Economic and environmental challenges of the OSCE towards a common European economic space

Marcin Swiecicki

1. Introduction
A decade after the abandonment of the ‘command economy’ system, new divisions are clearly emerging. While part of the former Eastern Bloc painfully but successfully adopts free market economy rules, another part is less successful in overcoming its past legacy. How can the OSCE contribute to the prevention of new and emerging economic and environmental threats to security? In the following pages, a brief presentation of the relevant history will be offered, as well as the OSCE’s current economic and environmental activities. I shall elaborate on what the OSCE can do, in terms of economic and environmental activities, in order to strengthen security and co-operation in Europe.

Since its inception the OSCE has taken a comprehensive approach to security. This was demonstrated by the creation of the 3 baskets of the Helsinki Final Act, dealing with politico-military, economic and environmental, and human rights issues respectively. While the 1st and 3rd baskets have been well developed, the 2nd basket on economic and environmental matters has been a sort of ‘step-child’ of the OSCE. Only recently have the participating States paid greater attention to activities related to economic and environmental co-operation. There is now an increasing awareness of the tensions and instabilities, within and among states, resulting from economic and environmental problems.

Recent decisions and documents call for a balanced and more comprehensive approach to security. In particular, the 2001 Bucharest Ministerial Council Decision, which set up the Economic and Environmental Sub-committee of the Permanent Council, emphasised ‘the need to strengthen co-operation in the economic and environmental dimension’. Also, the Charter for European Security adopted by the 1999 Istanbul Summit underscored the serious security implications of acute economic problems and environmental degradation. The OSCE Parliamentary Assembly sees poverty as one of the main factors in ‘fostering social and political unrest which are the basis of terrorism’ and invites ‘participating States to take all possible measures to reduce the gap between the richest and the poorest countries, both in the OSCE area and worldwide’. In December 2002 in

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1 Mr Marcin Swiecicki is Co-ordinator of OSCE Economic and Environmental Activities (OCEEA).
2 Co-operation in the fields of economy, science and technology, and the environment will be of critical importance. We will strengthen our responses to such threats through continued economic and environmental reforms, by stable and transparent frameworks for economic activity and by promoting market economies, while paying due attention to economic and social rights — Para. 5, Part I, OSCE Istanbul Summit Charter for European Security, 1999.
3 Berlin Declaration of the OSCE PA, 10 July 2002, paras. 51 and 52.
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Porto, the OSCE Ministerial Council took a decision on a new OSCE strategy document that should, inter alia, provide ‘guidance for further enhancement of the OSCE capabilities in the Economic and Environmental Dimension, taking account of the OSCE’s comparative strengths and role as catalyst for action by other organizations and institutions’. 4

Consensus is emerging that denied access to critical resources, untreated nuclear, chemical and biological damp sites, as well as transborder pollution can contribute to stress between communities, regions and countries and can even lead to violence. Let me illustrate this with an example of water deficit. Since 1950, the renewable supply of water per person has decreased by 58%. One billion people lack access to safe drinking water. A third of the world’s expected population will live in regions facing severe water scarcity by 2025. Those findings are of growing concern within the OSCE led to water management as the main topic of the 2002 Economic Forum and to many follow-up activities described below.

2. Existing activities
The Economic Forum, established in 1992 and held annually in Prague, remains the flagship event of the Economic and Environmental Dimension. It focuses on one annual theme — good governance in 2001, water management in 2002, and the economic impact of trafficking in 2003. Directly relating to these Forums, the Office of the Co-ordinator of OSCE Economic and Environmental Activities (OCCEAA) has undertaken varied initiatives relating to economic and environmental matters. The 2002 Economic Forum gave rise to many initiatives; the OCCEAA has, for the first time, developed projects for implementation in the field.

These projects aim to address water-related security risks, and to promote dialogue and co-operation on sustainable water management. The implementation of these projects will enhance early warning and conflict prevention mechanisms and strengthen the processes of confidence building and post-conflict rehabilitation. Let me mention some of them.

In Central Asia the OSCE is working with UNECE in providing assistance to Kyrgyzstan and Kazakhstan in establishing an intergovernmental transboundary water commission on the Chu and Talas rivers, including the development of the Commission statute and other actions aimed at effective implementation of the intergovernmental transboundary water agreement. The project is aimed at establishing good governance in managing shared water resources between Kyrgyzstan and Kazakhstan through developing institutional arrangements, policies and procedures, and at capacity building activities for the effective implementation of the transboundary water agreement signed between the two countries. The implementation of this project would not only contribute to an improved cooperation between Kazakhstan and Kyrgyzstan on the Rivers Chu and Talas, but would also be an example for the whole region on how improved co-operation on transboundary waters could be established.