



United States Mission to the OSCE

Closing Statement at the 26th OSCE Economic and Environmental Forum in Prague

As delivered by Dustin DeGrande, Political Officer
September 07, 2018

Thank you, Madam Chair. And thank you to the Italian Chairmanship and OCEEA for organizing this week's Economic and Environment Forum. The discussions tied together well the conversations we had in Vienna in January, Venice in May, and more broadly throughout this year. These sessions also helped us understand a little better some of the ideas laid out in the Italian Chairmanship's food-for-thought paper and what to expect in the drafts we will be considering at the Ministerial Council meeting in Milan.

This week, we heard common themes under the overall idea that we are in a period of economic and social transition. We heard that, to manage a successful transition to a digital economy, we need to promote innovation, a multi-stakeholder approach, good governance and the fight against corruption, technical understanding and skills, and flexibility. Put another way: We can manage our response to the emerging digital economy by listening to a wide range of experts, supporting public administration structures that give private sector stakeholders the space to smoothly engage in these areas, and keeping the market-based motivations intact to encourage them to continue thinking creatively. Our role is not to pretend to supplant the private sector as technical experts, but rather, to give them the space and protect their motivation to grow. As Dr. Friedman argued, the private sector is where digital security happens and is managed. Industry will drive solutions. In a proven bottom-up approach, it is up to us as policymakers to listen, not direct.

Paul Marca from Stanford University pointed out that graduates from his university will have four or five careers. Such changes, on top of the digital transformation, make for a society facing disruption. A combination of innovation and entrepreneurship are the key tools graduates will need to successfully navigate these changes and support social stability. This is also one of the premises of the 2017 Ministerial Council decision on economic participation.

This week, we heard a common thread that the challenges we face from digitalization are complex and rapidly evolving. Our response must be dynamic and grounded in a keen understanding of the technology driving them. Governments should always act in the interests of its citizens, and, in this case, it is the private sector that has the expertise and flexibility to identify and understand the new trends and make recommendations for how we should respond. We should listen.

Importantly, we learned that digitalization has produced not just threats, but tremendous opportunities for governments to do just that, to be responsive to its citizens. Albanian

Deputy Minister Vodo and Mr. Sanikidze from Georgia's Ministry of Justice gave examples of how hundreds of thousands of citizens have benefitted from digital public services. The resulting transparency and success in fighting corruption further improves the business and investment climate.

So where does the OSCE fit into all this? We already have mandates to support anti-corruption initiatives, trade connectivity, and individual economic participation. The Ministerial Council declaration on the digital economy could possibly provide one more tool we could use to implement these mandates. OSCE institutions, including field offices, can also support policies to better prepare workers for the job market. We look forward to continuing conversations in the coming weeks about how a new Ministerial Council decision would add value and tools to these existing mandates, so the OSCE can continue to improve long-term security in the region.

Thank you, once again, to the Italian Chairmanship and the OSCE Economic and Environmental Affairs Office for this year's Forum, to the Czech Ministry of Foreign Affairs for this beautiful venue, and to the OSCE's Conference Services for their usual high-quality support.

Thank you, Madam Chair.