



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”**

Vienna, 22-23 January 2018

Opening remarks

Ambassador Thomas Greminger, OSCE Secretary General

Ambassador Azzoni,

Ambassador Žugić,

Dear Colleagues,

I thank the Italian Chairmanship for putting digitalization high on our agenda this year. The so-called digital revolution is already beginning to shape the way we live, work and govern ourselves. Its impact is not confined to specific countries; inevitably it affects all our States and societies. Although we don't know exactly how this change will play out, we know that the transformation will have huge implications. So we should enter this discussion with an open mind and a willingness to manage these changes in a positive way.

While technology cannot be the answer to all our problems, digitalization presents unique opportunities, not least to foster greater connectivity between our countries, a goal that we have explicitly set ourselves at the 2016 Hamburg Ministerial Council.

We are told that digitalization and the exponential growth of machine learning and artificial intelligence will usher in changes that will be swift, likely to cause substantial upheaval and disruption, and fundamentally change the way we organize ourselves and cooperate with each other.

Entering this new technological age carries both great risks and great opportunities. Digitalization opens up access to information and education on an unprecedented scale, as well as opportunities for economic development, business growth and connectivity. It can also help us to better cope with global problems, from climate change and environmental degradation to underdevelopment, inequality and population growth. By adopting digital technologies, businesses can enhance efficiency and productivity. Digital platforms and innovations provide businesses with new ways of reaching out to customers and competing for market share. They also offer vast potential for changing the economics of doing business across borders, bringing down the costs of international transactions.

While new technologies create new opportunities for businesses, workers and citizens to engage in economic activity, they are also likely to displace workers performing specific tasks, exacerbating existing inequalities and creating new digital divides. Their use by criminals also offers countless opportunities for illegal activities, with all the resulting implications for national and international security. Big Data can be misused, digital technologies can violate privacy and intellectual property rights, and crypto-currencies may undermine financial stability.

The list of both the potential benefits and risks associated with digitalization is long and continues to grow. Technology will provide new options for solving some of our problems, while posing many new questions and presenting us with new, unimagined challenges, adding to the complexity of our already very complicated world. This transformation needs to be managed through policies that, for instance, create a sound business climate and promote good governance and transparency.

As the so-called 4th Industrial Revolution takes hold, our ability to shape a better future will depend in large measure on our will to take our fate into our own hands and to use tools for co-operative interaction to best effect.

The OSCE can be a platform for embracing technological change and steering it toward a future that reflects our common objectives and values. For example, we can explore together how to maintain our ability to build confidence and enhance our common security at a time when our exposure to external shocks and the misuse of new technologies is rapidly increasing. Digitalization also puts pressure on us as an Organization to modernize and adapt our methods and priorities in order to remain effective, innovative and up-to-date in a new reality.

I therefore very much welcome the wide spectrum of prominent speakers that, today and tomorrow, will enrich our discussion on how digitalization can affect inter-state relationships and help us to identify areas where a regional security organization like our own should be more involved.

We have already made a good start by focusing on protection of critical infrastructure from cyberattacks, the fight against cybercrime, and the development of confidence-building measures in the field of Information and Communications Technology. This preparatory Economic and Environmental Forum meeting will provide new ideas on how we can engage with this defining topic of our age. And I am confident that it will point out ways the OSCE can add value in searching for common ground, defining best practices, and agreeing on joint measures to effectively manage the challenges and opportunities of an increasingly digitalized world. Let us make sure that innovation becomes a means for enhancing connectivity between us, both in terms of new economic opportunities and inclusive political confidence-building. **Thank you.**