



Organization for Security and Co-operation in Europe

# THE OSCE ECONOMIC AND ENVIRONMENTAL DIMENSION & THE PRIVATE SECTOR



"Marketplace in Osh, Kyrgyzstan." Photo: Eric Gurlan

## Markets expand with peace and security

CO-OPERATION WITH THE OSCE IN THE AREA OF CORPORATE SOCIAL RESPONSIBILITY

## What is the OSCE?

The Organization for Security and Co-operation in Europe (OSCE) is the world's biggest regional security organization whose 55 participating States span the geographical area from Vancouver to Vladivostok. In its region the OSCE is the primary instrument for early warning, conflict prevention, crisis management and post-conflict rehabilitation.

In its 30-year existence, the OSCE has developed a comprehensive and co-operative approach to security. In its three dimensions – the politico-military, the economic and environmental and the human dimension – the OSCE deals with a wide range of security issues, including arms control, preventive diplomacy, confidence- and security-building measures, human rights, election monitoring, as well as economic and environmental threats to security.

## What is the OSCE's mandate in the Economic and Environmental Dimension?

**To facilitate the process of transition from command to market economies and to counter-act economic and environmental threats to security ...**

With the collapse of communism, states in South-Eastern, Central and Eastern Europe, the Southern Caucasus and Central Asia embarked on a difficult process of economic transition, overshadowed by the emergence of new threats to security. Widespread poverty, high unemployment, corruption, weak rule of law and governance are among the factors undermining security. They deter investment, impede economic growth and fuel illegal economic activities. Environmental degradation, mismanagement, scarcity and uneven distribution of natural resources can cause additional tensions between communities and countries.

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**... by promoting the principles of the market economy, facilitating economic co-operation, strengthening good governance, ensuring sustainable development and protecting the environment.**

The OSCE assists its participating States in developing market economies and a sound environment through the following activities:

- ▶ Facilitating **regional and global economic integration** as well as trade and access to markets;
- ▶ Developing a **business-friendly environment** which attracts investment and encourages economic growth, and supporting the **development of Small and Medium Enterprises (SMEs)**, in particular among vulnerable population groups and in disinvested areas;
- ▶ Developing **human capital** and entrepreneurial thinking in transition countries;
- ▶ Improving **transparency and accountability** in public affairs to combat corruption;
- ▶ Catalysing **action to abate environmental threats to security** and conversely using the **environment as a vehicle for fostering co-operation and building confidence** between States;
- ▶ Promoting the **rights of citizens** with regard to participation in environmental decision-making processes by raising awareness, supporting educational programmes and strengthening civil society.

## How does the OSCE's Economic and Environmental Dimension work?

Through facilitating dialogue, raising awareness and forging political commitments ...

- ▶ by promoting a continuous, focused and action – oriented dialogue through **regular meetings of its permanent bodies** in Vienna such as the Permanent Council, the Economic and Environmental Sub-Committee etc.
- ▶ through its annual **Economic Forum** – a high level meeting bringing together in Prague each year more than 450 representatives of participating States, the business community, academia and civil society. It serves as a **platform for dialogue between civil society, the business sector and governments** to address current issues and formulate recommendations.

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### ... and catalysing assistance and advice

- ▶ **by co-operating** closely with the national and local actors representing **public authorities, civil society and the private sector**. The OSCE works through the diplomatic delegations of the 55 participating States in Vienna, high level Representatives in the field (Heads of Missions) and the Chairman in Office, him/herself a Foreign Minister.
- ▶ **by mobilizing assistance** from other relevant international organizations and other state and non-state actors.

## Why should your company be interested in the OSCE's work?

- ▶ The OSCE's work in the field of conflict prevention contributes to the **avoidance of conflict-induced costs** due to material and personnel damage, security and risk management, as well as a deteriorating business environment.
- ▶ A safer economic environment can lead to the **opening of new markets**: political instability in many developing and transition countries means lost market opportunities. Stability opens new markets and allows for the development of local potential.

## Why should your company co-operate with the OSCE?

- ▶ The OSCE sees the private sector as a partner and has an explicit mandate to engage the private sector.
- ▶ The OSCE engages in conflict prevention. Supporting the OSCE in this effort is a **powerful manifestation of corporate social responsibility**.
- ▶ The OSCE has developed **extensive networks** of political decision-makers, NGOs and the private sector, which allows it to address issues in a comprehensive way.
- ▶ The OSCE has **local knowledge and expertise** through its 3,500 international and national staff stationed in **18 OSCE Missions** in Central Asia, the Southern Caucasus, South-Eastern and Eastern Europe.

## How can your company co-operate with the OSCE?

- ▶ **By sharing managerial and technological expertise with and investing in the organizational capacity of OSCE project partners**, e.g. in order to empower a local OSCE partner that provides entrepreneurial training to industries in need of know-how about cleaner production, water and waste management;
- ▶ **By endorsing OSCE objectives and promoting them** through corporate social responsibility policies and supply chain responsibility, e.g. by adopting the Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism;
- ▶ **By co-operating with the OSCE as a project champion** in various activities, e.g. by establishing within a company internships/apprenticeships for vulnerable groups and scientific target groups;
- ▶ **By promoting stability through investing in under-developed regions**, e.g. by providing sub-contracting opportunities for local SMEs;
- ▶ **By funding programmes and projects of the OSCE**, as exemplified in the case of the project on Southern Caucasus River Monitoring (see box);
- ▶ **Through providing support-in-kind**, e.g. through the donation of equipment.

## EXAMPLES OF ECONOMIC AND ENVIRONMENTAL ACTIVITIES

### Southern Caucasus River Monitoring

The OSCE, with financial support provided by Norway's Statoil and the Swedish Government, is implementing a river monitoring project with the NATO Science for Peace Programme, aimed at re-establishing a regional water monitoring system by increasing local technical capabilities, establishing standard sampling and analysis techniques.

The project also enhances the dialogue between the three Southern Caucasian States, thereby promot-

ing stability among them. It is clearly in the interest of the private sector to operate in a stable political climate to protect investments and increase the safety of employees.

### Public-private co-operation in the prevention of trafficking in human beings

The anti-trafficking programme aims at combating trafficking in human beings – such as forced prostitution and the sexual exploitation of children – by addressing both the demand and supply side of this abhorrent

violation of human rights in Europe.

In close co-operation with the business community, and building upon the existing experience of the private sector, the three sub-programmes of the project aim at 1) promoting self-regulation of the private sector, e.g. through extending the *Code of Conduct for the Protection of Children from Sexual Exploitation in Travel and Tourism*, 2) raising awareness in Western countries, and 3) economically empowering vulnerable population groups, e.g. through establishing internship programmes within private companies.

## OSCE Field Presences



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