The 4th Joint Science Conference of the Berlin Process convened at the Accademia Nazionale dei Lincei in Rome to take further the process started in Germany in July 2015, and continued in Austria in May 2016 and Paris in June 2017. The outcomes of previous conferences were summarised in Joint Statements, which were endorsed by the Heads of State and Government at the Western Balkans Summits in Vienna (2015), Paris (2016) and Trieste (2017). The parties welcome the announcement made by the UK’s Royal Society to hold the next conference in 2019, in London.

**Commitment**

We, the participating parties, hereby reaffirm our unequivocal commitment to the creation of the Western Balkans Research Foundation based in Trieste, reinforcing the proposal adopted last year in Paris. We express our gratitude to the Vice-President of the European Commission and High Representative of the Union for Foreign Affairs and Security Policy Federica Mogherini for her firm endorsement of the WBRF. It is clear that the WBRF is much needed and much expected by the scientific community. We are convinced that it will be the catalyst to both brain circulation and research excellence in South East Europe. The preparations regarding funding concept, internal organisation and legal aspects in relation to the host country Italy are nearly completed. We are aware that the creation of the foundation is not possible without resolute political support, and without joint financial contribution from the European Union and the participating countries. Without this instrument, which addresses the specific needs of the Western Balkans for brain gain, the recent positive developments are in danger of reversal. Therefore, we request a prompt positive political decision on the last steps required for the creation of the foundation.

**Key Messages and Recommendations**

1. **Towards Smart Growth in the Western Balkans and South East Europe**
   - **The message**
     - Smart Growth requires an integrated approach by actors from the education, research and innovation sector, politics, business, international donors and financial institutions as well as the alignment of existing and new strategies.
   - **The mission**
     - Use the Smart Specialisation Strategy (S3) approach developed by the EC as an umbrella for actions to foster Smart Growth. All WB and SEE countries should commence or accelerate the implementation of the S3 process and develop the TT capacity for its uptake at local level.

2. **Convergence and Cohesion in the Western Balkans and South East Europe**
   - **The message**
     - Convergence is not only an economic process. It includes social, institutional, scientific and other types of convergence. Convergence between SEE and the EU is as important
   - **The mission**
     - Install National Roundtables for the Berlin Process in Education and Science in the WB countries, in the spirit of national ownership of reforms and EU accession efforts.
3. Cooperation in South East Europe in the Short and Long Run

The message

Rapprochement and reconciliation are essential for the future of SEE and the WB. The momentum created by the Berlin Process should be wisely used to work together for a peaceful future, based on mutual respect and rigorous dealing with the past. SEE should learn from similar experiences of other countries in Europe and the world.

The mission

Build rapprochement and reconciliation on education (starting from primary education), scientific cooperation, multilingualism and youth exchange. The participating parties underline the responsibility they have for the next generations and the need to start the process immediately. They plan to focus the 2019 JSC on the role of education and science in rapprochement and reconciliation in the WB and SEE.

Smart Growth

Smart Growth shall be understood as economic growth and social prosperity based on the use of knowledge, education, research and innovation. It involves the concentration on a few key priorities that address societal challenges, a deeper economic integration in global and European value chains, and a sustainable (environmentally friendly) development of the economy and territory. Smart Growth should be used as a strategic approach towards avoiding the middle-income trap (i.e. losing the competitive advantages or being unable to keep up with advanced economies).

The Right Policy Mix

Fulfilling the objective of Smart Growth requires developing a multi-level governance for integrated innovation policies, containing cross-sectoral measures, such as:

- The assessment of existing problems of the national economic model – particularly the productivity of SEE economies, the degree of integration in international value chains and the needs of the national labour market – aiming at the identification of competitive advantages and potential development niches;
- The design of endogenous (national-specific) policy mixes, comprising: structural reforms of the economy and institutions, enhancement of connectivity, development of an industrial policy based on value chains, improvement of production capability (especially skills and productivity enhancement), and removal of obstacles to technology upgrading;
- The regional coupling of capabilities, following a regional economic integration path, both within SEE and between SEE, CEE and the EU in addition to the stronger integration of FDIs into national value chains, and the reduction of barriers for mobility of labour and capital;
- The ensuring of a smooth innovation path, with proactive measures to support both upstream innovation (enhancing quality of the knowledge chain: secondary education » dual education » higher education » basic and applied research » knowledge and TT » innovation » commercialisation of results) and downstream innovation (development of new market segments, measures to support SMEs and attract added-value FDIs etc.).

Smart Specialisation

The participating parties recommend that all WB / SEE countries commence or accelerate the implementation of the S3 process. The S3\(^1\) approach should act as an umbrella for actions to foster Smart Growth in the WB.

They further recommend designing inclusive S3 national processes, engaging actors from politics, the education, research and innovation sector, business (including FDIs), and international donors and financial institutions. A crucial prerequisite for the success of the S3 process is an effective and consensus-building political leadership. The S3 process should adapt to the conditions in the respective country and not be an imitative one.

Considering these, the inter-ministerial committees responsible for the national S3 processes should have firm political backing and be under the direct responsibility of the heads of government. In the S3 process, the involved actors should take into consideration the catalogue of measures concerning the education, research and innovation sector featured in the Western Balkans Action Plan for Smart Growth and should develop Action Plans for the national and sub-national level.

\(^1\) For details, consult [s3platform.jrc.ec.europa.eu](http://s3platform.jrc.ec.europa.eu).
Innovation-related investments from IPA in the WB should consider the priorities of the S3 strategies and action plans.

**Particular attention** should be paid to:

- Education and training as the sectors of human capital formation and development;
- University-business cooperation, as one of the interfaces with the greatest growth potential;
- STPs and innovation ecosystems, which are already hubs for innovation, TT and entrepreneurship;
- “Success stories”, already existent in the WB / in SEE, and on the possibility to transfer best practices, and interconnect “best performers”.

**Convergence and Cohesion**

Convergence is the process of “catching-up” of SEE / the WB with the EU average, especially in terms of income and GDP, and the process of harmonising and modernising laws, institutions and organisational routines in accordance with the EU “acquis communautaire” and the Copenhagen criteria for EU membership.

The participating parties urge to treat convergence not merely as an economic process, but also to give due attention to social, institutional, scientific and other types of convergence. The different aspects cannot be decoupled from each other and need a holistic approach, maintaining the strategic goal of progressively deeper European integration. National reform agendas should clearly reflect this. Furthermore, convergence between the WB / SEE and the EU is as important as convergence within countries, on national level.

**Economic Convergence**

SEE / WB economies have experienced similar problems with other post-socialist economies, but with a transition period majorly influenced by asymmetric shocks due to fragmentation, armed conflicts, instability and several economic crises. Income convergence and fully functional market economies are impeded by additional weaknesses, as:

- Difficult access to capital: banks’ lending reluctance, high level of non-performing loans, high real interest rates etc.;
- Human capital shortage: mismatch between skills and labour market requirements, brain drain, high emigration etc.;
- Low integration of the national economy into international value chains: the perennial middle-income trap menace, FDIs oriented towards the use of poorly paid labour, significant level of state-managed companies, insufficient public-private partnerships etc.

Considering the region-specific setting, national convergence efforts should adopt a cross-sectoral and cross-policy approach.

On the one hand, they should be **guided by certain principles**:

- **Commitment**: strong political will;
- **Holistic approach**: synchronised reforms across the board, acknowledging cross-sectoral conditionalities;
- **Innovation**: evidence-based policies to foster innovation seconded by innovative and applicability-focused policies;
- **Cooperation**: constant openness for synergies at all geographical scales;

and on the other hand, pay special attention to the need for:

- **Pro-growth industrial policies**, with particular focus on highly dynamic economic sectors (e.g. ICT and digital transformation, bioeconomy, tourism etc.) and specialised industrial clusters;
- **Higher inflow and superior quality of FDIs** into the region, through better channelling of investment towards local needs and through closer linkages with domestic companies for spill-over effects;
- **Friendlier business environments**, not hindering the local entrepreneurs, especially SMEs;
- **Mechanisms to inject factual evidence in policymaking as a barrier against populism based on unfounded perceptions.**

**Social Convergence**

For the WB / SEE, social convergence – in terms of reducing inequalities within the societies and enhancing access to comparable opportunities for different social groups – is one of the crucial factors of stability.

Therefore, the participating parties recommend to the national and European policy-makers and to international donors **doing more to reduce poverty and strengthen social cohesion**, focusing on societal inclusiveness, gender equality, protection of minority rights, protection of vulnerable groups (e.g. children, elderly or the Roma minority), help for internally displaced persons, and others.

**Institutional Convergence**

Institutional convergence refers to **alignment of the legal-institutional setting and of the behaviour of institutional actors to EU standards as well as to institutional modernisation** (debureaucratisation and efficient multi-level governance).

One of the greatest obstacles for the rule of law and the implementation of every strategy or measure in SEE / WB are malfunctioning institutions. **Weak state institutions** are a result of – inter alia – an institutional complexity with overlapping jurisdictions and unclear liabilities, and cumbersome and time-consuming operational routines. Further, a strong impediment to institutional modernisation and performant governance is the persistence of informal institutions, corruption and organised crime. In some cases, positive developments are subject to reversibility, revealing the weak institutional consolidation.

Against this background, the participating parties recommend...
Scientific Convergence

Scientific convergence means the increase in research performance, and access to international funding and networks. Additionally, it means the integration of knowledge, methods and expertise from science into policy, economy and society.

Considering the scientific performance indicators, it is obvious that the countries of WB and the SEE lag behind in terms of scientific convergence with the EU. At the same time, there is notable progress in some fields and in some countries, which needs to be encouraged further.

National Roundtables

In order to operate the process of systemic change, the WB countries should establish National Roundtables for the Berlin Process in Education and Science, in the spirit of national ownership of the reforms needed for the EU accession. The Roundtables should consist of decision-makers of (science) politics, and the education, research and innovation sector. They should be co-chaired by two officially appointed chairpersons: a Special Representative for the Berlin Process in Science and Education and a Chief Scientific Advisor of the Government. The co-chairs should be integrated into the work of the JSC starting from the 2019, and the facilitator countries of the BP should provide initial assistance.

Cohesion Policy

For accelerating convergence of the WB and SEE with the EU, cohesion measures are necessary. These are intervention instruments to help the “structurally weak” or “lagging behind” to improve. They are based on the principle of solidarity and address the various dimensions of convergence. Pursuing the objective of progressively deeper European integration, cohesion-related investments from IPA and structural funds should consider the specific needs of the region for: infrastructural, digital and people-to-people connectivity, scientific cohesion, attenuation of the massive emigration and brain drain, lowering of territorial disparities, increasing of institutional capacity and others.

A pooling of different EU-funded instruments under the umbrella of a new Cohesion Policy for the Western Balkans – as part of the EU enlargement focus – is recommendable.

Scientific Cohesion

Scientific cohesion comprises measures to support the reduction of disparities in the scientific and technical capability between regions and states. In case of the SEE / WB national education and science systems, this means the strengthening of their competitiveness and attractiveness within the European Research Area, the European Higher education Area and the Innovation Union. Moreover, it means the empowering of scientists and PROs to participate in competitive funding programmes, as they still lack comparable assets and chances with other EU countries or counterparts.

The participating parties therefore firmly advocate the need for a scientific cohesion policy targeting the WB and SEE, pointing out that – under current conditions and the pressure for fast improvements – the WBRF would be the best possible instrument with high impact potential.

Scientific cohesion can be further achieved through: an increase of the absorption capacity of investment in research, a higher participation rate in joint international projects, a free and open exchange of information, an enhanced mobility of students and scholars, a better science managerial capacity etc. Actors in the WB / SEE should use the opportunities that already exist in European programmes more extensively. The participating parties underline the need for enhanced communication of these existing opportunities.

Rapprochement and Reconciliation

Rapprochement in SEE shall be understood as a gradual, but continuous process of bringing former conflict parties closer to each other, based on shared values and commonalities, mutual respect, collaborative dealing with the past and the imperative of good neighbourly relations. Rapprochement can be treated as superordinate to reconciliation (i.e. the restoring of mutual respect between former conflict parties), conciliation (i.e. the mediation of unsolved disputes / conflicts), and truth finding (i.e. the reaching of a consensus on past conflicts, especially with regard to responsibility and the identification of missing persons). Rapprochement operates with instruments designed for long term, in-depth, and wide-range change.

Prosperity, economic growth and stability in the region have weak chances of being sustainable without a good relation between societies and states. The armed conflicts that followed the dissolution of former Yugoslavia left divides and tensions among the affected societies. Unsolved bilateral disputes still hamper a peaceful and stable prospect for the region. They threaten the advancement of EU integration and EU accession. Moreover, such divisions reoccur regularly, making a generally accepted consensus difficult.

The participating parties regard rapprochement as essential for the future of the WB and SEE. This is a complex and long-term
process, requiring consistency of actions, and a dialogue both on national and regional (SEE) level. In doing so, both preventive (i.e. prevention of the escalation and emergence of conflicts) and proactive (i.e. resolution of conflicts) approaches should be followed. The momentum created by the BP should be used to work together for a peaceful future, based on mutual respect, and real and constructive dealing with the past. The latter involves not only states and politics, international institutions of transitional justice, but also the education and science system, and the nongovernmental organisations.

Cooperation in the Long Run

The participating parties agree on the need to start the process of rapprochement as soon as possible and learn from the lessons experienced by other countries in Europe and in the world. They underline the major responsibility they have in this field for the next generations.

The participating parties firmly recommend building rapprochement and reconciliation on education (starting from primary education), scientific cooperation, and the development of multilingualism in the SEE as well as on youth exchange and inter-cultural formats for the young generation. Young people will be the agents of change for a peaceful and better future. The parties also encourage decision-makers to support the activities of the RYCO and make the most out of its potential.

Cooperation through joint activities in education and science – including smaller scale instruments, such as summer schools or intercultural student encounters – that would provide opportunities for dialogue and debate, are pivotal for creating an atmosphere of friendship, instead of an atmosphere of mistrust and tension. Scientific cooperation within the Adriatic, Danube and Central European space has a long tradition, which has resisted to armed conflicts and historic divisions. At the same time, the participating parties also emphasise the need for intra-regional student and staff exchange within SEE. New forms of international scientific cooperation – especially science diplomacy – should be used as a proactive tool for dialogue and collaboration, amid and despite political problems.

Social sciences and humanities play a very important role in this regard, especially in their responsibility as agents for the formation of opinion (influencers) on national, regional and international level. Scientific expertise should be used for all aspects of rapprochement and reconciliation, as it is crucial that factual and objective narratives prevail in the public perception.

Outlook

Considering the complexity of rapprochement and reconciliation, its long-term dimension and the vital contribution of education and science to its sustainable success, the next JSC in 2019, in London, shall focus on these topics.

10 JULY 2018

JOINT STATEMENT OF THE 4TH JOINT SCIENCE CONFERENCE OF THE WESTERN BALKANS PROCESS / BERLIN PROCESS
<table>
<thead>
<tr>
<th>Recommended measures</th>
<th>Addressees</th>
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<tbody>
<tr>
<td>1. University-business platforms should be established, which bring together HEIs and the economic actors, with participation of local and national authorities. Considering the size of WB economies and the need to achieve scale effects, the concentration on singular national platforms and a regional one is advisable. Such platforms should convene once a year, having strong public outreach.</td>
<td>HEIs and PRO</td>
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<td>2. The relevance of study programmes should be improved through greater cooperation between HEIs and employers in the design and modernisation of curricula (including blended learning), in the improvement of teaching methods, and by negotiating work experience opportunities and internships in state and private companies (including SMEs). In this process, the universities’ autonomy should be safeguarded.</td>
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<td>3. Small and medium sized support programmes pivoting around STPs should be put in place, which should lead to thriving innovation ecosystems, thus enhancing innovation performance.</td>
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<td>4. A virtual Regional Community of Innovators in the WB should be created, as a framework for exchange of best practices and facilitation of additional entrepreneurship activities. The Community shall convene once a year at an alternating location in the WB, in form of an innovation and business forum.</td>
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<td>5. National Innovation and Start-Up Competitions should be developed, awarding competitive prizes in form of venture capital or innovation vouchers. The competitions shall also offer financial incentives for entrepreneurs in the critical phase of product development and market entry.</td>
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<td>6. For the development of prototypes, for demonstration purposes, proof of concept type of funding should be accessible on competitive basis. The same applies for genuine bottom-up innovation and entrepreneurship initiatives. In some fields of entrepreneurship, this incipient stage is particularly critical and therefore, unbureaucratic support is needed. This approach should follow a new paradigm, where innovators shall ask for funding and not funding organisations shall ask for innovations, i.e. the development of a bottom-up and not a top-down innovation chain.</td>
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<td>7. Training programmes for professional management of innovation activities as well as on-the-job training programmes for business management capabilities should be offered to professionals from HEIs, PROs and STPs as well as for knowledge-based start-ups and spin-offs.</td>
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<td>8. National authorities should systematically facilitate public-private-partnerships for research and technological development, connected to FDIs and the most dynamic business sectors (such as ICT). This includes the development of proactive legislative and institutional conditions.</td>
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<td>9. Public-private-partnerships for locating industry on campus and developing common research and TT facilities should be enabled. This includes joint infrastructure development and (market-oriented) operation.</td>
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<td>10. STPs should receive solid funding, as they can be a strategic tool for local and regional development, thus connecting them to territorial development strategies and policy-makers.</td>
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<td>11. Programmes on national level for targeted support of academic entrepreneurship (spin-offs and start-ups) should be put in place, through incipient support (providing office space, counselling on business plan development, counselling on loans and financial support opportunities etc.), professionalising transfer offices in universities, counselling on intellectual property issues, providing business competence for researchers, creating entrepreneurial centres at universities, alumni networks, and collaborative networks with industry</td>
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<td>Recommended measures</td>
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<td>For managing the “big” structural reforms – such as new models of performance-based funding or the restructuring of universities – modernisation partnerships between ministries from WB and EU countries shall be pursued. These would focus on the joint design of reforms and strategies as well as on their implementation.</td>
<td>HEIs and PRO</td>
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<td>Universities and rectors’ conferences shall collaborate with their EU peers in the process of institutional transition, quality assurance, full introduction of the Bologna system etc. Using bilateral or multilateral pilot projects in this area of action would be a suitable approach.</td>
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<td>Supporting the regional dimension of strategic partnership, universities should team-up in networks to harmonise educational and training programmes and standards, implement joint degrees and joint training of university managers. In doing so, the universities should enter thematic alliances with competitive universities in the EU and make full use of the potential provided by the Erasmus+ programme.</td>
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<td>In order to maximise the opportunities of the Bologna Process, universities could engage in joint degree programmes with partner universities1 and industry / business, and thus make academic mobility instrumental for performance enhancement. Additionally, alumni-associations and professional organisations are useful for strategic networking.</td>
<td>HEIs and PRO</td>
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<tr>
<td>Joint degrees between university and industry, with additional training for interactive skills and entrepreneurial learning should be developed. Further, Erasmus+ type of mobility schemes within the WB, guaranteeing the full transferability of credit points, should be offered.</td>
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<td>SEE needs specialised “elite cohorts” of graduates in selected strategic fields for sustainable growth – e.g. civil servants, engineers, science managers, journalists etc. – that should be trained in joint degree programmes with renowned EU universities, following the good practice of the EU Scheme for Young Professionals in the Western Balkans2.</td>
<td>HEIs and PRO</td>
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<td>Where not already established, the accreditation of universities and study programmes should be carried out, and rigorous quality assurance measures should be applied to raise the quality of HE services. External evaluation of HE institutions needs to be carried out in compliance with the European Standards and Guidelines for Quality Assurance, following the general desiderate to improvement the HE system. The accreditation process and its results need to be transparent and verifiable.</td>
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<td>Universities and public employment services should provide improved support and advisory services to job-seeking graduates to ensure that more graduates find well-matched jobs. This is required to reduce informal networks and nepotism in the labour market. Local / national occupational orientation programmes, which would encompass dual professional education, vocational training, continuous education and re-qualification, should also be considered.</td>
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<td>Universities should provide more information to potential applicants in secondary schools about labour market demand. Governments should also use scholarships and budget quotas (if relevant) to raise attractiveness of priority subjects such as STEM and fast growing sectors (e.g. ICT).</td>
<td>HEIs and PRO</td>
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<td>Practical experience in companies should be systematically introduced into education through internships, graduate projects and doctoral fellowships in companies. This is crucial for the development of practical insights and working experience before the first entry into the labour market.</td>
<td>HEIs and PRO</td>
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1. The inter-university Regional Platform for Benchmarking and Cooperation in Higher Education and Research in SEE – established by 11 major regional universities – is a suitable framework for such undertakings.