The OSCE's economic dimension: Lessons learned

Thomas L. Price¹

1. Foreword
This article is divided into two sections: Lessons Learned and Things To Be Changed. The reader might reasonably ask: 'What's the difference?' I believe that lessons learned do not necessarily imply that change is necessary; in some cases, the OSCE may be treating a problem exactly as it should be treated. Or it may be that nothing can be done, at least within the confines of the OSCE, about certain problems, and that the OSCE's current policy of not dealing with those problems is the correct one. On the other hand, some lessons learned imply the desirability of certain changes, and those changes are treated in a separate section.

II. Lessons learned

1. The importance of the Helsinki Final Act
Probably the most important lesson I have learned over the past few years has been an ever-increasing respect for the men and women who drafted the Helsinki Final Act. At the height of the Cold War, their vision, foresight, and courage provided the foundations for today's OSCE, and gave us a durable set of values and ideals towards the full realization of which our participating States are still striving. Sadly, much of the Final Act has been forgotten, or cast aside, or considered irrelevant by the men and women who comprise today's OSCE; in my view, nothing could be further from the truth. There are many portions of the Final Act which bear constant re-reading and which are at least as relevant today as they were in 1975.

For the purposes of this article, the most important parts of the Helsinki Final Act are, not surprisingly, those which deal with the economic dimension and its relationship to the other dimensions of OSCE activity. Article IX of the Helsinki Decalogue (the first ten principles enunciated in the Final Act) states that participating States 'will equally endeavour, in developing their cooperation, to improve the well-being of peoples ... they will take into account the interest of all in the narrowing of differences in the levels of economic development, and in particular the interest of developing countries throughout the world.' It is becoming ever more clear that significant differences in levels of economic development between various regions in a particular country, or between various ethnic groups within a particular country, as well as significant differences between various countries in a particular region can (a) contribute to increased tension and instability within that state or region and (b) generate well-founded

¹ The author of this article recently concluded three years as the first Coordinator of OSCE Economic and Environmental Activities. The ideas, opinions, recommendations, and conclusions contained in this article are his personal views, and do not necessarily correspond with the views of his former office or of the OSCE Secretariat as a whole.
humanitarian concerns.

What John Maynard Keynes wrote in 1919 about the Treaty of Versailles, criticizing the drafters for not understanding that 'the most serious of the problems which claimed their attention was not political or territorial, but financial and economic, and that the perils of the future lay not in frontiers and sovereignties, but in food, coal, and transport,' could not be said about the authors of the Helsinki Final Act. Another portion of Keynes' criticism could, however, be levelled against many OSCE documents: 'no provisions for the economic rehabilitation of Europe — nothing to make the defeated ... Empires into good neighbors, nothing to stabilize the new states of Europe, nothing to reclaim Russia ...' And both criticisms could be levelled against many of today's OSCE practitioners.

In spite of the language in the Helsinki Final Act, and in spite of Mr. Keynes' eminently sensible observations, which somehow ring as true in 2001 as they did in 1919, I cannot recall a single occasion during the past three years — whether at meetings of the Permanent Council, the Economic Forum, the Ministerial Council, or even the less formal open-ended group called the Friends of the Economic Dimension — on which there was a serious discussion about 'the narrowing of differences in the levels of economic development' among OSCE participating States, let alone a discussion about 'the interests of developing countries throughout the world.' On the rare occasions when related questions are raised, the general response is 'other organizations are taking care of this.'

But if that is true, why has the difference between the richest and poorest countries within the OSCE grown from a ratio of approximately 23:1 in 1975\(^2\) to a ratio of more than 200:1 some twenty-five years later? In other words, something that the drafters of the Helsinki Final Act correctly identified as a significant threat to our collective security, and to the well-being of our citizens, has been allowed to grow dramatically over the past quarter-century while we have collectively convinced ourselves that 'other organizations are taking care of this.'

Article X of the Helsinki Decalogue states clearly and unambiguously that 'All of the (nine) principles set forth above are of primary significance and, accordingly, they will be equally and unreservedly applied, each of them being interpreted taking into account the others.' Judging from events over the past

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\(^2\) Part of the reason for this apparent growth is, of course, that in 1975 the figures were provided by governments of centrally managed economies eager to score propaganda points, whereas in 2000 the figures were provided either by governments of successor states seeking to increase their share of the international assistance 'pie' or by international financial institutions taking a more objective view of the situation. But, apart from this, there is a general tendency for the rich to get richer and the poor to get poorer, and it is almost unquestionably true that the poorest countries in the OSCE are significantly poorer today than they were twenty-five years ago — even if twenty-five years ago they were part of a larger unit such as the USSR or the SFRY. And in many cases where average income per capita has not decreased significantly, the standard of living has decreased because of the contraction in social services (health, education, housing, etc.) once provided by the governments concerned.