



By way of example, the Ukrainian public service has a vital role to play in developing the policies and legislation that will enable a market economy to function properly. Strengthening the public service has been a priority for Canada's technical assistance program with Ukraine. We are providing over 4 million dollars to the Institute of Public Administration in Kyiv for public service training. Canadian experts have provided training in public administration and in critical areas for policy development: finance, economics and social policy. I was pleased to review the progress made on this project with the Ukrainian Minister of Cabinet Pustovoitenko and to see what future areas of assistance Canada could provide.

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International trade also requires an appropriate institutional framework that would enable Ukraine to become fully integrated into the world economy. The Ukrainian government has already taken an important step in this direction by initiating the process of accession to the World Trade Organization. We welcome their application and Canada is prepared to help facilitate accession to the WTO, such as providing trade policy training to Ukrainian public servants.

The support and guidance of the World Bank on privatization policies, social protection, financial sector reform and the development of the institutional framework for a market economy will be critical. Our officials are here to listen to the Ukrainian government's plans and to offer their views based on experiences with policy reforms in some of these very same areas.

We also hope to share perspectives with the Ukrainian government on key sectoral policies - energy and agriculture come to mind. Energy sector reform will be critical in Ukraine to reduce dependency on energy imports and on higher risk nuclear facilities. We are pleased to be able to say that Canada, its G-7 partners and Ukraine are already working together on the task of raising nuclear safety levels and finding longer term energy solutions. Both the World Bank and the European Bank for Reconstruction and Development are playing critical roles in this process.

The second objective of today's conference is to focus specifically on the issue of investment promotion and private market development. The main source of economic recovery in Ukraine will be private investment, particularly in small and medium-sized enterprises. Foreign investment, including Canadian investment, is already growing in Ukraine, but only slowly because of the unstable business climate. The

European Bank for Reconstruction and Development is already providing financing to small and medium enterprises in Ukraine. In the sessions today, EBRD officials will be providing their views on the key structural reform measures which are required for such enterprises to grow. An exchange of views at this conference will no doubt allow the process to advance more quickly.

The international community will remain fully engaged in supporting the implementation of Ukraine's economic reform program. Dialogue is essential for good partnership. Dialogue builds trust and understanding. Today's Conference is an opportunity to carry forward the dialogue between governments that has begun under the auspices of the international financial institutions, and which will continue under their auspices.

The vision we seek for Ukraine's economic future is that of a thriving market economy and an active trading partner both regionally and internationally. I know President Kuchma shares that vision. This conference offers the opportunity to pursue the vision together as partners. I look forward to hearing the results of your work.

Hon. Lloyd Axworthy, Minister of Human Resources Development

This is a special honour for me (to welcome you to Winnipeg) as a Western Canadian because of the historic link which exists between Western Canada and Ukraine.

On a personal note, I had the opportunity a few years ago to get a glimpse of the magnitude of the challenges facing Ukraine when I travelled to Ukraine as part of an official Canadian delegation seeking to get a first hand look at the situation there. Even then, it was clear that economic transformation would be difficult - and possibly painful. But also that tremendous opportunities and enthusiasm exist.

This link was first formed with the settling of Ukrainians on farms in such places as Sarto, Zhoda and Vita, in the 19th Century.

Since that time, the influence of their descendants and those of successive waves of immigrants from Ukraine has extended to literally every aspect of Canadian life including the arts, business, government, and science and technology.

Clearly, Canadians - especially those of us in Western Canada - owe a great debt to Ukraine for the role played by its sons and daughters in helping Canada to become the economically powerful country it is today. The tremendous enthusiasm shown by Manitoba in preparation for this conference is testimony to the special relationship our countries share.

This is a historic time, not only for Ukraine, but for the entire global trading community.

Globalization and the introduction of new technologies have initiated a process of change involving all aspects of life on this planet - economic change, political change, and social change.

This change has brought about dramatic improvements. In the lives of some, but has also resulted in real difficulty in adjusting to the changing landscape for many others.

It is clear that Ukraine faces tremendous challenges resulting from recent events in its history. Moreover, its future challenges may be even more daunting as it seeks to reform its political institutions and economic policies.

Still, the indomitable spirit of the Ukrainian people teamed with support from groups like the G-7 nations and other supporting countries and IFIS can make this process of transformation a success.

The pressures necessitating economic and political transformation are by no means restricted to Ukraine, but are characteristic of global trends.

We all live in a radically changed world characterized by the seemingly contradictory forces of globalism and fragmentation.

New communications and information technology, the world-wide movement of capital, multinational production systems, and degradation of the world's ecosystems are part of this process of globalism.

At the same time, these developments now operate beyond the control of individual states.

And these forces are creating a world where states are more interdependent, where their citizens are demanding a greater say in their own lives, where the traditional separation between government and non-governmental institutions is breaking down, and where new communications technologies make discrete boundaries between local, national and international divisions of power less relevant.

And this means we must find new approaches to governance and new ways of organizing our economies and political systems. That is why multilateral conferences to deal with specific issues is an essential part to finding solutions that work and last.

Indeed, even my own country, Canada, is finding the process of coping with global economic change a daunting one.

For instance, we in Canada - are finding it a challenge to reform our social security system to assure the training and employment needs of our people while working with strict financial constraints. But, as Canada, Ukraine and all the countries represented here know social and economic reforms must be done in tandem as the skills and resources of our work forces are inextricably linked to the prosperity of our economies. I have noted that one of the conference workshops deals with social reform - I will watch with interest the initiatives that will be undertaken.

From my own experience, I can assure you that this is not an easy task and I sympathize with my Ukrainian counterparts as they seek to accomplish similar goals.