



Organization for Security and Co-operation in Europe

26th OSCE Economic and Environmental Forum

**“Promoting economic progress and security in the OSCE area
through innovation, human capital development, and good public
and corporate governance”**

FIRST PREPARATORY MEETING

Vienna, 22-23 January 2018

OSCE Congress Centre, Hofburg, Heldenplatz, 1010 Vienna

Opening remarks

Ambassador Vuk Žugić

Co-ordinator of OSCE Economic and Environmental Activities

Secretary General,
Ambassador Azzoni,
Excellences,
Ladies and gentlemen,

I would like to join Ambassador Azzoni and the Secretary General in welcoming our speakers, and reiterate my appreciation to the Italian Chairmanship for the selection of the theme for this 26th Economic and Environmental Forum.

The daily technological progress, quickly developing into Artificial Intelligence, is strongly impacting on economic security, touching upon all aspects of our lives.

In its scale, scope, and complexity, this transformation - with its opportunities and challenges - will be unlike anything experienced before. Although we still do not know how it will unfold, one thing is clear: the response should be integrated and comprehensive, involving all stakeholders, from the public and private sectors to academia and civil society.

Already in 2003, the Maastricht Strategy highlighted the security risks of the new technologies, acknowledging that although – and I quote “*Globalization, liberalization and technological change offer new opportunities for trade, growth and development, they have not benefited all the participating States equally, thus contributing, in some cases, to deepening economic disparities between and within our countries*”.

This year we mark the 15th anniversary of the Maastricht Strategy. I wish, during the opening of this first meeting of the Forum, to renew particularly the spirit of this document, which constitutes one of the pillars of the commitments of the OSCE participating States in the second dimension.

Dear Colleagues,

There is clear evidence that technologies that underpin the Fourth Industrial Revolution are having a major impact on business, trade and transport.

Indeed, completely new ways of producing, commercializing and consuming products are emerging, with a great impact on the quality, the speed and the price at which services and goods are provided. Transportation and communication costs are already being deeply affected, logistics and global supply chains will become progressively more effective, and the cost of trade will diminish, all of which will open new markets and drive economic growth. As a result, companies are forced to re-examine their business models to adapt to a fast-changing environment.

All of this will inevitably impact also on the labour market. According to the World Economic Forum, as many as 5 million jobs in the world's richest countries could be lost by 2020. Those losses would be partially offset by the creation of 2 million new opportunities in sectors such as IT, professional services and media. Yet, it is paramount to avoid talent shortage, mass unemployment and growing inequality, which would represent a risk to social cohesion, stability and security.

And, as it is more and more of media's attention, digitalisation is already heavily impacting on the way financial assets are accessed and issued. On the one side, crowdfunding is opening financing opportunities to start-ups and new businesses that were not available before. On the other, cryptocurrencies – falling beyond the control of any regulatory body such as central banks – have already attracted criminal attention. Financial institutions need to prepare and protect themselves against both direct and indirect vulnerabilities, by understanding the anti-money laundering, fraud and cyber risks.

It goes without saying that governance is being re-shaped, not only in the decision-making process but also in the relation between citizens and state institutions. New technologies and platforms are increasingly enabling citizens to engage with governments, voice their opinions and co-ordinate their efforts. Simultaneously, state institutions are making a growing use of the tools offered by technology and are responsible not only to invest in digital infrastructure, but to regulate its use and access.

We are all aware that the challenges and opportunities of the Fourth Industrial Revolution are not easy to balance. And the impact on economic security could potentially be disruptive if the technological change does not deliver on its promises. We cannot afford the digital gap to become yet another dividing line in the current regional and global scenario.

Ladies and gentlemen,

That is why, in line with the spirit of the Maastricht Strategy, this year the Economic and Environmental Forum cycle will offer the opportunity to discuss benefits and risks of the ongoing digital transformation.

This discussion is urgent and relevant. As technology re-shapes our lives, we are all getting used to new ways of working and interacting. Millennials have known nothing else. Governments, politicians and judiciaries are becoming aware to the potential offered by technology.

There is a strong need for new economic models and governance approaches that can make Artificial Intelligence a tool for enhancing human/machine complementarity. The Fourth Industrial Revolution can boost progress and prosperity by going beyond the goal of “growth”, striving to maximize human well-being. Isaac Asimov reminded that *science gathers knowledge faster than society gathers wisdom*.

I wish this year Economic and Environmental Forum cycle can contribute to bridge the gap between scientific knowledge and wisdom, reinforcing the vision of the Maastricht Strategy: to promote good governance and economic models that allow the world to be diverse, prosperous, healthy, safe and just.

New technologies can help changing perspective, generating hope, connecting us, and triggering a new story about how we want to live. Indeed, we are all part of this story; we are all responsible for its outcome. The closer we co-operate, the bigger difference we can make.

I therefore look forward to the upcoming discussion and I wish to use this opportunity to deepen our understanding, to renew our co-operation tools, and to reinforce our common efforts.

Thank you.