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## **Evolution of approaches to economic security problems in Europe**

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**INSTITUTE OF WORLD ECONOMY AND INTERNATIONAL RELATIONS  
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**EVOLUTION OF APPROACHES TO  
ECONOMIC SECURITY PROBLEMS  
IN EUROPE**

**Report for the Commission of the Euro-Atlantic Security Initiative  
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The report, written by the experts of the Center for European Studies of IMEMO RAN – Dr. Alexey Kuznetsov, Natalia Toganova and Anna Gutnik – analyzes the evolution of the approaches to the problems of economic security in Europe. The report is prepared for the Commission of the Euro-Atlantic Security Initiative (EASI). The EASI project was launched by the Carnegie Endowment for International Peace and is implemented by the group of prominent politicians and experts from Russia, the USA and Europe with the goal to elaborate proposals on the new Euro-Atlantic security structure. IMEMO is the key partner of the project in Russia. All participants of the project see the solution of the problems not through the prism of Russian-Western relations, but in the context of common threats to the security. Such an approach serves for more effective promotion of Russian vision of all-European security. The EASI project and Russian active participation in it were recognized as expedient by the President of the Russian Federation and the Ministry of Foreign Affairs.

The authors analyze the reasons why some economic problems in Europe cause the attention as the security problems. The report presents a study on transformation of the approaches to economic security based on the documents of the OSCE – most representative institution for the discussion of the security issues in the region. It also analyzes other inter-state formats elaborating approaches to the economic security in Europe, first and foremost Russia-EU dialogue.

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## **1. Prerequisites for soaring attention to economic security problems in Europe**

The end of the “cold war” and surging globalization have significantly changed the list of the most discussed security issues in Europe. In this region one observes unmistakable growth of attention to combating security threats, those directly related to the economic sphere, or having an economic dimension. This objective trend has coincided with a relative weakening of the classical ideas of political realism as a theory in the community of experts on international relations. As a result, Europe has witnessed growing certainty the security concerns are not confined to the military-political dimension. At present threats to security and stability are more likely in the form of negative, destabilizing consequences of events that affect the military, political, economic and environmental dimensions, as well as the human one as a whole<sup>1</sup>.

### ***1.1. Growing importance of economic security in the context of globalization***

In the context of globalization the military-political component fades into the background: threats to security most often come not from states but from other actors of international relations - organizations and associations. Measures to combat these threats must be preventive and aimed at eliminating the environments conducive to the formation, for instance, of terrorist groups, and at creating institutions that encourage honest enterprise and impede the development of corruption and other illicit activities, which, among other things, serve as a source of financing terrorism. Environmental issues have also been given a different interpretation charged with economic content: natural disasters, leading to growing migration flows and depriving entire regions of the opportunity to ensure sustainable economic development destabilize the situation and are, therefore, are a security threat. Thus, in the heart of the debate over security in Europe today one finds economic problems and, quite often, some associated issues of environmental protection, because decent living conditions, sustainable economic development and successful integration into the global economy are the best guarantees of maintaining peace in the context of globalization.

Liberalization of foreign economic relations, typical of the era of globalization, opens up opportunities for further progress by both major and less economically successful countries in Europe. Growing direct foreign investment facilitated cross-border transfers of technologies, which accelerate diffusion in the world of achievements in science and engineering. The observed boom of information and communication technologies has facilitated the spread of new knowledge regardless of the peripheral location of this or that territory. However, in practice, the fruits of globalization are enjoyable by states to different degrees. For example, embryonic infrastructures and low educational levels of the population do not allow the efficient use of modern technologies throughout the world. Even within Europe, inter-country contrasts are enormous - for example, per ten residents of the Netherlands, Great Britain, Sweden or Switzerland there are more than

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<sup>1</sup> See, for example: OSCE Strategy to Address Threats to Security and Stability in the Twenty-First Century – Maastricht, 2003 (11<sup>th</sup> OSCE Ministerial Council Meeting).

eight PCs, whereas in Bulgaria, Greece, Turkey and some CIS countries the rate is less than two, and in the adjacent regions of North Africa and the Middle East the situation is far worse<sup>2</sup>.

Moreover, globalization has not only its benefits, but also certain costs that fall to the lot of even some countries that have little benefits from the intensification of world economic relations. The most striking example is, perhaps, the growing instability in the financial markets. The less developed nations, including European countries, belonging to the so-called emerging markets, in the conditions of crisis shocks are the worst-hit by the negative impact of the massive flight of foreign speculative capital. As a result, there appear additional external sources of destabilization of the economic situation, while the set of tools at the government's disposal to regulate economic life in the context of globalization, on the contrary proves rather limited and not sufficiently adapted to providing an adequate response to "bubbles" being inflated in the financial markets, or to the influx and subsequent exodus of "hot moneys" from the national economy, etc.<sup>3</sup> In the area of foreign direct investment, more resistant to market fluctuations, there also surface globalization-triggered problems that ultimately pose a threat to security in the region. For example, some multinational corporations contribute to the spread of inadequate corporate governance in other countries, including the use of corruption schemes overseas. In the post-socialist countries of the region these and other difficulties coincided with the problems stemming from accelerated integration into the global economy in the context of transition from a planned economy to a market one.

As far as Europe is concerned, special attention there should be paid to the problem of growing international migration, which in the context of globalization often spells uncontrolled cross-border population flows. In the 60-70-ies of the XX century many West European states, faced with the first negative consequences of the demographic transition to narrower reproduction of the population, thrust the door open to guest workers from the less developed countries of Southern Europe, North Africa and the Middle East. However, by now the influx of migrants from other cultures has exacerbated the problem of their integration into European society, which poses a real threat of sharp deterioration of social and ethnic rifts. Labor migrants are often difficult to distinguish from "climatic migrants" or refugees from the areas of armed conflicts. Moreover, within the respective contingents there emerges a favorable environment for the operation of transnational crime rings, which constitute extra security threats - the smuggling of migrants, human and drugs trafficking and illegal circulation of small arms, light weapons, and sensitive materials and technologies.

## ***1.2. Awareness of some economic problems as problems of security in Europe***

Some economic problems have begun to endanger security in Europe only with the expansion of globalization processes and the weakening of state control in some countries, and, therefore, it is clear why their inclusion in the list of issues for discussion looks somewhat belated. Also, a number of problems having an economic dimension were important to maintaining security in the region in the past, but this realization was

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<sup>2</sup> See: International Telecommunication Union (<http://www.itu.int>).

<sup>3</sup> The effects of the global financial and economic crisis for the post-socialist countries in Europe proved a good illustration of the entire list of the aforesaid problems. See, for example: Tsentralnaya i yugovostochnaya yevropa – 2008: ispytaniye mirovym krizisom / Otv. Red. N.V. Kulikova. – M.: IE RAN, 2009 (in Russian).

developed just recently. The introduction of the concept of common, comprehensive and indivisible security was a natural outcome.

Of all complex issues having an economic dimension and posing a threat to security, embryonic institutions are one of the most acute. Improper state governance and the absence of due decency and diligence deserves particular attention. Many studies have shown that excessive bureaucracy and corruption, as well as the conditions generating them are a strong brake on economic development. Without the adequate transparency of state governance the investment climate turns unfavorable, which limits the ability of these countries to enjoy the benefits of economic globalization. Ultimately, this prevents alleviation of socio-economic disparities and hinders the war on mass destitution and poverty, high unemployment and other problems that create fertile ground for the growth of transnational crime, aggressive extremism, terrorism and other threats to security in Europe.

In recent years, the closest attention began to be given to the adequacy of action to maintain border security. On one hand, a liberal border regimen may be good for the prospects of joint economic development. On the other hand, though, the borders in Europe are different and may require individual approaches. For example, creation of a common space for the movement of goods, services, capital and people should in no way facilitate illegal migration, cross-border activities by crime rings and other negative phenomena<sup>4</sup>.

The soaring terrorist threat has automatically increased concern over a number of challenges, including those related to the economic dimension. In particular, one may note the increased attention to the protection of critical energy infrastructures, the use of the Internet for criminal purposes, the enhancement of transport safety and security (including container security), etc.

Europe has been showing ever greater awareness of multi-faceted environmental problems. Environmental degradation and ecological disasters, irresponsible handling of wastes (first and foremost, poor treatment, recycling and disposal opportunities) and the wasteful use of resources (both depletable and renewable - for example, water) cannot be considered outside the context of security in the region. In practice, many threats that have not been averted on time – and it does not matter whether the effects of natural calamities or man-made disasters are on the agenda – promptly acquire a transnational dimension. Such processes as land degradation and pollution of soils and surface waters cause serious damage to agriculture and some other branches of the economy and directly affect economic security. And the real scale of adverse effects of global climate change remains anyone's guess.

The shortage of energy resources in most European countries manifested itself most graphically in recent years. It has proved tightly linked with the excessive environmental pressures in industrial centers as a result of hazardous emissions into the atmosphere, with the potential threats of imperfect technologies in the nuclear power industry, with insufficiently effective implementation of energy-saving technologies, and, finally, with the guarantees of continuity of energy supplies. Control of the transportation routes is important to ensuring the stable functioning of European economies and at the same time prone to the risk of exacerbating conflicts between individual states that produce hydrocarbons and the transiter countries.

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<sup>4</sup> See, for example: Border Security and Management Concept. – Ljubljana, 2005 (13<sup>th</sup> OSCE Ministerial Council Meeting).

The problem of economic security is therefore looked at from two angles: the "old" one (which existed in the bipolar system), where actions by one state could jeopardize the economic position of another (this approach is seen in the "energy security" matters, especially in the dialogue between Russia and the EU), and the "new" one (clearly articulated just recently), stipulating that economic problems in individual countries and regions can become a security threat to other countries and regions, and not just in the economic sense, but in the political-military one as well (this approach is highlighted in the OSCE documents).

## **2. OSCE as a key institutional floor for shaping approaches to economic security**

The Organization for Security and Cooperation in Europe (OSCE), an association of 56 member-states, is the largest regional organization dealing with security issues. Formally, the OSCE's activities cover the Euro-Atlantic region and are gaining ground in some parts of Asia, too, but still the organization remains European.

During the 35 years since the signing of the Helsinki Final Act of the Conference on Security and Cooperation in Europe (CSCE) the problem of security – the focal point of debate within the OSCE (up to January 1995 the CSCE) – has undergone significant transformation. Although some other formats of discussing security issues in Europe came to the fore for specific groups of European countries at certain stages, it is the OSCE by virtue of its spatial coverage that has remained throughout all these years a key institutional platform for shaping common European approaches to security, including issues that have an economic dimension.

### ***2.1. Economic security problems as mirrored in the OSCE documents***

Throughout its existence the CSCE/OSCE had to seriously adjust itself to the rapidly changing international situation in Europe. At the same time the OSCE is a standard-setting organization that strives to be a base for expanding integration processes in the field of security and to accumulate and contribute to the undertakings of other organizations. Whereas before the collapse of the Soviet Union the focus of the CSCE's documents was on military-political cooperation, in the first half of 1990s one observed a shift to the issue of human rights protection and the promotion of ideas of democracy - as a reaction to cardinal socio-economic and internal political transformations in the post-socialist countries. Since the mid 1990's the OSCE documents have mentioned an idea of universal and comprehensive security, which emphasizes the need for building a united, peaceful and democratic Europe without dividing lines. This concept includes, among other things, the economic and environmental dimension, while the military-political one is moved to the background. However, September 11, 2001 brought the theme of terrorism into the limelight. Currently, the OSCE's activities proceed along three guidelines:

- military and political dimension (control of arms proliferation, diplomatic efforts to prevent conflicts in the region, and measures to build trust and security);
- economic and environmental dimension (the monitoring of economic development and the environmental situation in the participating countries with the aim to detect and prevent security threats);
- human dimension (human rights, the development of democratic institutions and elections monitoring in the member countries)<sup>5</sup>.

Whereas the economic and environmental issues were mentioned in the first document of the CSCE, it was only in the last decade that this dimension began to be reflected in a full-fledged way in relation to security matters. For instance, the 1975 Helsinki Final Act has a chapter entitled Co-operation in the Fields of Economics, of Science and

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<sup>5</sup> See: OSCE official website (<http://www.osce.org>).

Technology, and of the Environment, but in this document the issues were discussed beyond the security scope. Moreover, industrial cooperation, trade, education and some other issues of the economic dimension were moved to separate sections, and also outside the security context. Perhaps in the whole document one can find only one reference to the issue of economic security: the call "To refrain from any act of economic coercion designed to subordinate to their own interest the exercise by another participating State of the rights inherent in its sovereignty and thus to secure advantages of any kind."<sup>6</sup>

The Document of the Bonn Conference in 1990 for the first time explicitly mentioned the issue of economic security, and in the Charter of Paris for a New Europe (adopted in the same year), in its preamble/section A New Era of Democracy, Peace and Unity one finds a subsection entitled Economic Liberty and Responsibility, which links democratic freedoms to economic development and highlights their importance in this respect. The environmental component is mentioned there, too. However, in the Helsinki Final Act and in the Charter of Paris the economy is left outside the security section. In the Guidelines for the Future section there are, among others, specific subsections Security, Economic Cooperation and Environment.

The CSCE/OSCE's attention to the economic and environmental dimension begins to rise in the 1990's. Since 1993 there have been annual OSCE economic forums (lately, economic and environmental forums), which furnished expert support for a greater role of this dimension (see paragraph 2.3 of this brochure). Although the number of East European and Central Asian participants in the OSCE has grown, in fact, the dialogue on security issues has proceeded in the spirit of the EU - economic integration and the convergence of basic social and economic indicators were made the cornerstone. Even the emphasized attention to the human dimension is largely a consequence of most Western experts' certainty the rule of law and the existence of democratic institutions in many ways ensures the efficiency of the entire economic policy and the competitiveness of national production. For example, one can recall the ideas of the inevitable conjugation of such processes as the monopolization of economic and political power - ideas that constitute the basis of Europe's quite popular model of a social market economy<sup>7</sup>.

In the 1999 Istanbul Charter for European Security economic and environmental threats were rated as common security challenges, although they were placed in the last but one item: "Acute economic problems and environmental degradation may have serious implications for our security. 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. We applaud the unprecedented process of economic transformation taking place in many participating States. We encourage them to continue this reform process, which will contribute to security and prosperity in the entire OSCE area. We will step up our efforts across all dimensions of the OSCE to combat corruption and to promote the rule of law."<sup>8</sup>

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<sup>6</sup> Hereinafter all quotes from and references to the OSCE documents were borrowed from the organization's official website (<http://www.osce.org>).

<sup>7</sup> For details see: Sotsyalnoye rynochnoye khozyaistvo: kontseptsii, prakticheskii opyt i perspektivy primeneniya v Rossii / Pod obsh. red. R.M. Nureyeva – M.: TEIS, 2007.

<sup>8</sup> See: Charter for European Security. // OSCE. Istanbul Document of 1999.

A closer look at the Istanbul Charter for European Security shows that of all of the OSCE's three dimensions the economic and environmental one takes last place (while the human dimension is ahead of the military-political one). It is stated, however, that economic freedom, social justice and responsibility for the preservation of the environment are mandatory prerequisites for prosperity. Also, the idea is stressed the economic dimension in the OSCE will be given due attention, because it is considered as an element of early warning and conflict prevention. The Charter for European Security says that the OSCE will focus on issues where it can best demonstrate its competence (for example, where the organization's activities in the human dimension field yield considerable economic effects). At the same time, it shall seek to work with other organizations and institutions to foster coordinated approaches that avoid duplication and ensure efficient use of available resources.

In 2003, the 11th meeting of the OSCE Ministerial Council in Maastricht adopted the OSCE Strategy to Address Threats to Stability and Security in the 21st Century, which proved a milestone in the process of understanding the role of economic security in the region. The document stressed the interdependence of all dimensions of security. In the descriptions of threats to security and stability the socio-economic and environmental factors are often mentioned before the negative effects brought about by the lack of openness and transparency in military-political matters. The reaction of the OSCE to the economic and environmental challenges was determined in the special Maastricht Strategy Document for the OSCE Economic and Environmental Dimension (2003) (for details see the next paragraph of the brochure).<sup>9</sup> It was stated that the OSCE's role could be strengthened through expanding the dialogue among the participating States on economic and environmental problems. Within the framework of this dimension the organization itself planned to build up its potential in providing consultancy and other assistance and in mobilizing and creating conditions for employing experts and resources from other international organizations.

Alongside this, it is since 2003 that conflicts between Russia and some other post-Soviet states and most of the other OSCE member-states have displayed themselves in the most striking form. In particular, ministerial political declarations stopped to be adopted. Russia's accusations of "double standards" addressed to the OSCE, partial statements by the OSCE Office for Democratic Institutions and Human Rights, and other manifestations of the conflict had virtually no bearing on economic issues, but in principle, they undermined the credibility of the OSCE, whose work developed an unmistakable human dimension bias.

As a result, over the recent years the organization has adopted very few documents that contributed to progress in the economic and environmental dimension. For example, the OSCE Ministerial Council in 2006 adopted a decision on the dialogue in energy security.<sup>10</sup> Another 2006 decision concerned a future dialogue on transport. It was based on the content of the OSCE Strategy Document for the Economic and Environmental Dimension, and the results of the next annual economic forum.<sup>11</sup> In particular, the recognition was expressed of the vital importance of ensuring the safety of transport networks and of transport development to enhance regional economic cooperation and

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<sup>9</sup> See: OSCE Strategy Document for the Economic And Environmental Dimension. – Maastricht, 2003 (11<sup>th</sup> OSCE Ministerial Council Meeting).

<sup>10</sup> See: Brussels Ministerial Council Decision No. 12/06: Energy Security Dialogue in the OSCE – Brussels, 2006 (14<sup>th</sup> OSCE Ministerial Council Meeting).

<sup>11</sup> See: Decision No. 11/06. Future Transport Dialogue in the OSCE. – Brussels, 2006 (14<sup>th</sup> OSCE Ministerial Council Meeting).

stability. The crucial role was noted of transport in the intensification of trade and further economic development in the OSCE region. Among the issues touched upon one can single out the control of cargoes on the borders, the implementation of projects for trans-European and Euro-Asian routes, the enhancement of the transit capacity of landlocked industrializing countries, prevention of the illegal transportation of dangerous cargoes, and the easing of negative impacts of transport activities on the environment.

In 2007, the Madrid Declaration on Environment and Security was adopted to build up from the OSCE Strategy Document for the Economic and Environmental Dimension. To some extent, that document raised the importance of environmental issues within the framework of the economic and environmental dimension of security, confirmed the role of cooperation in environmental matters and in the strengthening early warning systems as useful tools for easing tensions, preventing conflicts, promoting mutual trust and deepening good-neighborly relations. The Madrid Declaration was the first OSCE document to have pointed to "climate-induced migration" as one of the worst threats: "Environmental degradation, including both natural and manmade disasters, and their possible impact on migratory pressures could be a potential contributor to conflict. Climate change may magnify these environmental challenges".<sup>12</sup> In addition, the declaration mentioned such traditional efforts by all European countries as reduction of carbon emissions into the atmosphere, better environmental governance (in particular by enhancing the sustainable use of water, soil, forests and biodiversity). Special mention was made of the elimination Chernobyl accident consequences, as well as threats to the environment posed by conventional arms stockpiles.

To consolidate the achievements of OSCE Economic and Environmental Forums individual decisions by the Council of Ministers continued to be taken. In 2007 such a decision was devoted to water management<sup>13</sup>. A year later, a similar decision concerned cooperation in maritime and inland waterways.<sup>14</sup> Among individual issues of security, the conference emphasized sea pollution with oil products, the transfer of invasive species via ballast water, etc.

In 2009, the OSCE, with reliance on the results of the latest economic and environmental forum, adopted a decision on migration management.<sup>15</sup> It addresses the need for paying particular attention to uprooting the underlying causes of migration, and to encouraging, however, the development of effective systems of legal migration (e.g., pendulum migration and other forms of voluntary programs for the promotion of labor mobility). It also adopted another decision on energy security. It noted the increasing energy interdependence of producer, consumer and transiter countries, which requires a collaborative dialogue with a view to enhancing transparency, security and cooperation in the energy field and to strengthening the ability of the international community to prevent and resolve energy-related disputes.<sup>16</sup>

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<sup>12</sup> See: Madrid Declaration on Environment and Security. - Madrid, 2007 (15<sup>th</sup> OSCE Ministerial Council Meeting).

<sup>13</sup> See: Decision No. 7/07 Follow-up to the Fifteenth Economic and Environmental Forum: Water Management - Madrid, 2007 (15<sup>th</sup> OSCE Ministerial Council Meeting).

<sup>14</sup> See: Decision No. 9/08. Follow-up to the Sixteenth Economic and Environmental Forum on Maritime and Inland Waterways Co-Operation. – Helsinki, 2008 (16<sup>th</sup> OSCE Ministerial Council Meeting).

<sup>15</sup> See: Decision No. 5/09. Migration Management. – Athens, 2009 (17<sup>th</sup> OSCE Ministerial Council Meeting).

<sup>16</sup> See: Decision No. 6/09. Strengthening Dialogue and Cooperation on Energy Security in the OSCE Area . – Athens, 2009 (17<sup>th</sup> OSCE Ministerial Council Meeting).

Finally, in 2009 there followed a special decision on the future the economic and environmental dimension. The document recommended regular reviews of progress made in implementing the Maastricht OSCE Strategy Document for the Economic and Environmental Dimension.

## ***2.2. The OSCE strategy document for the economic and environmental dimension***

At the moment the 15-page Maastricht Strategy of 2003 is the most informative document of the OSCE regarding the economic and environmental dimension.

The decision to draft it was adopted at the OSCE Ministerial Council in Porto in 2002. The strategy contains a list of challenges and threats having an economic and environmental dimension that persist or even grow stronger in spite of the overall progress towards sustainable development, higher living standards, better quality of life, the efficient use of economic resources and environmental protection in Europe in contrast to the 1980s.

The Maastricht Strategy says first and foremost that globalization, liberalization and changes in science and engineering, while opening new opportunities for trade, growth and development, in some cases lead to deepening economic disparities between nations and within them. This increased openness of national economies makes them more prone to external economic shocks and financial disturbances. In addition, it is recognized that far from all post-socialist states have completed the difficult process of transition to a market economy and integration into the global economic system. There is a question mark over their participation in the global economy on the principles of equity and efficiency, which creates additional security threats. The Strategy Document also states that the deepening socio-economic disparities, lack of the rule of law, weak governance, corruption, widespread poverty and high unemployment in Europe are exacerbating such global threats as terrorism, aggressive extremism and transnational organized crime. Fertile ground is created for illegal economic activities, including money laundering, various kinds of trafficking and illegal migration. Finally, the Maastricht Strategy highlighted the environmental threats, which have a major impact on public health, welfare, stability and security in the region. The negative external effects of pollution can breed tensions between countries. The section ends with a statement underscoring the importance of governance issues (especially, the failure of institutions and the weakness of civil society, the lack of transparency and accountability in public and private sectors, inadequate law enforcement, etc.), which deprive the state of the ability to ensure economic, social and environmental development and to effectively resist the challenges and threats to security and stability.<sup>17</sup>

As the main reaction of the OSCE to the existing challenges and threats the Maastricht Strategy names further cooperation between countries, and also measures and policies aimed at improving the quality of governance at all levels, at ensuring sustainable development in all of its aspects and at protecting the environment. The main recognized guidelines for cooperation are:

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<sup>17</sup> See: OSCE Strategy Document for the Economic and Environmental Dimension. – Maastricht, 2003 (11<sup>th</sup> OSCE Ministerial Council Meeting).

- Integration into the global economy (including its institutional system - primarily through the WTO);
- Regional and subregional economic integration;
- creation in the region of open integrated markets functioning on the basis of compatible or harmonized rules, in combination with tariffs reduction and the gradual elimination of non-tariff barriers to trade;
- development of a sound global financial architecture;
- energy security maintained with predictable and economically acceptable energy supply, based on sound commercial principles and friendly to the environment (including that based on new and renewable sources of energy);
- climate improvement for attracting investments into industrial development and infrastructures;
- development of efficient and integrated transport networks with the appropriate level of security.

Particular attention in the Maastricht Strategy is drawn to the establishment and enforcement of appropriate governance. The document emphasizes the idea strong institutions and high-quality public and corporate governance contribute to attracting investors and thereby enable states to reduce poverty and inequality, increase social cohesion and opportunities for all and protect the environment, and, in general to contribute to prosperity, stability and security. The influence on public administration is divided into a number of components – promotion of transparency and struggle against corruption, better public resource management, creation of a favorable business climate, and support for small and medium businesses. Separately the Strategy mentions human resources development and the strengthening of social partnership and cohesion.

The section describing the OSCE countries' reaction ends with a declaration of that organization's commitment to achieving sustainable development and environmental protection and the willingness to cooperate with other international organizations. Further, the Strategy spells out certain steps to improve the activity of the OSCE in the sphere of economic and environmental security in the region.

### ***2.3. Evolution of themes at OSCE annual economic forums***

For almost two decades the OSCE's activity in the field of economic and environmental dimension has been focused on the annual economic forum (since 2007 – the economic and environmental one). In accordance with the Maastricht Strategy the effectiveness of this event was enhanced with greater emphasis on themes that constitute the greatest concerns for all participating states. Alongside this, there has been a considerable improvement in preparations and the effectiveness of procedures to ensure further steps after the discussion at the OSCE economic forum (an important mechanism for this is the Economic and Environmental Subcommittee of the OSCE Permanent Council).

Basically, all forums were held in Prague, although now the event is a two-phase one and every meeting is hosted by a different city. To date, there have been 18 economic (economic-environmental) OSCE forums<sup>18</sup>:

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<sup>18</sup> See: Economic and Environmental Forum – OSCE website (<http://www.osce.org>).

1. The process of transition to a democratic market economy (1993).
2. The process of transition to a democratic market economy (1994).
3. Regional, sub-regional and trans-border cooperation, promotion of trade, investment and infrastructure development (1995).
4. Economic aspects of security and the role of the OSCE (1996).
5. The market economy and legal rights (1997).
6. Security aspects in the field of energy development in the OSCE (1998).
7. Security aspects in the field of the environment (1999).
8. Economic aspects of post-conflict reconstruction: challenges of transformation (2000).
9. Transparency and good governance in the economic sphere (2001).
10. Cooperation in the field of sustainable use and protection of water quality in the context of the OSCE (2002).
11. Human trafficking, illegal drugs trafficking, small arms and light weapons: national and international economic impact (2003).
12. New challenges for the institutions and human capital, ensuring economic development and cooperation (2004).
13. Demographic trends, migration and integration of ethnic minorities: ways of ensuring security and sustainable development in the OSCE (2005).
14. Transportation in the OSCE region: secure transportation networks and transport development for enhancing regional economic cooperation and security (January 2006 - Vienna, May 2006 - Prague).
15. (Economic-environmental) Key threats to environmental security and sustainable development in the OSCE region: Land degradation, soil contamination and water management (January 2007 - Vienna, May 2007 - Prague).
16. (Economic-environmental) Cooperation in the field of maritime and inland waterways in the OSCE region: stronger security and protection of the environment (January 2008 - Vienna, May 2008 - Prague).
17. (Economic-environmental) Regulation of migration and its relation to economic, social and environmental policies to ensure stability and security in the OSCE region (January 2009 - Vienna, May 2009 - Athens).
18. (Economic-environmental) Good governance at border crossings, better security of the land transport and promotion of international road and rail transport in the OSCE region (February 2010 - Vienna, May 2010 - Prague).

The forum actively involves representatives from other international organizations (OECD, EBRD, IMF, the Council of Europe and others - their number is constantly growing), businesses and non-governmental structures. Participants number several hundred. Before the forum's sessions preparatory meetings are held with invited experts from various countries taking part. For example, before the 17th forum in October 2008 there was such a conference in Prague and in March 2009 in Tirana, before the 18th Forum - in October 2009 in Astana, and in March 2010 in Minsk.

The first Forum addressed key factors for creating a favorable business climate (in this case the strong interdependence was noted of economic and political factors, as well as the role of foreign direct investment as a catalyst of economic development and technology transfers and the importance of increasing bilateral trade). Special attention was paid to the social aspects of transition to a market economy, as well as the unbreakable peg between economic and environmental problems - especially in the context of the deep crisis that hit most of the post-socialist countries in the early 1990s. At the same time, it was rightly pointed out that large-scale structural transformations in those countries opened up a unique opportunity for improvement in the environmental field.<sup>19</sup> The next annual economic forum also focused on economic development and post-socialist reforms, which had a significant impact on security in the OSCE region. This time the agenda was expanded to be completed by discussions about the need for accelerated development of transport infrastructures, because their shortfalls hamper cross-border connections in Europe and hinder the elimination of inter-bloc confrontation's legacy.<sup>20</sup> The third Economic Forum, held in 1995, was also largely devoted to the problems of post-socialist countries. Regional and cross-border cooperation in Western Europe and North America was considered mainly in terms of their positive experience in promoting trade, investment and infrastructure development. Once again the role was emphasized of transport infrastructures, which facilitate the movement of goods and people, in ensuring peace and security in Europe, which largely stemmed from the negative consequences of the economic sanctions against the Federal Republic of Yugoslavia for all Balkan countries. That forum decided to place greater emphasis on issues of economic security in the subsequent discussions.<sup>21</sup>

The 4th OSCE Economic Forum in 1996 was the first where the discussion revolved around the theme is security. The discussion proceeded along two main guidelines: a) the social aspects and political risks of economic transformation, b) ways of building up economic confidence in order to ensure security. There was a discussion of the economic dimension of the concept of universal and comprehensive security. As a complex set of issues was addressed, the belated recognition manifested itself of the high social costs of post-socialist reforms that jeopardized economic security. The need was emphasized for a clear, predictable and effective legal framework, in combination with capable and independent courts; the importance was stressed of a balanced economic structure capable of preventing stark social contrasts in society, and the involvement of all social groups in social development. Furthermore, as additional economic aspects related to security, the Forum named macro-economic stability (including the need for a non-inflationary policy), high levels of employment, non-discriminatory access to resources, sources of energy, markets and infrastructures, as well as environmental requirements providing for sustainable development. Separately, the forum pointed to the economic discrimination against ethnic minorities.<sup>22</sup>

Dedicated entirely to security aspects inherent in economic legislation, the 5th Economic Forum did not make any significant conceptual progress in the field of economic security. It merely stated that effective and transparent legislation helps address two issues – it restricts organized crime and prevents bribery and other forms of corruption.<sup>23</sup>

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<sup>19</sup> See: OSCE. Chairman's Summary of the First Meeting of the Economic Forum.

<sup>20</sup> See: OSCE. Chairman's Summary of the Second Meeting of the Economic Forum.

<sup>21</sup> See: OSCE. Chairman's Summary of the Third Meeting of the Economic Forum.

<sup>22</sup> See: OSCE. Fourth Meeting of the Economic Forum. Prague, 27-29 March 1996. Summary.

<sup>23</sup> See: OSCE. Fifth Meeting of the Economic Forum. Prague, 11-13 June 1997. Summary.

In contrast to that the following 6th forum, held in 1998, made a significant contribution to the development of extensive debate in Europe about energy security. Energy issues were considered from the standpoint of economic development, legislation, infrastructures, investment, and ecology. There was observed growing interdependence in the global economy, accompanying the globalization of energy markets against a backdrop of their liberalization and soaring competition among the leading providers. As aspects of security the forum named the diversification of suppliers and markets, the freedom of trade and transit in the energy sector (including the reliability of transport infrastructures), greater energy efficiency and higher environmental standards (those of carbon emissions and of nuclear power safety).<sup>24</sup>

The 7th OSCE Economic Forum is noteworthy, because environmental issues there began to be regarded not as an "appendage" to the economy, but as an important aspect of most problems in the economic dimension of security. The names of the three working groups at the Forum speak for themselves:

- Energy and the environment: security and the importance of sustainable energy development; institutional and legal settings, including the implementation of international conventions and instruments,
- Security aspects of shared water resources and regional co-operation, taking into account the different institutional and legal settings, including implementation of international conventions and instruments,
- Public participation: the role of civil society; NGOs and the business sector in achieving sustainable development; the involvement of the OSCE.

Also, at the 7th Forum a discussion of the concept of environmental security was held.<sup>25</sup>

Although with every passing year the OSCE economic forum became more representative, and their results were ever more often reflected in the documents of the organization in terms of approaches to economic security in Europe, the 2000s saw mainly clarifications and elaborations on the previously announced ideas. For example, the 8th Forum confirmed the interdependence of all dimensions of security and stressed the importance of good governance and transparency (perhaps, the sole new element was the clarification the lack of information by itself exacerbates security problems).<sup>26</sup> The 9th forum in 2001 reiterated a threat to security was posed by mismanagement and weak institutions. It was noted, however, that the vicious circle of bad institutions was exacerbated by the negative impact of external shocks - in other words, countries' measures to ensure economic security should be directed at both eradicating the internal weaknesses (tax evasion, violations of labor laws, etc.), and at improving foreign policy.<sup>27</sup>

The jubilee 10th Forum was almost entirely devoted to security issues related to water management, which were discussed in the 1990s, too. In fact, such an agenda accommodated the expectations of the Central Asian OSCE member-states. The recognition the settlement of water problems requires reconsideration of the traditional views on the territorial sovereignty of states was the sole conceptual innovation.

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<sup>24</sup> See: OSCE. Sixth Meeting of the Economic Forum. Prague, 1-5 June 1998. Summary.

<sup>25</sup> See: OSCE. Seventh Meeting of the Economic Forum. Prague, 25-28 May 1999. Summary.

<sup>26</sup> See: OSCE. Eighth Meeting of the Economic Forum. Prague, 11-14 April 2000. Summary.

<sup>27</sup> See: OSCE. Ninth Meeting of the Economic Forum. Prague, 15-18 May 2001. Summary.

However, in response to September 11, 2001 the problem of terrorist financing was raised.<sup>28</sup>

The agenda and contents of the 11th Forum once again highlighted the interrelationship of all dimensions of security. It raised the problem of human trafficking, illegal drugs circulation and illicit trade in small arms and light weapons.<sup>29</sup> The next, 12th Forum, was keynoted by the EU's enlargement to the East. At the same time, the remaining low level of economic development on the vast OSCE spaces proved a reason to recall the thesis that without economic prosperity can be no security. However, the discussion of the importance of building up human capital for economic growth stressed the need for maintaining a balance between national regulation of the education systems and incentives to the mobility of students and teachers (through such integration projects as the Bologna process, etc.).<sup>30</sup>

It is noteworthy that the 13th Forum in 2005, as well as the 17th Forum four years later, were devoted, in fact, to one theme – that of migration. The 13th Forum covered a wide range of issues - improvement of economic conditions in the countries of mass emigration, the relationship of migration with the ecological situation, creation of adequate conditions for legal migrants (including integration into the host society), the problems of the informal sector, and the special case of ethnic minorities. Such a quick return to the same topic of discussions in 2009 (albeit in an updated format of the Economic and Environmental Forum), was largely due to challenges associated with the current global financial and economic crisis.<sup>31</sup>

The 15th Forum of the OSCE in 2007 was the first economic and ecological one, and, therefore, it made the most substantial contribution to the development of approaches to economic security in recent years. In the foreground there were land degradation and soil pollution and the social aspects of these phenomena, including those with obvious implications for security (for example, those encouraging migration).<sup>32</sup> However, the OSCE Ministerial Council's decision taken as a result of the Forum concerned water management, an issue of minor importance for the overall discussion of water issues (see paragraph 2.1 of the brochure).

The next 16th forum also considered a relatively new topic of security of maritime and inland waterways, which enabled the OSCE to adopt another routine document (also see paragraph 2.1). In this case the problem of water transport was considered in terms of two aspects of security – the arrangements for safe navigation proper and cross-border movement of vessels. Particular attention was paid to the problems of landlocked states.<sup>33</sup>

There was another pair of almost identical twins - the last purely economic 14<sup>th</sup> Forum and this year's 18th Economic and Environmental Forum, which considered transport-

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<sup>28</sup> See: OSCE. Tenth Meeting of the Economic Forum. Prague, 28-31 May 2002. Summary.

<sup>29</sup> See: OSCE. Eleventh Meeting of the Economic Forum. Prague, 20-23 May 2003. Summary.

<sup>30</sup> See: OSCE. Twelfth Meeting of the Economic Forum. Prague, 31 May – 4 June 2004. Summary.

<sup>31</sup> See: OSCE. Thirteenth Meeting of the Economic Forum. Prague, 23-27 May 2005. Summary; The 17<sup>th</sup> Meeting of the OSCE Economic and Environmental Forum. Part I. Vienna, 19-20 January 2009. Consolidated Summary.

<sup>32</sup> See: OSCE. Fifteenth Meeting of the Economic and Environmental Forum. Part I. Vienna, 22-23 January 2007. Summary.

<sup>33</sup> See: OSCE. Sixteenth Meeting of the Economic and Environmental Forum: Part I. Vienna, 28-29 January 2008. Summary; Sixteenth Meeting of the Economic and Environmental Forum. Part II. Prague, 19-21 May 2008. Consolidated Summary.

related safety aspects.<sup>34</sup> Participants in the sessions of the 18th Forum discussed, among other issues, the increasing efficiency of international rail transport amid the global economic crisis, good governance at customs as a tool to promote transport and trade, as well as to improve safety, security of the developing cross-border transport links, the development of effective and safe Eurasian transit, etc.

In 2011, the 19th Economic and Environmental Forum of the OSCE will be dedicated to energy security. Among the key issues proposed for discussion there will be diversification of the European countries' energy balance, greater energy efficiency of industrial production and of households and the development of new sources of electricity.

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<sup>34</sup> See: OSCE. Fourteenth Meeting of the Economic Forum. Prague, 22-24 May 2006. Summary; Eighteenth Meeting of the Economic and Environmental Forum. Part I. Vienna, 1-2 February 2010. Consolidated Summary; Eighteenth Meeting of the Economic and Environmental Forum. Part II. Prague, 24-26 May 2010. Consolidated Summary.

### **3. Other interstate formats of devising approaches to economic security in Europe**

Alongside the OSCE, there are many other institutional floors for devising approaches to economic security in Europe. However, of the greatest interest are the interstate formats that encompass all the key countries of the region, because the very essence of security leaves no chance for any particular group of states to agree on pan-European approaches that can be subsequently dictated to the other European countries. Suffice it to recall the perfectly understandable negative reaction from some experts in the hydrocarbons exporting countries, who interpreted as aggressive proposals by some representatives of NATO countries for appointing the alliance as the one responsible for maintaining energy security in Europe and the whole of Central Asia. Therefore, it is the dialogue between the EU and Russia - a key economic integration group in Europe, on one hand, and the leading state in the region beyond, on the other – that is most suitable as a format for shaping pan-European economic security. Moreover, the EU seeks to apply similar approaches to all of its neighbors. Besides, Russia's actions often determine the position of Ukraine and other countries not affiliated with the EU. The role of the UN Economic Commission for Europe is also significant in certain areas.

#### ***3.1. Economic security problems in the EU-Russia dialogue***

Security issues were raised already in the Partnership and Cooperation Agreement between the EU and Russia, which was signed in 1994 and entered into force in December 1997.<sup>35</sup> Although the document addressed mostly economic issues, the theme of economic security is considered in a perfunctionary manner, quite common in that period. Article 19 declares the right of states to change their policies (including commercial ones), if there is a threat to their security, including economic security. Article 65 dealt with energy security. In part, it says that cooperation in the energy sector includes, among other things, the improvement of quality and security of energy supply in conditions acceptable from the economic and environmental points of view. The next article of the agreement is mainly devoted to the safety of nuclear facilities. Article 74 (that part of it which concerns cooperation in the social sphere) mentions labor safety. Finally, Article 84 concerns prevention of illegal activities, including those of economic nature (illegal immigration, illegal presence of nationals of one signatory to the Partnership and Cooperation Agreement in the territory of another signatory, corruption, illegal transactions with various kinds of goods, including industrial waste, and illicit trafficking in narcotic and psychotropic substances).

The Partnership and Cooperation Agreement, with all of its shortcomings<sup>36</sup>, has become a clue to further progress in relations between Russia and the EU, including those in the sphere of economic security. In the early 2000s Russia and the EU stepped up the dialogue on the "road map" plans for four common spaces – economy; freedom, security and justice; external security; science and education, including cultural aspects.

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<sup>35</sup> See: THE PARTNERSHIP AND COOPERATION AGREEMENT between the European Communities and their Member States, of the one part, and the Russian Federation, of the other part.

<sup>36</sup> For details see, for example: Boriko Yu. Yevropeiskomu soyuzu i Rossii neobkhodimo Soglasheniye o strategicheskoy partnyorstve. – M.: Probel-2000, 2004.

However, the "road map" for the common economic space bears no trace of fundamental change in approaches to economic security as compared with the Partnership and Cooperation Agreement. The document was complemented with few minor issues (e.g., safety of transport and air links).

Of late, the EU pressed for the idea of energy security, which in Europe is being discussed mainly in the format of the Russia-EU dialogue, while the OSCE and other organizations attach secondary importance to this area of economic security. Moreover, there is a distinct trend towards artificial separation of the energy sector and other industries in economic cooperation discussions between the EU and Russia. Energy cooperation is subdivided into three components: a) gas supply, the required infrastructures and economic partnerships in this area (joint ventures, access to the market) b) energy saving projects, c) projects focused on environmental protection in power generation (nuclear energy) and coal mining.<sup>37</sup> However, the EU's aspirations to reduce its own dependence on import and to diversify sources of raw materials turn into a direct threat to the economic security of Russia, which may lose a guaranteed market for its hydrocarbons. At the same time, the parties identified the importance of increasing the diversity of transport routes - to improve the reliability of energy saving by easing capacity shortages and the related consequences in the event of such situations occur at some point on the route.

A set of topics for discussion in the dialogue between Russia and the EU on energy security was identified by and large back in the early 2000s. Now, emphases in the debate are being shifted somewhat, as is seen in the contents of the annual summary reports on topical issues of the bilateral energy dialogue. For example, whereas in the early 2000s technical aspects took center stage (the reliability of energy systems was understood as the ecological safety of pipelines, the existence of alternative routes for the transportation of gas in case of accidents, etc.) and assistance to Russia in modernizing its electric power industry<sup>38</sup>, in the middle of the decade the issues of the day grew more complex and drifted into the political scene (transit guarantees, investors' mutual access to the hydrocarbons producing and sales and distribution assets and other similar matters, including the development of an appropriate legal framework). To an extent this trend was an effect of the successful solution of some earlier technical problems that threatened security. For example, in 2002 technical assistance was agreed upon (and extended through TACIS in 2003) for the regular assessment of the needs for the rehabilitation of and investment into the safety and efficiency of export pipelines. Procedures were established for early identification of gas leaks and of potentially risky gas pipeline infrastructures failing to meet operating requirements.

Toward the end of the decade, as the dialogue between Russia and the EU stalled, some themes of secondary importance, but nevertheless important for Russia, came to the fore in many areas. One can single out the discussion on the unification of power transmission systems of the CIS and the EU, and cooperation in nuclear energy (although the possibility of Russia's electricity supplies to the EU, as well as trade in nuclear materials was a subject of acute debate in 2002). Among other things, the parties supported cooperation between Russian and European oil companies in the implementation of such joint projects aimed at increasing Europe's energy security and

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<sup>37</sup> See: official website of the European Commission (<http://ec.europa.eu>).

<sup>38</sup> See: Russia-EU Energy Dialogue. Second Progress Report. May 2001. Presented by Russian Vice-Prime Minister Victor Khristenko and European Commission Director-General Francois Lamoureux.

ensuring reliable markets for Russia as the further development of the Shtokman gas field, the laying of the Burgas-Alexandroupolis oil pipeline, Nord Stream, etc.<sup>39</sup> Among other issues related to energy security one can identify continued discussions of ways to reduce greenhouse gas emissions and the overall rise of the economy's energy efficiency.

Apart from that there are themes that have ceased to be the center of economic security discussions, although they enjoyed considerable attention in the dialogue between Russia and the EU in 2003-2004. First of all, one should point to the safety of transporting oil by sea. At that time, it was stated that ensuring the highest possible level of environmental security in delivering crude oil and petroleum products was high on the agenda. It is important to bear in mind not only the pipeline networks as such, but also the related infrastructures and equipment at oil terminals, as well as the resistibility of oil tankers to external effects, for quite often they have to be operated in rigorous environmental conditions.<sup>40</sup> It is not ruled out that the recent disaster at an oil platform of British Petroleum in the Gulf of Mexico will return this topic to the agenda of the Russia-EU dialogue.

### ***3.2. The role of the United Nations Economic Commission for Europe***

The United Nations Economic Commission for Europe (UNECE) was established in 1947. It is one of the UN regional commissions, accountable to the UN Economic and Social Council. Affiliated with the UNECE activities are 56 states, including the U.S., Canada and countries in Central Asia.<sup>41</sup> The commission consists of several committees – those for the environment, energy, economic cooperation and integration, trade, etc. The Economic Commission for Europe is a deliberative and consultative body with a very limited budget. Making similar conclusions regarding its activities, in contrast to those of the OSCE and the EU, is hardly possible: the legal and regulatory framework (first and foremost, conventions) is beyond its powers. Besides, conventions are common for all signatories in any region, and not for all European states. Among the important conventions concluded of late one should note the Aarhus Convention of 1998, aimed at protecting human rights to a favorable environment for health and well-being, to access to information, to public participation in decision-making, and to access to justice related to environmental matters.

Moreover, within the UN economic security issues are dealt with in one way or another by a number of organizations, so the point at issue is rather interaction by different institutions within the UN system, than definition of any special approaches within the European Economic Commission. In fact, the analysis of UNECE documents is tantamount to analysis of somebody else's analysis, and not of primary sources that have an unambiguous impact on international relations. Nevertheless, in view of the credibility of the United Nations, it is the UNECE that the OSCE often refers to in its documents.

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<sup>39</sup> See: Russia-EU Energy Dialogue. Tenth Progress Report. November 2009. Presented by Commissioner of the European Commission on Energy Issues Andris Piebalgs and Minister of Energy of the Russian Federation Sergey Shmatko.

<sup>40</sup> See: Russia-EU Energy Dialogue. Fourth Progress Report. November 2003. Presented by Russian Vice-Prime Minister Victor Khristenko and European Commission Director-General Francois Lamoureux.

<sup>41</sup> See: UNECE official website (<http://www.unece.org>).

The problem of security in the economic and environmental dimension is not considered comprehensively at the UNECE. Within the UNECE the theme of energy security is the business of the Energy Division. Its task is to organize conferences and to participate in conferences arranged by other organizations, as well as to prepare publications on the topic. Security issues are also addressed by the Transport Division (the conditions of transportation of radioactive and other wastes), and the Environmental Protection Division. The Economic Cooperation and Integration Division does not have a such a theme as economic security on its agenda. Although some documents do exist, by and large one observes synchronization with the work of the OSCE. The UNECE report to the 11th OSCE Economic Forum is a bright example of this.<sup>42</sup>

That UNECE document, timed for the adoption of the Maastricht OSCE Strategy, offers arguments in favor of shifting the emphasis in a globalizing world to the economy, which has become the key cause of intrastate and interstate conflicts. Conflict prevention is in line with the task of formulating a policy that would guarantee the fundamental rights and freedoms of the individual, and contribute to economic activity, and not hinder it. Special attention, according to the document, should be given to growing economic disparities between regions and countries, as well as the quality of state governance. Conflict prevention lies within the scope of a legitimate government that came to power by democratic means, of the rule of law, of the existence of institutions that make economic policy effective, and of efficient production and fair distribution of economic resources among the population. The document is divided into three parts - it deals with aspects of economic security and environmental protection first and foremost from the angle of the transition to a market economy. It evaluates the implementation of decisions regarding proper management by the OSCE member-states and offers possible responses to new security challenges. The UNECE document clarifies the definition of security under present conditions, declares its multidimensional nature and the drift of military-political dimension themes into the background, but in general it is in concert with the OSCE documents. The lack of the concept of "comprehensive security" and the emphasis on the human dimension of security themes are probably the sole exceptions.

The UN Economic Commission for Europe once a year presents a report of the accomplished work, but since 2007 only one such document has been released, the one in 2009. Central to it is an account of the commission's activities. The report for 2009 described the problems discussed at the 63rd session of the Commission (30.03.2009 - 01.04.2009). At that session, the economic and environmental issues were not looked at from the angle of security at all. Sustainable economic development was not treated as a prerequisite and guarantee of security, although the theme of security as such was touched upon: the commission discussed the security and reliability of energy resources transportation, security of supplies, and infrastructure improvements. The environmental theme situation is basically the same.<sup>43</sup>

The UNECE-issued opinions, reviews and other documents show that certain interest in considering economic and environmental aspects from the standpoint of security does exist, but does not prevail (contrary to what is observed in the OSCE). Of the numerous publications issued in 2007-2009 only three concerned the problems of economic or

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<sup>42</sup> See: New Threats to Security in the Economic, Social and Environmental Dimensions. A UNECE Report. Eleventh OSCE Economic Forum, Prague, May 23-25, 2003.

<sup>43</sup> See: UNECE website: ([http://www.unece.org/commission/2009/ANNUAL\\_REPORT\\_2009\\_E.pdf](http://www.unece.org/commission/2009/ANNUAL_REPORT_2009_E.pdf)).

environmental security.<sup>44</sup> Economic and environmental security is a subject matter of some publications, but this theme is not in the UNECE's focus. In content terms the activities of the Economic Commission for Europe coincide with what should be done (in the OSCE's opinion), to eliminate possible threats, but exclusively economic objectives are the cornerstone. However, unlike the OSCE, the UNECE focuses in its work on economic development in general (and on ensuring environmental sustainability). Nor does it associate economic and environmental issues with the security problems.

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The increasing interdependence in a globalizing world with a growing number of players in the international scene (states, TNCs and various organizations) forces reconsideration of the seemingly well-established concepts. "Economic security" is no longer a purely domestic issue. To an extent it has become a factor fueling or, conversely, extinguishing military-political conflicts and destabilizing (or stabilizing) the situation in the given region. The growing role of the economic dimension in political matters (economic imperialism) leads to a change in methods of solving problems: from reactive to preventive. However, despite the obvious clarity (and correctness) of this approach, the methodological framework (and the OSCE's practical activities are a bright illustration of this) needs to be better designed, which can hardly be expected in the foreseeable future: laying a foundation for the development of an effective methodology requires answers to some no pleasant questions about the stability contrasts in the level of different countries' economic well-being.

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<sup>44</sup> See: Putting Economic Governance at the Heart of Peacebuilding (2009); Investing in Energy Security Risk Mitigation Strategic Alliances between National and International Energy Companies Offer the Key (2008); Emerging Global Energy Security Risks (2007).

## **On Euro-Atlantic Security Initiative**

The EASI project, launched by the Carnegie Endowment for International Peace, is implemented by the group of prominent politicians and experts from Russia, the USA and Europe with the goal to elaborate proposals on the new Euro-Atlantic security structure.

The EASI Commission co-chairmen are: former Senator Sam Nunn for the USA, former German Deputy Foreign Minister Wolfgang Ischinger for Europe, and former Russian Foreign Minister Igor Ivanov for Russia. IMEMO is the key partner of the project in Russia. All participants in the project see the solution of the problems not through the prism of Russian-Western relations, but in the context of common threats to security. Such an approach effectively promotes the Russian vision of all-European security. The President of the Russian Federation and the Ministry of Foreign Affairs recognized as expedient the EASI project and Russia's active participation in it.