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Western Balkans Policy Dialogue on **Investments, Jobs and Integration**

29 June 2016, 12:00 noon – 06:20 PM
The World Bank Group Vienna Office
Praterstrasse 31 - 21st Floor, 1020 Vienna, Austria

Motivation and Programme

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Motivation

The Balkans is the least developed region of Europe. It is also burdened with significant imbalances, in the labour market primarily, but also in external and internal financial balances. In addition, the region has gone through a process of deindustrialisation and has relatively small tradable sectors and thus is more closed than most of the European economies of similar size. Finally, the western part of the Balkans is still not integrated with the European Union, despite the fact that it has been designated as a potential candidate for EU membership already back in 2003.

With all that, the region has been hit hard by the crisis of 2008-2009. Though the performance has been diverse, with smaller countries faring better than the larger ones in the Western Balkans, all of them face the same problem of having to significantly increase investments to strengthen the tepid recovery and to increase employment. During the last five or six years, investments, both private and public, have mostly declined and have started to recover only quite recently. However, significantly higher investment shares in GDP will be needed if faster growth and development are to be achieved.

However, for political and social and not only economic and developmental reasons, a sustained turnaround is needed because of the depressed state of the labour markets in the region as a whole, which has persisted for much too long and has been additionally aggravated by the post-2008 crisis and slow recovery. The legitimacy of most political set-ups in the region is shaky and stability is not to be taken for granted. To that, the slow and increasingly less than predictable process of EU integration is certainly not helpful. This is especially because the amount of investments that could be secured via EU funds is much smaller for candidate and potential candidate countries than for the member states.

The Policy Dialogue should, in particular, provide a possibility for an exchange of views and open discussion between researchers, government experts and policy makers as well as national, regional and international stakeholders. We have, therefore, invited policy makers from the region, experts from multilateral organizations and academic institutions to discuss their views of major policy challenges, best practices and the potential for improving policy coordination. The format of the dialogue is designed to encourage an open discussion. Each session will start with brief statements (10 min.) of appointed discussants, followed by a plenary discussion.

Programme

- 12:00 noon Buffet luncheon
- 12:30 noon Welcome address: Ellen Goldstein, **World Bank's** WB Country Director
- 12:40 noon Welcome address: Harald Waiglein, Director General, **Austrian Ministry of Finance**
- 12:50 noon ***Panel 1: Policies supporting private and public investment***
Gallina A. Vincelette, **World Bank** Program Leader for Equitable Growth, Finance and Institutions, *on investment and growth*
Mario Holzner, **wiiw** Deputy Director, *on policies for improved competitiveness and more investment*
Aleksandar Kovacevic, Senior Visiting Research Fellow, The **Oxford Institute** for Energy Studies, *on infrastructure issues*
Bernhard Böhm, economist of the **DG ECFIN** unit for the candidate and pre-candidate countries, *on the macro-fiscal dimension*
Chair: Vladimir Gligorov, **wiiw** Western Balkans expert
- 02:10 PM Coffee break
- 02:30 PM ***Panel 2: Employment, financing and entrepreneurship***
Hermine Vidovic, **wiiw** labour market expert, *on employment and migration*
Timothy A Johnston, **World Bank** Program Leader for Human Development, *on youth unemployment*
Predrag Nikolić, Advisor to the President of the **Serbian Chamber of Commerce and Industry**, *on entrepreneurship in the Western Balkans*
Peter Sanfey, **EBRD** Associate Director, *on competitiveness, entrepreneurship and policies for growth*
Andreas Papadopoulos, **DG NEAR** Adviser on economic governance, *on economic governance in the Western Balkans*
Chair: Michael Landesmann, **wiiw** Scientific Director
- 04:00 PM Coffee break
- 04:20 PM ***Panel 3: EU integration, regional cooperation and the Berlin Process***
Avdullah Hoti, Finance Minister of **Kosovo**
Boris Vujčić, Governor of the **Croatian** National Bank
Erjon Luçi, Deputy Minister of Finance of **Albania**
Marija Radenović, Deputy Minister for Finance of **Montenegro** (tbc)
Sanjin Arifagić, **RCC** SEE2020 Coordinator
Hannes Swoboda, **wiiw** President, former MEP and chairman of the Parliamentary Working Group on Western Balkans
Chair: Ellen Goldstein, **World Bank's** Western Balkans Country Director
- 06:20 PM End of the event
- 07:30 PM Dinner for the panellists

wiiw, will supply two **background notes**. The first will summarise our recent research within the framework of the GDN SEE project on 'Catching Up and Falling Behind in the Balkans', which would provide for general background on developmental challenges in the Balkans. A second policy note on 'Infrastructure Investment and Competitiveness in the Balkans', which will summarise the outcomes of two studies that were conducted by wiiw for the German and Austrian governments in the wake of the Berlin Process and which should set the stage for the policy dialogue.