CONCLUDING REMARKS

Patrick Hardouin

Colloquium Chairman and Director, NATO Economics Directorate

It seems to me that the regions we have identified for study at this Colloquium - the South Caucasus, Central Asia and South-Eastern Europe - are the correct ones: Security and stability are far from being established let alone guaranteed in all three, which is why they are also high up on NATO's agenda. Of course, for South-Eastern Europe, this is absolutely clear given the Alliance's military engagement in Bosnia and in Kosovo. But NATO's concern is also to bring peace and stability to the Caucasus and Central Asia, although we do not take the lead in this process.

We also discussed the Black Sea region. It seems to me that this Colloquium amply demonstrated the key rôle of economics in these regions, and we learned a great deal about cooperation, about economic assistance by the international community, and also about the rôle of the European Union and the Stability Pact. We were also pleased to welcome the representatives of international institutions, these being the World Bank, EBRD, OECD, OSCE, United Nations, and the Stability Pact. We were further delighted to hear that the USA remains committed to international stability initiatives in the Balkans.

I would like to emphasise four short points:

• **Environment and Ecology.** I think we should look at this issue in a future Colloquium, concentrating upon the inter-relationships between economics, environment, and security. Maybe the next war will be a war for natural resources such as water, or maybe global warming is going to be a very big problem for our society and for international security.

• **Poverty.** Is poverty the cause of war or is war the cause of poverty? In NATO, we do believe that there is a link between poverty, international stability and the risk of war. Maybe on an intellectual and theoretical point of view we are wrong. But if we are right, we are also right to be concerned about high income differentials both inside societies, between regions, between ethnic groups, and between
nation states. So we make an assumption in NATO, and in the strategic security concept of NATO, that there is a link between prosperity and security. Ergo, we support the creation of political, social and legal environments that foster economic development.

- **Regional Cooperation.** Maybe regional blocks are as ineffective as some participants at this Colloquium have claimed, but we are not talking about the building of regional or economic fortresses, we are talking about international cooperation in order to take advantage of and benefit from mutual cooperation to build a secure environment. We are talking about building strong links of real and concrete cooperation between economies so that war between neighbours becomes impossible. After the Second World War, France and Germany found a new trust and solidarity based on the sharing of coal and iron, at that time the very basis of both economies. This as we now know was just the start of a long and productive process of economic, political and social integration. Here in this room are represented one or two nations that have fought wars against one another and a few that are still engaged in ethnic and border conflicts, so it is very necessary to engage in conflict resolution and then to try to create better conditions for regional cooperation and economic integration. Only then will the foreign direct investment that all the countries in these three regions so desperately need be forthcoming.

- **Macroeconomic Stability, Reform and Democracy.** Naturally, all three are key to creating a prosperous economy, but of course there is a social cost to reform which can lead to political change. Thus, good leaders with good policies can run the risk of losing elections. Nevertheless, it is the historical responsibility of politicians in all the regions we have studied at this Colloquium to conduct responsible and fair administrations that promulgate sensible reforms and thereby lead their peoples towards greater prosperity. The quality of governance, institution building, liberalisation and promoting democracy are joint processes and very much linked to the building of international security. But prosperity on its own is not a factor that builds security and peace unless it is also related to the political régime. By this, I mean human rights, the rule of law, judicial independence, respect for minorities, responsibility, and democratic accountability. These are the values we share together. We will always try to help these processes of reform that relate so closely to security. But as far as the micro conduct of economic policy is concerned, NATO must take a back seat to other more specialised economic international institutions, which
are very well qualified to proffer advice and suggest solutions to extant problems.

This NATO Economics Colloquium was the 29th such event to be held, the first being in 1971. Only two years have been missed, the last one in 2000 due to the knock-on effects of the Kosovo crisis. In the beginning, the NATO Economics Colloquium was devoted to analysis of the command economies of the former Soviet Union and of the countries of the Warsaw Pact. Now we are discussing how to achieve security throughout a vast area stretching from the border of China to the Atlantic Ocean, from the Mediterranean Sea to the Arctic Ocean. Indeed, we can rejoice in the fact that history has moved so rapidly over the past two decades.

I would like to thank every Colloquium participant from whatever origin, whether this be academia, the civil service, international organisations, the diplomatic corps or parliament. Parliamentarians and politicians especially have the duty and the right to know how we are working together and to give their point of view. We intend to encourage them to engage more fully with our work. Indeed, may the main message from the Colloquium be that participants from so very many states covering much of the entire Euro-Asian-Atlantic area were able, in good humour and in friendship, to discuss together economic issues related to security. Even ten years ago, such a prospect would have been considered panglossian in the extreme. Finally I would like to thank the Romanian authorities and the NATO staff involved in the organisation of this Colloquium.