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GLOBALISATION

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Conclusions

- Industrial economies including Europe have a real chance of keeping the lead in both the economic and the political dimensions, provided they and their businesses:

- concentrate resources on innovative processes, products and services,

- accept and enable change, and promote education and research,

- adopt liberal but managed immigration policies in addition to policies and measures that promote birthrates, and

- promote prosperity and the acceptance of Western values (incl. core labour standards) in the developing world, and integrate business activities.

- As part of the Lisbon Agenda and the Jobs and Growth Strategy, but also on the basis of numerous national policy initiatives, the EU and national governments in Europe have developed policy programmes geared at restoring solidarity inside the EU and improving Europe's self-confidence and international competitiveness through:

- the elimination of administrative burdens and of inefficient public services (incl. welfare systems) by decentralization and introduction of competition

- the intelligent promotion of education and research and the encouragement of entrepreneurial initiative (transmission belt between science and the market place),

- the support of public confidence in the positive sides of globalization also in those countries where globalization has - so far - been perceived as a threat only.

While intentions are good, only few of these initiatives are fully implemented – political and bureaucratic inertia and conflicting domestic policies (e.g. Kyoto Protocol) are slowing down, or even frustrating, implementation.

- Some economies in transition seem to benefit from support through government planning and intervention but experience shows that economies based on dispersed market forces, subject to free and fair competition, are largely superior in the longer term.

- The fight for raw materials, energy, water and other essential resources for economic activities and day-to-day life is getting more pronounced with

- growing development in the Third World,

- climate change, and

- ageing societies and imbalanced growth of population in parts of the world.

The only abundant and truly inexhaustible resource is the human brain. The winners will be those that give individual human brains sufficient freedom for innovation.

- The Doha Development Agenda has not formally failed yet but possible results are far below initial expectations. The possible but meager result is no victory for developing countries; it is a victory for public perception – both in the developed and in the developing world – that does not believe in the healthy forces of market economy and free trade. Bilateral FTA negotiations started by the US, the EU, Japan, China and India – to name only some – are no substitute for the failed DDA. They serve to create new regional free trade agreements and to correct a number of international imbalances created by earlier FTAs and go partially beyond the DDA (investment, regulatory convergence) – but there is a serious risk that they will render future multilateral rounds even more difficult. Perhaps the WTO – a backbone of orderly globalization - needs to come up with a new philosophy on "trade and development" and system of negotiations.