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## **REPORT**

### **FOR THE GENERAL COMMITTEE ON ECONOMIC AFFAIRS, SCIENCE, TECHNOLOGY AND ENVIRONMENT**

***Helsinki +40***

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## **REPORT FOR THE GENERAL COMMITTEE ON ECONOMIC AFFAIRS, SCIENCE, TECHNOLOGY AND ENVIRONMENT**

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The approaching 40th anniversary of the landmark Helsinki Final Act offers a unique opportunity to not only take stock of progress made since 1975 and reaffirm commitments that have been agreed to in the Organization's three dimensions of security, but also to reflect on Helsinki's enduring relevance today.

While the polarized political and economic landscape of the 1970s differs significantly from today's world, it is clear that in important ways, the underlying dynamics of international relations have not changed all that much in the past 40 years. In an international system characterized as much by interconnectedness as it is by national self-interest, political and economic divisions among nations may be inevitable, which is just as true today as it was in 1975. When one reads the Helsinki Final Act carefully, however, and closely considers that the guiding principle of OSCE's comprehensive approach to security is *co-operation*, it becomes clear how vital indeed the economic and environmental dimension is to the spirit and the promise of Helsinki.

It is, in fact, through trade, industry, science and technology that co-operation in the OSCE area most tangibly manifests itself every day. By removing barriers to economic exchanges, co-operation is enabled in a real and pragmatic way, which in turn helps maintain security. Security, then, is both a result of and a prerequisite for economic co-operation. Nevertheless, there remain considerable tensions and contradictions within the economic sphere, which can be seen in energy disputes, as well as disagreements over national fiscal policies and popular anger over austerity. As these realities make clear, while economic activity can ideally serve as a powerful engine for security and co-operation, it is also often a source of contention and conflict.

Indeed, the contradictions between economic interdependence, national self-interest and financial instability are alluded to directly in the Helsinki Final Act, in which the participating States acknowledge that "the growing world-wide economic interdependence calls for increasing common and effective efforts towards the solution of major world economic problems such as food, energy, commodities, monetary and financial problems, and therefore emphasize the need for promoting stable and equitable international economic relations."

The Helsinki Final Act stresses that nations have a common interest in promoting good co-operation in the economic sphere and to that end establishes modes of collaboration for commercial exchanges, industrial development, utilization of new technologies, trade promotion, joint industrial research, the sharing of technical information and exchanges of energy. For those who may be pessimistic about the state of international relations today, there is always some inspiration to be found in the fact that even within the polarized context of the Cold War, countries of the East and West – with diametrically and fundamentally opposing views on economics – were able to agree to such ideals.

Significantly, this co-operative spirit extended into the mutual recognition “that the protection and improvement of the environment, as well as the protection of nature and the rational utilization of its resources in the interests of present and future generations, is one of the tasks of major importance to the well-being and the economic development of all countries.” Many environmental problems, the Helsinki Final Act acknowledged, “can be solved effectively only through close international co-operation.”

## **Promises Unfulfilled**

In the 40 years since those words were written, however, while we have seen many important strides made towards closer international co-operation in the economic sphere and to protect the natural environment, the bottom line is that the international community has too often failed to adequately address various environmental crises including water management, biodiversity loss, air pollution, over-fishing, and of course, climate change.

World leaders have convened every year since 1995 to assess progress in dealing with climate change, but with the exception of agreeing to the 1997 Kyoto Protocol, which is now virtually defunct, they have consistently failed to agree to meaningful standards to limit their greenhouse gas emissions. While the 2010 Cancun agreement stated that future global warming should be limited to below 2.0° C (3.6° F) relative to pre-industrial levels, the fact is, 2012 was one of the hottest years on record<sup>1</sup> and with temperatures continuing to rise at alarming rates, the international community – divided by domestic politics, economic concerns and national interests – has been unwilling or unable to make the necessary compromises to reverse this trend of a warming planet.

Now, tacitly recognizing the failure to address climate change, some countries are instead preparing to deal with the consequences of their collective inaction, including the effects of rising sea levels and climate-induced migration. On the local level, a global coalition of mayors has stepped up to fill the leadership vacuum left by international leaders with the launching of the C40 Cities Climate Leadership Group. Established in 2005, the C40 group works with participating cities to address climate risks and impacts locally and globally.

New York Mayor Michael Bloomberg, who serves as chairman of the group, stressed the importance of cities around the world taking meaningful actions to combat the impacts of global climate change. “While nations and international bodies meet to talk about these issues, the C40 Cities Mayors Summit is focused on the concrete actions we can take to protect the planet and grow our cities,” Bloomberg said.<sup>2</sup>

These and similar initiatives should be welcomed, but they do not let world leaders off the hook from taking meaningful action on the global level. To do so, what is needed is a revitalization of the

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<sup>1</sup> While it was the hottest year on record for certain countries including the United States, globally, it ranked the ninth hottest year ever.

<sup>2</sup> CBS News, “Bloomberg Announces Mayors’ Summit to Fight Climate Change,” 12 March 2013, <http://newyork.cbslocal.com/2013/03/12/bloomberg-announces-mayors-summit-to-fight-climate-change/>

spirit of Helsinki, which is particularly true in the economic and environmental dimension. While maintaining the necessary focus on the human dimension and the “hard” security matters covered in the First Dimension, the environmental challenges we face should be viewed as the existential security threats that they are, and addressed with the same diligence as conflict resolution and prevention.

In the economic sphere, the need for greater co-ordination is also apparent. Last year in Monaco, we adopted a resolution criticizing excessive austerity as “economically counter-productive, destructive for the most vulnerable members of society and destabilizing for democracy.” Since that resolution was adopted, a growing international chorus has emerged against austerity and fiscal consolidation as remedies for the economic crisis. Indeed, many international organizations – even those such as the International Monetary Fund that have historically been the strongest proponents of austerity – now concede that these fiscal policies are having negative impacts on overall economic recovery.

For example, a report issued by the IMF in January 2013 concluded that the growth-dampening effects of austerity-driven spending cuts had been previously underestimated and that the IMF’s earlier prescriptions for tough austerity measures as a solution to the sovereign debt crisis are not having the desired economic effects.<sup>3</sup> Further, the annual UN report, World Economic Situation and Prospects 2013, released on 17 January 2013, concluded that the current economic policies of European governments are failing to address key short-term issues of restoring growth in the region or how to put the crisis countries on a firmer footing to promote fiscal sustainability. The Chairperson of the UN’s Committee on Economic, Social and Cultural Rights, Ariranga Govindasamy Pillay, has also noted that harsh austerity measures may be violating UN Member States’ legal obligations under the International Covenant on Economic, Social and Cultural Rights.<sup>4</sup>

The European Commissioner for Employment, Social Affairs and Inclusion László Andor<sup>5</sup> has also acknowledged that austerity and fiscal consolidation alone cannot solve the economic crisis, and has argued that governments need to seek new paths to growth particularly by improving governance, increasing co-ordination and growing competitiveness, as well as by improving innovation in the area of social policies.<sup>6</sup>

Fortunately, when it comes to increasing co-ordination in the pursuit of the common good, we have an instructive and inspirational precedent in the Helsinki Final Act, in which participating States from the East and West expressed their desire “to search, fully taking into account the individuality and diversity of their positions and views, for possibilities of joining their efforts with a view to

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<sup>3</sup> IMF Working Paper: “Growth Forecast Multipliers,” Olivier Blanchard and Daniel Leigh, International Monetary Fund, January 2013: <http://www.imf.org/external/pubs/ft/wp/2013/wp1301.pdf>

<sup>4</sup> <http://www.ohchr.org/EN/NewsEvents/Pages/AusterityMeasures.aspx>

<sup>5</sup> [http://ec.europa.eu/commission\\_2010-2014/andor/index\\_en.htm](http://ec.europa.eu/commission_2010-2014/andor/index_en.htm)

<sup>6</sup> For more on the growing international consensus against austerity, please see the “Follow-Up on Recommendations in the OSCE PA’s Monaco Declaration” interim report, here:

[http://www.oscepa.org/publications/reports/doc\\_download/1593-2013-winter-meeting-follow-up-interim-report-2nd-committee-english](http://www.oscepa.org/publications/reports/doc_download/1593-2013-winter-meeting-follow-up-interim-report-2nd-committee-english)

overcoming distrust and increasing confidence, solving the problems that separate them and co-operating in the interest of mankind.”

Rekindling this spirit of co-operation should be at the top of the international agenda, and in that regard, the coming anniversary of the Helsinki Final Act should be considered a welcome opportunity to re-establish the commitment to comprehensive and indivisible security agreed to in 1975.

## **Helsinki +40**

On 6 December 2012, the OSCE Chairperson-in-Office, Ireland’s Deputy Prime Minister and Minister for Foreign Affairs and Trade Eamon Gilmore, announced at the OSCE Ministerial Council in Dublin that agreement had been reached by the foreign ministers of the 57 participating States to launch the Helsinki +40 process. “This is a process to reinforce and revitalize the OSCE in the period between now and 2015, which is the 40th anniversary of the Helsinki Final Act,” he said.

At the closing of the Dublin Ministerial Council, the participating States welcomed the initiative to launch the Helsinki +40 process as a unique opportunity to reaffirm the commitment to the concept of comprehensive, co-operative, equal and indivisible security. The Ministerial Council called on the forthcoming Chairmanships of Ukraine, Switzerland and Serbia to pursue the Helsinki +40 process on the basis of a co-ordinated strategic approach, and tasked the Chairmanships to facilitate this process by establishing an open-ended informal Helsinki +40 Working Group at the level of permanent representatives of all participating States.

The first meeting of the informal working group took place on 12 February, at which the ambassadors explained their expectations regarding the envisaged three-year process, with one of the issues discussed being the role of input by the OSCE Parliamentary Assembly. The Ukrainian Chairmanship announced that it would invite representatives of the PA to participate in the meetings, and would welcome written submissions on any issues of concern to the Assembly. It is therefore imperative that the three general committees of the Parliamentary Assembly develop constructive input and practical ideas to move the Helsinki +40 process forward in a meaningful and productive way.

## **The Second Dimension**

The previous rapporteur of the OSCE PA’s Second Committee, Christos Stylianides (Cyprus),<sup>7</sup> noted in his address to the OSCE PA’s Winter Meeting in Vienna on 21 February 2013 that the main problems in the Second Dimension are a lack of social cohesion and unemployment. With austerity measures proving to be unproductive, he said that structural reforms of social and economic policies are needed to stimulate growth potential and make markets more open, especially

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<sup>7</sup> In March 2013, Christos Stylianides was officially appointed Government Spokesman of Cyprus, and in accordance with the Constitution of Cyprus, stepped down from parliament.

in the countries most affected by the economic crisis. In this respect, he reiterated the importance of green growth initiatives, which can help promote solutions to many of these problems.

In the field of economic affairs, science, technology and environment, there are certain issues of vital concern today that the original drafters of the Helsinki Final Act could not have anticipated, areas that must be concretely addressed in the Helsinki +40 process in order to update and uphold our general commitments as OSCE participating States. In particular, there is a need for developing a common, balanced approach on issues such as cyber security and internet freedom, as well as border security and migration. These are matters that are rooted in the Second Dimension but cut across all three dimensions of security, requiring a nuanced understanding of the underlying issues involved, as well as a healthy appreciation for the need to balance security with fundamental freedoms.

The Helsinki +40 process should also incorporate the many recommendations in the field of economic affairs and the environment that have been adopted by the Parliamentary Assembly in previous Annual Sessions, particularly recurring themes and those that have emerged as new priorities in recent years. Climate change is one area that has been repeatedly addressed by the Assembly, including in last year's Monaco Declaration, which stressed "the urgent need for governments to live up to their commitments regarding climate change and step up efforts towards the finalization of a post-Kyoto legally binding treaty to address global warming effectively by 2015."

Also last year, the Assembly placed strong emphasis on the issue of austerity, encouraging governments of OSCE participating States to carefully analyze the long-term effects of austerity-driven budget cuts. Calling upon the 2013 Ukrainian Chairmanship and the Office of the OSCE Economic and Environmental Co-ordinator to highlight alternative solutions to tackle the economic crisis in the OSCE area, one alternative solution that the OSCE PA advocated was the opportunity of new green growth initiatives.

The Organization for Economic Co-operation and Development, in particular, has taken on a leading role in this field, promoting environmentally-friendly economic growth through the OECD Green Growth Strategy. This strategy provides concrete recommendations and measurement tools to support national efforts toward green growth and sustainable development.

The Global Green Growth Institute has also emerged as an important actor in this field, using an interdisciplinary, multi-stakeholder approach to advance the practice and theory of green growth. With the signing of the Establishment Agreement by several member country governments, it was officially established as an international organization in October 2012.<sup>8</sup>

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<sup>8</sup> Council on Foreign Relations, *Green Growth Quarterly Update* II-2012, "The Global Green Growth Institute: On a Mission to Prove Green Growth", <http://www.cfr.org/south-korea/global-green-growth-institute-mission-prove-green-growth/p29398>

## OSCE Priorities

Ukraine has made increased engagement in the economic and environmental dimension of the OSCE one of its priorities for its Chairmanship in 2013, with OSCE Chairman-in-Office and Ukrainian Foreign Minister Leonid Kozhara stating that “it would hardly be possible to promote comprehensive and lasting security in the OSCE region without properly addressing the existing challenges in the economic and environmental sphere, including energy security.”

The Ukrainian Chairmanship has pledged to build upon discussions on the prospects of adapting the 2003 Maastricht Strategy Document for the Economic and Environmental Dimension to the current global situation. “We will also propose to explore whether the OSCE could provide an added value and play a role in the development of the new trade and transport corridors, taking into account the importance of economic co-operation for fostering stability and security in the OSCE region,” Kozhara said.<sup>9</sup>

Ukraine has also identified energy-saving and promoting renewable energy as priorities for its Chairmanship, part of its effort to focus on issues in which there is broad common ground between participating States. “We intend to further develop the energy dialogue within the OSCE and generate political will for enhancing co-operation in the field of energy security without politicizing this issue,” he said.<sup>10</sup>

Also encouraging is the fact that this past year, for only the second time in the OSCE’s history, representatives of OSCE participating States met to comprehensively review the implementation of their economic and environmental OSCE commitments. The Economic and Environmental Dimension Implementation Meeting (EEDIM) on 6-17 October 2012 in Vienna provided a platform for enhancing dialogue and exchanging best practices, reviewing the implementation of decisions and commitments in the economic and environmental field of security, providing guidance for future work and streamlining co-ordination between participating States of the OSCE, the Organization’s units and field operations.

Former OSCE Economic and Environmental Co-ordinator Goran Svilanovic is correct in his belief that the decision to institutionalize the EEDIM as an annual OSCE meeting represents an important step towards increasing the effectiveness of the OSCE’s dialogue and co-operation in the Second Dimension. Svilanovic has also said that the meeting “illustrates the increasing relevance of the economic and environmental dimension as an integral part of the OSCE concept of comprehensive, co-operative and indivisible security.”<sup>11</sup>

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<sup>9</sup> Address by H.E. Mr. Leonid Kozhara, the OSCE Chairperson-in-Office, Minister for Foreign Affairs of Ukraine to the OSCE Permanent Council, CIO.GAL/7/13, 17 January 2013

<sup>10</sup> *Security Community: The OSCE Magazine*, Issue 1, 2013, “Ukraine sets the tracks for 2013” (interview)

<sup>11</sup> OSCE Press Release: “OSCE states review implementation of economic and environmental commitments”, 16 October 2012, <http://www.osce.org/eea/96420>

The Helsinki +40 process would benefit greatly from this renewed emphasis on the economic and environmental commitments of participating States, and it would behoove the OSCE to ensure that the EEDIM becomes a regular meeting along the same lines as the annual Human Dimension Implementation Meeting. The findings of those implementation meetings should be incorporated into guidelines to move the Helsinki +40 process forward.

More generally, it would benefit the Helsinki +40 process if its goals in all three dimensions were more clearly defined. The Parliamentary Assembly, as the Organization's most direct link to the people, should offer itself as an indispensable partner in the process, but in order for our input to be of the most value, the process itself should have clear aims. With the changing dynamics of the global economy, as well as emerging environmental challenges and advances in technology, it is perhaps the commitments in the Second Dimension that need the most updating as we approach Helsinki's 40<sup>th</sup> anniversary.

But most of all, beyond specifics of policy, we need a revitalized spirit of partnership, like the one that brought together Cold War adversaries four decades ago "in the interest of mankind," as stated in the Helsinki Final Act.