

# **OSCE Parliamentary Assembly Economic Conference**

## ***“Fostering Economic Co-operation and Stability in the OSCE region”***

**Batumi, Georgia**

**11-14 May, 2012**

**SESSION I: REGIONAL CONTEXT: ECONOMIC COOPERATION AND DEVELOPMENT,  
PROSPECTIVE, GOOD GOVERNANCE: *Investment Climate, Transportation,  
Economic Reforms, Tourism***

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Presentation  
by Ambassador Eustathios LOZOS,  
Permanent Representative of Greece to the OSCE  
Chairman of the OSCE Economic and Environmental Committee

Mr. Chairman,  
Excellencies,  
Ladies and gentlemen,

It is an honour to have been invited to address this outstanding audience and at the outset, please allow me to express my appreciation to the organizers of this event, the Parliament of Georgia and the OSCE Parliamentary Assembly, for their warm hospitality.

I would like also to use this opportunity to express my personal appreciation for the initiative and efforts of President Efthymiou to strengthen the interaction between the Parliamentary Assembly and the OSCE executive structures. The OSCE community can only benefit from such a dialogue and co-operation that hopefully will materialize also in common initiatives and actions in addressing security challenges throughout all three OSCE dimensions.

I had the privilege to address the PA's General Committee on Economic Affairs, Science, Technology and the Environment last February in Vienna, where I outlined the priorities of the OSCE Economic and Environmental Committee for this year. I was encouraged by the support and comments I received and I am looking forward to continuing this interaction in the months to come as we all move forward towards the OSCE Ministerial Council in Dublin.

Ladies and Gentlemen,

When the Irish OSCE Chairmanship asked me to Chair the Economic and Environmental Committee, I felt compelled by the enormous challenges laying ahead.

The financial turbulences and fiscal pressure that we are witnessing throughout the European continent and far beyond are becoming a factor that contributes to regional instability and transnational threats. Moreover, the debt burden weighing down upon European members of the OSCE is of a magnitude which shall inevitably dictate the emergence of concomitant diminution of concern for collective problems and challenges. Under these circumstances, solidarity and cooperation might be put to a test.

In the meantime and as austerity measures risk to be considered as the cure of all evil, we are witnessing rising unemployment and expanding social deprivation and poverty. Insufficient political will to tackle corruption, organized crime and illegal migration is contributing extensively to radicalization of societies and extremism.

Under such a projected course of events international organizations, such as the OSCE, risk not only to have their budgets slashed, but also their relevance lost in channels of political obscurity. Almost 40 years after Helsinki, the OSCE does not deserve this fate. The initiative of the Irish Chairmanship to develop a concept for

the 40th anniversary of the Helsinki Final Act in 2015 at which OSCE participating States will measure progress towards a Security Community, is worthwhile supporting.

To remain vigorous in times of stringency, the OSCE must reform itself. Changed realities dictate reconsideration of OSCE's overall posture regarding its mechanisms and approaches. Global political and social development must receive whatever attention and resources the Organization can spare.

In this context and since 2009, the OSCE's Second Dimension, for a long time undervalued, is gaining steadily prominence and its place within the Organization's comprehensive concept of security. Nevertheless, misperceptions still persist, preventing pS from realizing the goals and objectives set by the 2003 Maastricht Strategy on the Economic and Environmental Dimension. Some pS continue to consider the EED as having a simple complementary role to play, despite the significant proliferation of economic and environmental challenges to security and their repercussions.

The "Corfu process" that was launched in 2009 testified to the incorrectness of this approach that risks undermining the whole concept of security and creating gaps and imbalances. I am convinced that if the pS wish to strengthen the global relevance and regional contribution of the OSCE, governments, parliamentarians and the civil society must spare this Organization from unconstructive generalizations and from singling out dimensions and commitments.

If political will permits and joint efforts applied, the OSCE has the potential to regain the confidence of the public and to reconnect with the needs of the average citizens. The engagement of the OSCE in addressing economic and environmental security requirements is bound to play a central role in this respect.

For this reasons, the main focus of the Economic and Environmental Committee in 2012 has been placed not accidentally on Good Governance. The issue touches upon fundamental principles of economic as well as democratic development and targets right into the heart of many causes of the global financial crisis.

Good Governance is the main theme for this year Economic and Environmental Forum that will take place in Prague in autumn. Jointly and in close co-operation with the Chairmanship, the OSCE Secretary General and the Co-ordinator for Economic and Environmental Activities, the Economic and environmental Committee of the Permanent Council pursues the objective of defining the prerequisites for a stronger OSCE engagement in the field of Good Governance.

As we move towards the Dublin OSCE Ministerial Council, OSCE participating States should consider recommitting themselves to the principles of Good Governance. It goes without saying that Good Governance is a long term project that does not end in Dublin.

Promoting Good Governance is the only way to remove impediments to economic development, as good and transparent governance provides a trustworthy foundation for achievable, as well as acceptable reforms. Good Governance is a must for sustainable development. In addition, Good Governance makes governments more responsible and more accountable.

I am convinced that it is essential to agree again and recommit to Good Governance and its fundamental goals in fighting corruption, poverty, unemployment, organized crime, money laundering, the financing of terrorism, as well as the causes of social depression, in order to achieve financial stability and social empowerment throughout the OSCE area. This shall also be facilitated by creating a transparent and favorable investment climate that adds value to regional co-operation and security.

Ladies and gentlemen,

On the grounds that it is preferable to talk rather than engage in conflict, verbal exorcisms continue to be the instrument of choice for the resolution of clashing interests. This is acceptable when socio-political conditions are more or less tolerable. It is not when matters reach the critical stage.

So far, OSCE has been content to confront pregnant situations with declarations to the effect that member States share identical visions of governance and development. It was therefore deemed sufficient to regard platitudes as reasonable objectives.

In 2012, the world-wide complex of political, economic, demographic and financial parameters is unraveling. Under the circumstances, vague, well-meaning and soothing exhortations for better, honest, civilized and reasonable behavior do not contribute much to the sustenance of the tolerance required for the preservation of OSCE's security model. What is needed is modesty of objectives on the one hand, and simplicity in their pursuit on the other.

Under the political mandate and guidance of the OSCE Permanent Council, I have initiated the reviewing of the implementation of the OSCE 2003 Maastricht Strategy on Economic and Environmental Dimension. This intends to be a process of assessing the past and reevaluate the presence with the sole hope to address, amongst others, the erosion of confidence to the OSCE ability in addressing security challenges of economic and environmental character in a uniform and comprehensive way.

However, this shall not be perceived as another attempt to reassess a Strategy in order to come up with another Strategy of medium and long term objectives that usually at the end are cut off from the reality and do not correspond to the needs of the citizens.

Reconnecting the OSCE with the real security need in the field of economics and environment requires is urgent. In this process, we have to join forces and I believe that the Vienna establishment could benefit by engaging the parliamentarians and the civil society in a broader dialogue on the consequences of evolving economic and environmental developments on security, regional stability and social prosperity.

Thank you