

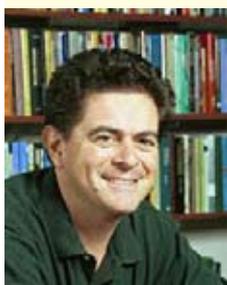


# UNECE Weekly

United Nations Economic Commission for Europe

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## ALBERTO ALESINA TO GIVE GUNNAR MYRDAL LECTURE on “Welfare policies in the UNECE region: Why so different?”



This year's Gunnar Myrdal Lecture will be delivered by Alberto Alesina of Harvard University. Professor Alesina will discuss why the UNECE countries have chosen rather different models of welfare state and, more generally, alternative policies to fight poverty. In particular, the lecture will focus upon why the American welfare system is less generous than the typical European one, emphasizing the causes and implications of these differences. It will also explore variations in welfare policies within west European countries by comparing their effectiveness, successes and failures. Professor Alesina will discuss this analysis, and comparison could serve as a guidance for Central and East European countries in selecting a strategy for the reform of their welfare system.

For more information contact UNECE Information Service ([info.ece@unece.org](mailto:info.ece@unece.org)) or visit [http://www.unece.org/press/Myrdal\\_lectures/Myrdal\\_2006.htm](http://www.unece.org/press/Myrdal_lectures/Myrdal_2006.htm)

The Lectures are named in honour of Gunnar Myrdal, first Executive Secretary of the UNECE (1947-1957), who received the Nobel Prize in economics in 1974. The topic that Mr. Alesina has chosen for his lecture, “Welfare policies in the UNECE region: Why so different?” would surely have been of interest to Gunnar Myrdal since much of his academic work was concerned with poverty and anti-poverty programmes.

This is the fourth in a new series devoted to major international economic problems. The previous three lectures were given by Nobel prize winner Professor Douglass C. North (in 2003), Joseph E. Stiglitz, 2001 Nobel Laureate in Economics (in 2004) and Pascal Lamy, Director-General of the World Trade Organization and former Trade Commissioner of the European Commission (in 2005).

### Date and venue:

Friday, 12 May at 3 p.m. in room XVIII of the Palais des Nations  
Entrance: Pregny Gate, Door 40

For security reasons, please arrive at Pregny Gate by 2.30 p.m. at the latest. Those without a valid badge allowing entry into the Palais des Nations will need to register in advance.

A registration form can be obtained by calling +41 (0)22 917 5836 / 917 4444, or e-mailing [info.ece@unece.org](mailto:info.ece@unece.org) or online at <http://www.unece.org>.

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### Date et lieu:

Vendredi, 12 mai à 15 heures en salle XVIII du Palais des Nations  
Entrée: Portail de Pregny, Porte 40

Pour des raisons de sécurité, il est recommandé de se présenter au Portail de Pregny au plus tard à 14 h 30. Les personnes qui ne possèdent pas de badge permettant d'accéder au Palais des Nations sont priées de s'inscrire à l'avance.

Un formulaire d'inscription peut être obtenu en téléphonant au +41 (0)22 917 5836 / 917 4444, par e-mail à [info.ece@unece.org](mailto:info.ece@unece.org) ou en ligne <http://www.unece.org>.

## Crude Oil Prices: How high will they climb?



by George Kowalski,  
Director of the  
UNECE Sustainable  
Energy Division

It is difficult to say how high crude oil prices will increase in the foreseeable future. Broadly speaking, crude oil prices are a function of supply-demand fundamentals, available surplus or spare oil production capacity and geopolitical and energy security risks.

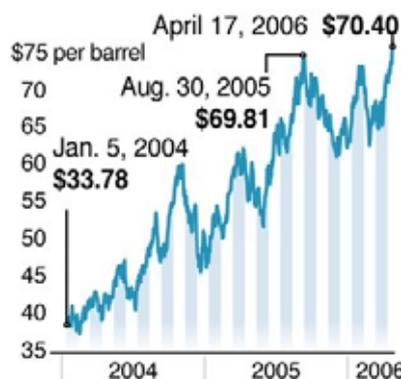
The rapid growth in oil demand in recent years, particularly in Asia but also elsewhere, has meant that the growth in demand has outstripped additions to global oil production capacity. Today, demand and supply are very finely balanced. The

slower expansion in production capacity in comparison to the growth in oil demand has also meant that spare production capacity has been greatly reduced. In the past, Saudi Arabia maintained significant spare oil production capacity that could be brought on stream quickly, if needed, to moderate price increases. This is not the case anymore, or at least not for the time being, because Saudi spare oil production capacity is also quite constrained.

### Reacting to negative political events

With supply and demand finely balanced and no real appreciable spare oil production capacity available, geopolitical and energy security risks have taken on added significance. Crude oil prices are constantly reacting to negative political events and energy security developments.

### NYMEX crude oil prices



SOURCE: Department of Energy AP



Not an official record - For information only



Of most concern today is the stalemate with the Islamic Republic of Iran over nuclear, the forced re-negotiation of oil revenue sharing agreements by the Venezuelan Government with international oil companies, the Chadian dispute with the World Bank over oil royalties, the disruption of oil exports from Nigeria due to sabotage, and the continuing unrest and strife in Sudan, an oil producer. These are more recent concerns and come on top of the Iraqi conflict, social and ethnic unrest in the Middle East and elsewhere and the discouraging prospects of replacing declining reserves in developed countries.

It is estimated that 20-30% of the current price of crude oil is attributable to geopolitical and security concerns. That translates to about \$US 15-20 per barrel. However, even if one were to strip out the premium due to geopolitical and security concerns, the crude oil price would still be in the vicinity of \$US 50 per barrel, a

reflection of tight global supply and demand conditions.

### Will history repeat itself?

It would seem that the underlying long-run energy fundamentals that prevailed in the 1970s and early 1980s have reappeared or were never really transformed. Needless to say, energy markets today are different from those that prevailed in the 1970s but there are many unrelenting trends that are of concern. In the 1970s and early 1980s, market forces and government policies changed the relationship between oil and energy demand growth on the one hand and economic growth on the other. Will history repeat itself? If the link between oil consumption and economic activity or, more precisely, the link with the demand for transport services is broken then crude oil prices will moderate. Otherwise, they will remain high or even rise.

For more information contact George Kowalski ([george.kowalski@unece.org](mailto:george.kowalski@unece.org)). For a video interview with Mr. Kowalski visit <http://www.unece.org/video/videoec.html>.

## Regional input to global discussions on energy and air pollution

The 14th session of the Commission on Sustainable Development (CSD) (New York, 1-12 May) will evaluate progress in implementing Agenda 21 and the outcomes of the Johannesburg Summit in the areas of energy for sustainable development, atmosphere/air pollution, climate change and industrial development. Discussions will focus on identifying obstacles and constraints, and sharing good practices and lessons learned with a view to facilitating implementation and capacity-building activities.

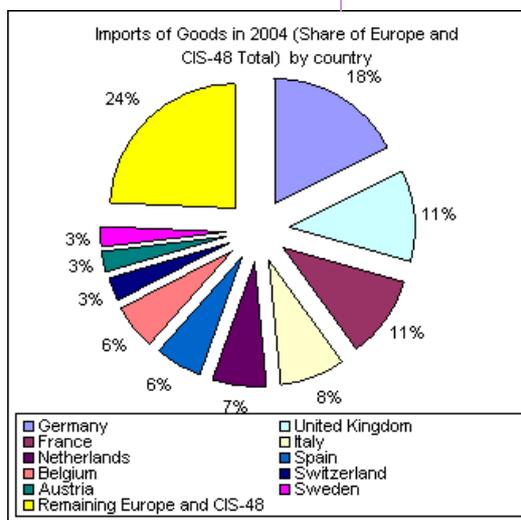
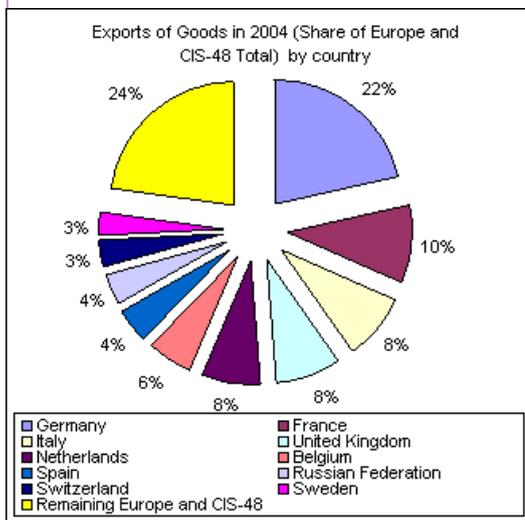
An exchange of regional experiences will take place through a series of regional discussions in the first week. UNECE has contributed to the CSD preparations through the Second Regional Implementation Forum, held in Geneva last December. The outcomes of the Forum will be presented in New York and serve as the basis for an interactive discussion of the specific challenges for the UNECE region in the global context.

In the margins of the meeting, UNECE and UNESCO will jointly organize a round table discussion on implementing education for sustainable development.

For more information contact Monika Linn ([monika.linn@unece.org](mailto:monika.linn@unece.org)).

## Facts and figures

Exports and imports of goods in the Europe and CIS-48 region are dominated by a small number of member countries



Source: UNECE Statistical Database

Exports and imports to other countries in the region are included.

Europe and CIS 48 consists of: Albania (data for 2003), Armenia, Austria, Azerbaijan, Belarus, Belgium, Bosnia and Herzegovina, Bulgaria, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Italy, Kazakhstan, Kyrgyzstan, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Norway, Poland, Portugal, Republic of Moldova, Romania, Russian Federation, Serbia and Montenegro, Slovakia, Slovenia, Spain, Sweden, Switzerland, Tajikistan, The former Yugoslav Republic of Macedonia, Turkey, Turkmenistan (data not available), Ukraine, United Kingdom, Uzbekistan (data not available);

In 2004 the total value of goods exported for all the countries in the Europe and CIS-48 region was equal to US \$4,189,317 million, while the total value of goods imported was equal to US \$4,025,329m. Germany, France, Italy, United Kingdom and Netherlands were the most significant exporters and importers of goods in the region. In 2004 Germany was the largest importer and exporter of goods in the region, with goods exported equal to US \$909,451m or 22% of the total Europe and CIS-48. Goods imported by Germany were to US \$719,477m or 18% of the total. Other significant exporters of goods were: France (US \$421,113m; 10%), Italy (US \$352,166m; 8%), United Kingdom (US \$349,759m; 8%) and Netherlands (US \$315,124m; 8%). Other significant importers of goods were: United Kingdom (US \$460,361; 11%), France (US \$429,050m; 11%), Italy US \$341,255m; 8%) and Netherlands (US \$272,179m; 7%).

## Coming up ...

2-4 May  
Joint ECE/FAO Working Party on Forest Economics and Statistics

3-5 May  
Working Group on Monitoring and Assessment under the Convention on the Protection and Use of Transboundary Watercourses and International Lakes

3-5 May  
Symposium on Single Window Standards and Interoperability

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