

Scientific Life

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**EUROPEAN ECONOMY
FROM THE ATLANTIC TO THE URAL
(ECONOMIC FORUM IN KRYNICA GÓRSKA,
POLAND: INFORMATION, SPECULATIONS,
IDEAS)**

Thus far not a single monograph or study has analyzed the European economy as an economy of a continent. An international economic forum held yearly in Krynica Górska, Poland, is one of few sources for such information. In spite of being traditionally called “the second Davos”, it is unique in view of its primary objective, which is to settle the problems of economic growth in Central and Eastern Europe. Obviously, a profound examination of the diversified phenomena in the European economy is impossible to conduct within a single forum. However, every year the organizers succeed in determining its urgent problems and searching out personalities capable of formulating its major regularities within the common European dimension. This can also be attributed to the last, thirteenth forum, which took place on September 4–6, 2003.

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This year's Economic Forum in Krynica Gorska gathered a record number of participants – 1300, including the presidents of Macedonia, Poland, Romania, and Croatia. The forum consisted of 69 plenary and thematic seminars. The main motto of the forum -- «The Enlargement of the European Union: the Initial or Final Stage of Integration?» -- reflects the evolution of the European problem area. In 2001, the focus problem of the forum was: «Will Europe Remain Divided?», while the year before, the problem of «The Post-Integration Europe – Solving Problems, Managing Changes» was discussed.

At present, Central Europe is generally concerned with the development and implementation of the changes that would ensure structural integrity of the European Union. Along with that, the following questions are being disputed: can the countries of this part of the continent offer anything to the enlarged Europe and, if yes, what specifically; how can the gap between the wealthy and the poor nations, as well as different income layers within the society be eliminated. In view of this, the multi-cultural phenomenon accompanying the EU enlargement should become a source of wealth generation, not a burden. Therefore, it is necessary to design the mechanisms of globalization development and national identity preservation. There were the problems that dominated in the speeches delivered by the comprehend participants from the EU accession states, especially during the first plenary session «Central and Eastern Europe – the End or the New Beginning» in the speeches of Boris Trajkovski (President of the Republic of Macedonia), Aleksander Kwasniewski (President of the Republic of Poland), Ion Iliescu (President of the Republic of Romania), Stjepan Mesic (President of the Republic of Croatia).

These ideas were further developed at the thematic seminar «Is There a European Solidarity and What does It Mean?». Its participants took the view that at this moment in the history of European integration, maintaining the principle of solidarity has been delivered the most measurable results and has turned the western part of the continent into an oasis of peace, stability and well-fare. The countries that join the EU today are much weaker than those of the previous enlargement in terms of development. When 25 countries constitute the EU, 136 mln. of population will be affected by significant disparities. That is why, the principles of solidarity and cooperation in Europe gain special significance nowadays and require new methods of political balancing among the EU countries and regions.

The dialectics of modern views on solidarity ensured evolution from simply social and philosophic category into the social and economic process capable of providing progressive development of the integrated Europe in the new millennium. The European countries' experience of cooperation grew to elaborate a three-level system for harmonizing national interests based on the solidarity principle: (1) forming and ensuring the priority of common European values; (2) coordinating national policies and budgets; determining a common strategy of social and economic development and labour market regulation; (3) holding regular consultations among the countries on the problems of international cooperation; presenting the joint position of the EU countries with regard to urgent

problems at the international level; ensuring solidarity of countries in common decision-making and guaranteeing stability and security in Europe. However, this approach is not efficient when dealing with the problems of institutional development of the united Europe. When responding to the challenges of external environment, it can hardly reflect the dynamics of economic and social interests of the countries with different development levels and, therefore, cannot provide the dialectic development of institutional and economic infrastructure of the region as a single system in space and time. These ideas were developed in the speeches of Prof. Danuta Hubner (Minister for European Affairs, Poland), Pascale Andreani (European Affairs Adviser to the Prime Minister, France), Sergey Kovaliov (Deputy to the Duma, the Russian Federation), Milan Urban (Minister of Industry and Trade, Czech Republic) and Angel Miguel Navarro Portera (Ambassador of Spain to Poland).

Obviously, the discussion could not be limited to the problems of Central Europe pertaining to its new place in the EU. The first day was opened by the seminar on the symptomatic topic «The Future of Transatlantic Relations: New Dilemmas in the Policy of CEE Countries». The speakers were Aleksander Kwasniewski (President of the Republic of Poland), Victor Yushchenko (Deputy to the Verkhovna Rada of Ukraine, former Prime Minister), Leopold Unger (Publicist, the *Le Soir* and the *Gazeta Wyborcza*), while the chair was held by Adam Daniel Rotfeld (State Secretary, Ministry of Foreign Affairs, Poland). In view of the participants involved, we consider the seminar to be primarily organized with regard to Viktor Yushchenko being the major candidate for presidential portfolio at the elections of 2004. He expressed some of his views on the situation in Ukraine and its external policy orientation. In Yushchenko's opinion, it would be a huge mistake if the USA and Europe began to distance from Ukraine. 36% of population in Ukraine considers joining the EU to be the main task of the government. Ukraine is worth receiving a signal from the Europe about its wish to see Ukraine as a member of the EU. The problem of anti-terrorism was highlighted in Leopold Unters' speech. The September 11th, 2002, was a critical point for the world's way of thinking and behavior. The antiterrorism resistance has become of priority significance for the USA. The world must understand: the USA are in the state of war. The September 11th, 2002, was also crucial for Russia. It was the first to join the antiterrorism campaign. The NATO has no enemy anymore. Adam Daniel Rotfeld touched upon the aspect of improving the NATO's and the UN's activities. He emphasized that all of the international structures are static in their essence while security is a process. In fact, the UN currently are not united but separated nations, and therefore, this organization must reform itself from the inside.

Yet again, the enlargement process in the European market and common European area proved the urgency of development of such a policy that would not only permit to remove the obstructions in the way of regional integration, but moreover, to increase the advantages for national economies under the new economic conditions. During the thematic seminar «Governance and Globalization in Post-Communist Countries», Ion Illiescu (President of the Republic of

Romania) noted that the countries of Central Europe consider globalization to be a foremost opportunity for overcoming the gap in national economies' development levels through new technology diffusion in all fields of social and economic life and achievement of additional competitive advantages related to the development of the common European area. However, it is essential for these countries to search for institutional forms, social mechanisms capable of ensuring continuous dialog, crystallization of ideas and thoughts, which would unite vital processes at different levels, ranging from personal to regional, to national, and international. The problem so formulated underscores once again the specific character of the modern European Community that enters the stage of harmonization and ensuring the solidarity of interests ranging from those of an individual to those of an international association, in other words, the stage of the social and economic integration based on common institutional infrastructure. The discussion was supported by Prof. Bartłomiej Kaminski (University of Maryland, USA) who underlined that the new stage of globalization necessitated implementation of the new ideas concerning the formation of such a political structure, which would be based on close cooperation and intensification of interdependence among countries. Thus, the quality of state governance is a subject to a dispute: (1) up to now we have been normally using technologies developed in the other countries, (2) high level of corruption leads to a decline in economic growth and reduction of competition; (3) instability of an economy is not always derived from corruption. Prof. Antoni Kaminski (Director of the Polish Institute of Foreign Affairs, Institute for Political Studies, the Polish Academy of Sciences), Krzysztof Janik (Minister for the Interior and of Public Administration, Poland) and Prof. Dan Pavel (Faculty of Political Sciences, University of Bucharest, Romania) discussed these issues.

The realization of social mission by Central and Eastern European enterprises was studied at the plenary session on «The Social Role of the Capital». It was held by Jerzy Buzek, (former Polish Prime Minister), Hanna Gronkiewicz-Waltz (Vice-President, European Bank for Reconstruction and Development), Zbigniew Wrobel (President of the Board, PKN ORLEN SA), Enrico Pavoni (President of the Board, Fiat Auto Poland SA), Dragos Paviecevic, General Director, McDonalds, Poland and the Balkan States). In his foreword, Jerzy Buzek pointed out that devoid of its social form, capital is meaningless. Enrico Pavoni believes that a modern shareholder is an ordinary player in the securities market. The rise in a company's net worth is much more important than dividends. For ten years Fiat Auto Poland SA has not been paying out dividends, but directed its earnings towards capitalization. At present, the company pays out up to a million zloty for 250 scholarships to excellent students and provides financial support to families with many children. Dragos Paviecevic reported that his company localized its economic activity by giving preference to contacts with local businesses and servicing not only external clients, but also the 9000 employees considered to be the internal clients. In Poland, the McDonald's Fund was established. Among the company's assets are the renovation of Warsaw oncological hospital and the introduction of student scholarships. The very work for the company is the major financial source of obtaining education for many

employees. Hanna Gronkiewicz-Waltz considers that the minimum of morality should be defined by law.

In recent years, the post-socialist countries have been observing activation in the construction sphere. Both western and eastern top managers are equally positive about the employee potential and believe that eastern specialists possess no lesser engineering background than do the western professionals, but they lack the knowledge and skills of practical management, as well as abilities to manage financial levers, risks, and cash flows.

Jan Gunnar Glave (President of Skanska SA, Poland) reported on the successful construction business in Poland that started after the acquisition of Exbud Company and the increase in yearly turnover to two billion zlotys. On the other hand, Valeriy Kaitmazov (General Director of Strinvest Group Ltd., Russia) believes that it is impossible for a foreigner to take over a construction firm in Russia; at least he is not aware of such a precedent. At the same time, Russian companies fruitfully cooperate with the foreign ones and quickly adopt their experience, since it is typical of the Russian consumer to prefer quality over cheapness.

The thematic seminar «State as a Brand. To Which Extent Does Image Influence its Competitiveness in the Global Market?» was, for the most part, Poland-oriented. The reports of Marek Prawda (Ambassador of Poland to Sweden), Pawel Kastory (President of the Board, Corporate Profiles Group DDB) and Rafal Wisniewski (Ambassador of Poland to Hungary) were brought out at the forum. It is worth noting that this problem is even more urgent for Ukraine, though not discussed here seriously. The Poles discussed a need for promoting Poland in the world. The marketing professionals believe that Poland still needs its own brand to be created, which then must be positioned and reasonably managed. The problems under discussion were: whether Poland is (already) a brand; whether this brand is credible and what kind of reputation it has in the world; whether Poland serves valuable products and knows how to market them; what chances the Polish products, services, and tourist resources have on the global market; and whether Krakow, Wroclaw, or Krynica can become the world-class brands. It is clear that these questions, as far as they relate to Ukraine, should also be discussed by the Ukrainian authorities and scientists in order to find solutions to similar problems.

The 2004 elections in Ukraine attract significant interest both in the country and abroad. The forum in Krynica gathered almost all of the oppositionists together. The opportunity to discuss openly the urgent problems of political system development in Ukraine ensured active debating of politicians, journalists, analysts, and scientists at the thematic seminar «Political Ukraine and Economic Ukraine – One Year Before Presidential Elections». On the whole, the seminar participants sought for solutions to the following three problems: (1) what «an efficient national policy in Ukraine» means; (2) what «team» for political reforms implementation is needed; (3) what mechanisms can ensure the «people's» control over the development program execution and correction of the governmental

and executive actions. Unfortunately, apart from positioning a problem, not a participant could provide a sufficiently substantiated and positive solution with regard to the possibility of enhancing democratic principles within the existing political system. As Viktor Yushchenko correctly mentioned, the problem is rooted not in a certain politician, but in the overall system which is not able to ensure the democratic mechanisms of administration.

Further discussion on trends if the European policy development took place at the seminar «What is the EU's Policy Towards Eastern European Countries and What Should it be Like?» Jozef Oleksy (Chairman of the Sejm European Committee, former Prime Minister of Poland) drew attention to the necessity of ensuring additional mobility and dynamics of the EU's policy with regard to third countries. The substantiation of the new Poland's initiative and its proposals to grant the EU new member-countries an opportunity to influence an overall European policy in the future were especially interesting. Thus, Poland initiated the formation of a new structure in the EU – the Eastern choice, i. e. an Eastern policy that would stipulate the creation of the European Peace Corps, Fund for Scholarships and Support, as well as Common European Investment and Information funds. Borys Tarasyuk (Deputy to the Verkhovna Rada of Ukraine, Chairman of the Committee for European Integration) mentioned that the EU's policy towards third countries should be well-defined. Ukraine expects support in questions of modernizing the EU's policy towards Eastern European countries with regard to creating the sufficient environment for the development of cooperation within an overall European Communication network, as well as formation of a regional cooperation area. Elmar Brok (Chairman of the Committee on the Foreign Affairs, Human Rights, Common Security and Defence Policy, the European Parliament) partially agreed to the suggestions of his colleagues, though acknowledged that the European policy should not develop at the expense of diminishing economic security or stability. Vytenis Andriukaitis (Deputy Chairman, the Parliament of Lithuania) seconded the Poland's initiative on the «Eastern dimension» of the EU's policy. He accentuated the need to include such countries as Belarus and Caucasian states into the integration process. Finally, the speaker pointed to liberalization of the entire European market, consolidation of democratic structures, creation of free trade zones, and broadening of trans-regional and trans-border cooperation as the most urgent near-term cooperation priorities.

Many forum participants took part in the thematic seminar «E-State – a Dream or Necessity? How should the European Challenges be Managed?». As viewed by Prof. Wojciech Cellary (Poznan University of Economics), e-government is mostly associated with information technologies. E-government differs from the physical one in the method of service providing – via network or by means of processing and signing documents directly in office. For instance, a computer is an ideal officer for such operations as filling in tax declarations, and it can definitely be entrusted with this type of documentation processing.

Implementing the e-government requires interaction of many forces: legislative, industrial, business, and legal institutions, as well as ordinary citizens.

However, some forces impede the development of e-government. Those are the officials who realize their uselessness after implementation of the e-government, as well as the representatives of the "black" economy who are used to evading the law, which will become impossible and overly complex when the computers are used. According to Prof. Cellary, it is difficult to informatize all sectors at once, and therefore, a stepwise informatization of the high-priority spheres is essential. This refers mainly to medicine, electronic tax declarations, small- and medium-sized businesses. In the government-to-business (G2B) interaction the priority should be given to small- and medium-sized businesses, since ordinary citizens do not deal with administration often, while businesses do. For the small businesses, however, this interaction is relatively costly because they cannot afford to hire an additional employee for this purpose, while large businesses can. The major prospects of the e-government are businesses, especially the representatives of small- and medium-sized enterprises, as well as the women who manage their family affairs when men are busy working. Moreover, the female programmers should participate in the government-to-client (G2C) interaction system because they can anticipate the response of women to these systems, as well as determine the peculiarities of their use of G2C. Prof. Cellary also pointed to the possible problems of the e-government: in particular, the problem of feedback from administration to citizens and the problem of information security. Uli Kottmann (President, Process4E) warned of the possible access to the information on an individual or legal entity by the server or the third person in the e-state, which would be regarded as intervention into private life.

The problems of electronization were subsequently discussed at the thematic seminars «Economy, Politics, the Internet – Effective Strategies under Slowing Economy» and «From Recession towards the Renewed Boom: The IT Role». The discussion was derived from realization of the fact that alongside with the development of civilization, economy and politics change their locus of influence, and these notions obtain a modifier «global». Accordingly, under these conditions, politicians, businessmen, and financiers should choose effective strategies of global-scale development in case of economic instability.

For the first time two seminars on tourism were held at the forum: «The Future of Tourism in Central and Eastern Europe» and «The Future of Space Tourism». The speeches of Malgorzata Okonska-Zarembe (Under-Secretary of State, Ministry of Economy, Labour, and Social Policy, Poland), Michal Sevcik (Director, Department of Tourism, Ministry of Economy and Transportation, Slovakia), Andrasne Bozzay (General Director, Department of Tourism, Ministry of Economy and Transportation, Hungary), Katarzyna Sobierajska (General Director, Polish Tourist Organization), Yevhen Samarcev (Deputy Chairman, State Committee on Tourism, Ukraine) were delivered at the first seminar.

The aspect commonly emphasized at the seminar was the increasing interest of central authorities in tourism. National programs for tourism development are being developed or have been developed already in every country. However, the role of tourism varies in different economies. The Hungarians estimated that tourism can bring EURO 10 billions per year in revenues. In Poland

tourism generates 10% of overall tax revenues, 13% of export, and 9% of investments. The Central Europe seems to seek for new tourist markets and expects to attract tourists from China and Russia, in particular. The problems in this field entail roads, visa procedures, and security of foreign tourists. In Ukraine the ten-year program of tourism development was elaborated, a scheme of small town development oriented at attracting tourists was created, and the hotel registration fee was eliminated.

The thematic seminar on space tourism was bounded by the speeches of the representatives from the Russian Federation, the USA and Poland: Aleksander Gdalevich Derechin and Aleksander Alexandrov (Korolyov Rocket and Space Corporation ENERGIA), Christopher Faranetta (Vice-President, Space Adventures Ltd, USA), Jeffrey Manber (President, Mir Corp, USA), Andrzej Koltarski (Secretary General, the Polish Astronautical Society). The main idea of the seminar was that space tourism is not some kind of entertainment for wealthy people. Commercial space expeditions are considered to become a separate field of the space commerce, not the exclusion to the rule. A number of people interested in private space flights are rapidly increasing; this can be considered the basis for long-term perspectives of the space tourism. Educational space-flight programs for schoolchildren, students, and mass media are being developed, although their alternative use in extreme tourism are also being taken into consideration.

The new mechanism of the EU's relations with the neighbours requires that Ukraine clearly understand its place and perspectives in the overall European area. These problems were discussed at the thematic seminar «Ukraine's Aspiration to Join Europe in the Face of the EU's Eastern Policy: Realities and Prospects». The seminar participants agreed on the joint responsibilities of the EU and Ukraine for the future establishment of relations. The major reason for this is the reluctance of the EU to accept Ukraine adequately due to the latter's undecided position with regard to the priority of the practice of developing such relations. James Sherr (Defence Academy, United Kingdom) also put an emphasis on the Europe's equivocation concerning Ukraine. Oleksandr Chalvi (Deputy Minister for European Integration, Ukraine) and Borys Tarasyuk (Deputy to the Verkhovna Rada of Ukraine, Chairman of the European Integration Committee) summarized that, in fact, we are facing double standards, when the formal right of a country to join the EU is violated as a result of non-recognition of its ability to fit the Copenhagen Criteria. Volodymyr Lanovyi (President, Center for Market Reforms) made an interesting assumption about the EU's «incapability» to merge, to integrate with the economy of such a country as Ukraine, which is far from being small. Thus, it is crucial to search for alternative ways of trans- or Euro- integration and consider them as an internal policy model.

The influence of the global development of economic systems on labour markets was discussed at the plenary session «Globalization and the Labour Market». Jerzy Hausner (Minister of Economy, Labour and Social Policy, Poland), Valeriy Khoroshkovsky (Minister of Economy and European Integration, Ukraine), Vladimir Semashko (Deputy Prime Minister of the Republic of Bela-

rus), Giorgi Medzmariashvili (Deputy Minister of Economy, Industry, and Trade, Georgia) focused on the increasing opportunities, as well as competitiveness in the labour market. Enterprises have an opportunity to access better-qualified and cheaper manpower. Valeriy Khoroshkovsky stressed the need for adopting new behavioural models under conditions of increasing competition for intellectual capital. The development of the global labour market requires that international organizations elaborate adequate mechanisms of migration flows management and form the infrastructure of this market at the supranational level. Jerzy Hausner suggested a rather interesting aspect for deliberation: globalization processes demand that the state apply a complex approach to formation of human resources and the labour market capable of ensuring the balance of macroeconomic, fiscal, and monetary regulations at both national and supranational levels. The impact of globalization on demographic processes and situation in certain industries did not go unnoticed as well. Prof. Cellary considers the intergenerational competition to be the most intensive. It can be observed even in the cases when the state provides financial support to coal-mining enterprises, which results in reduced resources for education and high-tech development.

«Competitiveness, Integration, Reforms: European Economy from the Atlantic to the Ural» – this was the subject of another plenary session where Luca Barbone (Director for Ukraine, Belarus, Moldova, the World Bank), Lajos Bokros (Director, the World Bank, former Hungarian Minister of Finance), Jan Krzysztof Bielecki (Executive Director, EBRD, former Prime Minister of Poland), Oliver Mangan (Chief Bond Economist, Allied Irish Bank) delivered their speeches. The idea of the session resonated through all of the reports – the European economies, both in eastern and western parts of the continent, need reforms, though every country has its own problems. Western countries focus mainly on reaching more efficiency through modernization and adjustment of a wealthy economy. The key problems of Eastern Europe are: ending the economic transformation, constructing efficient market institutions, and creating foundations for accelerated growth. Along with that, the public sector should be reformed in the entire Europe. Other individual opinions were that the EU enlargement does not change anything by itself, but creates conditions for realization of these changes (Prof. Witold M. Orlovski, Economic Adviser to the President of Poland), that the economic reforms of the financial sector in the new Europe should be more flexible, liberal, and forthcoming (Lajos Bokros), and that Poland will contribute in large to the EU in terms of population, but insignificantly – in terms of economic growth (Jan Bielecki).

The thematic seminar «Business-Education in the Post-Communist Countries: Summary and Perspectives» was dedicated to the problems of forming the entrepreneurial personnel among the new generation of managers. Business schools, either created at the existing higher educational establishments or newly developed, were established in practically all post-communist countries. Andrey Volkov (Vice-Rector, Academy of National Economy by the Government of the Russian Federation) focused on the problems of business as an education

and education as a business. He emphasized that the MBA boom is coming. In Russia, the average cost of studying at this program is estimated to be \$5000. Therefore, it would be feasible to obtain education in the country a person intends to do business in so that to practice local language, get acquainted and establish contracts with local businesses. Leonid Evenko (Rector, Advanced School of International Business at the Academy of National Economy by the Government of the Russian Federation) pointed to the problems of business education, in particular, the lack of actual case studies adjusted to local peculiarities; faculty's wages; and tuition fees (for example, whether the fees should be set at the per-credits-received or the per-year basis). Milenko Gudic (Director, IMTA, CEEMAN, Slovenia) underlined the need in common educational quality control system within the common European area. He also singled out major motivational factors of gaining education: contacts, knowledge, and diploma.

The thematic seminar «Foreign Capital in Central and Eastern Europe: Threats and Opportunities» was of great interest to the participants of the forum. The reports and speeches were delivered by Dr. Barbara Durka (Foreign Trade Research Institute (IKCHZ), Poland), Anna Skowronska-Luczynska (Minister Counsellor, the Polish Embassy in Kiev), Andrzej Szejna (Under-secretary of State, Ministry of Economy, Labour and Social Policy, Poland), Ihor Burakovski (Director, Institute for Economic Research, Ukraine), Yevhen Savelyev (Vice-Rector, Ternopil Academy of National Economy, Ukraine), Borys Frumkin (Institute for International Economic and Political Research, the Russian Academy of Sciences).

The research of Dr. Barbara Durka shows that according to the data of the National Bank of Poland, the direct foreign investment in Poland amounted to \$47.7 billions for the period of 1993–2002. However, the foreign investor survey conducted by the State Agency of Foreign Investment resulted in bringing this number up to \$65.1 billions. According to the UNSTAD listing, about 30 out of 100 largest trans-national corporations conduct business in Poland. Many foreign companies developed effective personnel training systems and put pressure upon employees and managers, in particular, to increase and improve professional qualifications, which resulted in new knowledge acquisition opportunities, especially for talented young people. Thanks to foreign investors, Polish businessmen master the art of lobbying and learn to lobby their interests. Andrzej Szejna mentioned that Poland expects foreign investments to increase at about \$5-6 billions per year by 2005, and up to \$10 billions per year in future. Svetlana Glinkina showed that capital outflow from the Russian Federation amounted to \$300 billions, \$167 billions of which were officially proved. Anna Skowronska Luczynska analyzed foreign investments in Ukraine. She pointed to small amounts of foreign investments in Ukraine, as well as giant opportunities of the Ukrainian economy. Foreign investors are expecting Ukraine to determine its political priorities and to abolish corruption. Evhen Savelyev believes that Ukraine's lagging behind in questions of attracting foreign investors is generally caused by the lack of transparency in privatization, as well as impediments in foreign capital participation.

Prof. Ruslan S. Grinberg (Director, Institute of International Economic and Political Studies of the Russian Academy of Sciences), Dr. Barbara Durka (Director, Foreign Trade Research Institute (IKC HZ), Poland), Svetlana Glinkina (Deputy Director, Institute of International Economic and Political Studies of the Russian Academy of Sciences), Natalia Kulikova (Director, Centre of Eastern European Studies), and Andras Koves (Adviser, Kopint-Datorg Ltd, Hungary) took part in the section «The Prospects for Economic Cooperation between Russia and the CEE countries in the Light of the EU Enlargement». After identifying major reasons for the reduction in the Russian exports to Poland, Barbara Durka mentioned that under given circumstances, it is essential to seek for new opportunities for cooperation rather than resume the old ones. She considers investment cooperation, common infrastructural network development and the countries' scientific and technological potential utilization to have good prospects. Natalia Kulikova demonstrated that the growth of the Russian economy has an effect due to availability and high prices of energy resources, and revealed positive, as well as negative, aspects of the EU enlargement for the Russian Federation. According to Natalia Kulikova, the positive effects are: the decrease in tariff shelter rate (though this privilege may not be used due to a resource-based structure of export); joining the common system of preferences (which, nevertheless, cannot be applied to highly processed goods); elimination of quantitative restrictions on exports of certain goods, such as steel, to which quotas should apply according to the EU rules. The possible orientation of countries towards the EU rather than Russia, implementation of stiff anti-dumping procedures in the Central and Eastern Europe, export restrictions on agricultural produce and import restrictions on energy resources, etc. were found among the negative effects. Summarizing the research, Andras Koves substantiated the conclusion that the major reasons for small turnover between Russia and Hungary are not related to the EU enlargement, but caused by low product competitiveness and imperfect structure of import-export flows.

A presentation of «The 2002 Financial Institution of Middle Eastern Europe» Award was a pleasant event for the Ukrainian participants of the forum. The award was deservedly received by the National Bank of Ukraine, which has been preserving the stability of hryvnya under unstable economic conditions for many years.

The XIII economic forum went over to history. Unfortunately, few representatives from Ukraine, especially high-up officials in power, could be noticed there. Ukraine hardly brings to Krynica a lot of ideas and experience, but moreover, it visits this place in order to learn the ideas and experience of the neighbours less often. How can this be explained? Could it be that the distance between us is increasing and our ideas and experience do not suit our neighbours, and v. v.? Or could it be that the gap in economic and social development created a more powerful border line that does the state? Is not Ukraine still the country of the second millennium, the one that has not entered the year 2001 yet? These questions are worth pondering about, and it is crucial to draw conclusions regarding new activity formation at the world and national levels.

The scopes of the forum and the costs of its organizing incline to question the effectiveness of Krynica meetings. In his interview to the *Rynki Zagraniczne* newspaper, Zygmund Berdychowski, Head of the Forum Program Board, recommended to ask the companies which have been recently investing in Russia, Kazakhstan, and Ukraine, about it and pointed to availability of certain political, social, and cultural results. In particular, it is in Krynica where the dialogues between the ruling party and the opposition take place. In view of this, an important conclusion can be drawn: separating Europe into the EU member-countries and the other countries can hamper stability and cooperation in the continent. The traditional participation of the presidents of Central and Eastern European countries in the forum cannot be considered commonplace too. After May 1st, 2004, these meetings will acquire a brand new sense since they will encourage sharing of the experience among the countries that strive to join the EU.

We consider the priorities and ideas discussed, refined, and developed at the forum to be of critical meaning for Ukraine as well. Their creative realization might be a good ground for the development of the program of action for the Ukrainian legislative and executive authorities. Hence, we present at least the topics of the plenary and thematic seminars that were not analyzed above: «How to Ensure Sustainable Development of Large Transforming Economic Organizations?»; «Difficult Choices in Management»; «Corporate Harmony in Poland, Central and Eastern Europe»; «Heritage and Development»; «Governance and Globalization in Post-Communist Countries»; «Europe and Islam»; «The Future of Transatlantic Relations: New Dilemmas in the Policy of the CEE Countries»; «The Balkans: Vulnerability of the State to the Challenges of Development»; «The Role of Regional Parliaments in the United Europe»; «Oil and Gas Summit: Regional Investments – Challenges and Opportunities»; «Flat Rate Tax – a Remedy against all Problems?»; «Construction Industry Prior to Accession to the European Union – Takeovers, Mergers, Failures»; «State Regulation or Self-Regulation – How to Diminish the Risk of Financial Scandals in Central and Eastern Europe»; «Media versus Business: the Right to Fair Presentation»; «Relations of Business Communities and Government»; «Environmental Protection of European Mountain Regions»; «Institutional Barriers to Trade Financing in the CEE countries»; «Old Problems and New Threats for Security and Business in Eurasia»; «Privatization in Central and Eastern Europe: What is it Like Today and What will it be Like Tomorrow?»; «Will European Economy Develop?»; «Energy Market Liberalization as a Stage of European Integration»; «Chances and Threats for the CEE Companies on the European Markets»; «Managing in Hard Times»; «When will Be Peace in the Middle East?»; «Why Do Governments Support Corruption?»; «Is HIV/AIDS an Epidemic that Undermines the Economy?»; «The NGO's: Their Role and Actions Aimed against Increasing Oligarchy in Politics»; «The Media and Economies in the Post-Socialist Countries»; «What Does International Consolidation of the Banking Sector Mean for Shareholders, Customers, and Employees?»; «Economy, Politics, the Internet – Effective Strategies in the Latent Economy»; «Business Education in the Post-Communist Countries: Conclusions and Perspectives»; «The Importance of Ethics in Corporate Governance»; «Oil and Gas Summit: Influence of European

Integration on the Oil and Gas Sector in Central Europe»; «Technological Expansion Perspectives of the Companies from the CEE Countries»; «Central Europe – the End or the New beginning?»; «From Recession to the Renewed Boom: the IT role»; «Are Humans Likely to Defeat Tumour?»; «The European Union after 2006: Who is Next?»; «Homo Sovieticus in the Post-Soviet Russia»; «The Advertising Market and Media Development in Central and Eastern Europe»; «Oil and Gas Summit: the Review of Current Gas Projects in Central and Eastern Europe and Their Perspectives»; «How can Poland Play in the Premier League of the EU?»; «Oil and Gas Summit: East and West – New Proportions»; «How to Manage a Company in a Crisis: the Role of Capital Concentration»; «Audiovisual Sector Development in Poland in the Light of European Experience – the Market and Legal Regulations»; «Germany and its Eastern Neighbours after the EU Enlargement»; «The Faces of Democracy: Poland, Ukraine, Slovakia»; «Health Care – Who Is to Do it Better?»; «Strategy for Chemical Industry in Poland: Chances and Threats»; «Russia's External Policy the Day before Parliamentary and Presidential Elections»; «The EU's Eastern Dimension within the Framework of Transatlantic Relations»; «Integration – Entrepreneurship – Development»; «The Role of the EU – Russia – Ukraine «gas triangle» in Europe's Energy Security Building: a Conflict or Common Interest?»; «What are the CEE Countries' Rights to Be after the EU Enlargement?»; «Enlargement of the European Union – the First or the Last Stage of Integration?».

When trying to grasp the meaning of the economic forums held yearly in Krynica, it would be worth to mention their significance for the development of Central and Eastern Europe. However, the dominant mission of the forum is also evident – in the future, Poland should play the role among the countries of the EU corresponding to its potential. It can and should play in the EU's premier league. Ukraine should come down with the money to initiate a similar forum, which would favour European integration and position it well at both the European and the world levels. Thus, when will Europe be invited to the economic forum in Yalta, Phoros, Odessa, or the Carpathians? Which initiative will be surpassing?

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