www.unece.org/press/execsec/2001/dh010720.html

Geneva, 20 July 2001

Dr. Danuta Hübner,
United Nations Under-Secretary-General
Executive Secretary of the UN Economic Commission for Europe

Contribution to the panel on
"Regional perspectives on globalization: an opportunity for catching up or a risk of falling behind in the development process"

ECOSOC 2001,

How does Europe look today? It is certainly diversified. In the positive sense, providing complementarity and the potential for co-operation. But also in the bad sense. For only few countries with economies in transition will this decade be the one of the completion of transition to democracy and market economy. However, for any country with economy in transition strengthening democracy means strengthening its capacity and propensity to change, to respond to challenges emerging at local, national, European and global levels.

The socially painful process of transition has been accompanied by increasing disparities in the advancement of institutional and structural reforms, in economic performance, in the outlook, in the potential to cope with risks and to take advantage of opportunities borne by globalization. Today we also know that those risks and opportunities are distributed in a very uneven way, one dimension of which is also gender. We have too digital divide in Europe. We have many others as well.

Our region is part of a global, changing world whose major characteristic is that we are all becoming increasingly dependent on each other. Peace and stability, fundamental European values, are no longer guaranteed by well protected borders and balance of powers, but by international co-operation and European integration. Europe is destined to co-operate because of its existing conflict potential, because of the global competition and simply because it pays. To successfully face the global competition, Europe must become more competitive for which European co-operation is the most efficient instrument, as in the world of today competitiveness is no longer inherited, it is man made and we all contribute to it. For this, the role of the region is of paramount importance as this is exactly where norms and standards are created, where most of the co-operation occurs, where most of the co-ordinating efforts with regards to national policies take place, where integration can develop.

We have discovered that the best European answer to global challenges is European integration, but we also know that most of the work which must be done in integrating Europe, must be done at home by political leaders and their partners in development, civil society and business community. There is, however, a major role to play for international community and, in particular, for the family of international organizations. And this is exactly when the role of United Nations Economic Commission for Europe comes.

ECE regional character is our principal asset. Being the major forum for east west relations prior to 1989, ECE has continued ever since to play the role of a platform where diversified Europe meets to debate and act together on many issues. Our norm and standard setting role provides the basic integrating mechanism for the broader Europe in the fields of environment, transportation, energy, trade facilitation, enterprise development. Our role in integrating statistical system of Europe is yet another example of what can be done to bring European countries closer to each other. And our economic analysis and policy advise contribute to better understanding of the unprecedented transition process and economic change in our region.

UNECE work in assisting transition economies to catch up, to accelerate reforms, to remove bottlenecks to development contributes to European integration and facilitates the role integration mechanism can play in supporting transition and development and in facilitating responses to globalization.

European diversities and disparities have also their subregional dimension. Working on the subregional level, bringing together neighbouring countries to act together in seeking of solutions for transboundary problems has proved to be an efficient way to strengthen co-operation in Europe.

We have discovered in the ECE that information technology can be an excellent mechanism to

enhance regional cooperation. We have identified two major ICT areas on which to focus in ECE to make sure that ICT contributes to economic and social development in Europe. These are, first of all, regulatory framework and ICT use for enterprise development.

In Europe we increasingly care for environment. In the ECE, we have managed to put in place a unique regional environmental framework addressing most important issues of transboundary cooperation, but we all know here, in the ECE, that only if our work reaches the very practical level of implementation, will we be able to make a difference. This is a major challenge.

Our work has also illustrated that transport can be made sustainable, but it takes many years. We know, however, that the longer we wait for a change, the more expensive the path towards sustainability will be. We do not have much time.

Energy has been and will be the issue on policy and development agenda for years. In the ECE, we pay a lot of attention to the issue of energy intensity and energy efficiency.

We believe that it is imperative for transition economies to use the momentum, the window of opportunity that transition generates and implement energy efficiency measures precisely now when economic structures are being transformed and modernized so that the resulting new infrastructure is as energy efficient as it can be.

Sustainable development cannot, however, become a reality on a global scale without further marked improvements in energy efficiency in western ECE countries.

For the last 10 years the ECE region has been going through massive restructuring. It has not happened in a vacuum, but in a global environment characterized by revolutionary changes. It took us some time - probably too much time - to realize that we need also industrial integration of countries with economies in transition into the broader European and global economy. The transition has created in Europe a new regional economic heterogeneity, which opens new production possibilities, which opens also the opportunity of a significant production reorganization that creates and sustains growth and make firms in the region competitive. We must better use this opportunity. There is no doubt that much of Europe’s competitiveness and ability to take advantages of globalization will depend upon the extent, speed and nature of catching-up processes in countries with economies in transition.

The scope and scale of challenges which our region is facing calls for partnership among all stakeholders of European development. For this partnership to make it efficient, we need governments, civil society, business sector and international community. We are on this path to efficiently use this partnership.

There is a tremendous role to be played by the international community in Europe in this process of catching up through globalization. It is not only to provide a stable international environment, to convince governments that it pays to embark on reforms, and to assist in those reforms. It is also to see the consequences of countries’ policies for weaker partners, to ensure access to markets, also financial ones, for those in need. It is important that we see the proper role of the international community, sometimes even a very modest role is crucial. It matters also that we are here to provide a forum for getting people together to speak and to share their concerns, experiences and lessons. But I am convinced we have sufficiently rich pool of knowledge, of expertise, of experience to act efficiently.