



**Organization for Security and Co-operation in Europe  
High Commissioner on National Minorities**

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**STATEMENT**

By Vincent de Graaf

On behalf of  
Ambassador Knut Vollebaek,

OSCE High Commissioner on National Minorities,

to the

**3<sup>rd</sup> session of the UN Forum on Minority Issues:  
Effective Participation of Minorities in Economic Life**

CHECK AGAINST DELIVERY

Geneva, 15 December 2010

Madame Chair,  
Madame Independent Expert,  
Ladies and Gentlemen,

The central theme of this year's Forum, the effective participation of minorities in economic life, is crucial in building and preserving cohesive and stable societies. From the work of the OSCE High Commissioner on National Minorities in a wide range of geographic and political contexts throughout the OSCE region, it is clear that marginalisation and disparity in economic status and opportunities can lead to inter-ethnic tensions. Discriminatory economic systems, unequal access to land and other resources and differences in standards of living can all result in resentment and levels of frustration that are prone to generate violence.

Development can also raise economic and political expectations leading to mounting frustration when these expectations are not met. In a number of OSCE States minorities have been hit particularly hard, first by the transition to a free market economy, then by the economic crisis. Where the benefits of privatisation have tended to be exploited by the majority-affiliated elite, these benefits have not always "trickled down" to improve the economic position of minorities. In many cases, this has led to increased differentiation along ethnic lines. Where the boundaries between economically deprived groups and minorities coincide – and where individuals ascribe their position at the bottom of society to their ethnic identity – the basis is created for mobilisation against the majority-dominated system.

While economic success tends to breed loyalty to the State, there is a tendency for the economically marginalised – including minorities – to fall

back on their own resources. This can result in the development of shadow economies and the prospering of organised crime, with all their implications for security. By contrast, in an equitable and integrated economy, minorities are encouraged to use their comparative advantages including linguistic competencies and cultural ties with neighbouring countries. Such cross-border connections can be used not only to the advantage of minorities, but can also lead to improved bilateral relations, and regional stability.

From a conflict prevention perspective, it is essential to ensure a level playing field, where members of all groups can compete on equal terms. A recurrent theme in most of the interventions during this Forum is the need for an effective non-discrimination policy and legal framework.

Furthermore, as we have also heard from several contributions, for such a policy to be effective, legislation by itself is not enough. At a minimum, we need robust and pro-active institutions which investigate and address systemic inequalities. These institutions also need to raise awareness among majorities and minorities alike on how to identify and overcome discrimination.

However, having a non-discrimination policy is not enough. Usually, as outlined in this morning's session, it takes positive measures to redress economic disparities between groups. Such measures are necessary to decrease inequitable distribution of resources and unequal opportunities. Several of such measures have been suggested yesterday and today, ranging from decision-making processes to education policy, social assistance and recruitment. While their design and scope depends on the

specific circumstances of the country and groups concerned, I would submit that six general considerations and conditions apply.

First, while positive measures to include the excluded may be unpopular with the wider population, States should bear in mind that investment in long-term stability is a pre-condition for economic development of the State as a whole. Investors want a stable environment as a guarantee for their interests. Harmonious inter-ethnic relations contribute to making a country more attractive to domestic and foreign investment. This will open up further employment and wealth-creation opportunities, making for more peaceful and stable societies. Aside from moral and legal arguments based on equality and respect, from a pragmatic point of view it is in nobody's interests that whole sectors of the population are economically marginalised. High levels of unemployment mean high levels of non-contribution to the economic viability of the State – and often, as a flip side, high dependency on social security (This in turn can lead to further vilification of already marginalised groups).

Second, special measures require the investment of human, political and financial capital to reduce inequality. Such investments will reduce the risks of instability within States and will promote shared economic development. These win-win effects can build confidence and bring increased inter-community understanding. However, these investments cannot come from Governments alone. Partnerships with the private sector are indispensable. The challenge is to find ways to ensure that the allocation of the vast sums of money available from the private sector take account of minority issues. Since companies are primarily focused on profit-making, their support for conflict prevention can probably be best

promoted through an approach of "enlightened self-interest". The first step is to convince private investors that long-term conflict prevention is good for business. The second is to provide them with the tools, including an understanding of minority problems, in order to ensure that their activities contribute to inclusion and long-term stability.

Third, no matter how well intended they may be, special measures to promote the economic inclusion of minorities are destined to fail if they are not devised, implemented and evaluated in a genuine partnership with minorities. If consultation is limited to a token process, it will be meaningless, if not counter-productive. Conversely, meaningful consultation and effective participation require special arrangements such as those included in the Recommendations of last year's Forum. Let us therefore underline the links between both domains.

Fourth, in order to effectively assess, on the one hand, the scope and nature of inequality and, on the other hand, the results of special measures to address them, we need reliable and disaggregated data. We need to base and evaluate policies on a sound factual basis in order to move beyond perceptions and assumptions. As with non-discrimination policies, this requires strong and independent institutions.

Fifth, in order for economic policies to be truly inclusive, States need to actively fight corruption. In weak or emerging States, state power is often "privatised" and the public institutions that constitute the state can become the private realm of corrupt officials, black market businessmen and organised crime. Under such circumstances, the official legal framework is replaced by the informal rules of clans and networks. What

is left of the State works to enrich the few in power rather than to deliver public goods to the many. Corruption therefore undermines the participation of minorities and needs to be eradicated.

Sixth, and finally, the promotion of economic participation and equality requires full respect for human and minority rights. Without respect for the freedom of expression, freedom of association, freedom of assembly and other fundamental rights, minorities will continue to face exclusion in most parts of society and efforts to achieve real equality will achieve much less than they can or should. In order to achieve and protect these freedoms, strong institutions and independent remedies are required. This also requires accessible legal aid, minority sensitive ombudsperson and equality institutions, and a police and judiciary which is representative of the whole of society.

Let me conclude by underlining the crucial message of the Chair in her opening statement yesterday: inequality can be overcome, exclusion can be ended. Our main challenge is the integration of all groups into our societies, respecting their potential, their talents as well as their identity. This is our best weapon against exclusion, instability, and, indeed, terrorism.

Thank you.