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**OSCE Conference on Globalization**

*Vienna, 3 and 4 July 2003-06-30*

**Summarising Remarks:**

Ladies and Gentlemen,

We have come at the end of this conference. I must congratulate the organizers of this conference for finding such excellent speakers with such various backgrounds and from such different perspectives, who have informed us, made us think and have challenged us in the discussions. A conference that took us these last one and a half-day along the various aspects of Globalization. From the context of globalization, dealing with the role of government, the importance of markets, social and environmental aspects of economic development and last but not least the contribution of regional cooperation and integration to globalization. We have come across one of the main economic stories of our times, the challenge of the once so-called ‘transition countries’ on their difficult but inevitable road to becoming market economies, slowly but surely opening up to and integrating in world markets. As many of you have personally experienced, this was and is not an easy road to take. Many bumps in the road were encountered on the way and still not all of them, at least in some countries, have been straightened out.

We have also looked at the issue of sustainable development, a field of interest very close to my heart, since within the OECD the issue of sustainable economic development, particularly of developing and transition economies in various parts of the world, is high on the agenda. Many theories on sustainable development have crossed our ways in the past four decades of development co-operation. Some were more successful than others. An important lesson to be learned from that experience, however, is that development anywhere in the world cannot be reached without true commitment of a country to its own development, without proper structures and institutions, or without a strong doses of political will and perseverance. It is an illusion that development can be brought from outside. International processes, such as globalization or international co-operation, do assist, do help, but can never replace the necessary domestic policies of each country on its own way to development.

But let me not dwell too much on the conclusions of the last few days. Much was already said and laid down in the work of our rapporteurs. Rather, let me challenge you on the way ahead.

As I stated during the opening session, one of the main questions to be addressed at this conference was the role of the OSCE as an organization and of its participating States to the discussion on globalization. And particularly the issue that had to be raised was the issue of the interlinkage between globalization and economic development on the one hand and the main principles of the OSCE, such as conflict prevention and human security on the other.

As we have learned from the various speakers and from our discussions, the interlinkage is a complicated one. From the introductions of our eminent speakers and the following discussions it became clear that globalization is an important engine for the creation and fairer distribution of wealth. Based on that the necessary funds will be created for social and economic development such as education, healthcare and economic infrastructure, but also for strengthening public and corporate governance and the creation of the necessary institutions. Consequently this will create a virtuous circle on the way to wealth and security, based on the expansion of international trade and investment. But if the minimum necessary quality of public and corporate governance doesn't exist, globalization that reaches the shores of a country in such conditions, cannot efficiently be managed and probably will enhance rather than diminish economic and social inequalities as well as depletion of natural resources and environmental capital. Such a development will lead to negative consequences for human rights and will finally lead to domestic and international tensions and even conflict.

So between globalization and the achievement of the main principles of the OSCE there is a very positive correlation, but under the conditions of good governance and an adequate and effective institutional infrastructure. This is where the OSCE and its participating States come in. OSCE and its participants should next to and in cooperation with other international organizations encourage and stimulate the realization and establishment of these conditions especially in those countries in the region that still haven't been able to sufficiently develop this at home.

Within the OSCE, the participating States can learn from each other, share best and worst practices in their policies –as OECD-countries do permanently and consistently- and assist

each other in the necessary institution building and governance issues that are key to development. This will finally strengthen all OSCE-countries to make full use of the advantages of open economies and of their integration in the world economy.

Ladies and Gentlemen,

During this conference we have shared our views and experiences freely. Maybe not all of us however share the same opinion on all of the issues. But I hope that this conference has contributed to some convergence of thinking. At the one hand hopefully more clarity has been reached of the enormous potential that globalization has for the creation of wealth and the reduction of poverty. At the other hand more understanding has been created for the risks of globalisation for countries without the adequate governance and institutions. So at any rate there is a consensus that there is an absolute and urgent need to further develop good governance and the necessary institutions in the OSCE-region. OSCE, including its participating States, is one of the international organizations that can assist and contribute to these policy adjustments.

Ladies and Gentlemen,

It was a pleasure for me to chair this conference. Let me use this opportunity to thank the organizers of this conference, the Office of the Coordinator for Economic and Environmental Activities of the OSCE, the OSCE Conference and Language services, the translators who have done a wonderful job these days. Furthermore, let me express thanks to all the speakers, rapporteurs, moderators and participants, which have made the discussion lively and useful.

We have come to the end of an interesting journey. This journey by no means is the end of the road. Still many issues need to be tackled.

I hope however that this journey brought us, on this long and dangerous road, one step closer to a world where security has finally replaced conflict, where human rights are as normal for everybody as daylight is, and economic development has reduced poverty in all corners of the world. I wish you a safe trip home and declare this OSCE conference on Globalization closed.