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# VISIONS

# 1

## TERRORISM, RELIGION AND GLOBALIZATION Samuel Huntington speaks at the Athens Forum



Samuel Huntington, Albert J. Weatherhead III Professor of International Relations at Harvard University, laying out his vision of future world developments at the Athens Concert Hall.



An overview of the audience at the Athens Concert Hall.



Foundation's Chairman Socrates Kokkalis and Eleni Kokkali with Samuel Huntington.

**Economic development, the availability and sufficiency of energy and water resources, and the uneven distribution of wealth will be the main driving sources of change in the next decades.**

Harvard professor Samuel Huntington, renowned scholar and author of "The Clash of Civilizations", delivered the 3rd annual Kokkalis Foundation Forum lecture at the Athens Concert Hall, on June 18, 2002. Over 650 individuals from Greece, Europe, and the US attended the event, including numerous Greek and international personalities, members of parliament, academics, businesspeople, foreign ambassadors as well as 60 alumni of the Kokkalis Program at Harvard's Kennedy School of Government.

Dr. Huntington was introduced by the Kokkalis Foundation president Socrates Kokkalis, by Foundation's Vice-president Niki Tzavella, and by the Senior Associate Dean of Strategy and External Affairs of the Kennedy School of Government at Harvard University, Holly Taylor Sargent. Dr. Huntington noted that the Kokkalis Foundation and the Kokkalis Program have an important and constructive impact, since "building bridges" is crucial to avoiding a violent "clash of civilizations", and addressed the audience on contemporary issues of terrorism, religion, and globalization. Dr. Huntington described the basic political changes that have taken place following the end of the Cold War and laid out his vision for future developments in a world he described as

uni-multipolar. He stressed that while the USA will dominate as superpower for many decades still, European unification, the economic development of China and India, and Russia's possible recovery will probably lead the world towards a more multipolar system. Alluding to the 9/11 events, he expressed reservations as to the scope of their impact in the international system and instead placed particular emphasis on the dramatic developments of the previous decade in Eastern Europe. Economic development, the availability and sufficiency of energy and water resources, and the uneven distribution of wealth, Dr. Huntington argued, will be the main driving sources of change in the next decades.

## MESSAGE FROM THE PRESIDENT Socrates Kokkalis on the role of the international community in the development of Southeastern Europe

"There is no stability without development. As the international system undergoes a period of change, the urgency of development has become self-evident. The major concern of governments and of international institutions must be the creation and the enforcement of the conditions for development. The region's most pressing need is for an effective management of resources and an adequate regulatory framework for the smooth and reliable functioning of markets. Recent international developments attest to the need for strategic international ventures in the region that have a long-term perspective and explore

regional interdependencies and policy synergies. After the 1989 political changes in Eastern Europe, Western aid has been meager and far smaller than the post-War Marshall plan. Funds from the European Union as well as from the US have been scarce. While East-Central Europe managed to attract foreign investment, Southeastern Europe was left to its own fate due to an unfavorable geography and to the Yugoslav conflict. It is time for the European Union to overcome its traditional inwardness and bureaucratic turf and formulate and implement a political vision for a United Europe from the Atlantic to Russia. The

movement towards European integration, having greatly contributed to peace, democracy, and development in post-War Western Europe must now meet the challenge of the Europeanization of Eastern Europe. The investment of resources for peace-building in Bosnia and Kosovo must be accompanied by an overall development strategy. A policy program for the region must not be one of temporary crisis management at times of conflict and violence but rather have a broader vision for a new Southeastern Europe in a new Europe. Having won the war, it would be a shame to lose peace."

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## BUILDING BRIDGES FOR A NEW EUROPE

### The Kokkalis fellows meet in Athens



Greek Minister of Defense Yannis Papantoniou addresses the fellows at the reunion meeting.



A moment of the reunion proceedings.



The Kokkalis fellows at the Athens reunion meeting.

**After just 5 years of existence at the Kennedy School of Government, the Kokkalis Program claims over 80 alumni of its fellowship and executive education initiatives - individuals committed to the economic, political and social development of Southeastern Europe who are now all working in a variety of capacities in the public and NGO sectors throughout the region.**

Since 1997 the Kokkalis Program at Harvard has fostered interaction and dialogue among scholars, practitioners, and students committed to the economic, political and social development of Southeastern Europe. Towards this goal, the

Kokkalis Foundation and the Kokkalis Program at Harvard organized the first Kokkalis Leadership Network reunion meeting on June 16-19, 2002 in Athens, Greece, a 3-day reunion of all fellows, alumni, scholars, and executive program participants from 9 countries of Southeastern Europe. The meeting intended to foster cross-regional dialogue and cooperation, as well as to allow alumni the chance to explore ways of launching the potential that the network embodies. In a region fragmented by conflict, underdevelopment, lack of access to information and infrequent discourse between its peoples, the initiative is the first step towards helping to

overcome the region's challenges. Guest speakers at the reunion included Yannis Papantoniou, Greek Minister of Defense, Alex Rondos, Advisor to the Greek Minister of Foreign Affairs, and James Dewar - Director of the Frederick S. Pardee Center for Longer Range Global Policy and the Future Human Condition of RAND. The Kokkalis Leadership Network meeting also launched a newly created component of the Kokkalis Program website, which is dedicated for the exclusive use of its alumni and serves as a vehicle to increase their communication and interaction as well as offer valuable information to users.

## REACHING FARTHER

### Bosnia and Croatia: two new nations eligible for the Kokkalis Program fellowships

**The Kokkalis Foundation, through its Harvard partner, the Kokkalis Program on Southeastern and East-Central Europe, awards fellowships to enable individuals with outstanding intellectual promise from Southeastern Europe to pursue Master's degrees at the John F. Kennedy School of Government, Harvard University.**

Effective for the 2003-2004 academic year, Bosnia-Herzegovina and Croatia are included in the list of countries whose natives are eligible to apply for the Kokkalis Fellowship Program, bringing the total number of countries included to 11. The other eligible countries are Albania, Bulgaria, Greece, Hungary, the former Yugoslav Republic of Macedonia, Moldova, Romania,

Turkey and the Federal Republic of Yugoslavia - Serbia and Montenegro. For more information about the Kokkalis Program at Harvard and about the Kokkalis Program fellowships please visit <http://www.ksg.harvard.edu/kokkalis>

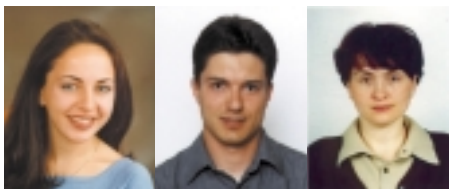
The deadline for submission of the Kokkalis Fellowship application for the academic year 2003-2004 is December 13, 2002.





## THREE NEW PROMISING LEADERS

### The new Kokkalis fellows at Harvard University



The new 2002 fellows: Meltem Aran, Manuel Costescu and Lucia Padure.

To date, thirteen fellows from the SE and East-Central European region have graduated from the Kennedy School of Government. In addition to the fellowships, the Kokkalis Program has also established internships, executive education programs, and a scholars' program, which have built solid links between Harvard University and the region. Fourteen internships in Southeastern Europe have been sponsored by the Program, as well as research projects of five senior Kokkalis scholars. Since 1999, the educational opportunities of the Kokkalis

Program have been further enriched through the launch of the Kokkalis Executive Program in International Leadership and Economic Development.

Three new Kokkalis fellows have been selected from a pool of 125 candidates from all Southeast and East-Central European countries to receive a fellowship for graduate studies at Harvard. The new fellows are: Meltem Aran, a native of Istanbul, Turkey, and a graduate of Brown University. Since August 2000, Ms. Aran has been working as an economist for the Industrial Development Bank of Turkey; Manuel Costescu, a native of Sibiu, Romania, is a graduate of Brandeis University and has been working as a research analyst at The Brattle Group; and Lucia Padure, a native of Chisinau, Moldova who is the Kokkalis Program's first Moldovan fellow. Dr. Padure received her undergraduate degree in

Economics from Chisinau State University in 1989, a Ph.D. in Economic Sciences from St. Petersburg State University in 1992 and a Master of Arts in Economics from Northeastern University in 1994. She has held teaching posts at the University of Kansas, the Academy of Economic Studies in Chisinau, and St. Petersburg State University, and has served as a public policy consultant and public finance economist for KPMG Barents Group.

The three new fellows will join those presently continuing their post-graduate education at the Kennedy School of Government: Yonita Grigorova from Bulgaria, Vuk Jeremic from Yugoslavia, and Tolga Sobaci from Turkey. Two Kokkalis Program fellows completed their studies in June 2002: Sorin Kertesz, from Romania, completed a Master in Public Policy (MPP) and Katarina Veljovic, from Yugoslavia, completed a Master in Public Administration (MPA).

## DEMOCRACY, THE CITY, AND THE ENVIRONMENT

### Graduate Student Workshop 2003



Harvard University campus

The goal of the Graduate Student Workshop is to bring together graduate students from around the world and of all disciplines of social science to present papers on issues related to Southeastern Europe. It is an exciting opportunity for students, faculty and others interested in the region to meet and exchange views on issues such as foreign policy, security, civil society, human rights, media, crime and corruption, economic reform, public policy, and public administration. Ensuing the workshop, the Kokkalis Program publishes a few outstanding papers in its Working Paper Series.

The fifth annual Kokkalis Graduate Student Workshop on Southeastern Europe (GSW) will be held on February 7, 2003 at Harvard University. The Kokkalis Program, in collaboration with the Harvard Center for European Studies, launched this initiative in 1999 as a forum for graduate students and scholars who are focusing their studies on the Balkan region. The 2003 GSW will be dedicated to the following themes: Democracy in Practice: from transition to consolidation and the challenges ahead; The City: urban culture, architecture and society; and The Environment: policy and sustainability. The deadline for the submission of papers is November 2, 2002. For more information about the submission of research papers please visit

[http://www.ksg.harvard.edu/kokkalis/workshop\\_call](http://www.ksg.harvard.edu/kokkalis/workshop_call)

The 2002 Graduate Student Workshop addressed social and public policy problems of the region, old and new security concerns, culture and politics in historical perspective, and issues of language and identity. The four workshop panels were chaired by Ellen Elias-Bursac, Preceptor for the Croatian and Serbian Language, Harvard University; Larry Wolff, Professor of History, Boston College; Thanos Veremis, The Constantine Karamanlis Professor in Hellenic and Southeastern European Studies, Fletcher School of Law and Diplomacy, Tufts University; and Dimitris Keridis, Director of the Kokkalis Foundation. The following research papers were presented:

- Miriam Cias, University of Cambridge. Justice Gaps in Kosovo's Legal System
- Dimitar Bechev, University of Oxford. Interstate Cooperation in Southeastern Europe: The Question of Regional Identity
- Ilian Cashu, Syracuse University. How a Culture of Consultation Affects Institutions and Political Decisions: The Case of Public Pension Reforms

in Hungary, Moldova and Romania

- Steven Seegel, Brown University. Virtual War, Virtual Journalism? Russian Media Responses to Balkan Entanglements in Historical Perspective
  - Alexander Shvarts, University of Toronto. The Russian Mafia: Can Rational Choice Models Help Us Understand and Solve the Problem of Organized Crime?
  - Gokhan Yucel, University of Oxford. New Dilemmas of Turkish National Security Politics: Old and New Security Concerns and National Development in the Post-1980 Era
  - Edin Hajdarpasic, University of Michigan. Visions of Modernity: Mid-19th Century Bosnians and the Search for a Viable Polity, 1850-1882
  - Natasha Margulis, University of Cincinnati. Politics and Culture in Njegos's 19th Century Montenegro
  - Soner Cagaptay, Yale University. Configuring the Turkish Nation: Religion, Ethnicity and Turkish Nationalism under High Kemalism
  - Adam Tolnay, Georgetown University. Ceausescu's Journey to the East
  - Dora Panayotova, Ruhr-Universität Bochum. Assigning National Identities: British Travel Literature and the Emergence of the Balkan Nations
  - Anthony London, University College London. Balkan Language "Games" and Post-Structural Agency in Ethnic Identification
  - Theodora Dragostinova, University of Florida. Writing the Nation: The Changing Narratives of Refugee and Minority Experience in the Greek and Bulgarian National Discourses, 1906-1939
- For a full list of GSW papers and paper abstracts please visit

<http://www.ksg.harvard.edu/kokkalis/workshop>

## SPORTS AS A DYNAMIC INDUSTRY OF THE NEW ECONOMY

### Sports should become a policy priority of the European Union, officials argue at international conference



Minister Venizelos was handed the IOBE research from Foundation BOD member Petros Kokkalis. For minister Venizelos sports must be a policy priority of the European Union.



Greek Minister of Development Akis Tsochatzopoulos and the Vice-minister of Sports Giorgos Lianis with Foundation BOD member Eleni Kokkali.



Greek Minister of Development Akis Tsochatzopoulos addressed an audience of political, academic, media, and private sector representatives.

The Kokkalis Foundation and Intralot held an international conference in Athens where the results of an IOBE-Foundation for Economic and Industrial Research study on sports were presented. Among the speakers at the event were the president of the International Olympic Committee Jacques Rogge (video message), the president of the World Lottery Association Reidar Nordby Jr., the Greek Minister of Development Akis Tsochatzopoulos, the Vice-minister of Sports Giorgos Lianis, and the Greek Minister of

Culture Evangelos Venizelos. The IOBE study, sponsored by the Foundation, evaluates the direct and indirect effects of the sports industry in the Greek economy and finds that the industry is converging at a remarkable pace with the large industry size observed in the USA and is emerging as one of the most dynamic and promising sectors of the Greek economy.

For Vice-minister Lianis, the growth of the sports industry and athletics, which represent 3% of world trade, is vital for Greece's national devel-

opment and stability not only due to its multiple digit revenues but also due to significant spillover effects on tourism, mass media, education, employment creation, and Greece's international posture. In light of the forthcoming Greek presidency of the EU and the 2004 Athens Olympic Games, Minister Venizelos stressed that the study provides arguments in support of the institutionalization of sports as a policy priority of the European Union.

## PANEL DISCUSSION ON SOCIAL SECURITY

### "The reform of the social security system: towards a new social contract?"



The social security discussion panel: President of the Industrial Federation of Greece (SEV) Odysseas Kyriakopoulos, Greek Minister of Labour Dimitris Reppas, Greek Prime Minister's Advisor Platon Tinios, and President of General Confederation of Greek Workers (GSEE) Christos Polyzogopoulos.

Within the framework of its activities concerning public policy questions and issues of public interest, the Kokkalis Foundation organized a panel discussion entitled "The reform of the social security system: towards a new social contract?" on April 8th, 2002, in Athens. The discussion focused on issues concerning the reform of the Greek social security system to meet today's needs of equality, increased efficiency and social inclusion, and on establishing an encompassing social dialogue that is cooperative, constructive, and based on mutual trust, and that can therefore reach mutually beneficial solutions. Greek Minister of Labour Dimitris

Reppas opened the discussion between president of the Industrial Federation of Greece (SEV) Odysseas Kyriakopoulos and president of General Confederation of Greek Workers (GSEE) Christos Polyzogopoulos. Platon Tinios, advisor to Greek Prime Minister Kostas Simitis, chaired the panel discussion. The meeting gathered participants from academia, the unions and the media, as well as representatives of the social security funds and members of parliament.

Minister of Labor Dimitris Reppas stressed that the government's reform proposal is not a shock therapy but rather it is both socially conscious and economically sound. Greece, the Minister argued, must make the transition towards a society of knowledge and full-blown economic development.

For SEV's president Odysseas Kyriakopoulos the social security reform debate must be framed as a developmental challenge because the reform will have a direct impact on Greece's economic prospects. The approach to reform must be technocratic, Kyriakopoulos stated, and it must be based on a wide social negotiation if it is to effectively respond to the contemporary demands of society, the most pressing of which is the betterment of Greece's credibility and the

creation of a suitable climate for the attraction of investments. He further emphasized that under the current reform proposal, while the lowest pensions must not suffer additional cuts the system would have added flexibility, namely through the possibility of optional employment for the retired population.

GSEE's president Christos Polyzogopoulos's answer to SEV's president was clear. The social security problem, he argued, is a major political and social issue and must be treated as such. He spoke of a cultural deficit of social dialogue and blamed the state for the present ill-functioning system, stating Greece's biggest insurance organization for private sector employees, IKA (Social Insurance Organization), is a mirror image of the state itself. Inasmuch as business interests, the state's plundering attitude towards IKA, and propaganda of misinformation, hinder a socially minded reform. Further, Polyzogopoulos expressed his reservations regarding the integration of other social insurance funds into IKA. While agreeing that a viable social security system must be revenue generating, the president of GSEE argued that the reform must result from an all-encompassing social dialogue and, foremost, its social objectives must be safeguarded.

## RESEARCH AND PUBLICATIONS

### This year's initiatives



**The Kokkalis Foundation promotes research in a broad range of issues concerning the politics, economy, history, demography and culture of the Southeastern and East-Central European region.**

Since its inception in 1997, the Foundation has completed and published several major research studies and has launched a successful series of research projects. This year's publications include:

Lenore G. Martin and Dimitris Keridis, Eds. "The Future of Turkish Foreign Policy", Cambridge, MA: MIT Press, 2002 forthcoming.

Since the end of the Cold War, Turkey has moved from the periphery to the center of Eurasian security. It is an important member of NATO and aspires to join the European Union. With a land-mass and population larger than France's, Turkey is a pivotal actor in Southeastern Europe, the Middle East, and the Caucasus. Turkey's growing role in these regions has profound implications for the international arena and has spawned debates over the trajectory of Turkish foreign policy. The Future of Turkish Foreign Policy explores these debates and the interactions between Turkey's domestic issues and foreign policies. The contributors include some of the foremost scholars and commentators on Turkish foreign policy. Their analyses reveal the variety and complexity of challenges that confront Turkish foreign policy and point the way to creative and resourceful strategies.

Charalambos Kolimbalis, "The Economic Effects of Sports in Greece", Athens, Greece: IOBE-Foundation for Economic and Social Research, 2002 forthcoming.

The goal of the present study is to evaluate the direct and indirect effects of sports as a revenue and expense generator in the Greek economy. The study finds that there is an increase in the importance of athletics and sports activities in the Greek society and economy. The effect of the increase in sports activities is felt at the level of production and at the level of services, which taken together have had an impact on the nation's employment and on its Gross Domestic Product. Equally important is the indirect contribution of the sports industry to the development of the productive and the services' sectors connected to either the consumption of sports goods or to the exercise of sports activities, such as the sportswear industry, the footwear industry, and

the tourism industry. Further, the EU sports industry is converging at a remarkable pace with the large industry size observed in the USA and a similar convergence trend is observed in the size of private investments in sports infrastructure.

Dimitris Keridis, Ellen Elias-Bursac, and Nicholas Yatromanolakis, Eds. "New Approaches to Balkan Studies", The IFPA-Kokkalis Series on Southeast European Policy, Dulles, VA: Brassey's, 2002.

This volume selectively presents the original work of promising young scholars who have participated in the first, second, and third Kokkalis Graduate Student Workshop, a joint initiative of the Kokkalis Program on Southeastern and East-Central Europe at the John F. Kennedy School of Government and the Southeast European Study Group at the Minda de Gunzburg Center for European Studies of Harvard University.

The essays cover a broad range of topics and cross many academic disciplines and historical periods, they take an innovative approach to their subject, and follow less-traveled paths to the study of the region. In doing so, they testify to the vitality of contemporary Balkan studies as a distinct area study by indicating different research directions and disciplinary methodologies. The volume addresses three main themes: perceptions and identities; democracy, nationalism, and conflict; and political and social practices and outcomes.

Charles Perry et al. "Defense Reform, Modernization and Military Cooperation in South-eastern Europe" Cambridge, MA: Institute for Foreign Policy Analysis, 2002.

Defense Reform, Modernization and Military Cooperation in Southeastern Europe is a report produced by a team of senior researchers from the Institute of Foreign Policy Analysis headed by Charles Perry and Robert Pfaltzgraff, with the support of the Kokkalis Foundation. This study examines the scope, pace, and prospects for defense reform, restructuring, and modernization plans and programs of seven Southeastern European countries – Albania, Bosnia-Herzegovina, Bulgaria, Croatia, The Former Yugoslav Republic of Macedonia (FYROM), Romania, and Slovenia. It provides an in-depth analysis of the defense industrial sector of each country and argues that, in the aftermath of political and economic transition, ongoing as well as future defense industry reforms provide

opportunities for various forms of international cooperation and for foreign direct investment, namely in the telecommunications, electronics, transportation and infrastructure development sectors. The authors offer insights into potential foreign direct investment opportunities and explore several strategies for industrial cooperation with each country. Finally the study evaluates the prospects for NATO membership of the seven countries suggesting that membership depends not only on political considerations but also on the degree to which the aspiring members have reformed their militaries to be compatible with NATO standards.

Ian Lesser, Stephen Larrabee, Michele Zanini, and Katia Vlachos-Dengler, "Greece's New Geopolitics", Santa Monica, CA: RAND, National Security Research Division, 2001.

Greece's New Geopolitics is the result of a research by the RAND Corporation, with the collaboration of RAND Europe, undertaken with the support of the Kokkalis Foundation. The report is based on the proceedings of several roundtables in Greece and in the US and on a major international conference held in Athens from November 30th to December 2nd of 2000. The research identifies the major elements of change in Greece's geopolitical environment and evaluates their effects on Greece's foreign policy. Developments in the region, such as the territorial conflicts and the issues of state sovereignty of the last decade in the Balkans and elsewhere in Eastern Europe, but also the end of Southern European and Mediterranean marginalization in the aftermath of the Cold War, and membership in the EU, make up Greece's new international environment. In this new environment, marked by economic, informational, technological and cultural globalization, Greece faces new foreign policy demands of a transregional dimension. The study argues that rather than being a victim of globalization Greece is emerging as an active and a protagonist foreign policy actor, and it underscores advantageous opportunity structures for the advancement of Greece's strategic interests and for economic cooperation between Greece and countries in the Balkans, Eurasia, and the Middle East.

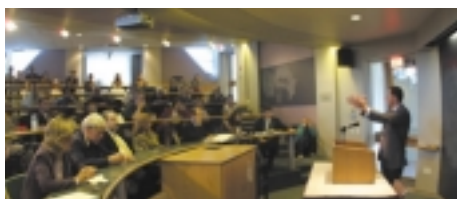
For other publications of the Kokkalis Foundation and research abstracts please visit <http://www.kokkalisfoundation.gr>



## LEADING CROSSROADS The 2002 Leaders Forum



For Prime Minister Djindjic, stability and prosperity in Serbia can only come from strengthening and rebuilding democratic institutions, legal and constitutional reform, building a market economy, and deepening integration into Western institutions.



Foreign Minister Geoana argued that a new global governance must be created in order to address the most difficult problems of our era - poverty and the development gap between nations.



Croatian President Stjepan Mesic with Harvard University's President Lawrence Summers.



US Ambassador Miller addressed the audience on Greek-American relations, Greece's geopolitical role, and the Greek economy.



Prime Minister of Hungary Victor Orban with his entourage during their tour of Harvard University's campus.



Bulgarian Deputy Prime Minister and Minister of the Economy Nikolay Vassilev with Harvard University's faculty and senior administrators. Bulgarian government's economic priorities are focused on increasing investment and exports as well as continuing privatization efforts.

**Within the framework of the Kennedy School's emphasis on leadership, the Kokkalis Program at Harvard invites leaders and policy-makers from Southeastern and East-Central Europe to present their views on various issues of importance to the region.**

In the current year, the leaders who have visited Harvard upon invitation of the Kokkalis Program include:

**H.E. Zoran Djindjic, Prime Minister of Serbia.**

In his public address "Serbian Dawn: Reintegration and Renewal", delivered to an audience of over 700, Prime Minister Djindjic presented his vision for the future of Serbia and the broader region of Southeastern Europe. He stated that lasting stability and prosperity in Serbia can only come from strengthening and rebuilding democratic institutions, legal and constitutional reform, building a market economy, and deepening integration into Western institutions. While optimistic about Southeastern Europe's future, he noted that there was still a potential for disintegration, and that political, social and economic reconstruction in the region was largely a work in progress. Prime Minister Djindjic's dynamism and commitment to the development of his country and the broader region was inspirational to the many students engaged in the study of leadership and public service who were present at the event.

**H.E. Mircea Geoana, Foreign Minister of Romania.**

Foreign Minister Geoana's highly attended lecture, "A New Security Dialogue, A New Security Deal", focused on the contemporary challenges faced by the international community in the post-9/11 era and the increasing inability of present day institutions to respond. He argued that a new architecture of global governance must be created in order to address the most difficult problems of this era - poverty and the enormous gap in levels of development among nations - which have become the root causes of a new generation of threats such as terrorism. The Foreign Minister also noted that this cannot be accomplished until the U.S. and Europe bring their increasingly divergent views of what it means to be a world power into conformity. His address concluded with a discussion of the Middle East and the need to offer the peoples of the region an alternative to radicalism, to encourage a new generation of leaders, and to promote the growth of civil society.

**H.E. Stjepan Mesic, President of Croatia.**

President Mesic spoke at the Kennedy School's ARCO Forum of Public Affairs, the premier arena for political speech, discussion and debate at Harvard University, which since its founding in

1978 has hosted heads of state, leaders in politics, government, business, labour and the press, community activists and academics from all over the globe in more than 1700 events. Referring to the recent conflicts in the region, the Croatian president stressed the need for mutual understanding and conciliation between the peoples of the region who await the outcome of the justice process at the International Tribunal of Hague. Mesic was elected President of Croatia last February, after pledging to move the country away from the nationalism and authoritarianism of his predecessor, Franjo Tudjman, who ruled Croatia from independence in 1991 until his death in late 1999. In almost a year since he inherited the economically ravaged and isolated country, President Mesic has actively endeavoured to move Croatia into the European integration process.

**H.E. Thomas Miller, US Ambassador to Greece.**

Ambassador Miller addressed an audience of faculty, students, and other Harvard University guests on issues such as Greek-American relations, the Cyprus problem, the role of Greece in the development of the Balkans, Greek-Turkish relations, and the preparations for the Athens 2004 Olympic games.

**H.E. Victor Orban, Prime Minister of Hungary.**

Prime Minister Orban met with the University's president Lawrence Summers and with members of the University's faculty and senior administration. The Hungarian leader expressed his wish for the development of a closer and stronger relationship with Greece, both through the two nations bilateral cooperation in NATO and in the future in the European Union, and through common economic endeavours in Southeastern Europe.

**H.E. Nikolay Vassilev, Deputy Prime Minister and Minister of the Economy of Bulgaria.**

The first Bulgarian minister to give a public lecture at Harvard University, Minister Vassilev stressed to a packed auditorium of students and faculty at the Harvard Business School that the Bulgarian government's economic priorities are focused on increasing investment and exports as well as continuing privatization efforts. The minister also expressed his belief that Bulgaria will receive an invitation to join NATO in the Prague Summit.

Other participants in the Kokkalis Program's lecture series included: H.E. Ilter Turkmen, Former Foreign Minister of Turkey; H.E. Cem Duna, Former Turkish Ambassador to the EU; H.E. Petar Stoyanov, former President of Bulgaria; H.E. Fatos Tarifa, the Albanian Ambassador to the U.S.A.; Black Sea Bank for Trade and Development president Ersoy Volkan; H.E. Ivan Grdesic, the Croatian Ambassador to the U.S.A.; and other scientists, artists, and researchers.

## BULGARIA IN EUROPE

### Prominent international experts support Bulgaria's Euroatlantic integration



The Kokkalis Foundation BOD member Petros Kokkalis during his opening address and overview of the panel on economic reform, headed by Foundation's Vice-president Niki Tzavella.



INSEAD's Ilian Mihov, Harvard economist Alfred Schipke, and Bulgarian Institute for Market Economy Krassen Stanchev during the conference proceedings.



Columbia University Professor Jeffrey Sachs, defended Euroization of the Bulgarian currency only in case of crisis.

**The currency board, changes in the global economy, and Bulgaria's economic strategies and political environment were among the issues addressed at the conference "Bulgaria in Europe".**

The Kokkalis Foundation and Harvard University organized on July 15, 2002, in Sofia, a conference that evaluated Bulgaria's progress towards fulfilling the economic and political criteria for EU and NATO accession, and examined the country's short- and medium-term economic and foreign policy strategies.

The conference, which was preceded by an inaugural cocktail on Sunday evening, gathered Bulgarian as well as international high-level representatives from the political, media, academic and private sectors. International speakers included two scholars of international repute: Jeffrey Sachs, Professor of Economics and of International Affairs and Director of the Earth Institute at Columbia University, and Robert L. Pfaltzgraff, Jr., Shelby Cullom Davis Professor of International Security Studies at the Fletcher School of Law and Diplomacy of Tufts University and President of the Institute of Foreign Policy Analysis. Bulgarian participants included the Mayor of Sofia Stefan Sofianski, the Deputy Minister of the Economy Sofia Kassidova, the Deputy Minister of Foreign Affairs Lyubomir Ivanov, and the Executive Director of the Institute for Market Economy Krassen Stanchev.

Alluding to Bulgarian economic reform prospects, Alfred Schipke, a former IMF affiliate

now at Harvard University, and Ilian Mihov of INSEAD, suggested currency Euroization, while EC's Directorate-General for Economic and Financial Affairs representative Martin Hallet stressed that "Bulgaria is not ready for such a change" and that unilateral Euroization could provoke a serious economic crisis. Instead, Hallet argued, "Bulgaria should accelerate judicial and public administration reform as well as make labor market flexibility a policy priority to handle the excessively high unemployment rate". Alfred Schipke warned of the effects of the deterioration of the external environment and lower foreign investment for fiscal management and the control of Bulgaria's current deficit, and called for a revision of Maastricht's inflation criteria. Director for Central and Eastern Europe and for Country Forecasts of The Economist Intelligence Unit Laza Kekic was cautious about the positive effects of Euroization on trade suggested in the research quoted by Mihov, but was less sceptical than Schipke regarding foreign direct investment prospects. "Bulgaria can expect about \$900 million yearly in FDI as long as growth remains at current levels and privatization is completed" stated Kekic. For Kekic, the size of the market is the leading incentive for investors and the prospects for foreign investment must not be dependent on the prospects of joining the EU. According to Kekic's team, Bulgaria has narrowed the gap with leaders in the region and now ranks 10th among 27 countries in terms of business climate for the period 2001-5, a significant improvement from the previous four-year period

ranking. European Bank of Reconstruction and Development economist Elisabetta Falcetti emphasized the need for institutional reform, as well as for social policy reforms and the combat of corruption as preconditions for economic growth.

The highlight of the event was Columbia Professor and UN Secretary-general Kofi Annan's advisor Jeffrey Sachs, who engaged the audience in a lively debate over Bulgaria's development challenges. Sachs opposed unilateral Euroization stating "it would engage Bulgaria in an incredibly expensive process of printing bank notes" but defended Euroization as the only way out of the current currency board system in case of economic crisis. Bulgaria, Sachs stressed, "should not repeat Argentina's mistake".

Commenting on Bulgaria's foreign policy, the president of the Institute of Foreign Policy Analysis Robert Pfaltzgraff praised Bulgaria's security policy reforms and its progress toward meeting NATO standards, stating "Bulgaria belongs to NATO".

## CLASSICAL HERITAGE INSPIRES CROSS-CULTURAL UNDERSTANDING Harvard Summer School in Olympia



Olympia, Greece

**The first Harvard Summer School in Olympia, which took place from July 8 to August 9, 2002, was led by Harvard Professors Marc Shell and Gregory Nagy, and by a selected group of teaching assistants. Greek Minister of Education Petros Efthimiou was the keynote speaker at the inauguration of the program while U.S. Ambassador to Greece Thomas Miller, University of Patras rector Nikolaos Zoubos, and Olympia's mayor Giorgos Aidonis, also addressed the participants.**

The Kokkalis Foundation, in collaboration with the Harvard Summer School, the University of Patras, the municipality of Ancient Olympia and the Olympic Center for Hellenic Studies, has launched the "Harvard Olympia Summer Program for Comparative Cultural Studies". The initiative aims at

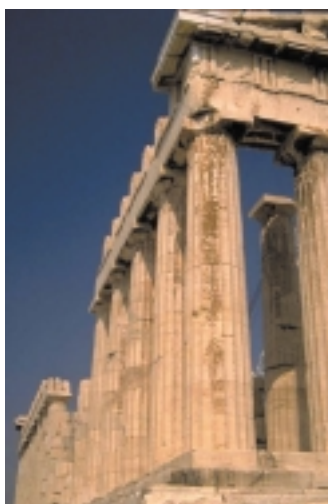


Greek Minister of Education Petros Efthimiou at the opening of the first Harvard Summer School in Olympia, Greece.

promoting cross-cultural understanding through engagement with classical Greek heritage and through historical and philosophical investigations of European and Mediterranean cultures. The program places particular emphasis on student interaction with the cultural legacy of Greece through organized expeditions to the world famous archaeological sites of Delphi, Mycenae, and Athens; the Byzantine monastic city of Mistras; and the beautifully restored fortified town of Monemvasia. In addition, students have the unique opportunity to attend summer performances in the ancient theatre of Epidavros and lectures by invited distinguished guest speakers. For additional information on the Harvard Summer School in Olympia visit the Program's website at

<http://www.summer.harvard.edu/2002/olympia>

## BEYOND THE GREEK PARADOX Just how unbound is Prometheus?



The Kokkalis Program on Southeastern and East-Central Europe, Harvard University, the Cambridge Foundation for Peace, and the Press Office of the Consulate General of Greece in Boston, are the co-organizers of a major international symposium, entitled "Beyond the Greek Paradox: Greece in the Era of Globalization", to take place at Harvard University on December 7, 2002.

The point of departure for "Beyond the Greek Paradox" is the 1995 conference "The Greek Paradox," which explored Greece's promise versus performance in the economic, political, and security spheres. Seven years later, as Greece has cemented its position in the EMU, has emerged as a key regional security broker, is about to assume the EU presidency, and is preparing to host the Olympic Games of 2004, a reconsideration of the nature and extent of the gap between Greece's potential and performance is now appropriate. Thus, the aim of the "Beyond the Greek Paradox" symposium will be to

analyze those competencies where Greece's performance has improved, and also probe areas of continuing, or new, underperformance.

The Kennedy School of Government's Dean Joseph Nye, Greek Minister of Press and Mass Media Christos Protopappas, International Security Editor of The Economist Bruce Clark, and Venizelos Professor of Contemporary Greek Studies at the London School of Economics and Political Science Kevin Featherstone, are among the speakers at the event, which is sponsored by the Greek Ministry of Press and Mass Media.