



Economic Forum in Krynica

THE EASTERN INSTITUTE



Economic Forum in Krynica

Economic Forum
in Krynica

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- Economic Forum in Krynica
- Europe – Russia Economic Forum
- Europe – Ukraine Economic Forum
- Europe – Turkey Economic Forum
- Energy Forum
- Investment Forum
- Forum of Regions
- The Economic Forum of Young Leaders
- School of the Economic Forum





MISSION:

The Forum's mission is to create a favourable climate for development of political and economic collaboration between EU and its neighbours. While fulfilling its mission, the Forum remains independent and impartial.

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PREFACE

Zygmunt Berdychowski
Chairman of the Programme Council
of the Economic Forum

The Economic Forum in Krynica, which is annually held at the beginning of September, is a highly recognized event in Central and Eastern Europe. Its mission is to create a favourable climate for development of political and economic collaboration between the EU and its neighbours. While fulfilling its mission, the Forum remains independent and impartial. The Forum is organized by the Eastern Institute from Warsaw.

Krynica emerges as a voice in the debate on the future of Europe. Each year the event is reported by the major domestic and world-wide media. It has been dubbed *Davos of Eastern Europe* by the opinion-forming dailies such as *Le Monde*, *FAZ* and *Le Soir*.

The Economic Forum is a far-reaching project. The Forum of Regions, Investment Forum and the Forum of Young Leaders form an integral part of the September edition. Throughout the year in various European cities, the Institute organizes special conferences attended by prominent politicians and experts and dedicated to particular regions: Energy Forum, Europe – Russia Forum, Europe – Ukraine Forum, Europe – Turkey Forum. The conferences are followed by special reports.

The School of Economic Forum is another project, primarily addressed to students and young activists from NGOs as well as representatives of administration and local government. We believe that the effective state and local government administration is essential for introducing reforms and fast growth in the countries of transformation.

Economic Forum in Krynica

The Economic Forum in Krynica has become an important place on the political map of Europe. Businessmen and politicians have been meeting here for the past eighteen years. The East meets the West. Two thousand guests from 60 countries arrive in Krynica, including representatives of states, governments, parliaments, EU institutions, heads of central banks, stock exchanges and government agencies, intellectuals, scientists and business people. Journalists report the debates of the Forum from more than a hundred and a few dozen editorial teams.

Integral parts of September's Forum are the Investment Forum (see: pages 34-35) and the Regions Forum (see: pages 36-37).

The agenda of the Economic Forum in Krynica consists of nearly 120 debates, divided into 10 topical blocks. Besides debates, the Forum agenda also includes an attractive cultural programme (see: pages 22-23), programmes of accompanying and recreational events.

- Macroeconomics
- Business and Management
- Fuels and Energy
- New Economy
- International Policy and Security
- State and Reforms
- The EU and its Neighbours
- Regions
- Society
- Education and Culture

Each edition is different. XVIII edition of the Forum was accompanied by three special events, which form an integral part of the Economic Forum in Krynica. The Investment Forum in Tarnów, Forum of Regions in Muszyna, and the Forum of Young Leaders in Nowy Sącz. The Programme has also been subject to changes. The number of panels was diminished and they were attended by distinguished politicians and experts. The cultural and leisure programme has been enhanced to include several dozen events.

Central Europe was the main topic of the XVIII Economic Forum in Krynica. Since, its motto was: "European dilemmas. Central Europe – a partner or a spectator?" In order to discuss



Reinhard Selten
Nobel Prize Laureate, Germany

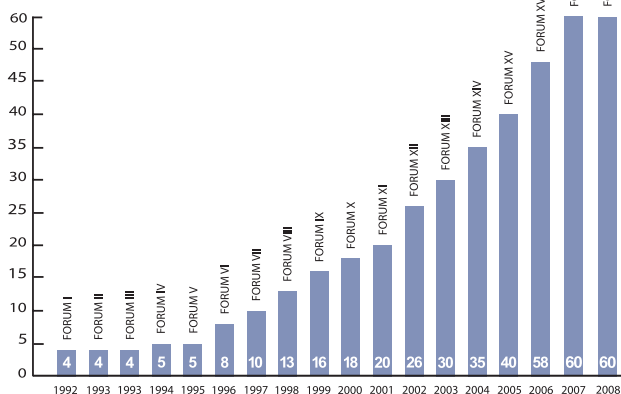


Roland Dumas
Former Minister of Foreign Affairs, France

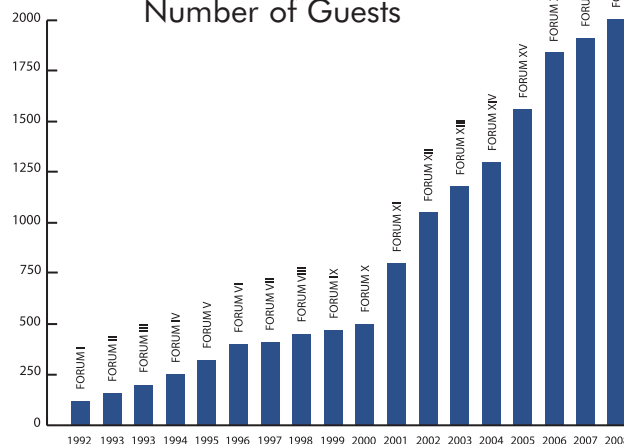


Maciej Witucki
President of Telekomunikacja Polska

Number of Participating States



Number of Guests



the issue valid for this part of Europe, one would have to first answer the question regarding what Central Europe is. "It is not a state: it is a culture or destiny, and one can only imagine its borders", wrote Milan Kundera in his memorable essay "Kidnapped West or a tragedy of Central Europe". Kundera perceives it as a condensed version of Europe with its whole cultural variety.

Central-Eastern Europe cannot be only a spectator in the European policy, appealed in Krynica Donald Tusk, the Prime Minister of the Polish government. "We should be a fully-fledged partner for other countries", the Prime Minister stated decisively, adding at the same time: "We have not had too many occasions to learn what a real partnership is, but we cannot resign". The Prime Minister also added that states of Central and Eastern Europe must be strong, if they want to have influence on the regional policy. "To be strong means to be able to use one's own potential in talks with others, and not in quarrels. A wise foreign policy can be our pillar in the region", said Tusk.

Donald Tusk

Prime Minister, Poland

Only economically strong Central and Eastern Europe, capable of engaging in a dialogue, can be a partner in the international policy. And if Poland, as the major state of Central and Eastern Europe, is to be strong: then our objective is to join the euro zone in 2011.





Aleksander Kwaśniewski
former President of Poland

Krynica gained a unique position. There is only one forum which focuses on relationships between Europe and East as well as the issues of Central and Eastern Europe. Indisputably, the beliefs we expressed here some years ago, for instance, the EU enlargement have become facts. Therefore, it might be said that Krynica is efficient. The meetings in Krynica must be deemed as Bien National.

Debates of the Forum include different issues, also the most difficult ones. The Forum gives a chance to talk about solving even the most complicated issues. Two thousand guests try to find answers to various questions in Krynica. The EU – a world's leader or a regional stronghold? The Lisbon Treaty: Is the European Union ready to face challenges of the XXI Century? Should the EU institutions be reformed, and which direction should be followed by these reforms? The Eastern Partnership and the Mediterranean Union – are they complementary or competitive? Will Euro-Atlantic integration of Ukraine strengthen Central Europe? Should the state have influence on creating regional business leaders? Where is Turkey heading?

The Forum in Krynica is a place, where many important declarations are made, such as the one issued by the Polish Prime Minister on introducing Euro in Poland in 2011. According to the head of the Polish government "only Central-Eastern Europe, which is strong economically and capable of dialogue, can be a partner in international politics. And since Poland, a key state in CEE, has to be strong: our aim is to have the Euro as the Polish currency in 2011". This news has prevailed in the first day of the Forum in the Internet news services, TV news, and on the next day it was on the front pages of newspapers.



Presentation of the Team of Strategic Advisors of the President of the Council of Ministers headed by the Minister **Michał Boni** Poland 2030 – State's Development Priorities



Vladimír Špidla
Former Prime Minister, former Minister for Labour and Social Affairs, Czech Republic



Dušan Čaplovič
Deputy Prime Minister of Slovakia



Leszek Balcerowicz

Former President of the National Bank of Poland

To ensure better performance of the economy, we should appeal not only for the increased efficiency, but also for morality.

Economies of Central and Eastern Europe have transformed within the last 20 years thanks to unprecedented development of the private sector and integration with the European Union, emphasized Philippe Maystadt, President of the European Investment Bank. It caused that private companies and market driven actions currently lead the economies, which were earlier centrally planned and dominated by state-owned companies.

There are many differences among Central and Eastern European countries, but one thing unites them: a chance of success. According to Wiesław Rozłucki, a Vice-chairman of the Working Committee of the Federation of European Securities Exchanges (FESE) and a former President of the Warsaw Stock Exchange, Central Europe will develop at least two-times faster than the western EU countries. "Enormous potential, which rests in these countries, will be stimulated by infrastructural investments. The process of constructing roads, railways or airports will last 15 years. It will be a counter-cycle factor, levelling out the influence of negative events in the world's economy on our region".



Michael Gapes

Chairman of the Select Committee on Foreign Affairs, British House of Commons

We must secure the continuity of the EU and avoid divisions that undermine it. A number of the EU's problems may be resolved only in collaboration with the United States. Only cooperation may facilitate the success.



Sławomir Skrzypek
*President of the National
Bank of Poland*

Poland should comply with Maastricht criteria fostering adoption of euro and join ERM 2 as soon as possible. Poland will certainly be able to diminish the deficit of the government and self-government sector down to the level allowing accession to the European Exchange Rate Mechanism II by 2009.

Since the middle of the 1990's the trade exchange has significantly increased between ten countries of Central and Eastern Europe, which joined the EU since 2004, and the 15 EU member states. Pursuing improvement of living standards, the new EU members managed to obtain foreign support in enhancing investments and stimulating growth of consumption. Favourably for both parties, imports to new member states from the old EU increased five times. Tightened trade links between the new and the old EU members had positive influence on the level of living standards in Central and Eastern European countries.

Frequently, one could hear that the EU experiences a silent end instead of speaking about even greater enlargement, it is time to accept that United Europe has reached its maximum and will not be more than currently competitive in respect of the strongest world's economies – the USA, Japan and increasingly faster developing China or India. However, there is a question how the EU should proceed towards post-communist countries demonstrating European and even Euro-Atlantic aspirations? Should countries situated between the EU and Russia choose between cooperation with the EU or return to the Russian sphere of influence? Is there a third option?

Participants in the debate "Central Europe towards Russia and Ukraine" gave to understand that one should rather not expect any improvement in the situation EU – Russia in the near perspective. "I think that Central European countries are not a priority for Moscow and they are not in the sphere of its privileged interests. I remember a speech



Ludwik Sobolewski
*President of Warsaw Stock Exchange,
Poland*



Sławomir Sikora
President of Citi Handlowy, Poland



Jiří Šedivý
*NATO Assistant Secretary General, Czech
Republic*



Christophe Zimmermann

Team Leader of the Protection of Intellectual Property at the World Customs Organization

We are losing the battle. We are not able to fight the fakes. The fakes come from all over and go everywhere. I cannot even name one thing that was not counterfeited. We may discuss about the legislation issues or sanctions, but the fact is that we can win with the criminals only by involving ordinary people in this debate. We must be wiser than the criminals.

of President Dmitry Medvedev, related to the new foreign policy, made in front of the ambassadors of the Russian Federation abroad. The European matter was not given enough attention", claims Borys Kuzniecov, the head of the International and Regional Policy Centre in Moscow. In his view Russia does not plan relations with the European Union in a longer perspective. In the contacts with the EU Russian authorities ignore new members of the Community, forgetting that once they will take the leadership. He admitted that the strategy of Kremlin is wrong. "Such a position can generally make relationships with Brussels difficult", he pointed out.

One can expect improved economic cooperation with Russia among the new EU members only in the case of the countries, which do not criticize the authorities in the Kremlin: including the Czech Republic, Slovakia, Bulgaria or Romania. Their markets become more and more attractive for Russian companies, which have difficulties in becoming present in Germany or France.

Sergey Konopliov, from Harvard University, mentioned notorious appeal of the Russians to patriotism and nationalism among the most important reasons, which make relations



Jean Philippe Savoye
President and General Director
of Orbis, Poland



Joachim Bitterlich
Vice President of Veolia Environnement,
Germany



Andrzej Wach
President and General Director of Polish
National Railways (PKP)



Jacek Pościata
Managing Director
of McKinsey & Company, Poland



Filip Thon
President of RWE Poland



Lajos Bokros
Chief Operating Officer, Central
European University, former Minister
of Finance, Hungary



Paweł Olechnowicz
President and General Director of Lotos
Group, Poland



Tibor Navracsics
Chairman of Fidesz Parliamentary
Group – Hungarian Civic Union



Sergey Komlev
Head of the Department of Contract
Structuring and Prices, Gazprom Export,
Russia

of Europe with Russia difficult. According to Konopliov “many of them still think that collapse of the imperial Soviet Union was a mistake”.

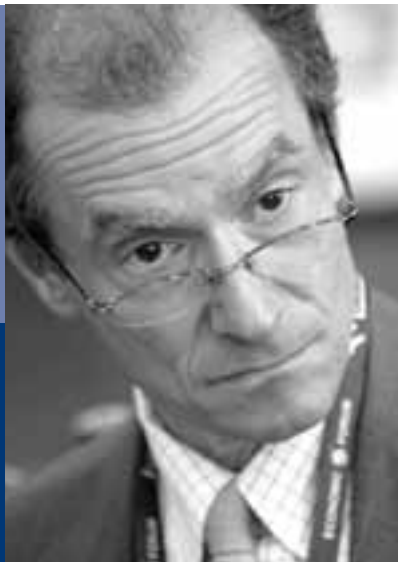
Ukrainians convinced that the European Union does not also have a long-term and first of all a common strategy towards Russia. “National interests of old Europe and new Community members are different. The position of old Europe, which depends on the Kremlin in terms of Russian energy supplies, does not allow to react rapidly and effectively to threats inside Russia. It was demonstrated by, among others, the conflict in Caucasus”, says Volodimir Polochalo, a political scientist and deputy in the Ukrainian parliament. Corresponding to turning the Russian gas off for Ukrainian recipients in 2006, he added that: “Russia would not make mistakes in the territory of our country, if Kiev would have greater chances of European and Euro-Atlantic integration”.

Ivan Nowicki, a Deputy to State Duma, stated in turn that the Russia-EU partnership in political and economic domain is crucial, but provided that the dialogue with Russia does not take place from the position of force. “It is something we cannot accept. We can be a reliable partner, we have the reform period behind us, we observe dynamic economic growth, and after the Georgian conflict we know that our society is very consolidated. Dialogue with Russia should be based on a partnership and be balanced, and the European Union should not be directed by the interests of the United States in its rela-

Daniel Fried

*Undersecretary of State,
US Department of State*

The Economic Forum is the best conference held in Europe devoted to economic transformations, including subjects devoted to security. We want to develop common security network not directed against Russia. It does not mean that the United States will defend Russia and Russia will defend Poland.



Thor Otto Lohne
Vice President of Gassco, Norway

tions with Moscow”, convinced Nowicki. He then continued to add: “Cooperation on the Moscow–Brussels line will develop, because it is dictated by economic interests”. Also participants in the debate “Cross-border cooperation on external EU borders” admitted that the place of Ukraine or Belarus (in a longer perspective) is in Europe. However, they emphasized that the Union has some expectations towards these countries, which consist in implementing democratic reforms and observing human rights. It was especially related to the authorities in Minsk.

Belarusian Deputy Minister of Foreign Affairs, Andrei Jevdochenko tried to convince the participants that the role of Belarus in Europe is significant. “The territory of our country is a transit way for an important artery used to transport energy resources. Our trade with Poland during the last five years has increased four times and reached the value of USD 3 billion”, he summarized. He admitted, at the same time, that after accession of Poland to the EU, and next to the Schengen zone, cooperation with Warsaw, and also with Brussels becomes more and more difficult. “Our business people must wait for a visa for at least two weeks. It does not facilitate economic cooperation”, he remarked. Jevdochenko said about a necessity of introducing

Viviane Reding

EU Commissioner for Information Society and Media

Europe faces a feasible opportunity to compete against the USA, China and India. The main European advantages include established global trends in the area of new technologies and nanotechnology as well as high quality of life, lack of social unrest and cultural diversification.



easier visa formalities and the need of building new border crossings, which would improve movement of people and transfer of goods and services. His view was shared by a Deputy of the Ukrainian Parliament Ihor Hryniv. "We especially need new crossings for pedestrians and cyclists. Development of cross-border infrastructure, within the scope of our cross-border cooperation with the EU, is a necessity – said Hryniv. He said that cross-border cooperation with the EU states can be a good tactic for realization of the priority strategy for Kiev – integration with the European and Euro-Atlantic structures.

Participants in the debate agreed that the authorities in Kiev must make a choice between stagnation coupled with its closer ties with Russia and gradually progressing Europeization. Undoubtedly, much in this aspect will depend on the result of upcoming elections in Ukraine. Laure Delcour, an expert of the Institute of International and Strategic Relations from France, ascertained that even if Ukraine would decide to march towards Europe already now, the Union itself would not know which stance it should take in this matter. "The recent conflict in Georgia has certainly strengthened the interest of the European Union in the East, but it is still not known how it will react to the European choice of Kiev", emphasized Delcour.

It is not possible to divide the energy sector from politics. Energy is more and more expensive and its production is increasingly more difficult. Additionally, it becomes more and more problematic to obtain its carriers. Assumptions related to the common energy policy are most likely to become one of the main factors impeding the negotiations of the New Partnership Agreement between the European Union and Russia. Reliance of the EU on Russian energy supplies on the one hand, and dependence of Russia on EU mar-



Pierre Morel
Special EU Representative for Central Asia, EU Council, France



Algirdas Brazauskas
Former President of Lithuania



Mehmet Vecdi Gönül
Minister of National Defence of Turkey



Ivan Šramko
President of the National Bank of Slovakia



Andrzej Klesyk
President of PZU, Poland



Jerzy Pruski
President of PKO Bank Polski, Poland

Edmund Phelps

Nobel Prize Laureate,
Columbia University, USA

The development paradigm is a plain systematic continuous growth. I do not believe that the economic growth has any limits. GDP, salaries, level of affluence will always grow. Nonetheless, if one considers the foregoing from the point of view of personal self-fulfilment, it does not mean that the situation is better. The most developed societies or the most talented and dynamic people are not happier than the ones in Vienna in 1918, London in 1776 or New York in 1940. The dates are not accidental - for me these places and dates are the ones in which I would feel happier than at present.



kets and technologies – on the other – indicate that the energy issue will have the key importance, because Europe is not unanimous regarding this issue.

According to Antonio de Almeida, the Chairman of the Supervisory Board of Electricidade de Portugal “on the one hand the EU countries want to defend their ethical values, but, on the other hand the energy carriers: oil and gas can be found first of all in the countries that are politically unstable, and sometimes even carry out rather unacceptable policies. Not to mention that they increase oil and gas prices when it suits them. In the effect the European energy policy has become extremely complicated. It is exceptionally hard, because every country tries to solve problems on its own account. Additionally, certain member states depend on the supplies from the northern-African pipeline, others from Russian or Azerbaijani”.



Debate “Corporate Social Responsibility. Global Aspect” – **Oleksandr Maksymchuk**, President of the International Charitable Fund – Ukraine 3000, **Volodymyr Kosterin**, President of Transbank from Ukraine, **Kateryna Yushchenko**, wife of the President of Ukraine, the Chairwoman of Board of the International Charitable Fund – Ukraine 3000



George Weigel, Ethics and Public Policy Center, an American intellectualist during Evening with the author

A Bridge Between East and West

- Following the EU enlargement, the Forum came up with a new format and introduced a new quality of relations between East and West.
- Krynica provides a range of Europe-wide opinions in the debate on the future of Europe.
- It has been dubbed Davos of Eastern Europe by the opinion-forming dailies such as *Le Monde*, *FAZ* and *Le Soir*.
- In many calendars, the first week of September is marked with the same label: Krynica. This is the time when the guests from approximately 60 countries of Europe, Asia, America and Africa come to Krynica to attend discussions.
- The Forum is attended by more than 2000 guests including state and government leaders, ministers, MPs, heads of central banks, stock exchanges and government agencies as well as numerous representatives of business circles, experts, economic and non-governmental organisations.
- Krynica Spa Promenade is the largest meeting room in Central and Eastern Europe.
- What is the source of Krynica phenomenon? The mission embarked on by the Forum i.e. development of a favourable atmosphere for the growth of political and economic cooperation among EU Member States turns the Krynica promenade into a trusted meeting place.



*Prime Minister of Slovakia,
Hungary, Poland and Czech
Republic in the Meeting of
Visegrad Group in 2001*



Plenary Session of XVIII Economic Forum in Krynica „European Dilemmas. Central Europe – a partner or a spectator?” hosted by **Aleksander Kwaśniewski**, former President of the Republic of Poland, **Waldemar Pawlak**, Deputy Prime Minister and the Minister of Economy of the Republic of Poland, **Andrei Kobiakov**, Deputy Prime Minister of Belarus, **Jan Krzysztof Bielecki**, President of Bank Pekao SA, former Prime Minister of the Republic of Poland, **Wolfgang Clement**, former Minister of Economy and Technology, Germany, **Denis MacShane**, Member of the House of Commons, former Minister for European Affairs, United Kingdom.



José Manuel Barroso

President of the European Commission

I appreciate the initiative launched by the Economic Forum, as it allows its attendants an opportunity for a dialogue and discussion, the exchange of opinions we need so much to understand the world we live in, the world that is evolving towards growth we had hardly imagined yesterday.

A meeting place

- The Forum fosters a direct contact with people from the front pages of newspapers and magazines.
- Year in, year out the number of guests and the participating countries is increasing. The number of enterprises, which find the Economic Forum as the right place for their promotion, presentation of individual solutions or expression of opinions on current issues, is constantly growing.
- Forum is an excellent place for advertising oriented toward managerial staff from more than 500 companies of various industries. The offer includes unconventional forms of advertisement and promotion, customized in line with the specific profile of corporate activity, Forum's publications (including advertising brochure, list of attendants, agenda), promotional stands, outdoor advertisement, and information published on Forum web pages.
- The Forum offers an opportunity for joint-projects pertaining to adjustment of the existing regulations to the changes in management and operation of enterprises in a new reality. The event allows presentation of legal solutions taking into consideration the impact of new technologies on the functioning of economy.
- Forum enables its attendants to get familiar with the new trends of the economic development.
- Presence of journalists from numerous prestigious newspapers provides an excellent opportunity for enterprises to become visible in press, radio, television, information agencies and web portals.



Plenary session of XVII Economic Forum "Europe: crisis, transformation or opportunity?" attended by **Aleksander Kwaśniewski**, former President of the Republic of Poland, **Vaclav Havel**, former President of Czech Republic, **Jorge Sampaio**, High Representative for Alliance of Civilizations, UN, Portugal, **Danuta Hübner**, EU Commissioner for Regional Policy, **Jan Krzysztof Bielecki**, President of Bank Pekao SA, **Jean-Dominique Giuliani**, President of Robert Schuman Foundation, France.



Micheil Saakashvili, *President of Georgia*

Dalia Grybauskaitė, *European Commissioner for Financial Programming and Budget*

It would be difficult to identify when the idea of organizing the Economic Forum surfaced. It is rather our short history that showed the emergence of the custom of visiting Krynica by the representatives of divergent circles: business, politics, science, culture and media. The number of visitors is growing every year. Krynica has become a destination for the representatives of the business world including the major investment funds and banks from Central and Eastern Europe as well as energy and fuel companies, which exert a significant impact on the course of events in this region. This shall be credited to the Forum itself, which has been considered as the only place in Europe, where such an impressive number of representatives of the transforming Europe gather to discuss its future.

In the first years, participants focused on acquiring knowledge on the best possible solutions regarding political and economic transformation of the countries. Today, it may be assumed that the process of transformation in certain countries has been accomplished. Therefore, the organizers of the Forum concentrate more on the future of Europe. Krynica is visited by an array of curious and interesting people, the presence of whom makes the dialogue multidimensional. On the one hand, the debates in Krynica are attended by the EU Commissioners, state presidents, government and parliamentary delegations, businesspeople, experts and journalists. On the other hand, it is not uncommon to meet philosophers, sociologists and artist among the guests, as the public opinion is not infrequently shaped but the individuals not involved in the politics.

The Economic Forum in Krynica is a varied meeting. This is a meeting without a sole protagonist. The debates are distributed equally among ten new Member States, Ukraine, Caucasian states, Central Asia and Balkans. None of the 120 debates, participating countries or covered subjects is favoured. There is not a single point of gravity determining whether a meeting should focus on one economic region or another.



Alessandro Profumo
Chief Executive Officer of
UniCredito Group

From the point of view of business, we should work towards a more uniform concept of Europe as a whole. It is crucial for Europe to focus on integration, not certification. From the economic point of view, it is indispensable for Europe to be able to form a comprehensive group made of various elements and to manage different entities.

The portfolio of subjects reflects the composition of visitors to Krynica. The states of Central Asia, more than the countries of Transcaucasia, are looking for their own original way of modernization and growth. The organizers of the Forum attempt to gather information and knowledge on the course of the transformation and its impact through dialogue and discussion with the elites of these states. One cannot brush aside the changes taking place and merely offer the 'only right model of transformation'. The attitude of ignorance is anachronous. The importance of Central Asia in global politics has been considerably growing in recent years. We need uninhibited dialogue on how Europeans and Central Asians need each other and how they may help each other; We, the Europeans and We, the citizens of the Central Asia.

Closer relationships between the European Union and Central Asia are becoming reality due to geopolitical changes. It is necessary to formulate an appropriate good-neighbourhood policy. Such a policy has already been initiated by the European Union. Similar approach has been adopted with regard to Armenia, Azerbaijan and Georgia. The EU has also prepared a draft strategic document related to cooperation between the EU and Central Asia.

Nevertheless, if the voice of the new 10 Member States is to be heard, the Forum must



Hanna Gronkiewicz-Waltz
President of the Capital City of Warsaw,
former President of the National Bank
of Poland



Ernst Robert Jansen
Vice President of Eureko,
The Netherlands



Kairat Kelimbetov
Minister of Economy and Budget
Planning of Kazakhstan



Rudolf Schuster, former President of Slovakia,
Milan Kucan, former President of Slovenia



Walech Aleskerow
 Deputy Chairman of the Azerbaijani
 Parliament

and does also involve issues related to expenses incurred by the European Union, the reform of traditional forms of activity of the EU i.e. the agricultural policy, cohesion policy or regional development. It must be added that in the opinion of Professor Dariusz Rosati, political and economic inequalities in the region of Central and Eastern Europe have deepened, the main division line running between pro-western states of Central and South East Europe on one side and the former Soviet states on the other. The region has never been homogenous and after the transformation began in 1989 the differences have increased further. The countries of Central and South East Europe have adopted a European model of the state of law committed to liberal and democratic values with the prominent role of parliament and a democratically controlled government as well as competition-based and private ownership economy. The countries of the Commonwealth of Independent States have

Vytautas Landsbergis
 MEP, Former President of
 Lithuania

One of the elements of Russia's domestic policy was Lenin's theory that "autonomy may be created even in a village".



Jarosław Bauc
 President and General Director of
 Polkomtel, Poland



Vytautas Landsbergis
 MEP, Former President of Lithuania



Robert Sutor
 Vice-President of IBM Corporation, Poland

Marc Sielemann

Chief Executive Officer of
MAN

I think of the Economic Forum as of a professionally organized event, during which I had an opportunity to get acquainted with representatives of many enterprises and establish interesting relations. I approve of the concept of the Forum as a meeting place for people from the world of business and politics. It was also essential for me to meet representatives of various industries, which was also crucial for MAN as an investor. I would also like to stress the attractive location of the meeting – the town of Krynica and its picturesque surroundings.



evolved towards a more authoritarian model of state, with a strong position of the president and the economy extensively controlled by the authorities and informal groups composed of politicians and representatives of diverse powerful lobbies, including influential entrepreneurs (oligarchs) and officers of secret special services. The differences between the two categories of states are fundamental and go far beyond the domestic social and judiciary policy, security, defence and foreign policy.

What should be the pace and scope of the European Union integration? This was one of the major issues discussed during the Forum. Has the idea of the European integration expired or maybe it is merely the beginning? Does the agreement regarding the reforms of certain EU institutions expire our abilities or does it in fact constitute the springboard for the reforms which need to be pushed through? Should the EU expand further or play an even greater role in global politics than hitherto? Has the European Union burnt out as an organization or is the European concept undergoing a crisis or are we witnessing



Taavi Veskimägi
Minister of Finance, Estonia



André Mernier
Secretary General of the Energy
Charter Secretariat, Belgium



Grzegorz Onichimowski
President of the Energy Exchange, Poland



Martin Roman

President of CEZ

For me, the Economic Forum is the most important place where East meets West. I have met a great number of politicians and businesspeople, which has later evolved into various attractive initiatives. Forum is also a place of interesting discussions attended by renowned experts. I am particularly interested in energy issues, as I may significantly contribute to this crucial debate on energy security, which is one of the key subjects in contemporary European policy.

the emergence of something new? The above-mentioned fundamental questions formed one of the discussion areas during the Forum. Undoubtedly, we are witnessing a new stage of integration. We are looking forward to establishing such institutions as the common minister of foreign affairs, common defence agency, fast reaction forces as well as abolition of border controls for the New Member States pursuant to the Schengen Agreement. What is even more important, we are going to make decision by a majority of votes, which offers an opportunity for creating a new quality.

However, we must warn against nationalisms, which are unfortunately not only accompanying the present Europe, but are also becoming an increasingly essential part of public life. Meanwhile, the European Union has been founded on the principle of respect for diversity and individuality. This very perception ensures that the enlarged EU will be immune to nationalism. It guarantees that everyone will be able to find one's home in Europe. The organizers of the Economic Forum aim to share this idea.



Mart Laar

*former Prime Minister of Estonia,
Member of Parliament of Estonia*



Jacek Ryński

*President of Dexia Kommunalkredit Bank
Polska, Poland*



Kuanysh Sultanov

*Chairman of Committee for Socio-
Cultural Development, Parliament of
Kazakhstan*

Cultural events during the Forum

The agenda of the Economic Forum does not only consist of debates, but it also includes an extensive cultural programme with a few dozen items, such as: concerts, evenings with authors, movie projections, exhibitions. Spiritual and material heritage is presented during the Forum by artists from different regions, which are frequently known, although not entirely. The cultural programme is a new meeting platform for the participants in the Economic Forum. It is a meeting level for diverse points of view.

An example is literature. In the former Eastern Bloc countries it appealed for truth and liberty. Evenings with such authors as Jurij Afanasjev and Viktor Jerofiejev always attract crowds of people, and Krynica is not an exception. Evenings with authors presented artistic works of Aleksander Solzenicyn, Zbigniew Herbert, Vesny Goldsworth from Belgrade, Walerij Popov from Petersburg, Maria Arbatova from Moscow, among others. An Annual debate of writers gives also an opportunity for exchange of views in this field of arts. Recently it was held under the banner of "Contemporary literature versus mass culture".

One can have a look at the affluence and variety of regions during numerous presentations and exhibitions. For example, artists from the Crimea, aside from famous matrioshkas, demonstrated paintings and also clothes embroidered with the utmost care. Watching the exhibition, one could listen to traditional, Crimean folk songs. A theatrical & musical group Berehynia has in its repertoire scenes, in which actors present their outstanding vocal and dance skills. The audience could watch such points of the programme as the orchestra performing, lively Cossack and Gypsy dancing, a balalaika play and a sword fight. During the Moldavian evening, coupled with economic presentation of the Ministry of Economy and Trade of Moldova, one could listen to sounds of the panpipes played by Konstantin Moskovicz from the National Philharmonic Orchestra in Kishinev.

Programme of accompanying events:

- Concerts,
- Meetings with the authors,
- Presentations of books,
- Presentation of movies,
- Exhibitions,
- Presentations of cities and regions.



Kurdish Night



Concert of Georgian Folk Song and Dance Company **Rustavi**



Debate of Writers "Contemporary Literature vs. Mass Culture"



Sculpture exhibition of the Armenian artist **Terzjan Karen**



Concert of the **Border Guard Representative Orchestra**



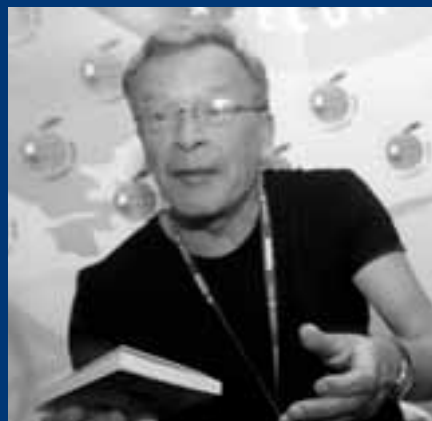
Performance by the Ukrainian Musical and Theatrical Group **Berehynia**



Concert of **Anna Maria Jopek**



Meeting with an author - **Jurij Afanasjev**



Evening with a Russian writer **Viktor Yerofeyev**



Meeting with an author - **Boris Reitschuster**

Media

The Economic Forum stirs up widespread interest among media. It has been supported by more than 50 European and worldwide titles. The Economic Forum is reported by approximately 400 journalists from 150 Polish and international editorial teams, dailies and periodicals, TV and radio broadcasting companies, information agencies as well as web portals. Statements made by the guests to the Forum are constantly featured in television and radio broadcasts, agency services as well as in newspapers.



Lech Walesa, Marek Belka, Tadeusz Mazowiecki and Italian cardinal and the Papal Lestat et Pax Committee Chairman Renato Martino spoke of the challenges that Europe has to face. Mazowiecki articulated that Europe needs to guarantee values and relate to its traditions in order to maintain its identity.

Frankfurter Allgemeine

At the beginning of the 1990s, no one could even dream that the meeting of the then business tycoons and decision-makers from the Eastern Bloc in Krynica would be mentioned in the context of the World Economic Forum in Davos in a single breath. For the countries of the Eastern Bloc countries undergoing transformation and for the Balkans, Krynica became the most important annual meeting place.

Le Monde

Indisputably, the Forum in Krynica has become the most important meeting place for the economic and political elites of Central and Eastern Europe. Krynica has become the symbol of Poland's ambitions to be recognized as a valuable regional force in the new enlarged European



The talk there showed that central Europeans have more confidence in their economic competitiveness than in their political readiness. Though poor, they reckon they have more flexible economies and more growth potential than their neighbours to the west.

Forbes

A man with money is a man who seeks convenience - he will not travel to the mountains in September. So there must be something unique at Krynica's Economic Forum that this spa resort in Beskid S?decki attracts at this time of year more than 1,000 fairly busy lads (and several women).

LE SOIR

The Krynica Forum has become a "very in" place, where it is worth to show up. Elites of Central and Eastern Europe met at the "Davos of the East". A broad economic forum held in Poland makes it possible to sense the pulse of New Europe.



Forum gained fame of Polish Davos and the main economic congress in the region of Central and Eastern Europe.

HOSPODARSKIE NOVINY

During the Economic Forum in Krynica, one of the major issues was energy security in the context of Russia, which started to use oil and gas export as an instrument of political pressure.

SME

A three-day programme of the Economic Forum in Krynica, often referred to as "Davos of Central Europe", was rich in political and economic discussions at the top level.

VILÁGGAZDASÁG

Not only is Krynica a popular Polish spa. The Economic Forum, annual event organized here, makes the place also recognized abroad. The Economic Forum has become the most prestigious meeting place for political and economic elites of the region.

ADEVĂRUL

The dynamics of Romanian economy as well as opportunities offered by the country's economy to investors were presented to Polish and European entrepreneurs during the Economic Forum in Krynica, referred to as "Davos of Eastern Europe" after the famous World Economic Forum.

DIE WELT

In Krynica, the heads of governments signed a joint statement in which they emphasised the significance of a "knowledge-based economy" for the development of the region and growth of the entire continent. They also referred to a similar declaration of the heads of governments of Germany, the United Kingdom, Sweden and Denmark.

RZECZPOSPOLITA

A majority of regular attendants to the Forum in Krynica stress that it is an exceptional meeting ground of the new Central and Eastern Europe with the West. It is a place where the issues not touched upon elsewhere are explored.

REPUBLIKA

Politicians and economists from the entire world met in Krynica, known as Polish Davos to discuss the European reality and the future of the united Europe.

КАПИТАЛ

Politicians and economists from the entire world met in Krynica, known as Polish Davos to discuss the European reality and the future of the united Europe.

РОССИЯ

In recent years, the Economic Forum in Krynica has become an important European event, which helped to create an atmosphere, which encourages constructive dialogue.

APA

Commonly referred to as Polish Davos, the Economic Forum in Krynica is growing international, its major advantage being its relations with eastern and southern neighbours.

manager

Beginning of September is booked in the calendars of many important persons as time of travelling to the Economic Forum in Krynica. Being in Krynica simply pays off.

TURKISH DAILY NEWS

The secret of the meetings held in Krynica hides in the fact that all those who arrive at this picturesque spa resort in the South of Poland have a unique opportunity to sojourn in the company of excellent guests – politicians, experts, representatives of culture and science circles from the entire world.

kazinform

The Economic Forum in Krynica, which is the major event in Central and Eastern Europe, provides an excellent opportunity for the exchange of opinions, initiating common project facilitating enhanced management of companies in the changing market conditions.

Awards

The Programme Council of the Economic Forum, honours outstanding individuals and enterprises from Central and Eastern Europe, distinguished by their activities, effectiveness and achievements in recent year, by granting Economic Forum Awards in the following categories:

- **The Man of the Central and Eastern Europe** – an award for an outstanding person who owing to his/her attitude and accomplishments exerted a significant impact on the course of events in this part of Europe.
- **New Culture of the New Europe** – a joint initiative by Economic Forum and the Book Institute in Cracow, recognizing exceptional achievements of artists and promoters of Central and Eastern Europe with respect to dissemination of culture of the region. New Culture of the New Europe award is a distinction which is to be noticed not only by the people associated with the world of culture. The award ceremony held during the Economic Forum is to make the voices of artists and authors heard at the meetings of international experts and leaders of political, social and economic life.
- **The Company of the Central and Eastern Europe** – An award for a company which proved that one can be successful in difficult conditions of economic transformation.

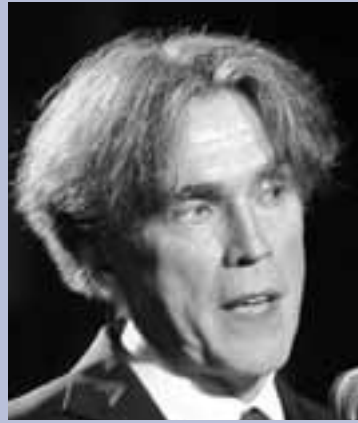


*The Man of the Central and Eastern Europe 2004 – **Lech Wałęsa**, former President of the Republic of Poland receives a statuette handed by **Tadeusz Mazowiecki**, former Prime Minister of Poland*





The Man of the Central and Eastern Europe 2003 - **Valdas Adamkus**, President of Lithuania



New Culture of New Europe 2007 - **Emil Brix**, Director General for Foreign Cultural Policy, Austria



The Man of the Central and Eastern Europe 2002 **Mikulaš Dzurinda**, Former Prime Minister of Slovakia



The Company of the Central and Eastern Europe 2005 - **UniCredit Group** **Debora Revoltella**, Chief of New Europe Research



Donald Tusk, Prime Minister of the Republic of Poland receives the Award of the Man of the Central and Eastern Europe 2007 from **Zygmunt Berdychowski**, the Chairman of the Programme Council of the Economic Forum



The Man of the Central and Eastern Europe 2006 **Vaclav Havel**, Former President of Czech Republic

Europe – Russia Economic Forum

Krynica 2005

Vilnius 2006

Vienna 2007

Rome 2008

Stockholm 2009



Europe – Russia Forum is a special event of the Economic Forum in Krynica. The Forum is attended by renowned public figures and representatives of political parties, heads of central institutions, representatives of academic and business centres as well as journalists, on the whole gathering more than 500 people, mostly from Russia, EU and USA. Among them were current presidents of Italy and Lithuania Chancellor of Austria, Prime Ministers of Lithuania and Czech Republic.

Forum Organizers managed to persuade Russians and their neighbours as well as the EU to sit together and talk. Europe – Russia Forum aims at elaboration of the issues touched during the Economic Forum in Krynica. The Forum aims at open discussion and development of the finest conditions for holding a dialogue between the EU and Russia so as to avoid building new walls and let the cooperation and partnership redefine the spirit of European and Russian relations. One cannot ensure security, stabilization and economic prosperity alone. In quest of partners for solving complex problems, even the key players in global politics and economy must focus on seeking shared values and compromise.

During subsequent editions of the Forum, the attendants have an opportunity to get familiar with the publication prepared by experts of the Economic Forum, specifically for this event Russia. Report on Transformation. The report provides the source of essential information and the basis for preparation of the forecast of the Russia's development in the nearest future. According to the coordinator of the report, Konstantin Simonov, the recent report shows that the economic situation in Russia is on the road to recovery. The process of building huge state consortia is being solidified. The country's energy policy has become an important component of Russia's foreign policy. One may speak of "energizing" of Russian foreign policy. Nevertheless, Russia recognizes the EU as its most important partner; therefore, it is surprised to hear of the energy supplies diversification projects.

"I doubt if such event, with its atmosphere, could be organized in London", said Professor Alan Riley from London City University, the author of the report on the northern gas pipeline, prepared on the request of the European Parliament. The Professor was at loss, when he heard from Konstantin Simonov himself that the interruption of oil supplies to



Andrej Klimov, Vice Chairman of the Committee for the International Affairs, the State Duma, **Hannes Swoboda**, Vice Chairman of the Socialist Group in the European Parliament



Kimmo Kiljunen, Member of the Parliament of Finland, **Anatoly Ledovskich**, Chairman of the Federal Agency on the Exploitations of Natural Resources, Russia

Plenary Session of III Europe – Russia Economic Forum in Vienna: „Europe – Russia: Prospects for cooperation”, attended by
Gediminas Kirkilas, Prime Minister of Lithuania
Alfred Gusenbauer, Chancellor of Austria,
Mirek Topolánek, Prime Minister of Czech Republic,
Jerzy Buzek, MEP, Poland



Mozeiki was purely „political politics”, while the “technical problems” Russians hitherto gave as explanation was a non-sense. “That is revelation and a revolution”, replied Riley.

“The Polish stole Mozeiki from us. The Lithuanians had nothing to say in this case”, perorated Simonov. “Putin said that Yukos was ours. Just in case, the Moderator of the Panel, Julian Chifu, Director of the Romanian Conflict Prevention and Early Warning Centre, interrupted the speech of increasingly fervent Simonov. Mozeiki Refinery grabbed by Poland from under the Russia’s nose” has always stirred up emotions. Even some Russians did not know the truth. „It is not like that. There is no oil, because a cable burnt down in the refinery”, said in a peaceful manner Valery Fedorov, Director General of the All-Russian Public Opinion Research Centre VCIOM. The suggestion that the failure has already been removed made him angry. “We have no such knowledge, we know what we know”, he cut it short.

Giorgio Napolitano
 President of Italy entering the meeting room at IV Europe-Russia Economic Forum in Rome



Leonid Drachevsky
 former Minister for CIS,
 former Minister of Foreign
 Affairs, Russia

The only possible type of EU-Russia relations is partnership. Confrontation is a foreign word, which is not used in the context of EU-Russia relationships. Direct and open dialogue is the main tool fostering achievement of fruitful cooperation in many areas.



Pierre Lellouche
 President of the NATO Parliamentary
 Assembly, France

Europe – Ukraine Economic Forum

Wrocław 2007

Kiev 2008

Kiev 2009



Ukraine is the only such a huge non-EU European country which declares its eagerness to integrate. The prospects of the EU - Ukraine cooperation were hitherto specified as vague. This issue cannot be avoided during the discussions of the Economic Forum. The Economic Forum in Krynica is believed to be the best ambassador of Ukraine's integration with the EU structures. To elaborate on the discussions held in Krynica, the Eastern Institute organized Europe-Ukraine Forum. It provides a platform for renowned politicians, leading businesspeople, expert circles and media representatives, which facilitates comprehensive discussions on the future of Ukraine. The Forum provides an excellent opportunity for open and reliable discussion participated by approximately 500 discussants from Ukraine, European Union and the United States.

The Prime Minister of Lithuania Gediminas Kirkilas and the former President of Estonia Arnold Ruutel articulated common interests and mutual challenge in relations between their countries and Ukraine, whereas both gentlemen advocated Ukrainian aspirations for the EU accession. Both Kirkilas and Ruutel stressed the significance of mutual political, economic and cultural cooperation, as well as the importance of past experiences of Lithuania and Estonia on their path towards European integration. Advocating Ukrainian reform processes, the Prime Minister of Lithuania express the desires that the cooperation between Ukraine and the European Union was underpinned by a homogeneous approach of the EU, in the external dimension of its neighbourhood policy, towards energy security and strategic partnership with Russia.

Victor Yushchenko President of Ukraine

Currently, Europe started a new chapter in the relationships with the European Union. Both, recent Ukraine accession to WTO as well as the subsequent launching of negotiations on joining the free trade area and new agreement with the EU constitute significant steps towards implementation of Ukraine's European aspirations. We hope that Ukrainian aspirations to accede to the EU will be supported by the EU Member States.

Adrian Severin, Chairman of EU-Ukraine Committee in the European Parliament, started discussion by saying that Ukraine is a European

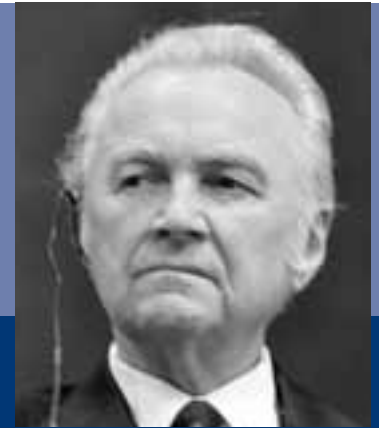




Oleksandr Yaroslavskyi
Development Construction Holding,
Ukraine



Adrian Severin
Chairman of the EU-Ukraine Delegation
of the European Parliament



Arnold Ruutel
Former President of Estonia

state, which pursuant to the EU Treaty has the right to apply for the EU membership. Next, he added that talking about the time of this accession may bring unrealistic hopes and needless fears. Severin encouraged Ukrainians to exercise greater concentration on political cooperation as well as economic integration in more specific areas, including coordination of external policy, particularly in the field of energy security as well as progress in institutional cooperation between the EU and Ukraine.

It is of the utmost importance for the Ukraine's future as well as for the Europe's Ukrainian Future whether it will be possible to carry out a major transformation in terms of politics and economy of the country as well as whether it will be possible to persuade the Ukrainian political elites to carry out a comprehensive reform programme, which will foster determination of the Ukraine's geopolitical position in Europe and solidify its relationships with its European neighbours and Russia as well as show the advantages of the Ukraine's Membership in the EU for the entire Union.

To a large extent, stability and development of Europe depend on whether it will be possible to carry out this major project i.e. the European Union so as to include all countries, which see their future in it. United and stable Europe will be capable of creating a framework for the mutually beneficial cooperation with its neighbours. Europe – Ukraine Economic Forum attempts to answer the question on which side is Ukraine? Will it become a part of the EU or merely its eternal neighbour?



Petro Poroshenko, Chairman of the Supervisory Board
of the National Bank of Ukraine
Gediminas Kirkilas, Prime Minister of Lithuania



Plenary session of the Europe-Ukraine Forum in Kiev, attended by: **Volodymyr Lytvyn**, Head of Lytvyn Group, Supreme Council of Ukraine, **Waldemar Pawlak**, Deputy Prime Minister and the Minister of Economy of the Republic of Poland, **Giorgi Baramidze**, Deputy Prime Minister and Minister for European and Atlantic integration of Georgia, **Jerzy Buzek**, MEP, **Hryhoriy Nemyria**, Deputy Prime Minister on European Integration of Ukraine, **Emil Constantinescu**, former President of Romania, **Goran Lenmarker**, President, Parliamentary Assembly of the OSCE, Sweden

Energy Forum

Prague 2006

Prague 2007

Budapest 2008

Budapest 2009



The Eastern Institute, the organizer of the Economic Forum in Krynica actively joins the energy debate, in particular, with respect to increase of energy security and diversification of energy supplies as well as competitiveness in this field. The Energy Forum provides an opportunity for the discussion on the aforementioned subjects. The Forum attracts several hundred participants from Europe and the United States. The Energy Forum aims at open debate of the highest representatives of political and business circles on the challenges and threats stemming from the current state of affairs as well as the ability of Central Europe to exercise impact on the EU's energy policy. Each year, the energy issues are touched upon during the Economic Forum in Krynica in a special block entitled "Fuels and Energy" comprising several discussions.

The old continent may ensure its energy security, yet it must put in enormous effort and bear great costs. There are three energy transmission systems operating in the region of the Baltic Sea and Central and Eastern Europe. However, their capacities for integration and cross-border transmission are limited. The EU opts for separation of transmission, distribution and production of electricity. Diversification of directions and security of gas supplies constitute major priorities of energy policy of the importers.

Andris Piebalgs

*European Commissioner for
Energy*

After fifty years of its existence, the EU still has no common energy policy, which would allow to face such challenges. Although it administers a variety of measures to foster liberalization, renewable energy production, and the energy efficiency increase, they cannot be considered as a coherent set of interrelated policies.



László Sólyom

President of Hungary

Today, the world is witnessing inadmissible “energy injustice”. Average energy consumption per one person amounts to 70 GJ, while the consumption per capita in Europe and Japan fluctuates between 200 and 260 GJ, and exceeds 500 GJ in the United States!



Mirek Topolánek

Prime Minister of Czech Republic

Owing to its oil and gas deposits as well as attempts to take over control over their distribution networks, Russia uses energy as a political tool for the achievement of the state’s geopolitical objectives.

The security of energy supplies and energy raw materials is one of the key issues of contemporary European policy. Decisions regarding this subject to be made by the EU must take into consideration interests of all Member States, including new members. The EU’s energy policy should be based on the rule of the whole EU’s solidarity and loyalty with regard to relations with Russia, which is so strongly articulated by the new members.

Nowadays, the entire world, and Europe in particular, is facing an energy and economic challenge which is equally valid for all Member States. The question is: how can we ensure both clean and competitive energy supplies in the conditions of climatic changes, growth of global energy demand and uncertainty of the future supplies? Should just one state fail to respond to this challenge, the rest will be affected. Even the problems created outside the European Union may impinge on the situation of the entire EU. Thus, Europe needs firm energy policy.



Edward Chow

Expert from the Center for Strategic and International Studies (CSIS), USA



Victor Orbán

Chairman of the Hungarian Civic Union – Fidesz, former Prime Minister of Hungary

Investment Forum

The Investment Forum brings together selected investors from Central and Eastern Europe, and also representatives of governments and parliaments, who are responsible for privatization processes in this part of Europe. Debates of the Forum are accompanied by presentations of privatization offers from individual Central and Eastern European countries.

The aim of the Investment Forum is to discuss about privatization in the CEE region so far and about perspectives for this process in the upcoming years. The Forum gives ground for exchange of privatization experience and a joint discussion on improvements in this process provides an opportunity for becoming acquainted with investment offers in the region. What effects were brought by systemic reforms? What assumptions for privatization policy in the nearest years were adopted by individual countries? It is just a part of questions, which the participants in the Investment Forum will try to answer



Privatization in Central and Eastern Europe - Success or Failure? discussion attended by: **Andrei Tur**, Deputy Minister of Economy, Belarus
Antonio de Almeida, Chairman of the Supervisory Board of EDP- Energies of Portugal, **Aleksander Grad**, Minister of Treasury, **Danuta Walewska**, Journalist from Rzeczpospolita Daily, **Filip Thon**, President of RWE Poland, **Jan Krzysztof Bielecki**, President of Bank Pekao SA, **Vytautas Nauduzas**, Deputy Minister of Economy of Lithuania

Aleksander Grad

Minister of Treasury of the Republic of Poland

In the eyes of the society privatization processes are still perceived negatively and treated as dishonest actions, plunder and an attempt of a narrow group of people to become rich.



Philip Clarke

Director for Investments in Continental Europe, ESB International, Ireland



Antonio de Almeida

Chairman of the Supervisory Board of EDP- Energies of Portugal

25% of EDP shares are owned by the state, which allows it to influence the projects, principally, the ones related to water power plants and wind turbines. If EDP was owned by the Germans or the Spanish, the investment policy would be fairly different.

“Organization of the Forum has strategic importance for the government, in which I have the honour to act as Minister of State Treasury. On 22nd April 2008 The Council of Ministers adopted the “Privatization programme for years 2008 – 2011”, which assumes that 740 State Treasury companies, operating in more than ten industries, will be given to private hands”, remarked Aleksander Grad, Minister of State Treasury.

“Europe needs cooperation – comprehensive and favourable to all interested, which is the only effective answer to stronger pressure of global competition. Development and stability to a great extent depend on the situation in our part of the Old Continent – Central and Eastern Europe, countries with a diverse level of integration with international markets or just aspiring to such key transformation”, acknowledged Ryszard Ścigała, President of the town of Tarnow.

According to Filip Thon, President of RWE in Poland, who recalled his Czech privatization experience in the energy sector, the privatization process of this industry in the Czech Republic proved to be a big success, among other things, thanks to the consideration of the national character of companies that have taken over, also due to large scale cooperation with local partners and gradual implementation by investors of standards obligatory in the Czech Republic. The head of RWE in Poland stressed also the importance of transparency of business processes for the effective sale of state-owned property. In his opinion, a company preparing for privatization must be transparent to both investors and the State Treasury or trade unions, because only then one can be successful.

Regions Forum

One of the events accompanying the Economic Forum in Krynica is the Regions' Forum, which takes place in the nearby Muszyna. This is an annual meeting of more than two hundred European local self-government and regional leaders. Małopolskie Province is a co-organizer of the Regions' Forum. Matters related to regions are also discussed during the Economic Forum in Krynica, during a special block "Regions", which includes more than ten debates.

The founding fathers of the European Union emphasized that common Europe would emerge at once, but through actual solidarities – between states, regions and people – reminds Marek Nawara, Head of Małopolskie Province.

How to deal with the global competition and arrange better our European home. How to move closer to each other, maintaining variety and a multitude of traditions. How to implement regional policy even more effectively, care for the environment, support culture, create European regions of knowledge. What should be the role of local and regional authorities in these processes? These are the issues of the Regions' Forum.

"Nothing new without the common consent", these words ideally match the modus vivendi of European regions. Since it is difficult to speak about effective shaping of the



European Regions – how much cooperation, how much competition? Session attended by **Michał Kulesza**, Advisor at Baker&McKenzie Legal Office, Poland, **Juraj Blanar**, Marshall of Žylínske Province, Slovakia, **Marek Nawara**, Marshall of Małopolskie Province, Poland, **Wasył Kujbida**, Minister of Construction and Regional Development of Ukraine, **Władysław Husejko**, Marshall of Zachodniopomorskie Province, Poland, **Emóke Fekete**, Deputy Marshall of Kluž Province, Romania



Danuta Hübner
EU Commissioner for
Regional Policy

“Today, we should concentrate on a stronger implementation of the European policy in the national policy.”

European policy without active participation in the continuously going on discussions and conflicts, both on a political and institutional level. The voice of regions has been enormously important for a long time, and sometimes crucial for decisions taken by European bodies. Thanks to it the regions have become one of the main driving forces of processes taking place in the European Union. At the same time, they have more and more frequently been a source of effective bottom-up initiatives”, stated Elżbieta Bieńkowska, Minister of Regional Development.

Elżbieta Bieńkowska
Minister of Regional
Development, Poland

“Despite a greater role played by regional cooperation, one cannot fail to notice the existence of diverse interests among member states, which translates directly to competition among regions. One should emphasize here that regional competition is a phenomenon, which can be observed both in the European and the national dimension. Creation of regional offices in Brussels was initiated exactly by a great need of regions, with the strongest position, to have influence on the shape of implemented policies.”

The European Union is a dynamic body, which undergoes incessant changes. At the same time, the EU does not operate in isolation; it has become one of the key elements of the world’s economic mainstream. One of the answers of the EU to new challenges, with which we are confronted by progressing globalization, is the renewed Lisbon Strategy, whose task is to accelerate the speed of development and increase competitiveness of the European Union. Implementation of the Strategy forces new forms of cooperation in a natural way. They can be seen, for example, in the European Commission’s new initiatives, such as the European Neighbourhood and Partnership Instrument, or “Regions for Economic Change”. They are expected to ensure not only more integrated and balanced regional development of countries, but also to strengthen the rank of cooperation on the regional level as a method of ensuring a greater influence of the European



Cohesion policy on achievement of the aims of the modified Lisbon Strategy. This will be affected by the exchange of experience within the scope of the future inter-regional cooperation programme INTER-REG IVC and a programme of URBACT, a network of urban area development.

School of the Economic Forum

While carrying out the mission of the Economic Forum, the Eastern Institute launched also activities targeted at the education of forward-looking apolitical public administration officers. We believe that the effective state and local government administration is essential for introducing reforms and fast growth in the countries of transformation.

The School of the Economic Forum aims at social and political education as well as cooperation and development of trust among European nations. The project is primarily addressed to students and young activists from NGOs as well as representatives of administration and local government.

The partners of the School include: Office of the Commissioner for Civil Rights Protection, Institute of Russia and Eastern Europe (Jagiellonian University), International Cultural Centre of Cracow, Department of Local Government Law (Jagiellonian University), Małopolskie Province and local administration institutions.

For many years, the Eastern Institute has been running a variety of educational projects attended by visitors from Russia, Ukraine and Belarus, including trainings for Ukrainian local government administration, study visits of Russian journalists, local government representatives and members of NGOs. In addition, the Institute Has established a scholarship fund for students from Russia, Belarus and Ukraine.

Programme:

- European practices followed by local governments,
- State vs. local government administration,
- Decentralization of public administration,
- Local government vs. local policy and political parties,
- Development of public-private partnership in communes,
- Participation of citizens in public authorities,
- Methods of stimulating activeness of local society, particularly young people,
- Methods of acquiring assets for local initiatives,
- Education, culture and development of civil society,
- Local civil initiatives – the role of NGOs.



The Economic Forum of Young Leaders

The Economic Forum of Young Leaders is a partner programme of the Economic Forum in Krynica. This is a meeting of young social, economic, and political leaders from the European Union, the Eastern Europe and Caucasus. The Forum is attended by more than 200 representatives from 23 states.

The Forum, which is held in Nowy Sącz near Krynica, is place for discussions and reflections on a wide range of vital issues and challenges, in particular, the ones pertaining to the role of young generation in the current social and economic transformations on the European Continent. It is a common ground for establishing cooperation among East and West European organizations. By and large, the Forum is a tribune for views, opinions, and visions of young European generation regarding the important contemporary issues.

“Such meeting would not be possible anywhere else”, said the attendants to the Economic Forum of Young Leaders in Nowy Sącz. Malte Koppe from Germany told that in his country he would not be able to participate in such a large-scale event as Forum. For Aliaksandar Karsten from Belarus, the most important was the opportunity to meet the politicians he would not be able to approach in his own country. “Furthermore, we could ask all kinds of questions”, stressed Aliaksandar. “For me, Forum is the best way to shape future Europe”, said Jorge Andersson from Sweden.

The Agenda of the Economic Forum of Young leaders encompasses meetings with the most influential people in Europe, panel discussions, group workshops, social action and programme exchange, organizations’ fairs. The subjects investigated during the Forum pertain to European identity and values, but first and foremost, to the significance of solidarity in the contemporary world. In addition, the attendants touch upon issues regarding the vision of the European Union, knowledge-based economy development or mobility of young employees. The guests of the Forum include outstanding politicians, economists and leaders of social movement. Young leaders participate also in the sessions of the Economic Forum in Krynica.



www.forum-leader.eu



Publications

The Economic Forum issues a variety of regular publications, including reports prepared by independent experts:

- *New Europe. Report on Transformation.* – An analysis of 28 countries of the region of Central Europe, South East Europe and the former Soviet states.
- *Russia. Report on Transformation.* – An analysis of economic and political situation in Russia.
- *Central Asia. Report on Transformation.* – An analysis of economic and political situation in Central Asia.
- *South Caucasus. Report on Transformation.* – An analysis of economic and political situation in South Caucasus.

New Europe. Report on Transformation is an annual exceptional encyclopaedic publication presenting a comprehensive analysis of economic and political situation in 28 countries of Central, Eastern and South East Europe as well as in the former Soviet republics, placing particular emphasis on the major economic and political problems as well as challenges facing individual countries.

The common feature of these states is the fact that prior to 1989 they formed the Eastern Bloc of totalitarian communist states and in 1989-1991 they launched major political reforms, which aimed at development of democracy as well as competitive market economy integrated with global market.





The Economic Forum as a place of international debates

- Economic Forum in Krynica
- Europe – Russia Economic Forum
- Europe – Ukraine Economic Forum
- Europe – Turkey Economic Forum
- Energy Forum
- Investment Forum
- Forum of Regions
- The Economic Forum of Young Leaders
- School of the Economic Forum