

low lug-1/2 legge Brady feb. 2001



T = 4'50"

TESTO 6

01-1177 B con 8

1177/B

STATEMENT BY Ms. D. HÜBNER, EXECUTIVE SECRETARY OF THE UNITED NATIONS ECONOMIC COMMISSION FOR EUROPE

to The Eighth Ministerial Council Of The Organisation For Security And Co-operation in Europe

Vienna, November 27-29 2000

THE ECONOMIC DIMENSION & CONFLICT PREVENTION

CO5 Looking back over the last ten years, the transition^{al} economies of central and Eastern Europe and the CIS have made tremendous progress in passing reforms and developing freedom. However, inter-ethnic conflicts have ravaged many regions in Europe. As a result we must strengthen our resolve to ensure that there is never a repetition. Tensions and inter-ethnic rivalries are inevitable in a region facing massive change and economic adjustment. Violence, however, is not inevitable and preventing tensions from generating^{de} ~~the~~^{ing} conflicts and destruction of lives and property is a matter of critical importance.

The United Nations Economic Commission for Europe (UN/ECE) has worked closely with the economic dimension of the OSCE. We are committed to strengthening the role of the economic dimension within OSCE. The economic dimension is one of the components of the OSCE's comprehensive approach to security, and the necessary complement of the human dimension. It has grown more prominent each year under excellent Presidencies and with the strong support of the OSCE secretariat. Faced with instability still existing in our region, however, there is now a compelling urgency to achieve even more tangible results. We are confident that the UN/ECE has an important role in the implementation of the European Security Charter adopted in 1999 in Istanbul.

In our annual Economic Surveys, the UN/ECE carefully monitors the progress of countries in their transition to market economies. While some transition economies have embarked on a path of sustained recovery, others are still struggling with the transformational recession. There is an increasing divergence in economic performance between countries, rising social costs (unemployment, declining health) and a widening gap within countries between those who have gained from transition and those who have not. Indeed of all the transition countries in no more than 7 or 8 have the citizens received concrete benefits.

Poor economic performance and transition problems are not by themselves causes of insecurity and conflict. The relationship between the economic dimension and insecurity is rather complex. No linear relationship exists between the two. Generally, it does not help to identify those economic situations, which could lead to, or contribute to specific conflicts, in isolation from the political, environmental, social and ethnic dimension.

6

One can identify several aspects ^{of} conflicts which bear ^{them} out as multidimensional character. First, discrimination in the labour market is often a first sign of an impending conflict. A prime example of how discrimination in the labour market led to conflict developed in southeast Europe in the early 1990s. During this time various ethnic groups lost jobs or were prevented from entering certain professional and management occupations because of their ethnic affiliation. Secondly, difficulties in ~~the~~ access to economic resources (land, water, credit) are a contributor to rising tensions. For example, in the Central Asian republics access to water has become an important issue as a result of depleted supplies of water caused by poor economic management that has severely affected the livelihoods of communities. The improper management of these resources by states upstream can escalate tensions and create political instability. Third, institutional weakness and lack of transparency which is evident in many transition economies, holds back the development of appropriate ^{supervision} oversight and regulation that would mitigate and resolve conflicts. Compounding this situation is the lack of an effective legal system and court systems for solving disputes. Fourth, conflicts arising over access to resources often can reflect the failure of economic policies. More effective economic policies, for example, which support SMEs and remove ~~the~~ restrictions on the private sector, would increase the available wealth to be shared between various groups, and generate more opportunities, which would result in defusing tensions.

7

7 =
41504

Experience has shown that tensions arising from discrimination and access to resources can be managed in ways, which prevent them from escalating into outright violence. The Eighth Ministerial Council Meeting of the OSCE will examine the proposal for rapid response mechanisms being put in place by the United Nations, the European Union and the OSCE. The development of prevention is also critically important in the economic dimension and a number of proposals can be suggested which can reinforce the states' abilities to foresee threats and deal with them effectively.

Improved monitoring in the economic dimension to preempt conflicts

In the experience of conflict in the Balkans, economic insecurity has been a major factor fomenting problems: Early warning of impending conflict, as mentioned above, has been given in several forms including ethnic discrimination in the labour market and unequal access by ethnic groups to resources (land, water, credit). The UN/ECE in cooperation with the OSCE is ready to invite representatives from the ILO, who have a program on discrimination in the work place. This joint program would monitor discrimination of ethnic groups and would report to the OSCE annual Economic Forum on areas of concern.

However such monitoring will remain academic if it does not lead to mobilization of effort to check the problems at the earliest possible stage. OSCE might consider how such monitoring can lead to actions when necessary. The UN/ECE, for its part, will continue to survey the economic commitments contained in various OSCE economic declarations such as the Bonn document of 1990. However, these declarations cover a different period and do not discuss the treatment of ethnic groups or their rights to security and access to resources.