

The Objectives of the Conference

The Balkan region has been changing in a very fundamental way, under the impact of the interacting forces of integration and transition that are shaping the new European economic landscape. The old structures of internal economic organisation and external economic relations have collapsed, while new economic, political and institutional structures have been, often forcefully and painfully, in the making. As historical and political divides are being removed in Europe, a new economic geography emerges, with several open questions concerning its economic and structural characteristics.

Would western type growth and prosperity levels be eventually reached in the east and the south, or old divides are simply being replaced by new ones with respect to levels of development and economic structure?

Despite early expectations for converging tendencies in a more liberal, market-driven economic environment, the evidence seems to be rather disappointing. It shows that market integration has generated strong pressures and diverging trends that are very clearly observed in the southeastern part of the new European economic space. It also shows that the Balkan region is identified by unfavourable structural adjustments and those paradigms of integration and transition that face the greatest difficulties and show the weakest performance up to this point.

The ten years old process of transition in Europe has left many important questions without a clear and convincing answer: For example, why the Balkan countries had to be so different in terms of performance compared to Central Europe? Why in many respects they had to be such a profound case of failure in their transition from plan to market? Are domestic 'policy failures' or unfavourable 'initial conditions' and unfavourable geography responsible for this poor performance? In addition, what has been the policy response of the European Union and the other international organisations? Is this policy response adequately designed and implemented? What are the goal, composition, impact and future of Stability Pact? What are the prospects of Western Balkan region and what can be done now?