

The Twelfth Meeting of the OSCE Economic Forum ENGLISH only

**‘New Challenges for Building Up Institutional and Human Capacity for
Economic Development and Cooperation’**

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ADDRESS

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Mr Chairman

It is a great pleasure for me to address the twelfth meeting of the Economic Forum on behalf of the High Commissioner on National Minorities, Ambassador Rolf Ekeus.

I would like to take this opportunity to draw the attention of the Forum to an important, but sometimes neglected, aspect of capacity building, namely the need to take particular account of the problems of national minorities.

I say particular account because this is not only a matter of equitable treatment of disadvantaged groups. The problems of minorities need particular attention because interethnic tensions are a major source of threats to stability and security, and security is a precondition for successful development. Those planning economic development ignore minority issues at their peril. This is not just because a breakdown in security will undermine development plans, but also because investors too will carefully study the handling of interethnic issues, as a key indicator of prospects of future stability. If the perceive interethnic issues are receiving inadequate attention, investment may be deterred.

Mr Chairman, the CSCE recognized the importance of interethnic tensions as a potential source of conflict when it established the post of High Commissioner on National Minorities in 1992, with a mandate to give early warning and take early action in situations where interethnic tensions could give rise to conflict. He was to be 'an instrument of conflict prevention at the earliest possible stage'. History since 1992 has illustrated only too clearly – in the Balkans and Rwanda, for example – the key importance of interethnic factors as a source of conflict.

In order to make comprehensive recommendations to States on the avoidance of interethnic tensions, the High Commissioner needs to look at all relevant factors. In doing so, he can draw on a series of guidelines on best practice which have been produced in recent years with the help of leading international experts on issues such as the representation of the minority in State institutions, the legal status of minority languages, the availability of educational opportunities to the minority, and the accessibility of the media to the minority in a language they can understand. But the economic situation of the minority is also an important factor: the perception that the State is neglecting the economic interests of the minority in favour of the majority can greatly increase the sense of alienation of the minority and hence the risk of escalating tensions. As yet no guidelines have been drawn up on this issue.

I would like to illustrate the importance of economic factors with a concrete example. In Georgia the High Commissioner is managing a programme aimed at promoting the integration of the Armenian-speaking minority who live in an isolated region near the border with Armenia. The programme involves activities such as translating Georgian news broadcasts into the local language (which has stimulated much greater

local interest in Georgian political developments) and Georgian language training for key groups such as Civil Servants and first- year university students. This programme has been widely welcomed but does not address local concerns about unemployment, including fears that unemployment will be sharply increased by the expected closure of the Russian military base in the area. The key to improving the employment prospects of the area is probably to upgrade the road linking the region to the rest of the country. This would also have important symbolic value. But at present there is no funding for this project and, without some response to these economic concerns it will be difficult to change the local perception of isolation.

How should those planning for economic development take account of minority issues? What concrete steps are needed? These questions need further work. But the papers prepared for the Forum suggest a number of points.

First, the economic strategy adopted at Maastricht listed ‘deepening economic and social disparities, lack of the rule of law, weak governance, corruption, widespread poverty and high unemployment’, as factors that contribute to global threats. They are also key factors in generating interethnic tensions. Good governance needs to be given priority attention in this context as well.

Second, it is important to avoid policies which make minorities worse off not only in absolute terms but also relatively. The perception by the minority of being left out of economic progress increases the sense of alienation, and a special effort may be needed to ensure that they share in the general benefit. Indeed, there sometimes be a case for giving special priority to dealing the economic disadvantage of a minority.

Third, minorities should be encouraged to exploit their comparative advantages, which may include particular strengths and talents, such as linguistic and cultural ties with neighbouring countries. This may be best promoted by devolution of economic decision making to the local level. More generally, employment of persons belonging to the minority in the public service, including the police and justice system, is a vital factor in establishing confidence in the State institutions as well as reducing minority unemployment.

Fourth, consistent policies to improve the business environment for Small and Medium-sized Enterprises and foreign and direct investors are just as important for economic development of minorities and the lessons learned at national level need to be implemented at that level too.

Fifth, the Dublin seminar noted the large potential role for private business in actively supporting long- term stability, for example by targeting investment on areas of potential interethnic tensions. Business involvement should be encouraged by partnership between private business and the State.

Sixth, as at national level, there is also a key role for the development agencies in supporting minority economic development. The OSCE can act as a catalyst for their involvement. This is why the High Commissioner is working in partnership with the UNDP over the Armenian minority issue in Georgia described above.

Mr Chairman, these are just a few examples of possible guidelines on how to take account of minorities in building capacity for economic development. But the fundamental point with which I would like to conclude is that those planning for economic development must take particular account of interethnic problems. As an instrument of conflict prevention at the earliest possible stage, the High Commissioner will continue to draw attention to such problems, but it is the States themselves which need to draw the consequences.