



# The Hellenic Observatory Newsletter 2009

Issue 7  
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## Editorial

### Inside this Issue:

Editorial	1
HO Annual Lecture	2
A Public Dialogue on Progressive Governance	3
Bank of Greece-HO Conference 2009	4
Cyprus Activities	5
Panel Debates	6
4th PhD Symposium	7
Research Fellowships & Studentships	8
Research Fellows 2008-2009	9
Research Seminars	10
GreeSE Paper Series	11
Research Projects	12
'LSEE'	13
Latest News	14
Latest News	15
Forthcoming Events/ Advisory Board	16

This last year has been another very successful period for the Hellenic Observatory. Some of the highlights have been:

- Major public lectures by **George Alogoskoufis**, then **Minister of Economy and Finance**, and by **George Papandreou**, leader of the **Pan-Hellenic Socialist Movement (PASOK)**. Both are not only leading public figures in Greece, but also distinguished alumni of the LSE.
- In May, we collaborated with the **Bank of Greece** for a very successful conference in Athens, entitled '**The cost of the financial crisis: Planning an exit strategy**'.
- A new HO publication was released, entitled '**The Return of Street Politics? Essays on the December riots in Greece**', edited by **S. Economides** and **V. Monastiriotis**. This includes commentaries analysing the causes and significance of these unprecedented events.



*Hellenic Observatory event  
Sheikh Zayed Theatre,  
London School of Economics*

- The **4<sup>th</sup> Biennial LSE PhD Symposium on Greece and Cyprus**, organised by the Observatory and held at the School. This year, it again attracted approximately 100 research students – each of them presenting papers on their current work and discussing them in specialist panels. We were grateful to the many colleagues who volunteered to chair the panels. In addition, we were delighted to host plenary lectures by **Paschalis Kitromilides**, **Alexis Papahelas**, and **Nicos Christodoulakis**.

- We have again been fortunate in hosting a number of visiting fellows, both junior and senior, funded by the **National Bank of Greece**; the **Ministry of Economy & Finance**; **IAA Defense Analyses Institute** and **A. C. Laskaridis**. Like their predecessors, the fellows have contributed greatly to the intellectual environment of the Observatory and produced quality research on Greece.



*Hellenic Observatory  
Research Seminar*

- With funding from the **National Bank of Greece**, the Observatory has instigated its own external research call: inviting applications from established academics to carry out priority research projects.
- The Observatory this year launches a new book series on Greece and Cyprus, in collaboration with **C. Hurst & Co. Publishers** and **Columbia University Press**.
- We held public lectures and debates involving **Nicos Christodoulakis**, **Stefanos Manos** and **George Vassiliou**, amongst others.

Despite the current economic downturn, the medium-term position of the Observatory remains secure and for this we thank our many supporters and partners for the trust they have shown in us. We look forward to continued good work and we hope you will be able to join us in at least some of our public events – either in London or in Athens.

Kevin Featherstone  
*Director*

Spyros Economides  
*Deputy Director*

## Hellenic Observatory Annual Lecture

**Former Minister of Economy and Finance, George Alogoskoufis, gives Observatory's 9th Annual Lecture: "Europe in the Global Economy".**

The Ninth Annual Lecture of the Hellenic Observatory was given by **George Alogoskoufis, then Minister of Economy and Finance**. Professor Alogoskoufis is a distinguished alumnus of the LSE, having obtained both his MSc and PhD in Economics from the School.



Professor George Alogoskoufis

Professor Alogoskoufis entitled his lecture, 'Europe in the Global Economy'. He examined recent economic trends and assessed the sustainability of current policy models in the context of continuing globalisation and the recent worldwide economic turmoil.

*"We seem to have drawn the right lessons from the mistakes made in the monetary field during the Great Depression. Monetary policy has responded adequately to the crisis and important initiatives are currently under way to restore appropriate regulation, liquidity and confidence in financial markets. Europe, to the surprise of many, has shown remarkable leadership".*



Professor George Alogoskoufis and Professor Kevin Featherstone in a packed Old Theatre

*"Despite a poor track record on previous occasions, we must not abandon the effort for better coordination of fiscal policy at both the European and the global level. At the same time, we should not lose sight of the medium term. Structural reforms that would increase productivity and protect the environment must continue if not accelerate".*



From Left to Right: Dr Spyros Economides; Professor Kevin Featherstone; Professor George Alogoskoufis; The Ambassador of Greece in London, Mr Vassileios Pispinis; Mr Yannis Economides; Mr Constantinos Economides.

*"We must undertake new initiatives to further liberalise international trade and integrate emerging economies to the global economy. We must continue to pursue the Millennium Development Goals. Finally, long overdue reforms in global economic governance must be brought forward to Integrate Russia, China, India and Brazil".*

The lecture was held in a packed Old Theatre on 13 November 2008. Unfortunately, the lecture was interrupted by a small group of demonstrators. Their protest had nothing to do with the lecture or the Minister's responsibilities. Later security checks suggested that the leaders of the protest did not belong to the LSE. We are grateful to Professor Alogoskoufis for continuing with his lecture. A reception and dinner followed.

A podcast of this event is available from:

<http://www.lse.ac.uk/resources/podcasts/publicLecturesAndEvents.htm#generated-subheading9>

A full transcript of the lecture is available from:

[http://www.lse.ac.uk/collections/hellenicObservatory/pdf/Lectures/Alogoskoufis08\\_transcript.pdf](http://www.lse.ac.uk/collections/hellenicObservatory/pdf/Lectures/Alogoskoufis08_transcript.pdf)



## A Public Dialogue with George Papandreou

**Leader of the Panhellenic Socialist Movement (PASOK)  
and President of the Socialist International, George Papandreou,  
in dialogue with Professor Kevin Featherstone on  
“Progressive Governance: Greece and the New International Order”.**

**George Papandreou, leader of PASOK** (Panhellenic Socialist Movement), the main opposition party in the Greek Parliament, gave a public lecture at the School, hosted by the Hellenic Observatory. This was followed by a well-attended reception in the Atrium of the Old Building.



*Mr George Papandreou*

The lecture, on 27 April 2009, examined the way forward for the progressive politics of the centre-left in the contemporary world. Mr Papandreou noted the current problems of public disaffection with the political process and argued the need for new ways of engaging the public. He outlined a series of reforms that he believed were necessary in order to build greater trust and participation in Greek politics. These measures included much greater transparency in public administration – for example, publishing budgets and official papers – and more meritocratic procedures for public appointments.

*“We must act today to restore trust - to restore trust in our democratic institutions, confidence in our political systems, restore solidarity and security to our societies, our neighbours, our citizens, so that we can take on the major global, national or local challenges we face”.*

Mr. Papandreou is a distinguished alumnus of the LSE, having obtained an MSc in Sociology. He is the current President of the Socialist International. He was Minister of Foreign Affairs from 1999 to 2004, a period that saw inter alia a new rapprochement with Turkey. He has served as Minister for National Education and Religious Affairs on two occasions (1988-89; 1994-96). He is the son and grandson of two Greek prime ministers.



*From Left to Right: Professor Janet Hartley;  
Mr George Papandreou; Mrs George Papandreou;  
Professor Kevin Featherstone.*



*Mr George Papandreou and  
Professor Kevin Featherstone  
in a packed Old Theatre*

*“I believe that the Hellenic Observatory can make a very important contribution to understanding what Greece is today, but also in proposing ideas and solutions for a Greece of tomorrow. So again, I assure you of my full support for your future work”.*

**Statement by the President of PASOK, Mr George Papandreou, in his lecture at the LSE on 27th April 2009.**

A full transcript of the lecture is available from:

[http://www.lse.ac.uk/collections/LSEPublicLecturesAndEvents/pdf/20090427\\_PAPANDREOU.pdf](http://www.lse.ac.uk/collections/LSEPublicLecturesAndEvents/pdf/20090427_PAPANDREOU.pdf)

A podcast of this event is available from:

<http://www.lse.ac.uk/resources/podcasts/publicLecturesAndEvents.htm#generated-subheading4>

## Bank Of Greece – Hellenic Observatory Joint Conference in Athens 2009

### The Bank of Greece and the Hellenic Observatory hold a joint conference on “The cost of the financial crisis: planning an exit strategy”.

The Observatory joined the **Bank of Greece** for a conference in Athens, on 27 May 2009, focussing on the recent crisis in the banking and financial services sector. The conference considered how the crisis had developed, but it was also very much concerned with future strategies to overcome it.



*From Left to Right:  
Professor Willem H. Buiter; Professor Kevin Featherstone;  
Dr Daniel Gros*



*Packed Auditorium  
at the Bank of Greece*

A final panel comprised presentations by three of Greece's top bankers: **Takis Arapoglou**, Chairman of the National Bank of Greece; **Yannis Costopoulos**, Chairman of Alpha Bank; and **Nikos Nanopoulos**, Chairman of Eurobank.

The conference was held at the Bank's prestigious premises and was hosted by the Governor, **Professor Georgios Provopoulos**. An array of international speakers addressed the conference. From the LSE, **Professor Willem Buiter** attacked what he called the 'fiscal and regulatory vacuum' at the heart of the EU's governance. **Dr Daniel Gros**, Director of the Centre for European Policy Studies in Brussels, compared the nature and impact of the crisis across Europe and the US.



*Professor Georgios Provopoulos,  
Governor of the Bank of Greece*



*From Left to Right: Dr Lucas Papademos,  
Vice-President of the European Central Bank;  
Professor Georgios Provopoulos,  
Governor of the Bank of Greece*

The conference was widely reported in the Greek press, and especially in media focusing on financial issues, such as *Kerdos* and *Imerisia*. The auditorium was packed for the conference and we apologise to those LSE alumni unable to obtain tickets for the event.

The focus switched to the role of the central banks in managing the way out of the crisis, with presentations by **Lucas Papademos**, Vice President of ECB; **Ewald Nowotny**, Governor of the Austrian Central Bank; and **Florin Georgescu**, First Deputy Governor of the National Bank of Romania.

For further information on this event please refer to the following dedicated page on the Hellenic Observatory Website:  
[http://www.lse.ac.uk/collections/hellenicObservatory/events/Conferences/Athens\\_Conf\\_09.htm](http://www.lse.ac.uk/collections/hellenicObservatory/events/Conferences/Athens_Conf_09.htm)



## Cyprus - Hellenic Observatory Activities 2008-2009

Following the start of a major new UN-supported initiative to reunify the island of Cyprus the Hellenic Observatory hosted two major events during the past year.

### “Developments in the peace negotiations in Cyprus: Finding a solution by Cypriots for Cypriots”.

The first of these was a high level inter-communal discussion panel, held on the evening of 14 October 2008. Co-organised with **Cypriots4Cyprus**, a UK based group that brings together members from the Greek and Turkish Cypriot communities living in Britain, the event was centred on four speakers: **Dr George Vassiliou**, former President of the Republic of Cyprus; **Mr Ali Erel**, President of the Cyprus-EU Association; **Ms Alev Adil** of the University of Greenwich; and **Mr Spyros Christou** from the Cyprus Interpeace Project. Professor Kevin Featherstone was in the chair.

Given the strong interest in Cypriot related developments, the meeting, which was held in the Sheikh Zayed Theatre of the recently opened New Academic Building at the LSE, attracted a large audience. As hoped, it also generated a lively discussion. Following the panel, the Hellenic Observatory hosted a dinner for the speakers and a number of other guests in the Chairman's Dining Room. This also resulted in a very fruitful and engaging discussion on the reunifications talks as well as other developments in Cyprus.

A page dedicated to this event is available at:  
<http://www.lse.ac.uk/collections/hellenicObservatory/events/Other/C4C.htm>



*Members of Cypriots4Cyprus together with the four speakers and Professor Kevin Featherstone. Second from Left to Right: Mr Spyros Christou; Mr Ali Erel; Dr. George Vassiliou and Ms Alev Adil*

### “2nd Keith Kyle Memorial Lecture on British-Cypriot relations”.

The next event, held on 25 February 2009, was the second Keith Kyle Memorial Lecture on British-Cypriot relations. Established to honour a well-known historian and journalist who had a long-standing interest in Cyprus, the event was once again held in conjunction with the **Association for Cypriot, Greek and Turkish Affairs (ACGTA)**. Following on from the first lecture, which took place in June 2007 and was delivered by the then Minister for Europe, **Geoff Hoon**, the second lecture was also given by the Minister for Europe – in this case the **Rt. Hon. Caroline Flint MP**.

Since her appointment, just four months earlier, Ms Flint had demonstrated a keen interest in Cyprus. Despite having a portfolio covering a number of pressing international issues – including the EU, Russia, NATO and the Caucasus – she had already visited the island twice for high-level meetings with the island's leaders.

In her speech, which was chaired by **Dr James Ker-Lindsay**, the Minister emphasised Britain's strong commitment towards a lasting settlement, and that it stood ready to help in whatever way it could. As she noted, a solution would be in Britain's interests as well as in the interests of Cyprus. However, she also stressed that the process must be driven by, and for, the people of Cyprus. At the same time, she pressed home the advantages that a solution would bring to all parties. Through reunification, Cyprus would enjoy significant economic, political and social benefits, as well as a greater sense of security.

The lecture, which was attended by many leading members of the Cypriot community in Britain including **His Excellency Mr Alexander Zenon**, the Cypriot High Commissioner, was

then followed by a question and answer session. Once again, the Minister continued to reiterate the benefits of a peace deal, and pointedly refused to engage in speculation about the possible breakdown of talks. As she noted, 'this was too good an opportunity to miss'. There is no 'Plan B' for Cyprus.



*The Minister for Europe  
Rt. Hon. Caroline Flint MP*

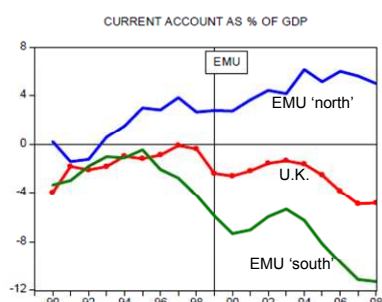
A full transcript of the lecture is available at:  
[http://www.lse.ac.uk/collections/hellenicObservatory/pdf/Lectures/Flint\\_transcript.pdf](http://www.lse.ac.uk/collections/hellenicObservatory/pdf/Lectures/Flint_transcript.pdf)

## Panel Debate Professor Ray Barrell & Professor Nicos Christodoulakis

### “Does the Euro-zone Experience show 'one size fits all' has been a failure?”

On 10 December 2008 the Hellenic Observatory organised a panel debate on the evaluation of the Euro-zone experience since the establishment of EMU in 1999.

The event took place just around the time as the celebrations for the **10 years of EMU** were about to begin and just as the financial crisis was beginning to bite the real economy. Despite a broad consensus that EMU has so far been a success, it was commonly believed that the EMU architecture had not been tested, until then, by a serious crisis or other threat. In this sense, the organisation of this panel debate, as the effects of the financial crisis were unfolding, was extremely timely.



It was no surprise then that the debate took place in a packed theatre, with attendance from both LSE students and members of staff as well as external guests. More so, as the line-up of speakers included two key experts on macro-economics and monetary policy, **Professor Ray Barrell, Director of Macroeconomic Research and Forecasting at the National Institute of Economic and Social Research (NIER)**, and **Professor Nicos Christodoulakis**, who was at the time a **National Bank of Greece Senior Research Fellow at the Hellenic Observatory**. The debate was chaired by **Professor Iain Begg, of LSE's European Institute**.



*Professor Ray Barrell and Professor Nicos Christodoulakis*

The debate covered two key areas for the future of the Euro-zone. On the one hand, the response to the financial crisis and the implications that the latter has for economic governance in Europe and for the model of centralised monetary policy with decentralised fiscal policies and financial supervision on which EMU is built. On the other, the equally important question of whether a common monetary policy may be the source of permanent asymmetries that can halt the process of convergence in Europe, which is so crucial for the legitimisation of the European project. The debate was followed by a lively discussion with the audience with most of the questions concentrating rather naturally on the first of the two themes.

Copies of the presentations are available to view at:  
[http://www.lse.ac.uk/collections/hellenicObservatory/events/Other/Onesizefitsall\\_debate.htm](http://www.lse.ac.uk/collections/hellenicObservatory/events/Other/Onesizefitsall_debate.htm)

The full papers of the two presentations can be found in a special volume of the National Institute Economic Review (Sage Publishers), published in April 2009.

## Hellenic Observatory & Hellenic Bankers Association (UK) jointly organise a panel debate

As part of our continued attempt to broaden our audiences and partners, the HO jointly organised a panel debate with the **Hellenic Bankers Association of the UK**. The theme of the debate was, 'Fears, Risks and Opportunities: Greece and the Global Economic Crisis'. We were extremely lucky to have as our panellists two distinguished former Ministers of Economy and Finance, **Nicos Christodoulakis** and **Stefanos Manos**, who under the Chairmanship of the LSE's Professor Chris Pissarides, provided both perceptive analyses of the consequences of the global downturn for Greece and entered into a spirited debate on the reforms needed to remake the Greek economy.

The debate, held on 9 February in the Sheikh Zayed Theatre, drew a large attendance of both LSE students and staff, members of the Greek banking community in London and others. The debate was lively, the outlook not always sanguine and the question and answer session provocative; a perfect way to begin a collaboration with the Hellenic Bankers Association which we hope will continue. We would like to thank the Association and especially its President, **Michael Zekkos** for their support of this event.



*Stefanos Manos, Former Minister  
of Economy and Finance*

A pre-debate summary of this event is available at:  
[http://www.lse.ac.uk/collections/hellenicObservatory/pdf/HBA\\_predebateSummary.pdf](http://www.lse.ac.uk/collections/hellenicObservatory/pdf/HBA_predebateSummary.pdf)



## 4th Hellenic Observatory PhD Symposium on Contemporary Greece and Cyprus

### Biennial PhD Symposium 25 and 26 June 2009

The biennial Hellenic Observatory PhD Symposium has now become a fixture on the academic calendar and has established itself as one of the premier venues for the discussion of new research ideas on contemporary Greece and Cyprus.



*Alexis Papahelas, Editor of Kathimerini*

The 4<sup>th</sup> Hellenic Observatory PhD Symposium was held on 25 and 26 June and attracted over 100 paper givers from Europe and beyond. As ever the topics of PhD research were diverse and we had to divide the 27 specialist panels into 5 sessions to accommodate them all.



*Symposium Panel Meeting*

We were also genuinely pleased to be able to host three eminent plenary speakers. On the first day, **Professor Paschalis Kitromilides, Director of the Institute of Neohellenic Research in Greece**, gave a valuable introduction of the 'do's' and 'don't's' in academic research in the study of nationalism.



Later in the evening, **Alexis Papahelas, Editor of Kathimerini**, entertained the audience to a prescient and pithy overview of the major problems confronting the Greek political system and identifying the areas of reform to be prioritised.

Rounding off the Symposium, the third plenary speaker **Professor Nicos Christodoulakis**, visiting the Hellenic Observatory as National Bank of Greece Senior Research Fellow, spoke to the theme of market reform in Greece.



*Professor Paschalis Kitromilides,  
Director of the Institute of Neohellenic Research in Greece*

The Symposium also gave us the opportunity to launch a book by HO Director, **Professor Kevin Featherstone and Dr Dimitris Papadimitriou** entitled *The Limits of Europeanization: Reform Capacity and Policy Conflict in Greece*, published by Palgrave Macmillan.

We would also like to thank the Greek Politics Group of the PSA for their generous donation of 2 x £200 prizes to scholars (to be selected) who presented at the LSE Hellenic Observatory's 4th PhD Symposium on Contemporary Greece and Cyprus.

Please see Hellenic Observatory website for further information:

[http://www.lse.ac.uk/collections/hellenicObservatory/events/phd\\_Symposia/4thSymposium/4th\\_symposium\\_main.htm](http://www.lse.ac.uk/collections/hellenicObservatory/events/phd_Symposia/4thSymposium/4th_symposium_main.htm)

## Research Fellowships & Studentships

A key part of the Observatory's mission is to welcome visiting fellows and researchers, to extend our expertise and collaboration while enriching their professional experience. We have been delighted to host our fellows this year, an exceptional team of talented researchers and we look forward to welcoming our new fellows in September 2009.

### HO Internships

The Hellenic Observatory welcomes enquiries from current students interested in working for a short period as an intern, assisting with the activities of the Observatory.

For further information please see the HO website:

<http://www.lse.ac.uk/collections/hellenicObservatory/research/internships.htm>

#### Virginia Nasika

Virginia obtained her BSc Economics at the LSE in 2008. Virginia helped at the Hellenic Observatory during her free time, assisting with the activities and general administration on a voluntary basis.

Virginia supported the Hellenic Observatory's very active public events programme and with the 2-day biennial PhD Symposium which took place at the LSE this June. She has also helped to create a new cataloguing system for the library of the Hellenic Observatory.

Virginia worked with the Hellenic Observatory from November 2008 until June 2009. She was involved in many aspects of the Hellenic Observatory's work and became a valuable member of the team.

We thank Virginia for all her help and wish her every success in her continued studies.

#### Marilena Manatou

Marilena is studying towards an MSc in Media and Communications at the LSE and began a 2 month internship at the HO in July.

Marilena worked on the preparation and dissemination of the annual newsletter, as well as with other day to day administrative duties.

We thank Marilena for her help and wish her all the best in her future studies and endeavours.

The Hellenic Observatory would also like to thank all other students who have all offered their assistance over the last year, namely **Afrodite Karaoli**; **Constantina Koushiappi**; **Vasillis Ntousas**; **Michael Papaicovou** and **Savvas Savva**.

### HO Studentships

The Hellenic Observatory continues to receive the long-standing and generous support of the **Bodossaki Foundation**. The Foundation has been a supporter of students researching various aspects of Greece in the social sciences. The **Bodossaki Foundation PhD Scholarship**, has been awarded annually to one student for a term of 3 years, and enables the HO to attract young scholars working on contemporary Greece and its environs. Current holders of the award are **Andreas Kornelakis** and **Sotiris Zartaloudis**.

The **Gregory Tzirakian Scholarship**, is now in its fourth year and is the result of a generous donation by **Mr Gregory Tzirakian**. Award holders have been **Aris Trantidis** and **George Evangelopoulos**.

The Hellenic Observatory would like to extend its gratitude to both The Bodossaki Foundation and to Mr Gregory Tzirakian for their continued support for both the above Scholarships and for the opportunities made available to the emerging generation of scholars.

### New Research Fellows

We would like to welcome the following Fellows to the Hellenic Observatory during the academic year 2009-10.

#### National Bank of Greece

Senior Research Fellow in Contemporary Greek Studies:

**Professor Georges Prevelakis**, Professor of Geopolitics, University of Pantheon-Sorbonne (Paris 1);

**Dr Dimitris Papadimitriou**, Senior Lecturer in European Politics, University of Manchester.

#### Ministry of Economy & Finance, Greece

Senior Research Fellow in the Political Economy of Greece's Relations with South East Europe:

**Professor Theodore Pelagidis**, Professor of Economic Analysis, University of Piraeus;

**Dr Prodromos Vlamis**, Temporary Assistant Professor in Economics, Athens University of Economics and Business, Greece and Associate, Department of Land Economy, University of Cambridge.

#### Senior Research Fellow on Greek Security and Foreign Policy:

**Professor Thanos Veremis**, Professor of Political History at the University of Athens and member of the Board of Directors of the Hellenic Foundation for European and Foreign Policy (ELIAMEP).

#### A. C. Laskaridis Post Doctoral Fellow:

**Dr Effrosyni Vraniali**, Programme Officer for the European Public Law Organization (EPLO), Greece.

**The fellowships for 2010-2011 will be advertised in the press and on the HO website in Autumn 2009**

### Visiting Fellows & Researchers

The following have been Visiting Fellows at the HO this year:

**Mr. Tim Judah**, (Correspondent for The Economist); **Dr Umut Özkirimli**, (Associate Professor, Department of History, Boğaziçi University, Istanbul and Associate Professor, Department of International Relations, Istanbul Bilgi University); **Dr Fragkiskos Filippaios**, (MBA course Director (International)-Principal Lecturer in International Business, Kingston University London).

We are pleased to welcome in the academic year 2009-10:

**Dr Yannis Papantoniou**, (Former Minister of Trade (1989), Minister of National Economy (1994), Minister of National Economy and Finance (1996), Minister of National Defence (2001), and currently President of the Centre for Progressive Policy Research).

The Hellenic Observatory also welcomes enquiries from post doctoral students and senior academics interested in visiting us for a short period of research. Enquiries should be made via: [HellenicObservatory@lse.ac.uk](mailto:HellenicObservatory@lse.ac.uk)



## Hellenic Observatory Research Fellows 2008-9



*"What I enjoyed most in the Hellenic Observatory was the interdisciplinary character of the research that helped to broaden my perspectives on European economic and political issues, at a time that was deeply needed in order to grasp the roots and the causes of the global financial crisis. The top-level interaction in seminars and workshops is the necessary ingredient for doing research that is not only rigorous but also highly relevant for today."*

During his fellowship, Nicos worked on convergence issues in the Euro-zone; how business cycles, incomes convergence and external imbalances have evolved in the first decade of the common currency. The outcome of the research was published in the NIER, in the GreeSe Series of HO and by the Czech National Bank; and was the subject of several seminars in UK and abroad. He also worked on the dynamics of market reforms in Greece over the last twenty years and presented his work in the Conference on Reforms at the University of Yale and at the HO's biennial PhD Symposium.

**Professor Nicos Christodoulakis**  
NBG Senior Research Fellow



*"Working at the Hellenic Observatory has been a tremendously rewarding experience. Colleagues at the HO form a remarkable research community, while infrastructure, library and overall research support have been truly excellent. Working with people at the HO and with its director has been a great pleasure. And, having studied at LSE several years ago, coming back meant even more to me. I am grateful to the HO for a stimulating environment and to the NBG for its generous funding."*

While at the HO, Kostas conducted research on two projects which although distinct complement each other at several levels. The first is on the relative impact of Europeanization and of political ideologies in the instrumentation of Greek public policy. The second draws from an earlier preoccupation, the attempt to re-conceptualise the EU's emerging political system and the role of small states like Greece in the system and its development. Seminar presentations, a GreeSE working paper, chapters in edited volumes, and participation in conferences were among the outputs. In addition, Professor Lavdas has signed a contract for his next book with a major UK publisher.

**Professor Kostas A. Lavdas**  
NBG Senior Research Fellow



*"My time at the Hellenic Observatory has been most rewarding. It was not only the intellectual upbeat at the HO but also the amazing warmth and collegiality that the place radiates. I am grateful to everybody at the HO as well as the Institute for Defence Analysis."*

During his fellowship, Kostas conducted research on Greek and European Security. This has resulted in three papers. A paper entitled A European Mechanism to Address Natural Disasters: Working Alone is not an Option will appear by the end of 2009 in a collective volume on Climate Change and Human Security: European and Asian Perspectives edited by Antonio Marquina to be published by Palgrave. A second paper on OSCE: A Natural Home for Europe's Neutrals? will appear in a book edited by James Sperling and Victor Papacosma entitled Europe's Neutrals and European Security in the 21<sup>st</sup> Century. A third paper on US-Greek relations will appear in the GreeSE Paper series. Finally, a very rough first draft of a book on Transatlantic Relations to be published by MUP was completed.

**Dr Kostas Ifantis**  
IAA Senior Research Fellow



*"I thoroughly enjoyed every moment of my time at the Hellenic Observatory. The friendly and collegiate environment is unlike anything I have experienced elsewhere. As a result, my year here has been an enormously productive period in my career."*

During his fellowship, James was able to complete a number of major research projects. In addition to publishing a co-edited volume on the Government and Politics of Cyprus (Peter Lang, 2009), the first major work on the subject, he also produced a study of the Kosovo status process (I.B.Tauris, 2009) and completed a co-edited volume on Yugoslav historical controversies (Routledge, forthcoming 2010). At the same time, his work appeared in a number of journals – such as Ethnopolitics, Studies in Conflict and Terrorism and the Journal of Balkan and Near Eastern Studies – and he wrote a GreeSE paper on the security aspects of a Cyprus Settlement. He also gave a number of guest lectures and was invited to speak by the US State Department, the United Nations and the Council of Europe.

**Dr James Ker-Lindsay**  
IAA Senior Research Fellow



*"My experience as a Research Fellow at the HO has been exceptional both in terms of scholarly exchange of knowledge and in terms of opportunities for academic advancement. It allowed me to conduct full-time independent research on Greece within my area of expertise and form new collaborations, receiving invaluable support from the HO throughout the year."*

Rebekka utilized her time at the HO to carry out empirical research focusing on the Greek labour market. A co-authored paper (with T. Kosma) entitled 'Skills and Wage Inequality in Greece' has already been published as GreeSE paper No. 26, and is forthcoming as an ECB and Bank of Greece working paper. A cross-country study (with A. Lamo & J.F. Jimeno) on changes in the wage structure in Europe is also under consideration for publication at the ECB. A series of new empirical papers, employing data from the Greek Labour Force Survey, are currently underway in collaboration with V. Monastiriotis. During her fellowship, Rebekka gave a seminar at the Economics Department of the University of Macedonia. Also, her work was presented at academic conferences, including the 2009 AEA Meetings.

**Dr Rebekka Christopoulou**  
Ministry of Economy & Finance Fellow



*"Being part of the team at the Hellenic Observatory has been most enriching and I am indebted to its members for the privilege to be part of such an outstanding environment. I am equally grateful to Mr.*

*A.C. Laskaridis for the opportunity to work on a theme as significant as energy diversification in SE Europe."*

Diana researched on energy networks in Greece, Bulgaria, and Turkey. A number of outputs were published from this research for the GreeSE Paper Series and the Journal of Balkan and Near Eastern Studies. Two more articles are forthcoming, the first co-authored with Prof. Franz Hubert, and a second on the regional role of Greek FDI. Diana published on Democratization and Civil Society in the Rotary International Magazine. She also reviewed for the Palgrave Macmillan St. Antony's Series. Diana presented her work at the UACES Annual Conference 2009, the World Academy of Science 2009 International Conference on Energy, the PSA Greek Politics Study Group, the Bulgarian Forum on Energy, the ESSCA workshop on Energy policies, and the HO Research Seminar Series. Diana also convened and chaired a conference on Financial & Technical Assistance for Eastern Europe at the UN International Maritime Organisation.

**Dr. Diana Bozhilova,**  
A.C. Laskaridis Post-Doctoral Fellow

## Association for Cypriot, Greek and Turkish Affairs (ACGTA) Events 2008 - 2009

### October

10 October 2008

#### The Security Dimensions of a Cyprus Settlement

Speaker: Dr James Ker-Lindsay (LSE)  
Chair: Dr Zenon Stavrinides

### November

21 November 2008

#### America, Britain and the Cyprus Crisis of 1974: Calculated Conspiracy or Foreign Policy Failure?

Speaker: Dr Andreas Constandinos  
Chair: Dr James Ker-Lindsay

### December

5 December 2008

#### Kemalist Eurasianism: An Emerging Geopolitical Discourse in Turkey

Speaker: Dr Emel Akçali, University of Birmingham  
Chair: Dr Marco Antonsich

### February

6 February 2009

#### Cyprus: Progress so Far

Speaker: Mr Andrew Dismore MP

25 February 2009

#### 2nd Keith Kyle Memorial Lecture of Anglo-Cypriot Relations

Speaker: Rt. Hon. Caroline Flint MP, Minister for Europe

### March

13 March 2009

#### Accommodating the Cyprus Issue in the EU's Political and Legal Order

Speaker: Nikos Skoutaris, European University Institute (EUI)  
Chair: Professor Takis Tridimas, Queen Mary, University of London

25 March 2009

#### The Apostolides vs Orams Case: An Update

Speaker: Constantis Candounas  
Chair: Alper Ali Riza QC

### April

20 April 2009

#### Book Launch: Trials of Europeanization: Turkish Political Culture and the European Union by Ioannis Grigoriadis

Speakers: Alper Ali Riza QC, Bruce Clark (The Economist), James Ker-Lindsay (LSE)

### May

7 May 2009

#### Turkish Cypriot Representation in the European Parliament

Speaker: Alper Ali Riza QC  
Chair: Professor Takis Tridimas (Queen Mary, University of London)

## Research and Policy Seminars: a good year and a new format

Last year we had a very successful seminar series, with a strong line-up of speakers and, in most instances, pleasingly large audiences. Seminars covered a broad range of themes and disciplinary approaches, from constitutional law to international relations, from energy security to tax evasion, and from wage inequalities to economic performance under EMU. Specifically, we hosted presentations on the 'new priorities of the Eurozone' (**Professor Nicos Christodoulakis**), the 'Greek-Turkish conflict in the Aegean' (**Professor Alex Heraclides**), energy security and regional cooperation (two seminars by **Dr Constantinos Filis** and **Dr Diana Bozhilova**), the 'constitutional limitations of privatisation' (**Professor George Katrougalos**), the 'prospects of Greece's European Policy' (**Professor Panos Ioakimides**), 'skills and wage inequality in Greece' (**Dr Rebekka Christopoulou**), the 'distributional implications of tax evasion in Greece' (**Professor Manos Matsaganis**), 'Ideology in public policy instrumentation' (**Professor Kostas Lavdas**), 'Greek-US security relations' (**Dr Kostas Ifantis**).

Details on these lectures and copies of the presentations can be found on our Seminars web-page:

[http://www.lse.ac.uk/collections/hellenicObservatory/events/Seminars/Seminars\\_main.htm](http://www.lse.ac.uk/collections/hellenicObservatory/events/Seminars/Seminars_main.htm)

In 2009-10 we continue with our tradition of bringing together applied research and policy analyses as well as combining presentations by distinguished external speakers and in-house researchers. Nevertheless, and while keeping with the fortnightly format (Tuesdays at 6pm during the teaching terms), we are also adapting the format of our seminars to reflect better this diverse coverage. Specifically,

we are establishing a Policy stream, which will be targeting wider audiences with an interest in Greek and European public affairs, thus allowing the research stream to obtain a more informal character. For the coming year, under the Policy Seminars stream we will be hosting presentations by **Professor Plutarhos Sakellaris**, Vice-President of the European Investment Bank and former Chairman of the Council of Economic Advisors of Greece; **Mr Dimitris Katsoudas**, Secretary General for European Affairs at the Greek Ministry of Foreign Affairs; **Dr Christos Ioannou**,

Arbitrator at the Organisation for Mediation and Arbitration in Greece; **Dr Yannis Papanтониου**, former Minister of National Economy, and currently President of the Centre for Progressive Policy Research and **Professor Thanos Veremis**, Chairman of the National Council for Education Reform; **Professor Panos Pelagides** (University of Piraeus), **Dr Vlamis** (Cambridge University), **Dr Papadimitriou** (University of Manchester), **Dr Vraniali** (EPLO), and others.

Our Research Seminars will continue in the usual venue (Cowdray House, Room J116) with presentations by our Research Fellows and members of staff on their current research. We will be hosting presentations by **Professor Prevelakis** (Sorbonne University, Paris), **Professor Pelagides** (University of Piraeus), **Dr Vlamis** (Cambridge University), **Dr Papadimitriou** (University of Manchester), **Dr Vraniali** (EPLO), and others.

We believe the new format of the seminar series will allow us to combine our two objectives of promoting public dialogue on public policy issues of Greece and encouraging the cross-fertilisation of academic research on Greece. We look forward to welcoming our students, colleagues and members of the public to them. For details and enquiries please contact us at [Hellenicobservatory@lse.ac.uk](mailto:Hellenicobservatory@lse.ac.uk).



*Dr Constantinos Filis presenting his seminar on 'Managing the flow: a Greek policy for optimizing gains from ongoing regional energy developments'.*

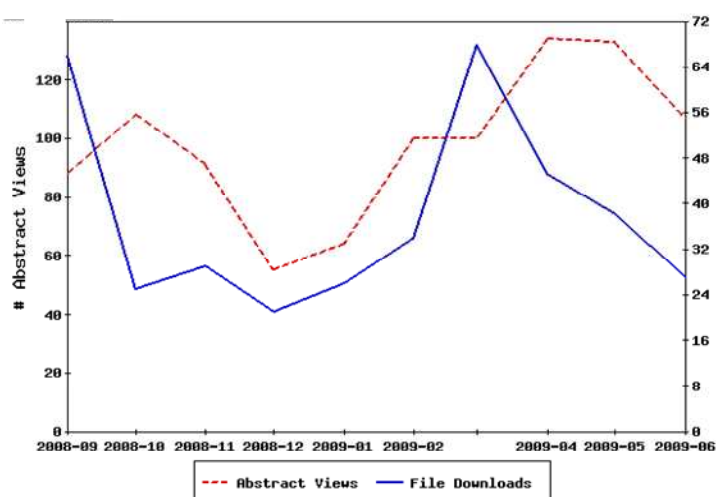
**All Seminars are open to the public**  
**Venue: Cañada Blanch Room (J116), Cowdray House**  
**European Institute, LSE, London WC2A 2AE**  
**Time: 6.00 – 7.30pm**



## GreeSE Papers: LSE's forum for Research on Greece and the SEE

### GreeSE Paper Series is growing!

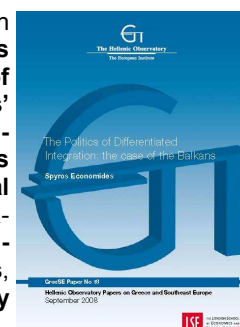
It has already been two-and-half years since establishing our new Discussion Paper series under the epithet of GreeSE Papers. Beating any expectation, the series has grown from strength to strength, achieving a continuous flow of high quality papers covering topical issues across the broad range of themes that fall within the interests of the Hellenic Observatory. By June 2009, the series has published **26 papers** while **4 other papers are in preparation for publication**. GreeSE Paper Series is slowly establishing itself as an important outlet for academic research on Greece and Southeast Europe, achieving already its first citations in literature, an increasing number of external submissions and very high visibility in academic fora.



The first 26 papers covered a broad range of themes (from 'the role of the Church' to 'taxation and capital structure') and methods (from spatial econometrics to discourse analysis), with the majority focusing on economic/public policy and political economy. Six papers were authored by HO members of staff; eleven by visiting / research fellows; and nine came from external submissions or from papers presented in our research seminars series. The majority (20) were single-authored, while of the 33 authors that have contributed in these publications six were non-Greek and nine were female.

According to data from **RePEc (the Research Papers in Economics database)**, in the 10 months since September 2008 the series had achieved a total of 980 views and 379 downloads (a downloads-to-view ratio of 39%), representing an almost constant flow of about 100 abstract views and about 40 file downloads per month (see Graph).

Amongst the most popular papers (in terms of downloads) we can find **Nicos Christodoulakis' "Ten Years of EMU" (No22)**, **Vassilis Monastiriotis' paper on "Regional Policy in Bulgaria" (No15)**, the paper by **Tzioumis and Klapper on "Taxation and Capital Structure in Croatia" (No16)**, the paper on the **"Limits of EU Conditionality" by Blavoukos and Pagoulatos**, and the paper on the **Greek hospitality sector by Filippaios et al (No8)**.



GreeSE Papers continues its robust growth with forthcoming papers on Citizenship Education in Greece; Greek FDI in the Balkans; the Public Sector Wage Premium in Greece; and others. Hard copies of the series are distributed in all major universities and libraries in Greece as well as in selected institutions internationally. Electronic copies are freely available from our website and are also deposited in the RePEc/IDEAS database and disseminated through its NEP service. As always, the series remains open to external submissions from colleagues in Greece and abroad working on contemporary issues of politics, policy, economy and society in Greece.

For more information about submission guidelines visit our website at:

<http://www.lse.ac.uk/collections/hellenicObservatory/pubs/guidelines.htm>.

#### Editorial Information

**Editor-in-chief:** Dr Vassilis Monastiriotis  
**Editorial board:** Prof Kevin Featherstone; Dr Spyros Economides  
**Editorial assistance:** Mr Andreas Kornelakis  
**Web-site maintenance:** Mr Sotiris Zartaloudis

#### New Papers in 2008– 09

- No. 26. Christopoulou, R. & Kosma T. "Skills and Wage Inequality in Greece: Evidence from Matched Employer-Employee Data, 1995-2002". (May)
- No. 25. Papadimitriou, D. & Gateva, E. "Between Enlargement-led Europeanisation and Balkan Exceptionalism: an appraisal of Bulgaria's and Romania's entry into the European Union" (April).
- No. 24. Bozhilova, D. "EU Energy Policy and Regional Co-operation in South-East Europe: managing energy security through diversification of supply?" (March).
- No. 23. Lazarou, E. "Mass Media and the Europeanization of Greek-Turkish Relations: discourse transformation in the Greek press 1997- 2003" (February).
- No. 22. Christodoulakis, N. "Ten Years of EMU: convergence, divergence and new policy priorities" (January).
- No. 21. Boussiakou, I. "Religious Freedom and Minority Rights in Greece: the case of the Muslim minority in western Thrace" (December).
- No. 20. Lyberaki, A. "Deae ex Machina": migrant women, care work and women's employment in Greece" (November).
- No. 19. Ker-Lindsay, J. "The Security Dimensions of a Cyprus Solution" (October).

## Research @ the Hellenic Observatory

Last year was one of our busiest periods in terms of research projects. Three externally funded projects were completed while another continues into the next academic year ("**Regionalism in Southeast Europe**", supported by the **NBG Research Fund**), with various publications and conference presentations planned. Additionally, we have recently been awarded a **one-year research project on "Serbia's integration with the EU: analysis of the impact on Vojvodina"** (in collaboration with the **University of Thessaly**) funded by the **Centre for Strategic Economic Studies of the Executive Council of the Autonomous Province of Vojvodina**. Further proposals are being developed in collaboration with the newly established **Research unit on south-east Europe (LSEE)** as well as with colleagues in Greece.



### John S. Latsis Public Benefit Foundation

One of the three recently completed projects concerned the **study of Migrant Integration in Rhodes**, funded by the **Latsis Foundation**. The project was completed in March 2009. The study provided a detailed account of the extent and characteristics of migration in the island of Rhodes, an examination of its impacts on the local labour market, and an evaluation of the degree and prospects of socio-economic integration of the migrant population. Among the main findings of the study was the observation that – besides the universal issue of legalisation – "the problems that the migrants and their communities face are situational (i.e. they vary by location, personal characteristics, sector of employment, etc) and thus they call for local-specific solutions and initiatives targeting migrants' personal circumstances." (On this note, it is unfortunate that recent policy developments in the area have taken a completely different route – arguably in a case where short-term political considerations overturn longer-term evidence-based policy design). The results were presented in a special event organised in April by the **Latsis Foundation** under its "**Athena Pallas Forum**" series as well as in other policy seminars in London and in Athens, while the final report was published in the websites of the **Latsis Foundation** and the **Hellenic Observatory** (see [http://www.lse.ac.uk/collections/hellenicObservatory/pdf/Final\\_Rhodes.pdf](http://www.lse.ac.uk/collections/hellenicObservatory/pdf/Final_Rhodes.pdf)). A paper submission to a specialist migration journal is currently in preparation, co-authored by **Dr Vassilis Monastiriotis** and **Dr Eugenia Markova**.



The second project concerned a **two-party study on Labour Market Flexibility in Greece** (led by **Professor Chris Pissaridis** and **Dr Vassilis Monastiriotis** and researched by **Achilleas Anagnostopoulos**) was funded by the **Greek Ministry of Economy and Finance**. The study developed an up-to-date set of institutional and non-institutional labour market indicators for the country, following respectively the OECD methodology (**OECD Labour Market Institutions Database**)

and a methodology developed by **Dr Monastiriotis** for the UK (**ILMA, Department of Trade and Industry**). The final report of the project is currently being submitted to the Ministry and will be available from our website later in the year. The project confirmed the wider perception that Greece suffers from a double-jeopardy, having on the one hand a highly regulated formal sector, with a particularly privileged/protected public sector and low 'demand' for flexible employment and, on the other, some pockets of insecurity which provide strong 'flexibility at the margin'. The combination of a tradition of high regulation, insider power and labour market precariousness makes the quest for efficiency-enhancing (de) regulation an urgent but also a particularly demanding task.



### Arts & Humanities Research Council

The project on "**The Muslim Minority in Western Thrace during the Axis occupation and the Civil War**", which was funded by the **Arts and Humanities Research Council**, (and undertaken by **Kevin Featherstone**; **Dimitris Papadimitriou**; **Argyris Mamarelis**; and **George Niarchos**) has produced an important volume of evidence on the characteristics and role of the Muslim minority in the region and the inter-communal relations of the time. Unlike other minority communities, the Muslim minority of Western Thrace remained disengaged and passive during the Second World War and the Greek Civil War and did not develop secessionist claims. This raises interesting questions of identity and policy, which are perhaps equally relevant today.

Some of these issues have been addressed in a conference organised by the project team in Komotini (Greece) as well as in various lectures given by **Kevin Featherstone** (at **King's College London and Cambridge**) and by **Dimitris Papadimitriou** (Yale) as well as in a number of papers by **Argyris Mamarelis** and **George Niarchos** in **Kings College London** (2008), the conferences of the **Network for the Study of Civil Wars in Aegina** (2007) and **Kavala** (2009), the conference of the **Modern Greek Studies Association** (2008) and **George Washington University** (2010).

The main output of the project will be a forthcoming book to be published by **Palgrave/Macmillan** (London) in 2010. Translated versions of the book will also be published in Greek and Turkish.

For further details and announcements on this project, please visit the project's web-page at:

[http://www.lse.ac.uk/collections/hellenicObservatory/research/AHRC\\_the%20](http://www.lse.ac.uk/collections/hellenicObservatory/research/AHRC_the%20)



## ‘LSEE’ Research on South Eastern Europe

### Hellenic Observatory supports the launch of a new research unit on South-Eastern Europe

The Observatory and its staff are playing an active role in the launch of a new research unit within the School's European Institute. The new unit, to be known as '**LSEE: Research on SE Europe**' will be established from **1 September 2009**.

The unit will share a similar range of disciplinary interests as the Observatory, focussing on the political, economic and foreign policy agendas of the region, especially in relation to the European Union. Alongside the Observatory, the **Chair in Contemporary Turkish Studies** will also be a major arm of the new unit.



The new unit will comprise a core set of staff: **Dr. Spyros Economides** will be Director; **Dr. Vassilis Monastiriotis** Research Director; **Professor Kevin Featherstone** and **Professor Sevet Pamuk** will serve as co-chairs. The new unit will have new, dedicated staff - including **Professor William Bartlett** and **Dr. James Ker-Lindsay** as senior research fellows (see separate item) and a full-time administrator. Other academic staff from across the LSE will support the new unit, bringing their different specialisations and enhancing the unit's experience and expertise.

The new unit represents an important strategic choice for the European Institute, recognising the importance of South-East Europe to the major issues confronting Europe today.

### Launch of a joint programme between ‘LSEE’ and L’ Institut français des relations internationales (Ifri)

The new research unit on South-East Europe to be launched at the School in September 2009 will collaborate in a joint programme with the leading French 'think tank' on foreign policy, 'L'Institut français des relations internationales (Ifri)'.

The new programme will cover research projects developed by **LSEE** and **Ifri** staff, external research calls inviting academics to undertake projects on specified subjects, and a joint conference. The common focus will be on the contemporary developments in **South East Europe and its relations with the European Union**. The programme will last for the duration of the 2009-10 academic year.



The joint programme has been facilitated by the generous support of the '**John S. Latsis Public Benefit Foundation**', to whom we record our grateful appreciation.

## LSEE appoints two new Senior Research Fellows

As part of the development of **LSEE**, the **European Institute** has appointed two new senior research fellows. One post focuses on the political economy and the other on the international relations of SE Europe. We welcome:

#### Professor William Bartlett



**Professor William Bartlett** is the **Senior Research Fellow in the Political Economy of South East Europe**. He holds a BA in Economics from the University of Cambridge, an MA in Development Economics from the School for Oriental and African Studies, and a PhD from the University of Liverpool. He was President of the European Association for Comparative Economics from 2006-08. His books include, *Croatia: between Europe and the Balkans*, (Routledge 2003), and *Europe's Troubled Region: economic development, institutional reform and social welfare in the Western Balkans* (Routledge 2008).

#### Dr. James Ker-Lindsay



**Dr. James Ker-Lindsay** is **The Eurobank EFG Senior Research Fellow on the Politics of SE Europe**. He holds a BSc (Econ) from the University of London and a MA and PhD in International Conflict Analysis from the University of Kent. A specialist on conflict, peace and security, from 1998-2000 he served as the Co-ordinator of the Greek-Turkish Forum, a semi-official peace support initiative administered by the Royal United Services Institute for Defence and Security Studies (RUSI). His books include *EU Accession and UN Peacemaking in Cyprus* (2005), *Crisis and Conciliation: A Year of Rapprochement between Greece and Turkey* (2007) and *Kosovo: The Path to Contested Statehood in the Balkans* (2009).

## Latest News

### New External Research Call

In line with our mission to support and promote high quality research on contemporary Greece, we recently embarked on a new initiative, establishing a research competition for external projects. Thanks to the support of the **National Bank of Greece (NBG Research Fund)**, a Call for Projects was advertised in February 2009 under three pre-selected themes:

- Inflation and Price Rigidities in Greece: causes and characteristics
- Assessing the impact of Privatisation in Greece on the subsequent management of the enterprise(s)
- The effect on GDP of the opening-up of Closed Professions within Greece

Eligible candidates could apply for funding of up to £10,000 for projects of a 12-month duration conducted under the auspices but independently of the Hellenic Observatory. The Call was open to all researchers with a university affiliation and at least two years of post-doctoral research experience. We received a healthy number of applications, both from established and junior Greek academics, in Greece and abroad.

A three-member jury evaluated the applications and decided to award two grants under the 'Inflation' and 'Privatisation' themes. The first grant was awarded to **Professor Nikos Apergis (University of Piraeus)**, who will conduct research on "Inflation and Prices in Greece"; while the second was awarded to **Professors Nikos Zahariadis (University of Alabama)** and **George Pagoulatos (Athens University of Economics and Business)**, for their project on "Politics, Labour, Regulation and Performance: lessons from the privatisation of OTE". The first is a macro-econometric study seeking to measure the extent of inflation persistence in aggregate and disaggregated price series, examining the quantitative importance of wage rigidities on trend inflation and price mark-ups, and finally

investigate the presence of menu-costs as a source of downward nominal price rigidities in Greece. The project by Zahariadis and Pagoulatos will "use a model proposed by Durant *et al* (1998, *American Journal of Political Science*) to assess changes in regulations and labour relations, brought about by OTE's privatisation, on the company's economic and social performance". The study will involve both quantitative and qualitative analyses examining specifically the role of regulatory intensity and labour relations on various performance indicators such as labour productivity, capitalisation, product innovation, network reliability, call failures, etc.



**NATIONAL BANK  
OF GREECE**

Both projects are expected to commence in the autumn of 2009 with expected completion date the end of September 2010. As this is a new endeavour for the Hellenic Observatory, we very much hope that this will prove a positive experience for both the Hellenic Observatory and the research teams involved in the projects, thus giving us the motivation to continue the initiative in the future. We express our appreciation to the unsuccessful applicants for showing an interest in our Call for Projects and we encourage them to consider applying again in the future.

### Medal for the Best Paper in Regional Science in 2007

In August 2008 **Dr Vassilis Monastiriotis** was awarded the **Moss Madden Memorial Medal** for the best paper in regional science published by a member of the **Regional Science Association International (British & Irish Section)** for his paper "Union Retreat and UK Regional Economic Performance: the UK experience", which was published in *Regional Studies* in April 2007 (Vol.41, No2, pp.143-156, ISSN: 0034-3404). The award constitutes the highest distinction in regional science in Britain and is awarded in the memory of Prof Moss Madden, a leading scholar in regional science, who passed away prematurely in 2000.

The paper investigates the impact that the well-documented decline in trade unionism in the UK had on the economic performance of its regions. The analysis provides strong evidence of a non-linear effect, partly mediated through wages, with higher union densities being associated with productivity gains and lower densities reducing unemployment – suggesting that intermediate levels of unionism are closer to optimality than either full or no unionism (corner solutions). It also reveals a spatial trade-off between the effects of unionism on productivity and unemployment, suggesting that spatial heterogeneity in unionism is not necessarily leading to persistently divergent regional outcomes. In particular, the paper finds that reducing union densities in the 'north' to the levels currently observed in

the south and east regions of the country might help investment there, but will also lead to further declines in total factor productivity (net of investment) and employment. The paper concludes that, although unionism cannot be seen as a policy tool for regional development and convergence, its retreat does not necessarily promote economic prosperity either – thus making the recent reversal of the declining trend of unionization in the UK a rather positive evolution.



*View of the  
Moss Madden  
Memorial Medal,  
with which Dr.  
Vassilis Monastiriotis  
was awarded in  
August 2008*

Dr Vassilis Monastiriotis is Senior Lecturer in the Political Economy of Southeast Europe at the European Institute, LSE. He is also member of the Hellenic Observatory (LSE) and Research Associate of the ESRC Spatial Economics Research Centre (LSE).



## Latest News

### Book Launch

#### The return of Street Politics? Essays on the December Riots in Greece



The 'December events', following the shooting of teenager Alexis Grigoropoulos, and especially the scale of the violence, took many by surprise. Initial reactions and analyses struggled to explain the scope and timing of the events. The causes and consequences of the December riots in Greece need to be properly understood in

Greece's domestic and international context. As a way of initiating a broad and open discussion, the Hellenic Observatory of the London School of Economics commissioned a series of short papers from a range of scholars, analysts and commentators.

These papers published as "**The Return of Greek Politics? Essays on the December Riots in Greece**" and edited by **Spyros Economides** and **Vassilis Monastiriotis** offer a wide range of explanations and diverse interpretations of the cause of the riots and their impact. We hope that these papers will open a coherent, longer-term discussion on the events, which could have an impact on policy and allows us to address some key problems in contemporary Greek society.

This book is available to view online at:

<http://www.scribd.com/doc/15017357/Greek-Riots-09>

### New Hellenic Observatory Book Series on Greece

In an important new initiative, the Hellenic Observatory has joined with publishers **C. Hurst & Co Ltd** and **Columbia University Press** to launch a new book series on Greece and Cyprus. The first books to be published in the series are expected to appear in 2010.

The series is edited by **Kevin Featherstone** and **Dimitris Papadimitriou (University of Manchester)**. An advisory board comprises distinguished academics across several social science disciplines: **Professor Stathis Kalyvas (Yale)**; **Professor Sarah Green (University of Manchester)**; **Professor Panos Tsakloglou (AUEB)** and **Dr. Spyros Economides (LSE)**

The series hopes to offer a platform for both junior and senior scholars. Its distinctive focus is on the contemporary period and the disciplines covered are those of the social sciences. Prospective authors are invited to contact the series' editors with detailed proposals.

### Hellenic Observatory in the News

This last year, Hellenic Observatory staff members appeared in the media on a number of occasions.

**Professor Kevin Featherstone** has become a regular contributor to 'Kathimerini', the leading Greek Sunday newspaper.

<http://search.kathimerini.gr/eng/?keyword=kevin+featherstone>

<http://search.kathimerini.gr/?keyword=kevin+featherstone>

**Dr. James Ker-Lindsay** did two interviews, one in [Voice of America](#) and one in [The National](#) concerning Turkish Cypriot parliamentary elections in northern Cyprus. He was also quoted in the [Guardian](#) about the ECJ decision on Greek-Cypriot property rights in northern Cyprus and in the [Turkish London Gazette](#) re the ACGTA seminar on the Europeanization of Turkey.

**Professor Nicos Christodoulakis**, wrote an article in Kathimerini on the Greek response to the global economic crisis.

**Dr Spyros Economides** commented on the implications of the US elections in US foreign policy.

[http://www.lse.ac.uk/collections/hellenicObservatory/pdf/press/Economides\\_obama1.pdf](http://www.lse.ac.uk/collections/hellenicObservatory/pdf/press/Economides_obama1.pdf)

[http://www.lse.ac.uk/collections/hellenicObservatory/pdf/press/Economides\\_obama2.pdf](http://www.lse.ac.uk/collections/hellenicObservatory/pdf/press/Economides_obama2.pdf)

**Dr Vassilis Monastiriotis** wrote an article in **Apogevmatini** on the international turmoil and the Greek economy.

[http://www.lse.ac.uk/collections/hellenicObservatory/images/Apogevmatini\\_article\\_VM\\_28-9-08.jpg](http://www.lse.ac.uk/collections/hellenicObservatory/images/Apogevmatini_article_VM_28-9-08.jpg)

### Greek Riots - HO Staff comment

**Sky News/ Channel 4 News** Nicos Christodoulakis commented on the situation in Greece. He appeared on the **BBC's 'Newsnight' Programme** and on the **BBC World Service Radio**.

**14/12/08 (Kathimerini)** 'The Deeper Causes of the Greek Crisis', Kevin Featherstone argued that there is a 'systemic problem of governance' in Greece, requiring a shift of cultural attitudes to enable the rhetoric of reform of the state and the liberalisation of society to become reality. Greeks need to face up to the contradictions in their own social attitudes, between craving a European 'modernity', and sustaining traditional habits of favours and accepting petty corruption.

[http://news.kathimerini.gr/4dcgi/w\\_articles\\_columns\\_100024\\_14/12/2008\\_296003](http://news.kathimerini.gr/4dcgi/w_articles_columns_100024_14/12/2008_296003)

**10/12/2008 (Bloomberg)** Two Greek policemen charged with the shooting of a teenager that touched off five days of rioting were held in jail pending trial, as a previously planned general strike shut down much of Greece and disrupted travel. Kevin Featherstone, said the riots were rooted in anger at both parties over a culture of corruption.

<http://www.bloomberg.com/apps/news?pid=20601092&sid=aj4RRI1kpi1w&refer=italy>

**BBC World / Europe Today** Spyros Economides on the situation in Greece.

[http://www.bbc.co.uk/iplayer/episode/p001msxp/Europe\\_Today\\_09\\_12\\_2008/](http://www.bbc.co.uk/iplayer/episode/p001msxp/Europe_Today_09_12_2008/) (at 34 mins)

**BBC 'News 24' / BBC World TV News/ BBC World Radio** Kevin Featherstone on the situation in Greece.

## Forthcoming Events & Announcements

### HO 10th Annual Lecture



**Mr Takis Arapoglou**, Chairman of the Board and CEO of the National Bank of Greece

Title: **'The future of Greek Banks: A Regional Strategy'**

Chair: Professor Kevin Featherstone

Thursday 12 November 2009  
Old Theatre, LSE

The emerging markets of South East Europe are important to both the development of these aspirant economies and to foreign investors. How has the banking crisis affected the region and what are the prospects there for foreign banks? What are the implications for the future adaptation of the region into the European Union?

### Hellenic Observatory Events

We are looking forward to hosting many eminent speakers in the new academic year. Among those we will be welcoming:

**Dr Yannis Papantoniou**, Former Minister of Trade; National Economy; National Defence, and currently President of the Centre for Progressive Policy Research.

**Professor Plutarchos Sakellaris**, Vice President of the European Investment Bank (EIB).

**Mr Dimitris Katsoudas**, Secretary-General for EU Affairs, Ministry of Foreign Affairs.

**Dr Christos A. Ioannou**, Mediator-Arbitrator, Organisation for Mediation and Arbitration (O.M.E.D).

A joint annual lecture will also be organised with the **London Hellenic Society** and will take place in Autumn 2009.

For further details on these and all other Hellenic Observatory events and activities, please follow the link below:

[http://www.lse.ac.uk/collections/hellenicObservatory/events/events\\_main.htm](http://www.lse.ac.uk/collections/hellenicObservatory/events/events_main.htm)

### HO Advisory Board

**Professor Georgios Provopoulos**, Bank of Greece (Chairman)

**Mr Takis Arapoglou**, National Bank of Greece

**Dr. Spyros Economides**, Deputy Director of the Hellenic Observatory, LSE

**Professor Kevin Featherstone**, Director of the Hellenic Observatory, LSE

**Dr Spiros Latsis**, Member of LSE Board of Governors

**Mr. Demetrios P. Mantzounis**, Alpha Bank

**Dr Achilles Mitsos**, Ex-EU Commission

**Professor Elias Mossialos**, LSE

**Professor Nikos Mouzelis**, LSE

**Professor Lucas Papademos**, European Central Bank

**Professor Christopher Pissarides**, LSE

### Who's Who

**Prof. Kevin Featherstone**

Eleftherios Venizelos Professor & Director of the Hellenic Observatory

**Dr Spyros Economides**

HO Deputy Director & Senior Lecturer, International Relations and European Politics

**Dr Vassilis Monastiriotis**

Senior Lecturer in the Political Economy of South East Europe

**Mrs Ismini Demades**

HO Manager

**Ms Eleni Xiarchogiannopoulou**

Research Officer

### Current Donors

We would like to record our great appreciation to:

**A.C. Laskaridis**

**Bodossaki Foundation**

**Eurobank EFG**

**Gregory Tzirakian**

**Hellenic Petroleum S.A.**

**John S. Latsis Public Benefit Foundation**

**Ministry of Economy and Finance (MNEC)**

**National Bank of Greece (NBG)**

**Viohalco S.A.**

### LISTSERV for Research Students

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