



The Future of Europe Summit III

November 27-28 in Andorra la Vella

Economic Sustainability: New Opportunities for Europe

The dangers of the underground economy and the rise of global criminality

The lunch and afternoon sessions on Thursday of the 2008 summit looked at the extent and impact of the globalisation of criminality, how far the global economy can count on new technology and the effect of aging on the region's outlook.

Misha Glenny, a British broadcaster and author of the 2008 book "McMafia," a study of the underworld, gave a keynote speech at lunch on the underworld, criminal economy, which he estimated represents about 15% of global GDP.

His tour d'horizon spanned all regions and discussed the pirate plague, failed states, the intersection between terrorism and criminal gangs, the war on drugs, human trafficking, counterfeit goods and intellectual property rights.

Glenny noted that the war on drugs has been a failure and has in fact led to a major escalation in violence in certain states in South America, while exacerbating the problems of terrorism, for example in Afghanistan, where the Talibans, who were on the verge of defeat in 2002 are now holding the upper hand.

"There are very complex chains of production and distribution," he said.

The emergence of failed states - as occurred in the former Soviet republics and the Balkans during the 1990s and Somalia and the Democratic Republic of Congo today -- has allowed criminal gangs to thrive, grabbing control of resources that are fed on to hungry Western consumers, he said.

One solution would be for the state to move in and control supply; with drugs this might involve phased decriminalisation, starting with marijuana.

Glenny cited some recent successes - like the reduced influence of gangs in Eastern Europe after countries like the Czech Republic joined the EU. Likewise in Russia, Prime Minister Vladimir Putin has reduced the visibility of gangs by implementing an element of state control over the oligarchs, and the criminal gangs.

With the advent of the credit crunch, "we now have the power to close the loopholes," he said. "What we don't have is the political will."

"Nations have to act in coordination," he added, and engage with the new breed of researchers who are studying the supply chains of criminal gangs. "We are still reacting in an ad hoc way."

The cutting edge of sustainability: can we really count on new technologies?

During a session entitled, "The cutting edge of sustainability: can we really count on new technologies?" Bertrand Piccard, president of Solar Impulse in Switzerland, discussed the challenges of not only finding creative solutions to the current economic and environmental crises but also having the vision to see them through to fruition. He advocated the development of a variety of alternative energy solutions and of significant investment in new technologies and innovation.

Piccard, who has flown round the world in a hot air balloon and plans to do the same in a solar-powered plane next year, said: "We have to fight against our habits and assumptions and think about the long-term vision, we must put aside our fears and doubts. We want to be pioneers but we need to be prepared to move in different directions at the same. To change the winds of what is happening we need to explore all the options and to reorient our trajectories if necessary."

He called for a European summit and for EU governments to avoid falling behind the U.S. and other countries like China by nurturing and bringing to market clean technology. That in itself will help the region emerge stronger from the current economic crisis.

Thriving on graying: the new opportunities of an ageing population

A final session, "Thriving on graying: the new opportunities of an ageing population," looked at demographics and the budgetary implications for Europe.

Sarah Harper, director of the Oxford Institute of Ageing, said that in 20 years time half of the EU population will be over 50 years old. Although she stressed that the problem is also emerging in Asia and Latin America. She proposed life-long education and incentivising older people staying in the work place.

Jordi Pujol, the former president of Catalonia, examined some of the ways that Europe could leverage its aging population. Immigration is only a short term fix, he said, concluding that the key was to facilitate older workers staying longer in the labour force.

"If a 57 year old guy can buy a Harley-Davidson, can't he work?", he said. "We need a good percentage of seniors who are active."

He called on leaders to speak out on the issue, although they are still hesitant to do so because it could spell political suicide at the polls.

The issue of pension provision is becoming ever more important, something that can be seen by the interest that old people now take in the financial markets, Pujol said. Fortunately, policy makers appear to be focusing on the issue, he added, citing the increase in the retirement age in Germany and plans to do the same in France and other EU countries.

Jim Murray, the former director, of the European Consumers' Organization, noted that the consumer market for grey products is expanding and presents great opportunity for those companies willing to exploit it. He cited travel, consumer durables and financial services as examples of growth industries for the over 60s.

"Let's remember the potential of ageing," he said. "If we can organise, then they can be a force for good."

Murray highlighted obesity as the single largest health "time-bomb" that the current working generation is facing. Much of the onus for addressing the issue must lie with the companies that produce and market foods that are high in salt, sugar and fat, he argued.

Herbert Oberhänsli, head of economics and international relations at the food giant Nestle, said his company was changing its focus to stress healthy eating, and as a positive side-effect, "for a well balanced, low fat meal, the margins are much better."

"Older people buy things and they are open to innovation," he said. "It's a very positive thing that people are getting older."

The Future of Europe Summit

The Future of Europe Summit is a unique debate platform to discuss issues of most relevance to Europe's economic and social future and find out how the continent could retain and further its leadership role. This exclusive event intends to generate a participative and lively debate with high added value and "outside the box" thinking.

A conclusions book containing the initiatives to help revitalize European economies and societies, as well as recommendations that have arisen from this prestigious gathering will be published and personally delivered to EU and G8-leaders.

The Summit Organizer: OIE (www.oie.ad)

The Bureau for Business Innovation (Oficina per a la Innovació Empresarial, OIE) reports to the Prime Minister of Andorra. Its objectives are:

- Offer incentives for the creation and the development of companies that will promote the emergence of new economic activities
- Develop the "Invest in Andorra program" and guide investors through the entire process of coming to Andorra

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