



**Eight Annual International Conference on European Integration
'Out of the Crisis: EU Economic and Social Policies Reconsidered'
Skopje, 16 May 2013**

Narrative Report

University American College Skopje (UACS) in cooperation with the Foundation Friedrich Ebert in Macedonia organized the Eight annual International conference on European integration titled “Out of the Crisis: EU Economic and Social Policies Reconsidered”, which was held at Holiday Inn hotel in Skopje on 16 May 2013.

At the official opening of the conference, the auditorium was addressed by Dr. Fatmir Besimi, Deputy Prime Minister for European Affairs in the Government of the Republic of Macedonia and H.E. Mrs. Gudrun Elisabeth Steinacker, Ambassador of the Federal Republic of Germany to Macedonia. Official speakers at the opening of the conference were: Ms. Anita Angelovska - Bezoska, Vice Governor of the National Bank of the Republic of Macedonia, who discussed the origins, responses and challenges of the EU crisis from an economic aspect, and Dr. Dimitris Akrivoulis, Assistant Professor of International Relations at University of Western Macedonia and Adjunct Professor of Politics and International relations at New York College, Thessaloniki, Greece, who presented his views on the origin of the financial crisis, the influences and the possible ways for getting out of the situation. The audience was also addressed by Dr. Heinz Bongartz, Resident representative of the Foundation Friedrich Ebert in Macedonia and Dr. Ivan Dodovski, UACS Assistant Professor and Chairperson of the Conference Organizing Committee.

The goal of this year’s international conference on European Integrations was to reconsider the current EU complexities across diverse policy areas and suggest perspectives on growth and ways leading out of the crisis. Based on the previous seven years of experience in organizing academic conferences, we managed to create an atmosphere of intense dialogue on the common European future.

About 40 scholars and professionals from 10 countries gathered to exchange ideas about the latest European crisis and offer views and solutions in many areas from politics, social policies, economics and

business to culture and education. Eighteen academic papers were presented, divided into two parallel sessions.

The first academic track, “EU Politics and EU Social Policies” was moderated by Ivan Dodovski, UACS Assistant Professor, opening remarks were given by Robert Hudson, Full-time Professor at University of Derby, UK and the rapporteur of the session was Ana Tomovska Misoska, UACS Assistant Professor. Prof Hudson opened the session with remarks regarding the impact of recession on various aspects such as the enlargement process as well as the position of the United Kingdom in the process. The main idea outlined by Prof Hudson was that the crisis should be viewed as opportunity for thinking and rethinking the EU as well as opportunity for positive developments. The presenters talked about various topics and covered a number of interesting issues, which coupled with a fruitful discussion at the end of each session contributed to having very motivating insights.

The session started with a presentation by Biro Gaspar covering the issue of sovereignty of the states within the EU, and the issues that sovereign states deal with as the EU is being transformed. The presentation raised questions about the nature of the EU’s structure, the issues of language, territory and culture within the EU as a post-modern state.

The next presentation explored possibilities for economic development and social cohesion through territorial cohesion. The paper was presented by Biljana Sekulovska Gaber and Marijana Sekulovska and the main focus was put on polycentric development and supporting cities that have potential to become centers of the territories around them as a way of establishing balanced development and growth within the EU.

The third presentation given by Zlat Milovanovic was on the issue of migration into the EU. The presenter accentuated that migration has always been an issue and existed for a long time. He sees migration as a possible answer to aging Europe and also pledges for moratorium on war to enable economic development.

The paper “EU crisis and the Western Balkans: enlargement unaffected” presented by Stevo Pendarovski explored the process of EU enlargement towards the Western Balkans highlighting the issues faced by the laggards of the group: Macedonia, Albania and Bosnia-Herzegovina. The conclusion was that the enlargement process is unaffected by the crisis, and the countries of the Balkans can easily be absorbed into EU and their integration into the Union depends only on their own progress.

The next paper was delivered by Natasha Gaber-Damjanovska and dealt with the equality of vote between ex-patriots and in-country voters in Macedonia. Based on comparative European examples, the paper explored several different options to ensure the equality of vote in Macedonian elections, which are disrupted as the votes of the in-country voters and ex-patriots have different weights. The author pledged for correcting the model for selecting the out-of-state MP’s.

The paper presented by Ganka Cvetanova and Venko Pacovski explored the issue of using various e-democracy tools to enhance citizen’s participation in decision making. The paper presented empirical findings from several Macedonian ministries as well as local government on the usage of e-tools. The

conclusion was that e-consultation is mostly used by the ministries and e-services are mostly used by local government.

Krum Efremov was the next presenter who talked about the value of economic diplomacy for sustainable economic growth. He presented two models of economic diplomacy, the Danish and the Slovenian model and drew conclusions relevant to the Macedonian context.

The next presenter, Ana Stojilovska, analyzed the renewable energy and energy efficiency policies of three Balkan countries: Macedonia, Montenegro and Albania drawing conclusions for the future and the challenges faced by the countries in implementing the policies.

Emilija Tudzarovska-Georgievska outlined the importance of investment in the quality of education for economic growth and competitiveness. Using data from the World Bank as well as other indicators the author pledged for internationalization of higher education, building bridges between work and education and building bridges between enterprises and education.

The last paper of the session was delivered by Marija Andonova. The paper explored the factors that influence the wage expectation of the students from Macedonian higher education institutions. Drawing conclusions from the empirical data the author used regression analysis to show the complexity of the variables influencing the wage expectations. The paper showed that Macedonian students develop their wage expectations similarly to their European peers.

The second academic track “Economic and Financial Aspects of the EU Crisis” was moderated by Jeremy Cripps, Full-time Professor at the American University in Bulgaria. The opening remarks were given by Marek Radvansky, Head of Department of Economic Modeling at the Institute of Economics Research at Slovak Academy of Sciences, Slovakia and Leo H.J. Verhoef, Full-time Professor at Eindhoven University of Technology, the Netherlands. The rapporteur of this session was Ilijana Petrovska, UACS Assistant Professor. Prof. Verhoef pointed out that the current EU crises are not just economic and social crises, but mainly they are political. His view is that the EU is not a country, nor a state. EU is just a project for building the EU. As regards a solution for the current crises, he noted out that probably the German model will prevail and that focus on investments in technology and education will become the most important aspect, with some modifications in each different EU country.

The session started with a presentation by Zoran Sapurik regarding the future challenges from the Treaty of Stability, coordination and governance in the Economic and Monetary Union. The treaty itself produces new rules in the euro area and strengthens the fiscal discipline by establishing rules for balanced budget and budget limits. He clarified the consequences arising from the Fiscal compact and proposed set of new measures for stronger cohesion of the euro zone and the Union as a whole.

Lukas Czernicki, from the University of Potsdam, presented the potential role of development banks in solving the EMU crisis. He focused on the financial crisis in the Southern European countries caused by

the fallacies in the monetary policies, as they borrowed money, without becoming more competitive from the loans and they didn't increased the export to become bigger than the import. Suggestion for finding the way out from this crisis is to establish developmental banks as KfW in Germany. However the main goal is to reorient on export because of the balance payment crisis, high unemployment and many fiscal problems.

The third presenter was Eri Gjoka, who talked about the similarities between the CEE and SEE efficiency in terms of financial institutions. The presenter noted similarities that some SEE countries like Croatia, Macedonia and Bosnia-Herzegovina have with CEE countries that are EU members.

Next presenter was Dimce Lazarevski, who gave a paper on "The small stock exchange in SEE countries: The future after crisis". The authors use comparative analysis on the rate of return and in the second part use descriptive statistics in order to connect the stock exchange development with the rest of the variables. He presents future of SEE stock exchange through stand alone development, bilateral connection with virtual trading venues with developed SE and merging with others SEE stock exchange by harmonizing and negotiating rules and regulations. The audience discussed one other possible solution: risk capital market development.

Jeremy Crips discussed the need for real enforcement, as a prerogative for the EU. He presented nine cases from Bulgaria covering grey / shadow economy, smuggle, misuse of EU funds without measuring effects. It takes some discipline as in the USA on micro level in order to become more competitive.

Next presenter was Despina Petreska, with her paper about the Feldstein Horioka puzzle, tackling the interconnection between the savings and investment difference against the development of countries. The presenter concluded that more developed countries have a better savings and investment beta coefficient.

Nikica Mojsoska presented the research on tax evasion moral, taking into consideration several demographic factors such as age, religious, gender, marital status, working status, education, income; trust in government, national pride and happy people. The results show that tax moral in Macedonia is much influenced by the national pride, trust in government, but not in civil service.

The last presenter, Ema Kastratovic, compared the organizational structure and organizational effectiveness on a sample of mid size banks from four different countries from the region, comparing three different banking regional groups. The conclusion presented was that banks with better market driven organizational structure provide better financial results.

This conference was a success as it raised very important questions and suggested possible ways to deal with the current European crisis. Further ideas were suggested as potential topics of the next 9th International Conference on European Integration to be organized next year by University American College Skopje.