



LSEE

Research on South Eastern Europe

LSEE is part of the LSE's European Institute, a Jean Monnet Centre of Excellence

Editorial

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Welcome to our 2012 Newsletter, where you can find information on our recent and forthcoming activities.

This last year has been a period of consolidation for LSEE, albeit with some important new initiatives to help us to better reach our goals. LSEE exists to promote and coordinate research at the School on contemporary South East Europe: the economy, society and politics of its constituent nations, both individually and as a region, especially in relation to international actors such as the European Union. As such, we are both an agent of independent research and a platform for innovative policy discussion.

Our 'LSEE Research Network on Social Cohesion' [see pages 2-3] encapsulates this core mission. We were delighted to organise a launch conference for the Network at the School in December 2011 and to collaborate with partners for a workshop in May in Belgrade. The workshop focussed on 'Skills and the Labour Market in the Western Balkans' and resulted in a publication [see page 3]. In the same vein, we have been pleased to partner the Regional Cooperation Council in promoting debate on these key policy issues in two joint conferences held in Sarajevo in October 2011 and July 2012 [see page 3].

At the same time, LSEE's academic staff has produced a number of individual and combined research outputs on South East Europe. We have also welcomed papers written by visitors and associates establishing a growing body of publications [see page 3]. LSEE's flagship is our book series ['New Perspectives on South East Europe'] with Palgrave Macmillan (London) in which the latest title to be published is 'Health Reforms in South East Europe' [see page 3]. We can also highlight the latest LSEE Paper on the

economic crisis in the region [see page 3].

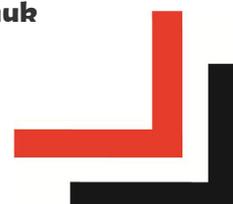
LSEE provides a platform for new policy debates. We again collaborated with our partner - The International Centre for Black Sea Studies - for their 4th and 5th international symposium (see page 10). We were pleased to host public lectures - such as Dr Borko Handjiski, Economist at the World Bank, Dr Peter Sanfey, Lead Economist at the European Bank for Reconstruction and Development (EBRD), and Professors Richard Caplan (Oxford) and Stefan Wolff (Birmingham). We welcomed Dr Milodrag Katnic, the Finance Minister of Montenegro, for a policy seminar. And our regular series of LSEE Visiting Speakers comprised 8 sessions, covering the usual eclectic mix of policy issues [see page 6].

Not neglecting the next generation of scholars, we again collaborated with our partners across the University of London for the second International PhD Symposium on South East Europe. This was first launched at LSE in 2010 and this year's event at Goldsmith's College continued its success [see page 11] with a series of vibrant panels.

South East Europe faces a number of important challenges, under-scoring the importance and relevance of LSEE both to the European Institute at the School and the wider public domain, both at home and internationally. We hope these pages will encourage you to join us in at least some of our endeavours in this regard.

Professor Kevin Featherstone
Professor Şevket Pamuk

LSEE Co-Chairs



Research Network on Social Cohesion

Research on Social Cohesion and Social Inclusion in South East Europe

News

After a period of growth and recovery in the early and mid 2000's the countries of South East Europe face a deteriorating social climate as a result



From left to right:
Will Bartlett, Kevin Featherstone & Vassilis Monastiriotis

of spill-over effects from the combined effects of the global economic crisis and the crisis in the euro zone. They now face a protracted period of fiscal austerity and slow economic growth leading to deepening social exclusion and increasing levels of unemployment, poverty and inequality. In a context of insecure statehood of several countries, widespread informal economies and organised crime and often weak state administrations at both central and local levels, all this raises concerns for the future stability of the region. In this context, the LSEE Research Network on Social Cohesion was established in 2011 to coordinate and encourage research on these issues.

The **launch conference** of the LSEE Research Network was held at LSE in **December 2011** with the generous support of DG Enlargement and the IFI Coordination Office in Brussels. Its theme was the social impact of the economic crisis in the region. The first session, chaired by Mary O'Mahony from the IFI Coordination Office in Brussels was devoted to the role of the LSEE Research Network in contributing to the social agenda for South East Europe. Will Bartlett of LSEE opened the session with a review of the activity

of the Research Network, which brings together more than thirty leading scholars from the region, the LSE and research institutions in the EU. This was followed by a presentation from Jelena Jakulj and Frederique Rychener on the work of DG Enlargement in supporting labour market policy in the Western Balkans. Thomas de Bethune from DG Enlargement presented the role of the Western Balkan Investment Framework in financing social infrastructure and Emina Kadric of the Brussels-based IFI Coordination Office

discussed the role of the Western Balkan Investment Framework in supporting the development of social infrastructure, the work of the Council of Europe Development Bank in supporting housing, job creation and social infrastructure for refugees and displaced persons and the work of the Regional Cooperation Council in pursuing a Social Agenda for the region. Debate focused on ways in which the EU 2020 programme targets should be adapted to the more challenging conditions in the Western Balkans.

The second part of the conference was devoted to presentations of on-going research by members of the research network. Professor Milica Uvalic from the University of Perugia analysed the damage done to employment from the collapse in external demand and credit inflows. Professor Mihail Arandarenko of the Belgrade Faculty of Economics identified likely winners and losers from a generic 'new growth model' which he characterised as 'Keynesianism for the rich and

monetarism for the poor'. Insightful presentations on labour markets and skills followed by Vjekoslav Domljan from Bosnia, Maja Gerovska from Macedonia and Bozidar Sisevic from Montenegro.

On the second day, attention turned to pension reforms and social security which were discussed by Professor Merita Xhumari and Enkeleida Tahiraj from Albania. Health sector reforms were analysed by Will Bartlett, and by Sandra Svaljek, Director of the Institute of Economics in Zagreb. The issue of informal sector was discussed by Professor Jovan Pejkovski from Macedonia while Ardiana Gashi analysed the social situation in Kosovo. The conference concluded with a round table discussion led by Emina Kadric and Frederique Rychener which debated the key issues for social cohesion in the region, including the large inactive labour force, ways to



From left to right:
Mihail Arandarenko, Will Bartlett & Milica Uvalic

stimulate growth and overcome skill gaps and mismatches, the transition from school to work and the reduction of unemployment, the informal sector, and poverty. The discussion generated enthusiasm for regional research projects on these issues that could be of value to international and domestic policy makers struggling to overcome the on-going impact of the crisis in the face of rising unemployment and stagnating economic performance ●

Research Network on Social Cohesion

more news...

The second major event was a **Research Workshop** on Skills and the Labour Market held in Belgrade in



May 2012 as a collaborative activity between the LSEE Research Network and the Foundation for the

Advancement of Economics (FREN) based at the Faculty of Economics in Belgrade. Some of the papers were

based on presentations that network members had made at a conference of the Regional Cooperation Council in

Sarajevo in October 2011. A selection of the papers is to be published as a joint publication of FREN and LSEE, following revisions reflecting comments and discussion at the workshop. The revised papers were made available at the recent conference of the Regional Cooperation Council on skills and jobs in Sarajevo on 12-13 July ●

Publications

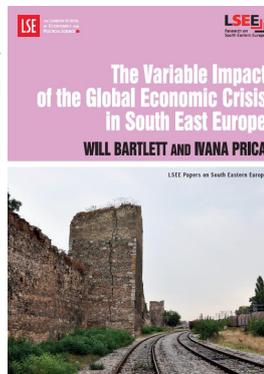
LSEE Paper Series - ISSUE 4

'The Variable Impact of the Global Economic Crisis in SEE'

The fourth Issue of the LSEE paper series by **Will Bartlett** and **Ivana Prica**, studies the variable impact of the global economic crisis on the countries of South East Europe.

The central question is whether

the institutional reforms introduced



during the transition period have enabled countries to cope with external shocks such as those associated with the recent global economic crisis. The transmission mechanisms of the crisis to the region are identified as contractions of credit, foreign direct investment, remittances, and exports, and their variable impact across countries is assessed. Several types of institutions are examined, including the degree to which countries have adopted the *acquis communautaire*, determined by the extent of their EU integration, progress with transition, and the broad institutional environment

measured through the quality of governance.

The paper asks whether countries with a more flexible economy due to faster progress with transition reforms were better able to adjust to the impact of external shocks. It concludes that the variable impact of the global crisis in the region can be explained mainly by their degree of integration into the global economy and that the institutional reforms that were introduced during the boom times have made countries more integrated into the global economy and therefore more vulnerable to the impact of the global economic crisis ●

LSEE Paper Series

http://www2.lse.ac.uk/europeanInstitute/research/LSEE/Publications/LSEE_Papers.aspx

LSEE and Palgrave Macmillan Book Series

'Health Reforms in South East Europe'

Over the last two decades, the countries of South East Europe have engaged in far-reaching reforms of their health systems, including reforms of primary and secondary health care, new governance and funding arrangements, the privatization of health care provision, and the introduction of health insurance systems. However, comparative overviews of reform efforts in this part of Europe have

been sorely lacking so far. This book addresses this shortage through the analysis of key aspects of health reforms in South East Europe, including primary health care, hospital care, health financing, decentralization and the internal and international migration of health workers. It provides a comparative analysis of health reforms and health workforce mobility in the region, and includes contributions from Bulgaria,

Croatia, Macedonia, Montenegro, Romania, Serbia and Slovenia. The book will be of interest to a range of audiences, including researchers, medical practitioners and policy-makers. The book is to be published in August 2012.

Series Chief Editor:
Dr Spyros Economides ●

Palgrave Macmillan Series

<http://www.palgrave.com/products/title.aspx?pid=504227>

Research from LSEE Staff

Will Bartlett

'My recent research has focused on two main areas. The first has been the economic and social impact of the global economic crisis on the SEE region. The second has been research on unemployment and skills mismatch on the labour market. The global economic crisis has had a severe impact on the countries of South East Europe, resulting in a deteriorating social situation and increasing political risks; in Serbia, unemployment has increased to over 25%, while in Croatia international debt has increased to unsustainable levels amid continuing recession. Despite a shallow recovery in 2011, the intensification of the crisis in the euro zone has once again plunged the region into recession. Research on this theme develops a theoretical framework that distinguishes between the EU peripheral countries and the countries of the 'super-periphery' on the edge of the EU. The research is partly funded through an FP7 project on economic and social development in the Western Balkans and EU Eastern Partnership countries. The second research theme, I carried out within the framework of the LSEE Research Network on Social Cohesion, has progressed through close links with the Regional Cooperation Council in Sarajevo. Collaboration with the FREN think tank in Belgrade has led to a research workshop and book publication on jobs and skills in the Western Balkans, while a newly-won research project on the relationship between vocational education and training policies and social inclusion in nine countries of the region is funded through the European Training Foundation, a decentralised agency of the EU.'

Vesna Bojicic-Dzelilovic

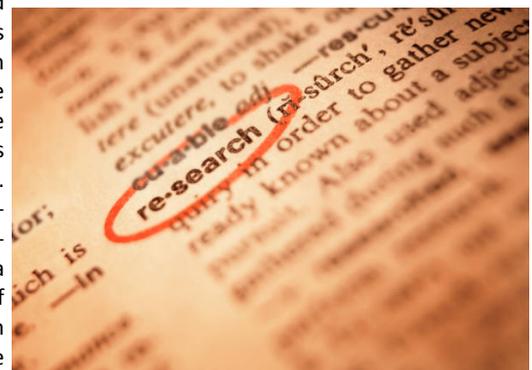
'My research focuses on the role of informal power structures in post-conflict reconstruction, the political economy of policy making and decentralisation and regional development in the Western Balkans. The research on informal power structures explores in comparative

perspective the role of transnational networks related to criminalised war economy in post-conflict reconstruction and the implications for international aid. A report on the Networks of Regressive Globalisation and the Implications for International Aid, completed in May 2012, will be published jointly by LSE and Agence Francaise de Développement. I intend to continue the work on the political economy of transition in post-totalitarian and post-conflict societies within the framework of the five-year DfID funded programme on Justice and Security in Conflict-Affected Places starting in July 2012. This programme will provide an opportunity to expand the comparative work on these issues including several regions in Central and Eastern Africa. The two co-authored articles - on the obstacles to state-building in Bosnia-Herzegovina in the context of Europeanisation, and on human security in Kosovo are in the revise and resubmit phase for two international journals. Research into policy making process in the Western Balkans explores across different policy areas and countries the actors, networks and coalitions driving the agenda for reform in the context of European Union accession; the results will be published in a book by Springer. A paper exploring the decentralisation and regionalisation processes in Bosnia-Herzegovina is forthcoming as a chapter in an edited volume published by Palgrave Macmillan.'

Spyros Economides

'In the last year my work on SEE has continued to focus on the relationship between the EU and the countries of the region and more specifically the Western Balkans. Within this subject matter I have concentrated on EU state-building in the Western Balkans with specific reference to the notions of democratisation, Europeanisation, and transformation. Within this I compare the literature on state-building emanating from the discipline of

International Relations with that prevalent in EU studies, especially in relation to conditionality and enlargement. This research is as much about development in EU foreign policy, as it is about the Western Balkans. This research has resulted in two chapters in edited volumes (Hurst&Co, and Routledge), and forms the core of a research article currently under revision for submission to an international journal. The second area of research pursued in the last year concentrates on an issue within the EU-Western Balkans relationship, namely that of the status and future of Kosovo. This builds on previous research and publication on this topic and has resulted in a jointly authored publication (with Dr James Ker-Lindsay) in an international journal as well as a more policy-oriented article.'



James Ker-Lindsay

'Over the past year, my main focus of attention has been on the question of recognition in international politics. This is a field that has generally received very little attention from scholars working in the fields of politics and international relations, and yet is a subject that is becoming increasingly interesting and important. In particular, I have been working on a major study of the ways in which states try to prevent the recognition of secessionist territories; the first study of its kind. Concentrating on the cases of Cyprus, Serbia and Georgia, the book will explain and analyse the various diplomatic and legal strategies adopted by the three countries as they attempt to prevent Kosovo, South Ossetia, Abkhazia and the 'Turkish Republic of Northern Cyprus' from being recognised by other countries or admitted into various international organisations, including international financial institutions and sporting bodies...

... more research from LSEE Staff

... Looking ahead, I hope to continue my work in this area by exploring other theoretical, conceptual and, most importantly, practical aspects of recognition - especially as it relates to deep-rooted ethnic conflicts. *The Foreign Policy of Counter-Secession: Preventing the Recognition of Contested States* will be published by Oxford University Press in October 2012'

Vassilis Monastiriotis

'In the last year my research has focused on regional economic issues, in Greece, South East Europe and beyond. A new piece on the impact of flexible employment on cross-regional adjustment (<http://to.ly/dX0X>) was completed in late 2011 and is currently under review in an international journal. A paper on the geographical allocation of public investment in Greece has been accepted for publication at European Urban and Regional Studies (<http://to.ly/dX19>), while one on the geographical impact of the austerity measures in Greece was published in the Cambridge Journal of Regions, Economy and Society in November 2011 (<http://to.ly/dX14>). A

paper examining the evolution and scale of regional disparities in Serbia and Bulgaria is forthcoming in a book on Decentralisation and Regional Development (Palgrave), while another paper on Serbia, looking at the impact of decentralisation on inter-municipal competition is under review in an international journal, as is a more theory-oriented paper on the nature of regional disparities under transition (regional transition curve). Besides these, work is also underway on three externally funded projects on the impact of economic integration on intra-country disparities (European Commission FP7), on the link between spatial association and economic connectedness (British Academy) and on the effectiveness of Cohesion Policy (DG Region). A new project looking at the local wage spill-over effects of public-sector employment (with empirical analyses for Serbia, Greece and the UK) is also starting in September.'

Kenneth Morrison

'I am a Senior Lecturer at De Montfort University, Leicester and also a Senior

Visiting Fellow at LSEE for the Academic Year 2011-12. My time at LSEE was used to complete my latest project, a co-authored book with Elizabeth Roberts entitled 'The Sandzak: A History'. The book, the first detailed history of the area in the English language, will be published by Hurst & Co, London, in December 2012. I also continued to work on the modern history of Montenegro. Following the publication of my LSEE paper, 'Change, Continuity and Consolidation: Assessing Five Years of Montenegro's Independence', I have completed a chapter on Montenegro for Charles Ingraio & Thomas Emmert's 'Confronting the Yugoslav Controversies: A Scholars' Initiative', the second edition (including my chapter) of which will be published by Purdue University Press in September 2012' ●

Research Pages

http://www2.lse.ac.uk/europeanInstitute/research/LSEE/Research/LSEE_Research.aspx

New Skills for New Jobs in the Western Balkans

LSEE participated in a two-day conference on the theme of skills and jobs organised by the Regional Cooperation Council and the Friedrich Ebert Foundation in Sarajevo from **27-28 October 2011**.

The conference discussed the issue of



Regional Cooperation Council

labour market imbalances in the Western Balkan countries focusing on skills gaps and mismatches, a critical issue for economic competitiveness and future economic growth and prosperity in the region. It addressed the role of key stakeholders in the

labour market in their efforts to anticipate skills needs, generate new jobs and improve the matching process. The target group for the conference was national government ministries, public employment services, social partners and regional organizations. LSEE's Senior Research Fellow, Will Bartlett, gave a keynote lecture on 'Challenges and priorities for skills gap analyses in the Western Balkans'. A special session of the conference was dedicated to presentations of papers by members of the LSEE Research Network on Social Cohesion, which included six papers by members of the network from Bosnia and Herzegovina, Croatia, Macedonia, Montenegro and Serbia. Additional presentations were made by researchers from the International Labour Organisation, the European

Training Foundation (a decentralised Agency of the EU) and the South East Europe Centre for Entrepreneurial Learning based in Zagreb. Jan Rutkowski, Lead Economist at the World Bank, presented the Bank's recently published flagship report on 'Skills, Not Just Diplomas'.

A round table of presentations by civil servants, trade unionists and

employers' organisations contributed to the depth of the discussion and facilitated a valuable and productive interchange between research and policy. A follow up conference on the same theme was held in July 12-13 ●

**FRIEDRICH
EBERT
STIFTUNG**

Dialogue in
South-East Europe

Visiting Speaker Programme

A series of research and policy seminars

Visiting Speaker
Programme Page

<http://www2.lse.ac.uk/europeanInstitute/research/LSEE/Events/researchSeminars/Home.aspx>

This year saw the continuation of the LSEE Visiting Speaker Programme. Building on the excellent range of contributions the year before, the series once again resulted in a wide variety of topics.

The year started with a lecture by **Professor Richard Caplan (Oxford)** (photos-1&5), who spoke about exit strategies from the Balkans to Afghanistan. Arranged as a joint event with the Department of Government's Conflict Research Group, the event



attracted considerable interest, especially given the recent conflict in Libya. Following on from this, **Jelena Obradović-Wochnik (Aston)** (photo-4) spoke about war crimes and coming to terms with the past in Serbia and **Dominik Zaum (Reading)** (photo-3)



presented a paper on the political economy of state building in Kosovo. The final speaker of the Michaelmas term was **Radu Cinpoes (Kingston)**, who spoke about Romanian migrants in Britain.

The Lent term started with a talk by **Professor Stefan Wolff (Birmingham)** (photo-2) on efforts to resolve the longstanding conflict over Transnistria. This was followed by **Fikret Causević (Oxford)**, who spoke on economic liberalisation in the Western Balkans. The third speaker of the term was **Stefanos Katsikas (Goldsmiths)**, who used the occasion to launch his new

book, *Negotiating Diplomacy in the New Europe: Foreign Policy in Post-Communist Bulgaria* (I.B.Tauris). The



final speaker of the 2011-2012 programme was **Aidan Hehir (Westminster)**, who outlined a number of problems relating to decentralisation in Kosovo.

Over the course of the year, we were delighted to welcome a number of familiar faces to the events, as well as many new ones.

In addition to LSE staff and students, the events were attended by colleagues



from other academic institutions as well as journalists, government officials, diplomats and members of the general public with an interest in the region.

Podcasts from many of the talks are available at the LSEE website ●

2012-13 Academic Year

Planning is currently underway for next year's Visiting Speaker Programme. Confirmed speakers include Steven **Blockmans** (Leuven and CEPS), Max **Watson** (University of Oxford), Damiana **Otoiu** (University of Bucharest and LSEE), Philip **Cunliffe** (University of Kent), Marko **Milanović** (University of Nottingham), Jelena **Lausev** (University of Belgrade and LSEE), Gemma **Collantes-Celador** (City University), Jasna **Dragović-Soso** (Goldsmiths), Vanessa **Pupavac** (University of Nottingham) and Soeren **Keil** (Canterbury Christ Church University).

We also hope to be able to circulate details of a number of other events in the months ahead.

Unless otherwise stated, all Seminars take place
in the Cañada Blanch Room (COW 1.11), Cowdray House, Portugal Street, LSE at 18:00

Talks with Albanian Political Figures

Fatos Nano, former Prime Minister of Albania

Edi Rama, former Mayor of Tirana & Leader of Albanian Socialist Opposition

This year LSEE welcomed two of Albania's most prominent political figures.

On **9 December 2011**, we hosted a roundtable discussion with **Fatos Nano**, the former Prime Minister of Albania and former leader of the Socialist Party of Albania.



Fatos Nano

Speaking before an invited audience of regional specialists, Mr Nano gave his insights into a number of key developments taking place in Albania, and outlined some of his ideas as to how to address a number of current economic, political and social problems

facing the country.

The visit was particularly significant inasmuch as it is widely believed that Mr Nano will stand for the presidency of Albania in 2012.

Followed on from the visit by Fatos Nano, on **26 March 2012**, LSEE, in conjunction with the Department for Social Policy, hosted a public lecture by **Edi Rama**, the current leader of the Socialist Party and the former Mayor of Tirana.

Speaking to a large audience of students and members of the Albanian community in London, he outlined what he saw as the key priorities for Albania. He also noted that he was seeking to learn how other countries had approached key policy issues and that during his trip to Britain he had met with a number of leading figures from the British Labour Party.

At the end of his presentation, there was a lengthy, and spirited, question and answer session. As well as

questions about healthcare reform, a major project in the country, he was



From left to right:
Erion Veliaj, Edi Rama & Arjan Gjonca

asked about the measures that he would introduce to reform the tax system and tackle the problem of corruption.

Although the debate was dominated by domestic matters, there were also a few questions on foreign policy, including Kosovo. Both events were kindly co-ordinated and chaired by Arjan Gjonca ●

LSEE Events Page

<http://www2.lse.ac.uk/europeainstitute/research/LSEE/Events/Past-Events.aspx>

Meetings with Serbian & Bosnian MPs

LSEE was delighted to welcome two delegations of regional parliamentarians to the School in the first half of 2012. Both groups were in the United Kingdom as guests of the British Group of the Inter-Parliamentary Union.

The first delegation, which came in **March**, was from **Serbia** and consisted of Nada Kolundžija (Democratic Party), Željko Tomić (Democratic Party of Serbia) and Vesna Pešić, an independent MP. The second group, which came at the end of **June**, were

from **Bosnia-Herzegovina** and consisted of Halid Genjac (Party of Democratic Action), Nermina Čemalović (Social Democratic Party), Dragan Vrankić (Croatian Democratic Union of Bosnia and Herzegovina) and Borislav Bojić (Serb Democratic Party).

Given the widely differing political perspectives of the members of the two groups, on both occasions there was a lively discussion about a range of current economic, political and social issues.

In the case of the Serbian delegation, the main focus was on the forthcoming parliamentary and presidential elections.

In contrast, the conversation with the Bosnian group was predominantly centred on the economic situation in the country; although the on-going political difficulties in the country also featured heavily ●

Serbia and the Western Balkans: Economic Challenges, European Perspectives

Božidar Djelić, Deputy Prime Minister of Serbia

On **7 November 2011**, LSEE hosted a lecture by Božidar Djelić, the Deputy



From left to right:
Božidar Djelić & James Ker-Lindsay

Prime Minister and Minister for European Integration of Serbia. Held at a time when Serbia was busy pressing its case to be accepted as a candidate for membership of the European Union, the talk attracted considerable interest. In his presentation, which was held in the Shaw Library, the Minister outlined the significant progress made by Serbia in the decade since the fall of Slobodan Milošević.

Although he acknowledged that much still remained to be done, he nevertheless stressed that on the basis of the work done so far Serbia deserved to be granted candidacy. At the end of his lecture, the Minister fielded questions on a wide range of issues.

In addition to the Kosovo issue, another major topic was

decentralisation. As was pointed out, the latest census figures have revealed that the population is declining across much of Serbia. In response, the Minister described various steps being taken to try to regenerate areas outside of Belgrade and Novi Sad and persuade businesses, both domestic and foreign, to invest more widely.

Another question related to efforts to encourage expatriate Serbs to return home - a key issue for many of the Serbian students attending the lecture. While again acknowledging that the situation needed to improve, he stressed that Serbia was keen to encourage people to return and channel their experience and expertise towards developing the country further - especially as it pursues European integration ●

Policy Discussion

Milodrag Katnić, Finance Minister of Montenegro

LSEE welcomed Milodrag Katnić, the Finance Minister of Montenegro who made a presentation at a policy seminar at LSEE on **10 October 2011**.

Dr Katnić is a graduate of the University of Montenegro's School of Economics where he studied entrepreneurship and entrepreneurial finance after which he obtained a Master's Degree on public debt analysis in 2005 and a Ph.D.

on 'Public Consumption and Economic Growth' in 2010. He has served as the head of the working group for negotiations on accession of Montenegro to the European Union in charge of economic and financial issues and statistics. While working on the negotiating team for the accession of Montenegro to the World Trade Organization, he was in charge of the financial and service area section until Montenegro became a WTO member in 2011.

In his talk, Minister Katnić presented an overview of the current issues facing Montenegrin economy and the government's response to the effects of the global economic crisis, which hit Montenegro particularly hard in 2009. The resulting recession resulted in a reduction in tax revenues and a large increase in



A full Cañada Blanch Room

the government's budget deficit. The government now aims to reduce the deficit by cutting public expenditure with a long-term goal of maintaining government expenditure below 40% of GDP and promoting the private enterprise economy. Other priorities of the government include expenditure on infrastructure investments, attraction of foreign investment and promotion of tourism. His presentation was followed by a lively debate with the audience ●



From left to right:
Will Bartlett & Milodrag Katnić

Panel Debate

Challenges of Economic Development in Kosovo: Between Corruption and Institution Building



The question of economic development in Kosovo was the subject of a panel debate organised by LSEE, on **13 March 2012**.

The event opened with a presentation by **Iraj Hashi** (photo-1), Professor of Economics at Staffordshire University,



in which he outlined the patterns of institutional development in Kosovo and explained the link between effective institutions and economic development. In the case of Kosovo,

such institutional development had been hindered by historical factors, and continued to be hindered by problems such as corruption, the continued existence of informal networks and the uneven application of the rule of law.

The second speaker of the evening was **Avni Zogjani** (photo-2) the founder of the Organisation for Democracy Anticorruption and Dignity (ÇOHU!), a leading Kosovo NGO working in the field of economic development.



In his talk he explained how, since 1999 the economic development of Kosovo had been in the hands of UN and EU administrators and that even after the declaration of independence, in 2008, a handful of key countries, led by the United States, continued to play a key role in Kosovo through their Embassies in Pristina. As a result, they must also bear responsibility for the poor economic situation in Kosovo today.

Having prioritised stability over development, they have failed to build the strong institutions Kosovo needs, and have failed to tackle the widespread corruption in Kosovo.

The Debate was co-organised with the LSE Student Union Albanian Society ●

LSEE Events Page

<http://www2.lse.ac.uk/europeanInstitute/research/LSEE/Events/Past-Events.aspx>

Panel Lecture

Obstacles to Western Balkan Trade in Services

In **October 2011** LSEE organised a panel debate on the subtle but increasingly important issue of Trade in Services in the Western Balkans. We had the pleasure to welcome from Washington DC Dr Borko Handjiski, Economist at the World Bank and author of a number of reports and studies on



From left to right:
Vassilis Monastriotis, Borko Handjiski & Ivana Prica

Regional Trade in South East Europe, who was joined in the panel by Dr Peter Sanfey, Lead Economist at the

European Bank for Reconstruction and Development (EBRD), and Dr Ivana Prica, Assistant Professor at the Faculty of Economics, University of Belgrade.

The debate kicked-off with a short presentation on the recent World Bank study on 'Barriers to trade in services in the CEFTA region', a study that forcefully calls for deeper trade integration in the region and further liberalisation in the Trade in Services. The presentations by Peter

Sanfey and Ivana Prica partly responded to this, but also added further dimensions to the issue. Peter Sanfey's presentation looked more at the role that trade integration more generally can play for economic recovery and growth, especially after the global and Eurozone crisis. In turn, Ivana Prica looked more specifically at the domestic level and highlighted a number of challenges to trade integration and market liberalisation in the region as well as the potential social and economic costs that may be associated to these processes.

An interested debate followed with students and academic experts from the audience ●



One-day Conference on Cyprus

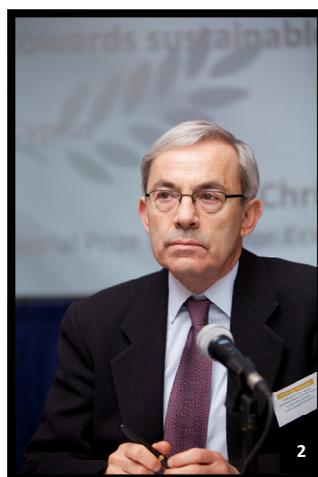
The Cyprus Economy at a Time of European Uncertainty: Managing Reform and Sustainability

On **10 February 2012**, the School hosted a major one day conference on the Cyprus economy.

Co-organised by LSEE and the Hellenic Observatory - with generous support from Deloitte Cyprus, Marfin Popular Bank and the National Bank of Greece -



The event opened with a keynote address by **Mrs Praxoula Antoniadou-Kyriacou** (photo-1) the Minister for Commerce, Industry and Tourism. Acknowledging the significant challenges facing the Cypriot economy as a result of the crisis in the Eurozone,



draw on human capital, such as tourism, education, medical services and business services. At the same time, the discovery of energy resources gave grounds for optimism for the future.

The rest of the day was arranged around three plenary sessions covering the themes of 'Macroeconomic challenges', 'Finance and Banking' and 'Tourism and Energy'. During these sessions, a wide range of subjects were covered, including the shape of the banking sector, labour market reforms, the likely impact demographic changes and the question of how to manage energy revenues.

The conference concluded with a lively round-table discussion, which was chaired by **Professor Chris Pissarides - 2010 Nobel Memorial Prize Winner** (photo-2) ●

'The Cyprus Economy at a Time of European Uncertainty: Managing Reform and Sustainability' was the first major conference outside of Cyprus to examine the effects of the European economic crisis on the island.

she nevertheless noted that Cyprus stood to benefit from its geographic position on the edge of Europe, which means that it is close to countries that are growing economically. Looking ahead, emphasis should be placed on developing those sectors that could

Conference page

http://www2.lse.ac.uk/europeanInstitute/research/hellenicObservatory/Events/Conferences/Cyprus_Conference_2012_Gallery.aspx

International Black Sea Symposia

For the second year running, LSEE academics have participated in the International Black Sea Symposium, an annual conference organised by the International Center for Black Sea Studies (ICBSS), the Research & Training affiliate of the Organisation of the Black Sea Economic Cooperation (BSEC).

The Symposium, which brings together academics, practitioners, young professionals and policy-makers from across the Black Sea region for an intensive one-week interaction and deliberation on topical issues concerning the region, was established in 2008 and since 2009 has received the support of the Hellenic Observatory

and, more recently, LSEE.

The 4th Symposium took place in Vouliagmeni, Greece in September 2011 under the theme 'The Black Sea Region in Transition: New Challenges and Concepts'. Dr Vassilis Monastiriotis participated as moderator in the training sessions of the Symposium and gave a presentation on 'Growth models and development trajectories: discussing alternative drivers to growth from the Eastern European experience'.

The 5th Symposium took place in July 2012 in Athens, Greece, under the theme 'The Black Sea region as an influential crossroad between East and

West: A path towards extroversion'.

LSEE was represented by Dr Will Bartlett, who gave a presentation on 'Economic and Social Development in the Black Sea area: EU policies and instruments', part of his work conducted under the auspices of the SEARCH FP7 project. As with previous years, the Symposium attracted a selected number of participants who had the chance to discuss extensively on important issues for the Black Sea region, including issues of environmental sustainability, energy security, conflict resolution, regional cooperation (with a special theme this year on 'science, technology and innovation') and EU relations ●

2nd Joint PhD Symposium on SEE

Goldsmiths
UNIVERSITY OF LONDON



On Monday, **18 June 2012**, Goldsmiths, University of London hosted the 2nd Joint PhD Symposium on South East Europe.

Following on from the first conference, which was hosted by LSEE, in June 2010, the event was once again a joint initiative between LSEE-Research on South East Europe (London School of

symposium, the event was specifically designed to bring together emerging scholars working on the region across a wide variety of disciplines in the social sciences and humanities. Contributions therefore came from history, politics, economics, international relations, European studies, sociology, law, anthropology and cultural studies. Yet again, the event proved to be extremely popular. This time it attracted over 50 speakers from across the United Kingdom, Europe and North America.

Chaired by staff from the three institutions, as well as other leading regional scholars, the day was organised into four

sessions (two in the morning and two in the afternoon), each of which were divided into four parallel panels. These panels covered an extensive variety of subjects, such as institutional development, regional economic

challenges, far right politics, religion and culture, crime and corruption,



The participants
in one of the Symposium Sessions

Economics), the Centre for the Study of the Balkans (Goldsmiths), and the Centre for South-East European Studies (School of Slavonic and East European Studies, University College London).

As was the case with the previous



The participants of the Symposium
exchanging ideas during a break

minorities and migration, foreign policy, civil society, gender, nationalism and conflict.

The next symposium will be hosted by SSEES-UCL in 2014 ●

Symposium page

http://www.gold.ac.uk/csb/newsandevents/eventtitle_31202_en.php

Film Screening & Discussion

On **23 November 2011**, LSEE jointly organised a screening of the acclaimed documentary, 'The Long Road through Balkan History'. Held in conjunction with the Centre for the Study of the Balkans at Goldsmiths, University of London, the event was a joint initiative of the Embassies of Slovenia and Serbia in London, who also generously sponsored the evening.

Critically acclaimed, the film charts the journey of the two writers - Miljenko Jergović, a Croat, and Marko Vidoković, a Serb - as they drive a Yugo along the more than 700 mile-long road once known as the 'Highway of Brotherhood and Unity'.

During their travels, the two protagonists stop to speak with prominent figures from the region and visit important historical sites as they seek to understand the break up of Yugoslavia. A journey through the past, present and future, the film has been called the ultimate Balkan road movie.

At the end of the film, we were pleased to welcome Dušan Gajić, the producer of the film, on stage to talk about the origins and development of the film and answer questions from the large audience who came for the screening. The evening ended with a wine reception, during which the lively debate and discussion continued ●



Who's Who

Professor Kevin Featherstone

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LSEE Co-Chair;
Hellenic Observatory Director;
Eleftherios Venizelos Professor of
Contemporary Greek Studies &
Professor of European Politics

Professor Şevket Pamuk

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Donors

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