after they unfurled a banner saying "Criminals should shut up so we can talk about victims" in a protest against a speech by former Yugoslav People's Army colonel and convicted war criminal Veselin Sljivancanin. Sljivancanin was jailed for ten years for aiding and abetting the torture

of non-Serb prisoners from Vukovar in Croatia in 1991. He was released in 2011, after serving two-thirds of his sentence.

- Serbian President Tomislav Nikolic's meeting with former Bosnian Serb parliament speaker and convicted war criminal Momcilo Krajisnik on January 11th, who has served a sentence for war crimes, was met by anger from human rights groups in Bosnia and Serbia. On another note, a delegation of high-level Bosnian government officials led by the Chairman of the Council of Ministers Denis Zvizdic visited Belgrade and held meetings with Prime Minister Vucic, discussing a variety of topics. The meeting was held in a seemingly constructive atmosphere, reaching agreement on a future highway between Belgrade and Sarajevo, among other things.

Next month's prospects

The Serbian presidential elections are expected to take place in April of 2017, and most of the political rhetoric will be focused around the campaign. The opening of EU accession chapters and the dialogue with Prishtina are thought to be the main foreign policy points for the coming months.

Turkey

While constitutional amendments divided the public, the Turkish government made major changes in its foreign policy stance towards Syria and Iraq. Terrorist attacks have led to growing tensions, while economic trust was decreasing.

Key developments

- While the EU December summit decided not to mention the resolution of the European Parliament to freeze accession negotiations with Turkey, the ruling AK party and the nationalist MHP agreed on constitutional amendments, which would establish a reinforced presidential system. Presidential and parliamentary elections will now be held on the same day, and the President is allowed to also be a party member or even the leader of a political party. The President can further call for snap elections, but must resign be-

forehand. As leader of the party, the President can decide on the party list of candidates. Another change in the constitutional amendment is a reform of the election procedure of the members of the Council of Attorneys and Judges. Those members will now be elected by both Parliament and the President. The AKP maintains that this amendment guarantees more stable governments in the future. The opposition party CHP criticized the changes, claiming they would lead to a dictatorship, with no real authority held by Parliament. Both the CHP and the Kurdish-oriented HDP insisted that no constitutional changes should be effected during a state of emergency. The amendment passed in the parliament with 339 out of 500 votes on January 20th, 2017 and will lead to a referendum in April.

- With Turkish participation, an agreement to secure a ceasefire in Aleppo was reached in Moscow on December 20th, noticeably despite of the assassination of the Russian Ambassador in Ankara the day before. Turkish authorities have suspected the Gulen movement behind this attack. Turkey, Russia, and Iran agreed that they would focus on combatting terrorist groups like the Islamic State and Al-Nusra. With this agreement, the Turkish government gave up its insistence on the resignation of Syrian President Assad as a precondition for talks to find a political solution. Whilst the Moscow compromise allowed the (contested) evacuation of civilians from Aleppo, it also led to a decrease of fighting in most parts of the country. Negotiations between the Syrian government and the opposition followed, with Russia, Iran, and Turkey as mediators. Prime Minister Yildirim visited Baghdad to discuss the Turkish military presence in Mosul – he eased tensions by agreeing that Turkish troops will be redeployed to Turkey, though without stating when.
- In December, an organization affiliated to the PKK attacked policemen in Istanbul and Special Forces soldiers in Kayseri with car bombs, resulting in a high number of casualties. On New Year's Eve, an Islamic State supporter attacked a nightclub in Istanbul, killing 39 persons. The state of emergency was prolonged on January 4th and is now expected to last until April. Dismissals in the public service, the police, and the army continued.

Moreover, the police received increased access to internet traffic data – citizens can now lose their citizenship if they fail to return to Turkey within 90 days upon receipt of a judicial summons. Several public meetings were prohibited, and in Ankara any public assemblies were forbidden in January.

- The main indicators for economic trust, as well as those for the industry, service, trade, consumers, and construction reached a year-long low in December. With the beginning of the New Year, the Turkish Lira experienced a large depreciation which is attributed to global developments as well as high internal political risks. Inflation was high in December and reached 8.35 per cent for the whole year.

Next month's prospects

The constitutional campaigns for the referendum will be the most controversial subject on the political agenda. The policy of the Turkish Central Bank and of the rating decision of Fitch will be of foremost importance for the stability of the Turkish Lira and economic trust. New actions against the media are likely. For Turkey's military campaign in Syria, the government will seek support for the occupation of areas now controlled by the Kurdish PYD and the Democratic Syrian Forces. Topics for public debate will likely be the relations with the EU including the Syrian Refugee Agreement, expectations for visa-free travel for Turkish citizens, the extension of the Common Market Treaty, and the fight against terrorism.

The Friedrich-Ebert-Stiftung in Southeast Europe

After more than two decades of engagement in southeastern Europe, the FES appreciates that the challenges and problems still facing this region can best be resolved through a shared regional framework. Our commitment to advancing our core interests in democratic consolidation, social and economic justice and peace through regional cooperation, has since 2015 been strengthened by establishing an infrastructure to coordinate the FES' regional work out of Sarajevo, Bosnia and Herzegovina: the Regional Dialogue Southeast Europe (Dialogue SOE).

Dialogue SOE provides analysis of shared challenges in the region and develops suitable regional programs and activities in close cooperation with the twelve FES country offices across Southeast Europe. Furthermore, we integrate our regional work into joint initiatives with our colleagues in Berlin and Brussels. We aim to inform and be informed by the efforts of both local and international organizations in order to further our work in southeastern Europe as effectively as possible.

Our regional initiatives are advanced through three broad working lines:

- Social Democratic Politics and Values
- Social and Economic Justice
- Progressive Peace Policy

Our website provides information about individual projects within each of these working lines, past events, and future initiatives: <http://www.fes-southeasteurope.org>

© 2017

Friedrich-Ebert-Stiftung

Publisher: Friedrich-Ebert-Stiftung Dialogue Southeast Europe

Kupreška 20, 71 000 Sarajevo, Bosnia and Herzegovina

www.fes-southeasteurope.org

Orders/Contact: info@fes-southeasteurope.org

Responsible: Felix Henkel, Director, Dialogue Southeast Europe

Project coordinator: Denis Piplaš

Editor: Denis Piplaš

Authors: Una Hajdari, Dimitar Dermendzhiev, Serghei Sadohin, Nenad Marković, Stefan Hibbeler

Proofreading: Tea Hadžiristić

Design/Realization: pertext, Berlin

The views expressed in this publication are not necessarily those of the Friedrich-Ebert-Stiftung (FES), or of the organization for which the authors work. The FES cannot guarantee the accuracy of all data stated in this publication. Commercial use of any media published by the Friedrich-Ebert-Stiftung is not permitted without the written consent of the FES. Any reference made to Kosovo is without prejudice to positions on status, and is in line with UNSCR 1244/1999 and the ICJ Opinion on the Kosovo declaration of independence. Any reference made to Macedonia is understood as reference to the Former Yugoslav Republic of Macedonia.

