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**Experiences on Crisis Management
9 years of Stability Pact for Southeast Europe**

I am very happy to have this opportunity to present my position on crisis management and the future of the economic and political development and I will try to give answers to the questions that have arisen during my work on crisis management in South Eastern Europe. The Stability Pact has handed over its responsibilities to the regionally owned Regional Cooperation Council (RCC). We have managed to make possible a shift in responsibility for regional co-operation in South Eastern Europe from the international community to the region itself. Of course serious political and economic challenges remain, which are made clear by the recent developments in Kosovo. However it shows that the region is able to take on itself the responsibility for regional co-operation and for shaping the region's future within European and Euro-Atlantic structures. As of March 2008, the newly appointed Secretary General of the RCC, Hido Biscevic is in charge of regional co-operation in South Eastern Europe and will continue the work on an integrated approach towards crisis management, between stabilisation and development.

It is time that crisis management is understood as the vital part of political life that it is. In fact I have argued that it lies at the very heart and soul of politics and therefore should be given much more attention. This is not another way of justifying expenses, as the cynicism of our time likes to have it but of trying to create the concepts and perspectives that the European continent so desperately needs. OSCE was and is an important instrument on this and is necessary for continuous work in difficult regions.

In the process of finding a common European ground and defining a European position on foreign policy, crisis management plays a crucial part. Our historical experiences show us that crisis management is integral to politics. After the Marshall Plan, which was put in place to counter the impoverishment of countries that lost

World War II, the Organisation for European Economic Co-operation (OEEC) emerged and made way for the economic integration that lies at the heart of the European Union. The cold war required even more and sophisticated methods to deal with crisis leading to the development of the Conference for Security and Co-operation in Europe (CSCE) that later evolved into the Organisation for Security and Co-operation in Europe (OSCE). These developments show the growing importance of crisis management within global politics and also led to the growing complexity of the European Union and its decision-making process. Having started as an economic community it began to decide more and more in a political fashion and the importance of stabilisation and democracy became more and more apparent.

Through the downfall of Yugoslavia and four wars a new map was created. A driving force for development was for sure the insecure democracy but also European integration played a very important role as a perspective. I shall not be underestimated that a finding of an identity is a very important part in this development. I may say, the process is not yet finished in some countries of Southeast Europe.

The concept of crisis carries great importance for politics and has accompanied it throughout history. It is important not to overlook the connection between crises and the ability of political leaders to overturn them to create development and success. Crises force involved parties to consider their position and find solutions. Therefore crisis management is also the starting point for political development. This important insight into the nature of crisis management has also brought about considerable change in its application. Involved players have realised that it is not only a question of seeking a military solution to a conflict but also of finding sustainable solutions for societies. Crisis management is therefore seen as integrated in a wider process of stabilisation and development, and should include concepts of "good governance", effective administrations, and, in the case of Europe, a perspective for integration into the European family.

An important part of creating this perspective towards crisis management is also to challenge the cynicism and some of the problematic assumptions that have emerged in Europe. For example the questioning of the viability of newly created

small states and their economies. But Western Europe has shown precisely how, within the European community, such small states can participate and create very successful economies. Further the small states come more and more into fashion due to the lack of power they ask for on a political level and their high interest in integration within co-operation efforts. A second example is that expectations are usually not realistic. The creation of a functioning civil society and the building up of trust into the administration takes time to evolve. Conflicts cannot simply be solved by making the right decisions. There is a lot of work that has to be put into creating continuity within each state. Our memory seems to fail us in these matters sometimes. All this is part of a wider recognition that each state has to make its own experiences and has to find its own way through history. Crisis management cannot simply be applied from the outside. It has to enable the state to find this way.

In the case of Europe that means that the crises we faced after the fall of the iron curtain could not simply be solved through military engagement but instead instruments were needed for providing comprehensive support. It is precisely the helplessness in the aftermath of the Balkan conflicts that led the European leaders to consider a new approach towards crisis management. A broader concept of stabilisation was needed that included civil societies and that allowed for the necessary time to develop comprehensive security in the crisis areas.

Eighth lessons for the crisis manager

Lesson I- crisis management is a duty

The ongoing operations of the OSCE and European Union in the Balkans are a testimony to its engagement. To think that Europe can refrain from engaging in crisis areas in the future is a big mistake. Their development directly impacts on Europe itself. However what Europe needs is a list of priorities and a clear perspective as to where Europe should go as a whole. The crises that loom on the European continent itself need to have priority, the Caucasus and the Black Sea region are moving closer and the supply of energy resources is central. As a whole conflict management must be part of stabilising the European continent and so empowering democracy and human rights. It is here where foreign and domestic policy come together and a *European politics* should be created. While so many

people are debating the geographical limits of Europe, the question is already answered by Europe's engagements in these crisis areas.

The challenges in the Balkans remain profound. The situation in Bosnia clearly shows the problems that emerge after a military solution and the lack of support for civil structures. The current High Representative has a difficult task in fighting the nationalist sentiments and solving the situation. In the case of Kosovo the situation became even more complex with the status question not definitely settled. The main goals are the stabilisation and development of one of the poorest countries of Europe. The complexity of the situation is immense and there is surely not a single remedy but a collection of intelligent steps to be taken. However the need for applying a combined approach between military and civil stabilisation becomes more and more apparent and has to be a priority of the European Union as was successfully demonstrated by its engagement in FYR of Macedonia.

Lesson II-The goal of crisis management is not power but humanity

History shows that many interventions in crisis areas were made to demonstrate power, gain influence over the region or apply rules from the outside. However Europe can also give testimony of a different approach, which in many political situations promises more success. A "More of humanity" can often increase stability further than simply a "More of power". This is part of the secret of European integration and the success of OSCE. In our globalised world the European Union can hardly serve as an example but it can be a source of inspiration. It can point in the direction of a multifunctional and integrated crisis management, which in turns asks for a co-ordination between military and civil crisis management and increases the process of integration.

This is easily said but the reality proves to be much more complex. Not only is funding for military expenditure in crisis areas much more readily available but also co-ordination efforts itself are very difficult to come by. Humanitarian goals need to be enforced within military and civil co-ordination and for achieving this goal also OSCE needs to be institutionally ready and the support of the European public needs to be secured.

Lesson III- More care in staff decisions

One would think that the increase in crises also means an increase in the professionalism of the crisis manager. The truth is that staff decisions are all too often based on political influence than on technical expertise. Even there is a long tradition of diplomacy it is the overall lack of people who really understand the situations that is most striking. The specialists with a real interest in the region are often passed over.

The political partisans that were sent to the crisis area return as soon as there is a new offer at home. The rebuilding of civil societies is a lengthy process and needs a lot of care and interest. The current circulation of personnel is surely no solution for the future.

Even bigger is the problem with the education of the crisis manager. Only if crisis management overcomes these difficulties will it start to deliver the quality that is needed. Leadership can only be guaranteed if the positions are chosen by qualification. Crisis management needs to be competent.

Lesson IV- History shapes the present and the future

The European continent has been partitioned for a long time. That's why much of our historical memory has been lost. However it is past experiences that play a major role in current affairs. Politicians and the public alike all too often forget them in their assessments of the present situation. South Eastern Europe's history was shaped by many conflicts before World War I which are all too often neglected. Further the Conglomerate of Yugoslavia is sometimes still seen as a good solution even though it forgets about the neglect of self-determination for many people. The same applies to the Caucasus region. Few people think of the bloody wars in the 19th century between the Orthodox and the Islamist forces although this is still a decisive factor in the political landscape.

In crisis areas the memory of past injustices leads to tensions and politicians often play with these images. The Centre for Reconciliation in South Eastern Europe (CDRSEE) addressed this problem by providing research about history and

schoolbooks. Their findings showed many distorted views on the historical truth and tried to provide documentation for teachers to correct some of them. However on the subject of history there is no “crisis intervention”. Still it remains a central part of reconciliation that historical realities should be accepted and ideological images questioned. The European experience has shown that this is a slow process that entails the need for a historical consciousness and the challenging of historical instrumentalisation.

Education policy is of course not a priority in crisis areas, which often supports nationalist tendencies within these countries, and the Europeans are yet to find an answer to these questions. We are a long way from Jaques Delors emotive goal of “giving Europe a soul”.

Lesson V- Democracy and state building need another kind of Marshall plan

The collapse of the Soviet Union and the newly emerging regional crises of the evolving new states are directing the question towards finding a new Marshall plan as a symbol for engagement towards stabilisation. However such a plan has never really been put together. The situation was much more complex than it had been in comparison with the US help to Western Europe from 1948 onwards, making the impulse driven program useless for Eastern and South Eastern Europe. By comparison Europe did more, quantitatively and qualitatively. Conflict management has since then gradually evolved and tried to keep pace with the complexities of the situations. In trying to find answers the concept of *good governance* often proved to be a main obstacle. New parliaments can be appointed but that does not ensure that these parliaments will be able to perform and show the same efficiency as in states with a long parliamentarian tradition. The change of people at the top does always entail a change of the whole system, which is even more applicable for public administrations.

Reforms need to be understood by the people, who are affected by them. Economic reconstruction is in this sense never enough. There is a real need for an integrated concept for the state, democracy and society, which provides development in all areas of life.

Lesson VI- A strategy for infrastructure investments is necessary

Many conflicts grow out of a lack of infrastructure for the necessities of life. Within transformation societies communication infrastructure is growing with an impressive pace while real infrastructure lags behind. The discrepancy between modern communication and the backwardness of roads, rail, aviation and navigation is dangerous, putting pressure on societies and the transformation process. The call for investments in strong infrastructure was loud and Western companies have made a lot of money with the building of prestigious highways in the region. The repair of existing roads would probably have created more jobs and diminished the possibility of wide ranging corruption.

Unfortunately clear priorities are missing and no scientific studies were made into the issue of priorities for transition societies. From my point of view it is the reduction of dependencies that has to be tackled first, which includes the wide-ranging energy dependencies of oil and gas. The Energy Community for SEE is the first important step in the right direction.

Functioning regional infrastructure connections would not only avert conflicts but also give incentives for co-operation. The fact that the Danube causes so many conflicts between neighbouring countries instead of being used efficiently is of great concern and it can be seen in the long and difficult development of bridges and ports. Infrastructure creates mobility and is therefore a fundamental condition for the development of democracy. This in term stabilises transition societies and decreases tensions. What is needed though is a comprehensive regional plan, which includes priorities for structuring development assistance and investments.

Lesson VII- Economic and Social partnership are the best guarantees for stability

Part of a functioning democratic system is the balance of interests between economy and society. A continuous social imbalance and drastic interferences of governments damage political stability. Liberalisation has done much in opening up former communist countries but the necessary instruments for creating sustainable developments are often missing. Sometimes the lack of a social dimension has been an additional incentive for investors due to low taxation and little social obligations. However it is necessary that economic development goes hand in hand with social

development, which will be of benefit for the transition societies, the European Union and the investors.

A lot of work is done by the Organisation for Economic Co-operation (OECD) and the World Bank, the European Investment Bank (EIB), the European Bank for Reconstruction and Development (EBRD), and the Council of Europe Investment Bank (CEB). A further part is played by foreign investments and the integration of transformation economies into the global economy, which proves to be an important factor of stabilisation. The regional efforts of South Eastern Europe have to be mentioned here as a role model. The Central European Free Trade Agreement (CEFTA) ensures regional commerce and more freedom in the service sector giving incentives to investors and a preparation for the tough competition in the European Union.

An important part of crisis management is therefore to provide an integrated approach between economy, infrastructure, social partnership, ecology and the fight against corruption and criminality. There is long way ahead considering that ecological consideration still only play a minor part in development assistance and that the wide range of corruption in transformation economies is still looming over the newly emerging societies. Politics on its part will not be able to find solutions on its own. Moreover countries will be dependant on partners in economy and society, which show a continuous engagement in the field of development. Short-term success in this area is nearly impossible.

Lesson VIII- Crisis management needs regional co-operation

European conflicts should not be seen as isolated events. Each of them has its specific conditions but their solutions can only be found through cross-border co-operation. The current crisis in South Eastern Europe will fade with a European perspective for the countries involved, which in turn makes regional co-operation necessary.

How to implement regional co-operation is a very complex issue involving the normalisation of borders and the creation of free commerce of which CEFTA, mentioned above, is very good example. The establishment of trust between states

and the normalisation of political relations takes time. The recent emergence of regional co-operation initiatives apart from the Stability Pact for South Eastern Europe is clearly a good sign.

In the case of South Eastern Europe the European Commission has developed with the Stabilisation and Association Agreement a well functioning strategy. Through counselling and monitoring the Commission helps in stabilising the countries and leading them further towards European integration. But again these processes focus on the nation state and a regional perspective is only slowly emerging. The regional approach has also a psychological value as it shows the public of a nation-state its interdependence with its neighbours. In the areas of migration, customs, fight against organised crime and also military co-operation European states have shown the value of this approach. But also the transformation of the Stability Pact into the Regional Co-operation Council (RCC) shows an important development and a shift in responsibility in the region of South Eastern Europe. Crisis management knows no borders and regional co-operation engages conflict parties leading to a certain *coercion of solidarity* between them.

Conclusion:

After 1989 we were confronted with this immense diversity the European continent has to offer. It is a new time which makes the European continent and any solutions to the conflicts it is facing ever more complex. Any simplification into good and bad will not help us and will only serve as political instruments. We are witnessing the birth of more and more diversity since the fall of the Berlin Wall. New states emerge through disintegration and long forgotten ethnic minorities start to be active again on various levels.

The attempts to simplify these developments and to create unitary standpoints cannot be a solution for our continent. All the different cultures and their histories are too diverse for that.

Here is the point, where I want to evaluate to contribution of OSCE in cooperation with other international organisations like the United Nations Network,

OECD, NATO and others. The field missions of OSCE are really a great contribution. The cooperation between these and the Stability Pact for South Eastern Europe was really outstanding. That is also true for other institutions like the European Agency for Reconstruction but also NGOs and contributions of the Civil Society. In any case I want to say, it is necessary also to have an exit strategy. This is sometimes missing and is leading to a situation where the population in the different countries have no more understanding for the international intervention. To make it short: it is necessary to go in but it is also necessary to consider when to go out. The Stability Pact has decided to do so and hopefully we have chosen the right moment.

The crisis of crisis management is a chance. Since the beginning of the integration process Europe has been able to take advantage of its crisis. The important part is that we keep a broad perspective and learn the lessons our history has taught us. Europe is complicated but that is precisely why understanding it can be so rewarding, and can sometimes develop into a permanent love affair. We cannot afford failures in the sense of humanity and peace and that's why crisis management is a rewarding task for the future.