

Salle XIX

ECONOMIC COMMISSION FOR EUROPE 60th Anniversary Session, Geneva 25-27 April 2007

Item 6: Building on ECE's sixty-year contribution to pan-European integration
(b) Pan-European economic integration in a globalized world

Pan- European Economic Integration in a Globalized World Thursday 26 April: 15.00-17.30 hours

Moderator

Mr. Peter D. Sutherland, Chairman, British Petroleum; Chairman, Goldman Sachs International

Keynote Speaker

Mr. Peter Hintze, Deputy Minister of Economy/Parliamentary State Secretary, Ministry of Economics and Technology, Germany; on behalf of Minister Michael Glos

Panellist

Mr. Zoran Stavrevski, Vice Prime Minister for Economic Affairs, The former Yugoslav Republic of Macedonia

Mr. Milan Parivodić, Minister for International Economic Relations, Serbia

Mr. Jean-Daniel Gerber, State Secretary for Economy, Switzerland

Former Prime Minister Peter Medgyessy, Member of Parliament and Ambassador at Large on Economic Issues, Hungary

Mrs. Danuta Hübner, Commissioner, European Commission

Ms. Kori Udovički, Assistant Administrator and Director for Regional Bureau of Europe, UNDP

Mr. Grigory Rapota, Secretary-General, Eurasian Economic Community

Concept Note

The discussion might attempt to concentrate on the several broad themes outlined below. For each theme, some specific questions are provided which might serve to focus somewhat the discussion.

1. The benefits and status of integration in the ECE

The UNECE region is arguably the most economically successful region of the world. Just how significant have its integration policies been in bringing about this outcome?

Besides its obvious political success, has the more recent EU eastern enlargement been an unqualified economic success? Besides the New Member States (NMSs) own development, to

what degree are they injecting a new dynamism into Western Europe, or to what degree is competition from them based upon their lower wages and generally lower (and flat) taxes undermining the classic welfare state that developed in Western Europe? Will the accession of the NMSs into the euro zone have any significant consequences?

Further development of the EU-Russian partnership is likely to be one of the central economic undertakings for the region over the next several years. Is this relationship basically complementary or competitive? What can each region gain from further integration; is it basically just energy for technology? What were the major accomplishments and shortcomings of the Partnership and Cooperation Agreement, and how will the European Neighbour Policy deepen or intensify this relationship? What is the role of the UNECE in this process?

Further trade initiatives between the EU and Southeast Europe/CIS economies may be dependent on WTO membership for the latter; however this has not been achieved for 8 of the CIS and 3 in SEE despite the fact that many have been in negotiations for over a decade. How important is it? What can be done to speed up this process? Are there drawbacks of WTO membership if rushed and not properly negotiated and if so how can this situation be avoided?

Every country in South-east Europe and many the CIS desire to ultimately join the EU. However, is membership the only real option for these countries? Is there some other arrangement short of EU membership that could satisfy the expectations of these countries? What about the EU neighbourhood policy? What are the prospects for further regional integration amongst the Central Asian economies?

2. The relevance of the MDGs to ECE region

Despite the UNECE being overall a fairly well developed rich area, the level and increase in poverty is of concern to many member States; does the Millennium Development Goals (MDG) framework provide a useful way to conceptualize these problems and address them?

Given that much of the poverty in the region is concentrated in geographical pockets including rural areas, what is the role of sub-regional policies in promoting economic development and reducing poverty?

Although economic growth has been rather robust in the lower-income UNECE economies, the benefits of this growth including employment generation are not filtering down very rapidly due to the nature of this growth which is often dependent on natural resource development. What needs to be done to make growth in these economies more pro-employment and pro-poor?

3. Global economic challenges facing the region

How prepared is Europe to confront the increasing competitive pressures from the new emerging markets especially China and India. Especially noteworthy is the fact that these economies are moving increasingly into high technology exports but their wages are still quite low and unlikely to rise in the near future due to the millions of surplus workers still living in the countryside. On what basis can Europe compete?

The need to increase innovation and technological change while maintaining social cohesion, emphasized in the Lisbon agenda, is not just a problem of the EU but confronts all the economies

in the region. Given that it is a common problem with a public goods character, is it possible that a broader regional perspective is needed to address this issue. If so what form should it take? Is there a role for the UNECE?

Europe seems to be at the forefront of efforts to address global environmental issues especially on carbon emissions. How are these proposed stricter environmental targets likely to impact productivity growth and living standards in Europe? Is this leadership especially in making unilateral commitments likely to harm European competitiveness while other regions benefit from free rider effects, or by taking the lead on this, will Europe gain comparative and technological advantages which will more than compensate for any loss in costs competitiveness? Do these environmental initiatives favour one region of the UNECE over another?

Hoped for Objectives of the Session:

Establish the historical importance of regional economic integration as a factor behind the current economic and political success of Europe and its possible contribution to the future success of the region. In particular, the potential benefits and obstacles of further East-West cooperation should be discussed.

Clarify how the MDG framework can be used to address the problems of poverty, underdevelopment, and dividing lines among countries within the ECE region, and provide some guidance on what is needed to make growth in the region more inclusive.

Attempt to determine what the major economic challenges are for the region resulting from globalization and try to ascertain where a regional approach might be useful in addressing them. Of particular interest would be suggestions as to a possible role for the UNECE in this regard.