



# Economic Forum in Krynica

THE EASTERN INSTITUTE



# Economic Forum in Krynica

Economic Forum  
in Krynica

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





## MISSION OF THE ECONOMIC FORUM

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

## TABLE OF CONTENTS

3	Preface
4	A Bridge Between East and West
8	Economic Forum in Krynica
18	Media
20	Awards of the Economic Forum
22	Europe – Russia Economic Forum
24	Europe – Ukraine Economic Forum
26	Energy Forum
28	Forum of Regions
29	Economic Forum of Young Leaders
30	School of the Economic Forum
31	A meeting place
36	Publications

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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.

The Economic Forum in Krynica has become an important spot on the political map of the world and probably the only one, where East meets West on such a large scale. The event is attended by more than 1800 guests from 60 countries including EU commissioners, state and government leaders, ministers, heads of central banks, stock exchanges and government agencies as well as representatives of business circles. For entrepreneurs, participation in the event is a proven form of promotion.

Krynica provides a range of Europe-wide opinions in the debate on shaping the EU's foreign policy. 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* and *Le Soir*. The Forum's agenda covers approximately 150 debates and presents a number of analytical reports, some of which are published by the Forum, for instance *New Europe. Report on Transformation*.

Today, the Economic Forum is an extensive project. The Forum of Regions 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 – Central Asia 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.

Zygmunt Berdychowski

# A Bridge Between East and West

- The Economic Forum in Krynica has become an important spot on the political map of the world and probably the only one, where East meets West on such a large scale.
- 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 shaping the EU's foreign policy.
- It has been dubbed Davos of Eastern Europe by the opinion-forming dailies such as *Le Monde* 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 1800 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.
- The Economic Forum is a renowned event in Central and Eastern Europe. Press says *it is a place to be in.*

Prime Ministers of Slovakia, Hungary, Poland and Czech Republic during the Visegrad Group Meeting in 2001





Plenary session of XVII Economic Forum "Ukraine: A crisis, changes or opportunities", attended by **Aleksander Kwaśniewski**, former President of Poland, **Václav Havel**, former President of the Czech Republic, **Jorge Sampaio**, High Representative of the Alliance of Civilisations, United Nations Organization (UN), Portugal, **Danuta Hübner**, Commissioner for Regional Policy, **Jan Krzysztof Bielecki**, Chief Executive Officer of the Bank Pekao SA, Poland, **Jean-Dominique Giuliani**, Chairman of the Robert Schuman Foundation, France



### **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.*

# Economic Forum

## in Krynica

The Economic Forum in Krynica has become the most significant meeting place. Krynica has become an important spot on the political and economic map of the world and probably the only one, where East meets West on such a large scale. At the beginning of September, Krynica becomes inundated with visitors from approximately 60 countries, including the EU commissioners, government and parliamentary delegations, business-people and experts, who come to discuss with each other.

The debates of the Forum cover a variety of issues, not the least the most complex ones. Everyone contributes to the discussions, the harshest critics as well. Thus, the Forum offers an opportunity for solving the most complicated problems. The Forum's agenda includes more than 150 debates divided into 11 thematic fields:

- Macroeconomics
- Business and Management
- Fuels and Energy
- New Economy
- International Affairs and Security
- Regional Policy vs. Globalization
- State and Reforms
- The EU and Its Neighbours
- Regions
- Society
- Science and Culture

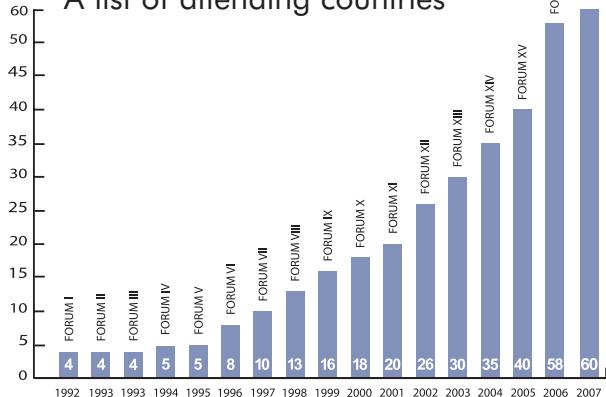
Apart from debates, the Forum's agenda provides for some accompanying events (including cultural events) and leisure activities. The Forum features presentation of a special report *New Europe. Report on Transformation*.

Energy security, regional cooperation, prospects for expansion of banks and enterprises, future of institutional reforms, relations between company owners and the management boards, freedom of capital flow – these and other fascinating subjects have been touched upon by the attendants to the Economic Forum in Krynica.

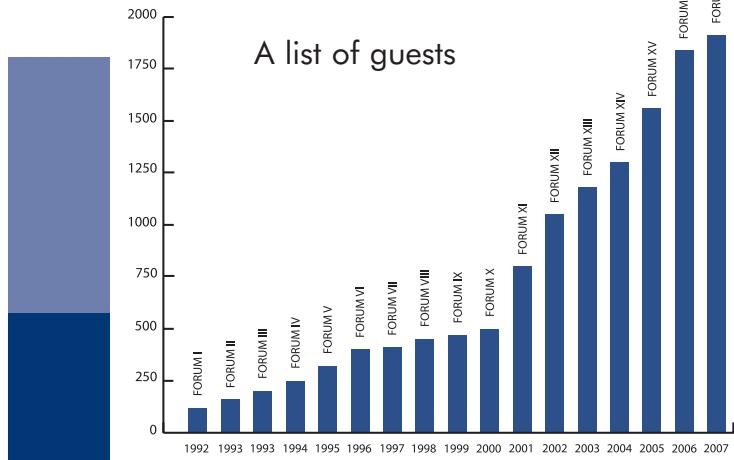
**Mikheil Saakashvili**  
The President of Georgia  
**Dalia Grybauskaite**  
European Commissioner for  
Financial Programming and  
Budget



A list of attending countries



A list of guests



Discussions concerning the EU held in Krynica do not prevail only during panel debates but also behind the scenes. The questions about the EU are asked not only by the representatives of the Member States or by business circles related to European economies. Development of the EU sparks also interest among its neighbours, who are going to aspire for the EU membership as well as among neighbouring business partners such as energetically powerful Russia, which on the one hand attempts to impose its conditions and on the other, encourages western investors to commit as much capital in Russia as possible. Finally, the EU is attractive for the Caucasian countries, which are too weak to become ultimately independent of Russia.

A few thousand visitors seek to answer the questions whether the EU institutions should be reformed and what direction these reforms should head in. Often, one may hear that the EU is approaching its silent end and instead of declaring further development, it is time to accept that the united Europe has reached its high water mark and is not going to be more competitive with the strongest world economies such as the USA and Japan or fast developing China and India. Yet, if Europe is facing its greatest chance, how should the competitiveness of this economy look like in the globalizing world?

In the opinion of some of the guests to the Economic Forum, the Reform Treaty is the victory of the concept of "Europe of Fatherlands". It specifies the procedure of leaving the Community. It has become possible to "restore competences" to Member States, and the EU itself has chosen a model of integration known as "Europe a la carte", pursuant to which each country is allowed to determine areas of integration on its own. Although, on the one hand this poses a threat of strengthening the divisions existing in the EU as well as hampering effectiveness and attractiveness of the EU, on the other hand provides the only pattern encouraging discussions on further enlargement.



**Reinhard Selten**  
Nobel Prize Laureate, Germany



**Janusz Lewandowski**, Chairman of the European Parliament Committee on Budgets, **Elmar Brok**, Former Chairman of the Committee for Foreign Affairs of the European Parliament



## Daniel Fried

Assistant Secretary, US  
Department of State

*The Economic Forum is the best conference held in Europe which discusses economic trends and at the same time includes security issues. We would like to establish a shared security network, which is not going to be directed against Russia. Yet, it does not have to be necessarily related to the fact that USA will defend Russia and Russia will defend Poland.*

Mutual relations of the European Union and Russia are one of the most frequently discussed topics during discussion panels of the Economic Forum in Krynica. Are the EU and Russia friends or rivals? Jacques Rupnik, a French political scientist thinks that cooperation of European countries depend on direct relations of the state leaders. Relations between Yeltsin and Chirac and then between Putin and Chirac had a great impact on diplomatic relations between France and Russia. Similarly, the relations between Italy and Russia depend on acquaintance between Berlusconi and Putin. According to Rupnik, the change of the government in France will exacerbate the relations with Russia, because of the fact that Sarkozy's government attracts much more attention to respecting human rights.

State Duma Deputy Ivan Nowicki avoided explicit declarations. He focused on the potential of Russian raw material economy, the profits of which Russia is ready to invest in technologies in the EU countries. The issue of embargo on Polish foodstuffs was explained by the necessity to support domestic markets, for which the strict customs policy provides a natural protective umbrella.

According to Kari Liuhto, a professor at Pan-European Institute in Finland, the relations between the EU and Russia are not a friendship but a symbiosis. Shared interests are the only common ground on which the EU and Russia may meet of their own volition. The European Union is working actively to improve political relations. Russia is not directly interested in such political ventures. For Russia, only the USA is a partner worth taking initiatives in order to improve political relations.



"Will the Third Portuguese Presidency of the EU Be as Successful as the Former Two?" - a debate attended by **Carlos Zorrinho**, National Coordinator for Lisbon Strategy and the Technological Plan, Portugal, **Luisa Meireles**, a journalist of Expresso Daily, **Vitalino Canas**, the Chairman of the Commission for the European Affairs in the Portugal Parliament



**Klaus-Heinrich Standke**, President of the Committee for the Promotion of the French-German-Polish Cooperation, Germany  
**Gunther Krichbaum**, Chairman of the Committee for the EU, Bundestag during a debate entitled "The Future of the Weimar Triangle after the elections in the Member States"

An increasingly assertive foreign and regional policy of Russia has resulted in growth of political tensions in the region. In 2006 and in the first half of 2007 several conflicts were revealed between Russia and its neighbours in the areas of trade, supplies and energy carriers transit, the status of Russian minorities in some countries of CIS as well as political rivalry in frozen conflict areas.

Common Wealth of Independent States is bound to experience numerous political and economic changes in the forthcoming years. President Vladimir Putin, whose term is ending, is stepping down from the forefront line. However, it does not mean that the present leader of Russia gives up politics. He will make attempts to have an impact on the directions of the Russia's development – this time from the second row, which does not mean that Putin's influence will be lesser. According to observers, the relations between European Union and Russia have evolved significantly in recent years. Although the real progress concerning the strategic partnership was made, there are still many areas of contention to be addressed.

"The experiences of CIS countries show that the existence of 'external anchor' in the form of prospect of the European Union membership may significantly accelerate the process of reforms and facilitate the structural reforms in candidate states", argues professor Dariusz Rosati, the coordinator of the report *New Europe. Report on Transformation*. The application of such "anchor" may lead to various directions of structural reforms not only in economies in transformation but also in a wider, global system. The quality of institutions in new EU Member States is currently higher than in other countries at a similar level of development. In the remaining transforming economies, especially in the CIS countries, the level of institutional market infrastructure is a bit lower than in other comparable states.

It is estimated that the convergence of new and old EU Member States is about to take place in the area of per capita income. The process of convergence embraces two dimensions: the convergence of the income level and cyclic convergence. The analysis of the Report sustains rather slow convergence between new EU Member States and old EU-15 with respect to per capita income. The obtained results show that Central and Eastern Europe countries will need 20-25 years to reduce by half the distance from the EU-15.



### **Michael Gapes**

*Chairman of the Foreign Affairs Select Committee of the House of Commons, UK*

*We need to preserve the EU continuity and avoid divisions, which are harmful. A majority of problems of the European Union can be solved only through cooperation with the United States. Only collaboration can earn a success.*

Some of debates held during the Economic Forum touch upon the issues of banking and finances. This year, the attendants discussed the future of the banking sector in the countries of transformation as well as focused on the European financial integration. The most effective actions in the area of banking systems in the states of New Europe and developing countries include full convergence of banking regulation and supervision mechanisms pursuant to Basel II recommendations as well as supervision of activities carried out by branches of European banks by banking regulatory authorities within the framework of international agreements.

The adoption of euro in new Member States has fallen behind the schedule. In certain cases, it stems from a difficulty to meet the Maastricht criteria, while in others the governments want to gain more time to prepare. From among a dozen or so candidates for euro-zone membership, only Slovenia, which adopted euro in 2007, and Malta and Cyprus, which are going to do so in 2008, have complied with the requirements. The prospects for other countries are vague. Thus far, Poland has not announced the date of euro adoption. Nevertheless, a majority of economist believe that Poland is going to join the euro-zone in 2012. Only Slovakia is planning to adopt single currency in the nearest future.

One may also observe an enormous wave of consolidation of stock exchanges and aggressive competition among stock exchange markets. Both large and small stock exchanges are going beyond their traditional limits and are more eagerly "seducing" foreign companies. Furthermore, they are attracting international investors, thus creating vast networks of access to their markets. The future belongs to "Mega Stock Exchanges". Regional stock exchanges are likely to succeed as well; nonetheless, local stock exchanges are doomed to failure.



**Sławomir Skrzypek**  
The President of the National Bank of Poland



**Ivan Sramko**  
The President of the National Bank of Slovakia



**Ludek Niedermayer**  
The Vice President of the Czech National Bank



**Ludwik Sobolewski**  
The President of Warsaw Stock Exchange, Poland



**Victor Pleskachevskiy**  
Chairman of the State Duma Committee on Ownership, Russia



**Sławomir Sikora**  
President of Citi Handlowy, Poland



## **Christophe Zimmermann**

*The Team Leader for the Protection of Intellectual Property at the World Customs Organization, Belgium*

*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.*

Strict monetary and fiscal policy of European economies does produce results. We can see growth of investments and export, especially in the eurozone. Thus, the European economy is becoming more competitive in the globalizing world. The European Commission has set ambitious objectives of boosting employment and increasing expenses for education. The energy supply market has been liberalized and the collaboration with the United States is improving. The Services Directive is to be implemented within two years. Although the EU states force protectionism, the import of textiles from China is to be allowed from 2009 on. Meanwhile, the prospects of compromise on the import of food products from outside the EU are getting bleak.

In the countries of Central and Eastern Europe, the fast economic growth has been stimulated by system reforms, strengthening of integration with the international markets and the favourable conditions in the external environment. Central Europe has enjoyed stabilization and the most advanced states of this region managed to use their EU membership for accelerating the economic growth and enhancing the market structures. Less developed states of South and East Europe have successfully overcome numerous economic and political barriers for growth and stabilization, pursuing the goal of catching up with their northern and western neighbours.



**Jean Philippe Savoye**  
The President and General Director of  
Orbis, France



**Matthias Platzeck**  
Prime Minister of the Federal State  
of Brandenburg, Germany



**Sergey Markov**  
Vice-Chairman of the Commission on  
International Co-operation and Public  
Diplomacy, Public Chamber of the  
Russian Federation



**Leszek Balcerowicz**  
Former President of the National Bank  
of Poland



**Theodor Stolojan**  
Former Prime Minister of Romania



**Michail Subbotin**  
Director of PSA-Expertize, Russia



**Paweł Olechnowicz**  
The President and General Director of  
Lotos, Poland



**Jan Klepac**  
Executive Director of the Slovak Gas  
and Oil Association, Slovakia



**Thor Otto Lohne**  
Vice President of Gassco, Norway

The markets of the EU and the neighbouring states of Eastern Europe are the regular consumers of energy resources from East. The EU market hesitates between maintaining a status quo and further liberalization. What is the future of Europe? A renaissance of collaboration in the field of energy or a path towards energy wars? We are facing the threat of a fuel and energy crisis. This stems not only from the increasing prices of fuel resources (oil, natural gas) and growing demand for fuels but also from the notion that within 15-20 years oil and gas deposits will lose their productivity necessary to meet the needs of contemporary industry and civilization. The first signs of inconveniences caused by the fuel crisis may be felt in the EU Member States as soon as in 2011-2013. In these circumstances, the key concern is to define the term "energy security" and answer the question whether the energy security is a technical, economic or political issue.

Global demand from refineries starts exceeding the potential of raw materials. The issue of environmental protection imposes transition from coal to gas. Poland is considering the possibility of a gas pipeline from Norway through Gotheborg in Sweden, whereas Germany and Russia have launched the Nord Stream initiative at the bottom of the Baltic Sea.

The energy security and strategic infrastructure protection must refer to an array of threats i.e. terrorism, organized crime, risks related to energy resources extraction (processing, transport, storage and distribution). Contemporarily, these issues go beyond the national framework. Improved international cooperation is a must.



"Together or On One's Own? National Aspirations of Azerbaijan, Georgia, Moldova and Ukraine" – a debate attended by **Artis Pabriks**, Minister of Foreign Affairs of Latvia, **Giorgi Baramidze**, Deputy Prime Minister, State Minister for European and Euro-Atlantic Integration of Georgia, **Igor Dodon**, Minister of Economy and Trade of Moldova



"Prospects for Development of Automotive Industry in Central and Eastern Europe" – a debate attended by **Krystian Poloczek**, the Chairman of Supervisory Board of Iberia Motor Company, **Martin Posth**, the Chairman of Supervisory Board of Deininger Management Consulting (Shanghai), P.R. China, Germany, **Thomas Dorenwendt**, President of Iberia Motor Rus, Russia

Europe is under pressure of global competitiveness. The related tensions raise the temperature of public debates and revive dormant nationalism. The global balance between the largest blocs – the USA, Europe, and Asia is upset. The Industrial Revolution started in 1813. 30 years after the first railway line had been built, a uniform track standard was adopted so that the lines could form networks and work together for the benefit of the society. Nowadays, after several years of the IT revolution, we need open IT standards, which would guarantee access to information – a new means of production - for everyone.

What direct and indirect trading barriers affect the corporate profits in the area of new technologies? The life cycle of innovative solutions is decreasing and they are quickly superseded by new better ideas. To earn profits in a short time, the companies need to

market their product efficiently to the highest possible number of customers. Apart from traditional duties or subsidy policies, entrepreneurs encounter other commercial barriers such as intellectual property protection, competition law or exacting norms and standards.

### **Vivianne 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 a high quality of life, lack of social unrest and cultural diversity.



Debates centred around thematic areas Regions and European Union and its Neighbours touched upon the issues related to infrastructure, economy, civil society or environmental protection. The Economy of Siberia, foreign capital in Russian financial market, European values in creation of civil societies in the Post-Soviet space, characteristics of the Russian democratic system, the cooperation between the regions of the Baltic and Black Sea and the role of Russia in the region, infrastructure of the air transport and the pace of integration of the EU states, decentralization as a key factor of fast development of local infrastructure, South and Eastern Europe on the path to NATO and the EU, can Lebanon serve as a model for the region of the Middle East and North Africa are just a few examples of debates held in Krynica.

The EU has taken on commitments on reduction of greenhouse gases to the atmosphere by 2020. The feasibility and ability to reconcile the obligations with the national priorities, especially in the new Member States, were discussed by the interlocutors during the panel entitled "Kyoto and the Energy Policy of the European Union". According to some experts, the system of emissions trading will influence the energy mix of the countries. Some also believe that the environmental policy of the EU may make the energy-consuming industries withdraw from the EU. On the other hand, opponents of this view argue that the EU climate policy will rather strengthen its competitiveness through the increase of innovation.

Lack of water supplies is being felt more and more profoundly in the world. It has already become an element of big politics. Hence, this subject could not be omitted during the Forum. The participants of the panel "Politics and Water" held in cooperation with



**Pierre Morel**  
Special Representative of the EU for  
Central Asia, EU Council, France



**Valekh Aleskerov**  
Deputy Chairman of the Azerbaijani  
Parliament



**Girts Valdis Kristovskis**  
Deputy Chairman of the Sub-  
Committee for Defence and Security of  
the European Parliament, Latvia



**Ion Sturza**  
General Director of Rompetrol  
Moldova, former Prime Minister of  
Moldova



**Theodossis Georgiou**  
President of the Greek Association for  
Atlantic and European Cooperation,  
Greece



**Vladimir Zhidkikh**  
First Deputy of the Chairman of the  
State Duma Committee on Federal  
Affairs and Regional Policy, Russia

## Danuta Hübner

EU Commissioner for  
Regional Policy

*In Central Asia, big politics interweaves with big economy. It is right that Europe started to notice this import region.*



Kokshetausky University from Kazakhstan proposed the rise of the status of the International Fund for Saving the Aral Sea as a special UN commission as well as establishment of an international

water and energy consortium for the distribution of water supplies of Syrdaria River. In the opinion of experts visiting the Krynica, there should be an increase of international financing of repair and maintenance works in interstate hydro-engineering and water management facilities and moreover a boost in the funding of research and development works.

Central Asia is the region, the problems of which seem to be not quite understood in a sense. The Shanghai Cooperation Organization (SCO) is becoming an increasingly crucial element in development and strengthening of intraregional cooperation not only in the field of the fight against terrorism but also as far as economic cooperation and integration is concerned. Yet, unlike the East which deems SCO as an almost magical organization, the West considers it to be merely a paper tiger. Probably, the truth lies somewhere in between; nevertheless, one still needs to look critically and analyze the problems faced by the SCO.

Debates concerning the essence of the Russian democratic system are among the most heated and exciting ones. A majority of Western pundits harshly criticizes political practices pursued in the Russian Federation. On the other hand, Russian political scientists attempt to attract attention to the autonomous nature of political procedures, which nevertheless fall within the European understanding of democracy. In contrast, Ukraine and other Post-Soviet states which aspire to EU membership find it difficult to replace Post-Soviet ideology, since the perception of the European integration in these states through the prism of adoption of European values is fairly poor. The states in question focus on the economic and geopolitical benefits of the integration. The values such as political and social tolerance, the role of law and human rights do not prevail in social awareness.



"Corporate Social Responsibility. Global Aspect" - a debate attended by **Oleksandr Maksymchuk**, President of the International Charitable Fund – Ukraine 3000, **Volodymyr Kosterin**, President of Transbank from Ukraine, **Kateryna Yushchenko**, First Lady of Ukraine, Chairwoman of the Board of the International Charitable Fund – Ukraine 3000



**George Weigel**, Ethics and Public Policy Center, USA

## Programme of accompanying events:

- Presentations of books,
- Meetings with the authors,
- Exhibitions,
- Concerts,
- Presentations of cities and regions,
- Presentations of enterprises,



Kurdish Night



Georgian Evening: Performance of RUSTAVI

Evening with a Russian writer  
**Victor Erofeev**

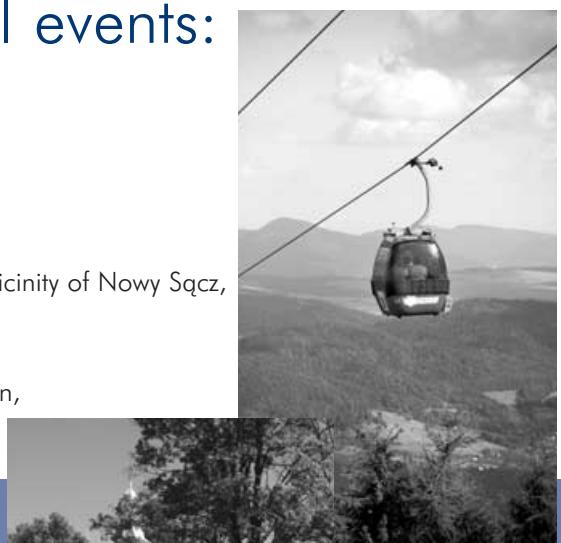
## Programme of recreational events:

- biological regeneration,
- SPA treatments,
- Salt cave,
- Rafting trip in the Poprad River Valley,
- A tour of 17<sup>th</sup> century Orthodox church architecture in the vicinity of Nowy Sącz,
- A shooting event followed by a picnic,
- Balloon flight over Krynica,
- A trip by a gondola railway to the top of Jaworzyna Mountain,
- A trip by a gondola lift to the top of the Parkowa Mountain.



SPA treatments

A 17<sup>th</sup> century Orthodox Church



A trip to Jaworzyna Mountain



# Congress Centre

The Congress Centre of the Economic Forum is situated in the heart of the town. The facility includes: the main reception desk, plenary session chamber, conference rooms, info desk, press centre, Forum cafe, and an internet cafe. The discussions are held simultaneously in several rooms. All the conference buildings are situated close to each other within three minutes' walk. The communication around the centre is fostered by information boards and signposts. The entire area of the Congress Centre is covered by WiFi network, which facilitates wireless Internet access.

Current information regarding the Forum is available on the Intranet via infokiosks. The information, including the agenda and organizational info, is presented in English, Russian and Polish.

The Forum features presentations of numerous publications, some of which are true rarities. The *List of Attendants* has been pronounced one of the most pursued publications:

- *The Agenda* – approx. 200 pages – a comprehensive compilation covering all debates and their descriptions as well as a detailed index of panellists (published in Polish, English and Russian).
- *List of Attendants* – approx. 800 pages – a detailed compilation presenting the Forum attendants, including their photos, biographies and contact details (published in Polish, English and Russian).
- *A Promotional Brochure* – approx. 150 pages – a presentation of offers from companies attending to the Forum.



*The Congress Centre of the Economic Forum is situated in the heart of the town*

# 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 Wałęsa, Marek Belka, Tadeusz Mazowiecki and Italian cardinal and the Papal Iustitiae 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 Union.

## The Economist

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 Sądecki 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.

## MOCNOBĆNIE HOBOCTI

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

## HOSPODÁRSKE 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.

## ДЗЕРКАЛО ТИЖНЯ

The Forum featured discussions on the development of future relations, following the EU accession of several post-communist states. An issue that is special and extremely important for Ukraine.

## 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

The beginning of September has been marked in calendars of many prominent people as the time to go to the Economic Forum in Krynica. Coming to 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 most significant event of this kind in Central and Eastern Europe, offers a marvellous opportunity for exchange of opinions and initiating joint projects fostering more efficient management of enterprises 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 Kraków, 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**  
The former President of the  
Republic of Poland receives  
a statuette from the hands of  
**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 2005  
**Jiří Grusá**  
Writer and a legend of opposition movement



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, Head of New Europe Research



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



The Company of the Central and Eastern Europe 2006  
**Vneshtorgbank**  
Alexander Gogolev,  
Senior Vice-President

# Europe – Russia Economic Forum

Meetings like Europe – Russia Economic Forum provide an impulse for the revision by both protagonists of the Forum. The EU and Russia need comprehensive cooperation. 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 the third edition of Forum, Alfred Gusenbauer, the Chancellor of Austria said: "we eagerly persist in analyzing the situation in Russia through the prism of USSR decline; however, this perspective is not sufficient today. We should finally realize that the Russian Federation has been successful as far as transformation is concerned and that the favourable situation in the energy resources market allows Russian economy to develop at the rate of 6% per year". In the opinion of the Chancellor, "not the politics but the strong economic position of Russia is the key to understand the economic relations of the country with the rest of the world".

Gediminas Kirkilas, the Prime Minister of Lithuania, called for solidarity. "Lithuania believes in the concept of solidarity which unites all the Member States. For Lithuania it is important that the EU and Russia sign a declaration which would guarantee settlement of problems, including the most sensitive ones. It is indispensable to develop a shared approach towards Russia, both in the field of economic and foreign policy, on the basis of the concept of solidarity. Only solidarity can ensure respect for the interests of the entire EU and its particular members.

"There is no conflict of interests on the level of the fundamental values", said Andrey Klimov of subcommittee on European cooperation of the State Duma. Aleksander Babakov, Deputy of the State Duma of Russian Federation, the Chairman of the Parliamentary Club Fair Russia – Motherland remarked that "the name Europe – Russia Economic Forum may imply that my country is not a part of Europe but I would like to stress that Russia has always been and will be a part of Europe. Nevertheless, this does not mean that we are going to blind copy the solutions adopted in the West. Obviously, we are observing the situation of our western neighbours attentively, yet we reserve the right to follow our own independent path".



**Andrej Klimov**, Chairman of the Subcommittee of European Affairs,  
State Duma of Russia, **Hannes Swoboda**, MEP, Vice President of the  
Parliamentary Socialist Group, Austria



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



"Russians cannot understand how it is possible that their European clients come and say: we are putting a lot of effort to become independent of your supplies, we are searching for alternative sources of supply and your task is to make investment and increase the production, since the reduction of output is the reason for the steep prices", said Anatoly Ledovskikh, Chairman of the Federal Agency on the Exploitations of Natural Resources. He expressed his scepticism with respect to belief that the role of coal as an energy carrier would grow. He neither believed that in 2020 the European Union would be able to reduce greenhouse gas emission by 20% nor that the share of alternative energy resources would be the same. "Wake up. In 2020, the entire Europe may be a big desert and you will produce nothing. You should take our words seriously", warned Ledovskikh. He did not conceal that Russians are powerful. "Yes, we have our policy and we will be growing stronger", he added. He could not deny that the commercial relationships with the EU would be of essence. The reason is simple: "we need technology and money", he said.

Yet, the EU representatives have clear expectations of Russia: transparent prices, separation of economy and politics as well as not regarding Russian investment in strategic sectors as a threat. "Remember one thing. Our supplies may also go to other clients, including China and India, where demand is growing rapidly", said Konstantin Simonov, the Head of the Centre for Current Politics and the author of *Russia 2006. Report on Transformation*. "It is concerns expressed in the EU that drive us in this direction", he explained. In his opinion, the EU countries are responsible for creating tense atmosphere of the EU-Russia relations. He reminded that the Russian share in gas import to the EU amounts to 65%. "Our gas is cheap. It is the cheapest in the world, even after the recent price increases and no one can convince me that the search for alternative energy supplies makes sense. But if you wish, you can check it yourselves", urged Simonov.

### **Sergey Yastrzhembsky**

The Russian President's aide  
for relations with the EU

*Russia is not afraid of the EU enlargement. Russia wants to develop relations with the EU to the extent to which the EU itself is ready. However, we fear that the EU is not prepared for it. Europe is not able to adopt a unanimous stance towards Russia.*



**Pierre Lellouche**

President of the NATO Parliamentary Assembly, France

# Europe – Ukraine

## Economic Forum

For the European future of Ukraine as well as for the Ukrainian future of Europe it is immensely crucial whether it will be possible to modernize the country in terms of politics and economy and incline the Ukrainian political elites to press ahead with a plan of reforms which will permanently determine the geopolitical position of Ukraine in Europe and bring stabilization of Ukraine's relations with the EU and Russia, and more important, show the benefits of Ukraine's accession.

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 framework of mutually beneficial cooperation among 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?

Ukraine is the only such a huge European country outside the EU, which declares its eagerness to integrate. It is looking forward to an explicit declaration about accession. What do both the EU and Ukraine need to do to make the declaration? Can the enormous economic potential of this country become a part of the huge market of common Europe? Can the EU afford to lose or marginalize this market in the face of the world economic globalization?



Plenary session of Europe – Ukraine Economic Forum: "Ukraine's politics 2006. Two years after the Orange Revolution"



**Viktor Yushchenko**  
President of Ukraine



**Adrian Severin**  
Chairman of the EU-Ukraine  
Delegation of the European Parliament,  
Romania



**Petro Poroshenko**  
Chairman of the Council of the  
National Bank of Ukraine

The Orange Revolution inspired Ukraine to enter a new different path. 90% of Ukrainian society supports Ukraine's integration with the European Union. Some have not taken any stand on the issue. Why do Ukrainian citizens opt for the European Union membership? This fact stems from historic motivations. Ukraine has always been a part of Europe and the mentality of Ukrainians is the European mentality.

From the beginning of its independence, Ukraine has declared that it is pro-European. In the mid-1990s, Ukraine announced that it wanted to be the EU member and since then all political declarations and legislation changes were related to the European integration. After the European Union had announced new neighbourhood policy, Ukraine was classified among such countries as Maghrebu states, including Algeria or Tunisia as well as Israel and many other countries which have never articulated their European aspirations. This brought disappointment to many Ukrainians, as they hoped for much stronger political declarations from the EU.

"As long as the European Union has no vision or the concept of the efficient operation of the EU institutions, the Member States will find it difficult to adopt a reasonable attitude to the relations with Ukraine", believes Adrian Severin, Chairman of the EU-Ukraine Delegation of the European Parliament.

We need to realize that our European identity should allow us to act as a global player. If we do want to be a global player, beginning with the philosophy and beliefs of the Founding Fathers of the European Union, we ought to strive to develop appropriate market, structures and supply level to be able to compete against other global players. How can we develop such market if we do not consider Ukraine as a part of it? Severin does not see much progress in this strategy without proper involvement of Ukraine in the EU energy policy. How can we harmonize economic development policy of Ukraine and the European Union? In fact, we cannot promote such policy without common security strategy and foreign policy. The faster we press for the institutional reforms to overcome the crisis of vision and the crisis of identity but also the crisis of institutions in the EU, the faster we can enter the subsequent stages of the integration process.

We should start with the factual and significant agreement on the extensive cooperation with Ukraine. The agreement should be much more balanced. As far as the integration of Ukraine is concerned, the European Union cannot adopt the same approach as in the case of other Member States or new members such as Romania, regardless of what this integration means. Unilateral approach, which does not assume involvement of the society or common nature of this undertaking, is not the approach, which could stimulate actions on both sides.

# Energy Forum

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. Finally, diversification of directions and security of gas supplies constitute major priorities of energy policy of the importers.

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.

Owing to its oil and gas deposits as well as attempts to take control over their distribution networks, Russia uses energy as a political tool for the achievement of the state's geopolitical objectives. Pressure exerted by Russia causes a great deal of concern. Therefore, the EU should not stop using and search-

## **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.*



## **Mirek Topolanek**

The Prime Minister of the  
Czech Republic

Owing to its oil and gas deposits as well as attempts to take control over their distribution networks, Russia uses energy as a political tool for the achievement of the state's geopolitical objectives. Pressure exerted by Russia causes a great deal of concern. Therefore, the EU should not stop using and searching for various sources of energy supplies. Abandonment of the search would be a major mistake – a mistake that is made once in a century, but which brings grievous consequences.



ing for various sources of energy supplies. Abandonment of the search would be a major mistake – a mistake that is made once in a century, but which brings grievous consequences.

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.

The starting point for the European energy policy is determined by three objectives: struggle against climate changes, intensification of the economic development and growth of the labour market as well as reduction of the EU's dependence on external gas and oil supplies.

None of the EU's essential energy objectives can be achieved without the internal energy market. The prices will be far beyond reasonable, the emission trading scheme will not work properly and the decision-makers will be able and motivated to hinder investment in new infrastructure, network interlinks and production output, which will augment the risk of network downtime as well as unnecessary and dramatic increases of energy prices.



**Edward Chow**, Senior Fellow at the Center for Strategic and International Studies, USA

**Steven Coffey**, Director of Office of Analysis for Europe, Bureau of Intelligence and Research, US State Department



A Debate: Alternative oil and gas supply routes for Europe: business or politics? A chance or a threat? **Sergei Krylov**, former Deputy Minister of Foreign Affairs of Russia, **Maroš Kondrát**, Chairman of the Committee on Economic Policy of the National Council of the Slovak Republic

# Forum of Regions

The Forum of Regions is an integral part of the agenda of the Economic Forum in Krynica. This is an annual meeting of local government and regional leaders from Central and Eastern Europe. The Forum is co-organized by the city and the commune of Niepołomice.

The Forum of Regions is a platform for exchange of ideas and meetings. Indeed only large and strong regions are capable of taking up the right position within the united Europe structures. Frequently, it is regions not the states that exert the greatest impact on decisions affecting them. Only large and strong regions can establish partnership-based cooperation with central authorities and the EU administration. They are able to use the EU aid funds resourcefully and ensure proper operation of communes and districts. The objective of the Forum of regions is to foster these ideas.

"The regional approach" is a twin process of globalization. Globally, development of this strategy is the most effective option for the new international order in terms of economy, finances, trade and geopolitics. A majority of countries are inclined to revise the fundamental assumptions behind the regional approach. This issue may constitute an especially relevant "purpose and scope of works" in Europe's drive for accomplishment of the global priorities set forth in the EU's 2007-2013 Framework Programme.

## Programme:

- Municipal assets administration and possibilities of investment project funding
- What is the direction of the EU funding?
- New dimension of regional policy in Europe and worldwide.
- The role of science in regional policies.
- Regional development planning in the financial perspective of 2007-2013.
- Construction of motorways and national roads – are the local self-governments partners or adversaries?



[www.forumregionow.pl](http://www.forumregionow.pl)

### Zbigniew Kotlarek

General Director for  
National Roads and  
Motorways, Poland

### Grażyna Gęsicka

Minister of Regional  
Development, Poland

### Stanisław Kracik

Mayor of Niepołomice,  
Poland



# 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, Eastern Europe and Caucasus. The Forum is attended by more than 200 representatives from 33 states.

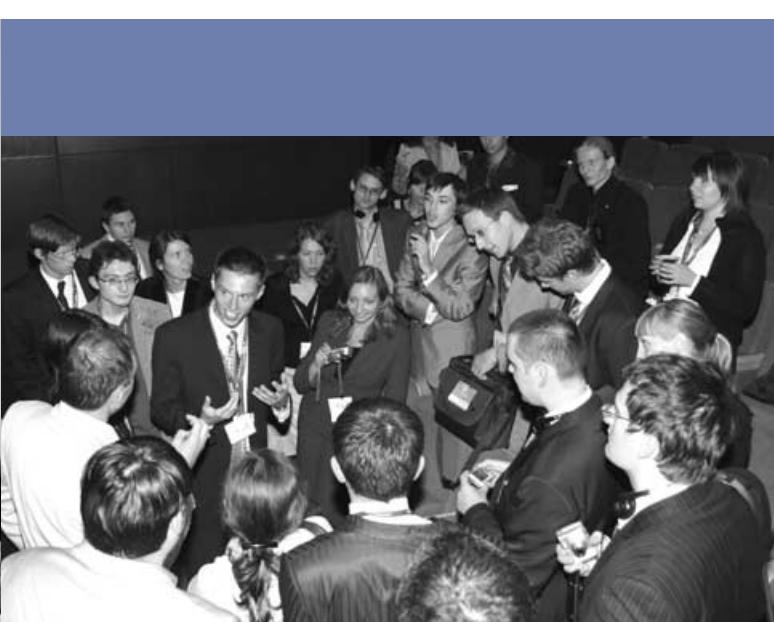
The Forum, which is held in Nowy Sącz near Krynica, is a place of discussions and reflections on a wide range of vital issues and challenges, in particular, the ones pertaining to the role of young generation in the current social and economic transformations on the European Continent. It is a common 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 with respect to the chief 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 as well as 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 to the Forum include outstanding politicians, economists and leaders of social movements. Young leaders participate also in the discussions of the Economic Forum in Krynica.



[www.forum-leader.eu](http://www.forum-leader.eu)



# 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), Voivodship of Małopolska 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.

## **The School's curriculum includes:**

- 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.



# A meeting place

- The Economic Forum is a meeting place for visitors from nearly 60 countries. The EU Commissioners, state presidents, government and parliamentary delegations, businesspeople, experts and journalists all come to Krynica to attend the debates. 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 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.



A debate "Cooperation on the Development of Regional Energy Systems and Security of Electricity Supply in the Baltic Sea Area" attended by: **Vytautas Nauduzas**, Vice-Minister of Economy of Lithuania, **Tuomo Hatakka**, Senior Executive Vice-President of the Vattenfall Poland, **Róża Thun**, Head of Representation in Poland, European Commission, **Johnny Åkerblom**, President of the Nordic Investment Bank, Finland, **Paweł Urbański**, President of the Board of the The Polish Power Grid Company



### Alessandro Profumo

Chief Executive Officer of  
UniCredito Group, Italy

*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 composed of various elements and to manage different entities.*

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.



**Hanna Gronkiewicz-Waltz**

The 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, Kazakhstan

A Plenary Session of  
II Europe – Russia Forum in  
Vilnius, attended by  
**Sergey Yastrzhembsky**,  
the Russian President's aide  
for relations with the EU,  
**Urban Ahlin**, chairman  
of the Swedish Parliament's  
Foreign Affairs Committee,  
**Volker Rühe**, former  
Minister of Defence of the  
Federal Republic of Germany,  
**Paweł Zalewski**, The  
Chairman of the Committee  
of Foreign Affairs of the Sejm  
(Lower Chamber of the  
Parliament) of the Republic  
of Poland



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 150 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.

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.



**Ishenkul Boldjurova**  
Chancellor of the Kyrgyz National  
University



**Jean-Pol Poncelet**  
Advisor to the Chairman of the  
Executive Board & Vice President of the  
New Energies Policy, AREVA, France



**Sergey Dyachenko**  
Deputy Chairman of the Parliament of  
the Republic of Kazakhstan

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 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 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 economic dimension encompassing also the system of law, judiciary, security, defence and foreign policy.



**Marc Sielemann**  
Chief Executive Officer of MAN, Germany

*I think of the 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.*



**Martin Roman**  
CEO of CEZ,  
Czech Republic

*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 contribute to this crucial debate on energy security, which is one of the key subjects of contemporary European policy.*



**Arnaud De Villeneuve**  
President of Canal+ Cyfrowy, France



**Claude Gatignon**  
Chairman of the Study Group on Energy,  
French National Assembly



**Kuanыш Sultanov**  
Chairman of the Committee for socio-cultural development, The Senate of the Republic of Kazakhstan

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 may be 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 spring-board 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 the emergence of something new? The abovementioned 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 decisions 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.

**Jarosław Kaczyński**  
Former Prime Minister of Poland  
**Viktor Yanukovych**  
Prime Minister of Ukraine



# 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 – Central Asia Economic Forum
- Europe – South Caucasus Economic Forum
- Energy Forum
- Forum of Regions
- Economic Forum of Young Leaders
- School of the Economic Forum