

WELCOMING REMARKS AT THE 2001 NATO ECONOMICS COLLOQUIUM, 3 MAY 2001, BUCHAREST, ROMANIA

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Distinguished Ministers, Members of Parliament, Dear Guests,

I want to start by welcoming all the participants in this year's NATO Economics Colloquium. Let me also, on behalf of NATO, extend sincere thanks to the Government of Romania for hosting this meeting in Bucharest. Thanks are also due to the NATO Parliamentary Assembly for its own active involvement in this year's colloquium.

The theme for this colloquium - the relationship between economics and security - is a fascinating one and one which, not just from NATO's point of view, has become more compelling since the end of the Cold War.

During the Cold War, economics and security were linked in a rather straightforward way: strong economies provided the cash to fund strong militaries, which in turn provided the physical security within which our countries were able to undertake economic activity. In the post-Cold War period, our focus has shifted. Right across Central and Eastern Europe, economic development has become very much a security challenge in and of itself. And the reason is clear. Economic difficulties, or even collapse, cause political instability. And instability leads to the kind of security challenges we all face in the post-Cold War period - ethnic and religious hatred, crime and corruption, terrorism and weapons trafficking.

None of these challenges can be addressed in isolation. No single country can hope to tackle them alone. NATO, for its part, has long understood that these challenges required a pro-active approach, reaching out to non-member countries, and working together with other institutions capable of complementing its efforts.

That is why, ten years ago, the Alliance launched a policy of partnership and cooperation with its former adversaries in Central and Eastern Europe. This policy has been a tremendous success. More

and more countries have opted to participate, and cooperation has steadily widened and deepened. And now, in 2001, NATO is the dynamo at the centre of an inclusive and dynamic framework of security relationships that stretches all across the European continent, and still continues to develop further.

The Alliance's policy of partnership and cooperation has always had a significant economic component, starting with the North Atlantic Cooperation Council at the beginning of the 1990s, and continuing with the Partnership for Peace and the Euro-Atlantic Partnership Council later on during the decade. NATO's special relationships with Russia and with Ukraine also have a distinct economic dimension.

The reason for this is clear. Although NATO is not an economic organisation as such, the Alliance and its member countries possess considerable expertise in several areas where economic and security considerations intertwine - expertise which Allies have been keen to share with Partner countries, and from which Partner countries have been keen to benefit. Hence, over the years, in all of NATO's partnership relations, considerable attention has been devoted to such issues as defence resource management, the restructuring of defence industries, and the reintegration into civil society of decommissioned military personnel.

It is fair to say that these efforts are paying off. Despite real and complex challenges, governments throughout Central and Eastern Europe have managed to implement bold but crucial economic reforms. NATO has done its best to support these efforts - and the Alliance is determined to stay the course.

This colloquium is another important step forward. Together, we will take a particular look at regional economic cooperation, which is a key element of any successful economic reform programme, as well as a vital contribution to regional stability and security. Hence, this colloquium will assess the current state of existing regional economic cooperation initiatives, prospects for further bilateral and multilateral schemes, individual sectors where cooperation appears particularly promising, ways in which regional economic cooperation can foster integration more widely, and the role of the international community in promoting such processes.

The colloquium will also devote particular attention to two regions: South-East Europe, and the South Caucasus and Central Asia. I think

this special focus is entirely justified, since these two regions are of significant concern - for economic as well as broader political reasons.

The Alliance, and the international community more generally, has been actively engaged in South East Europe for a number of years. The positive results of this involvement are unmistakable. Peace has been restored, communities are being rebuilt, and refugees are returning home. It is evident, at the same time, that peace and stability are not yet self-sustaining. And as long as that is the case, the international community will need to remain engaged, or its efforts will have been in vain.

In addition to its direct military engagement in Bosnia and Kosovo, the Alliance is fostering positive change in the region in other ways as well. Several South East European countries benefit from cooperation and consultation with NATO through the Partnership for Peace and the Euro-Atlantic Partnership Council. The last country to join these fora was Croatia, about a year ago, when a democratic, Western-oriented government had replaced the authoritarian regime of President Tudjman. Not surprisingly, the newly democratic Federal Republic of Yugoslavia has recently also expressed interest in joining PFP and the EAPC. Another important incentive for positive change is the prospect of actual admission into NATO, which is a key foreign policy objective of several countries in the region, and a possibility which the Alliance is very deliberately keeping open to all interested European countries.

Together with NATO, a range of other international organisations, and of course many individual nations, are assisting the countries of South East Europe as well. They are doing so in a variety of ways, complementing each other in the common effort to bring the countries of the region back into the European mainstream, where they belong. In addition to NATO's efforts, those of the European Union in the realm of reconstruction and economic assistance are of particular importance. Security and economics go together - they reinforce each other. That was the logic that underpinned the Marshall Plan and NATO back in the late 1940s. The same logic now applies to South East Europe.

Like the countries of South East Europe, those in the Caucasus and Central Asia have also moved closer towards the Alliance in recent years, notably by participating actively in PFP and the EAPC. Practical cooperation has developed in a whole range of areas, stretching from scientific cooperation, through civil emergency

planning, to defence reform. In the context of the EAPC, regional ad hoc working groups have held highly interesting political consultations on security concerns specific to the Caucasus and Central Asia. And there is still considerable potential for more fruitful partnership in other areas of mutual interest as well.

One of those areas of mutual concern is clearly the ongoing effort to bring lasting peace and stability to the Caucasus. Of course, NATO does not claim a lead role in facilitating the peace processes in this region. That responsibility falls first and foremost to the parties of the region, who must find a way to agree on a peaceful way forward. And of course, the OSCE and the United Nations are vital brokers in this region as well, as is the Minsk Group. But, through PfP and the EAPC, NATO stands ready to support all these efforts, because the Alliance believes that this entire region deserves peace and stability - and the economic investment and prosperity that goes with it. Indeed, it goes almost without saying that the region will never enjoy the economic prosperity it deserves until the security situation is stabilised.

Let me conclude. NATO is not an economic organisation, and has neither the mandate nor the resources to fund specific economic assistance programmes. However, the Alliance has always understood that there is a close inter-relationship between security and economics.

In the post-Cold War period, our concerns have focused on the potentially destabilising effect of economic weaknesses in the countries to our east. Hence, ever since its inception, the Alliance's policy of partnership and cooperation has had a significant economic component.

Over the years, initiatives such as the Partnership for Peace and the Euro-Atlantic Partnership Council have been enormously successful. Today, they allow all of NATO's 27 Partner countries - including those in South East Europe, the Caucasus and Central Asia - to draw concrete benefits from the Alliance's broad experience and expertise in a wide range of areas, including in security-related economic issues.

The Alliance is determined to continue to pursue this course of action. To continue to offer its Partners the opportunity to work with and benefit from NATO, according to their own security

interests and practical abilities. And yes, to further deepen and widen this cooperation even more in the future.

The decision taken several years ago to open the NATO Economics Colloquium to participation by Partners has been a most propitious one. It has allowed Partners to benefit from and contribute to NATO's work in the economic area, it has enriched the level of debate, and has thus also been of benefit to NATO country participants.

I am convinced that the decision to accept the generous offer of one of our Partner countries to host the Colloquium will also prove a wise one. You have a very interesting programme ahead of you, in a great setting and a wonderful city. I thank the Romanian authorities once again for their generous hospitality, and wish you all a most interesting and enjoyable meeting.