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PERMANENT DELEGATION OF ITALY
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Opening address

by Ambassador Alessandro Azzoni

Chairperson of the OSCE Permanent Council

Permanent Representative of Italy to the OSCE, 2018 OSCE Italian Chairmanship

First Preparatory meeting of the 26th 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 January 2018

Distinguish Delegates,

Ladies and Gentlemen,

It is my pleasure to welcome you all to the First Preparatory Meeting of the 26th Economic and Environmental Forum which is dedicated to the “Role of the digital economy as a driver for innovation, competitiveness and growth”.

I would like to extend a very warm welcome to Secretary General Thomas Greminger and to the Co-ordinator for Economic and Environmental Activities, Amb. Vuk Žugić. Let me also thank the Co-ordinator and his able team for organizing this event.

Furthermore, It is my distinct pleasure to welcome two very important Italian speakers and thank them for being here with us today:

- Prof. Andrea Gumina, Expert on Innovation, digital economy and next production revolution of the 2017 G7 Italian Presidency, and
- Captain Antonio Romano, Head of the IT Operation Unit of Guardia di Finanza, Ministry of Economy and Finance.

I would also like to welcome all representatives of the OSCE participating States and Partners for Co-operation, officials from ministries and government agencies, representatives of international, regional and non-governmental organizations, from companies and business associations as well as academia and civil society – and last but not least the economic and environmental officers from our field missions.

Ladies and Gentlemen,

This year's Economic and Environmental Forum carries the title "Promoting economic progress and security in the OSCE area through innovation, human capital development, and good public and corporate governance". We are on the cusp of a Fourth Industrial Revolution that will fundamentally change the way we work and live in the coming decades. Managing this transition will require a visionary and responsible leadership to shift from fears to opportunities, from challenges to prospects for sustainable growth and inclusive prosperity. To do so, a wide range of new knowledge and skills, combined with shared rules to firmly guide the economic and societal transformations to come, will be necessary. Digitalization, human capital and good-governance are the key elements of this transformation.

Globalization is profoundly reshaping economic systems, the production chain, and consumption behaviors. The diffusion of new and complex digital technologies, such as ICT, internet, social media, big data analytics, internet of things, and artificial intelligence, is often seen as disruptive, both for political and social balances, but above all for economic ones.

Challenges and opportunities posed by digitalization had long been the focus of attention in several International fora while the OSCE, the world's largest regional security organization, has lagged behind.

Our meeting today and tomorrow offers an important opportunity to discuss the impact of technological innovations on our economies and lives and on how the OSCE and its participating States can maximize the potential of digital economy.

Our discussion will be held in 5 different sessions. Allow me to say a few words on these sessions:

In the **first session** we will talk of "*Digital economy as a driver for growth and connectivity*". In the last decade several countries all over the world have been facing severe economic and financial crisis. High unemployment, poor innovation, and low growth rates are among the most prominent challenges faced by governments and political leaders. In recent years it has ever more become clear that a blooming Digital Economy represents one of the most powerful tools to

address these challenges. During the first session we will therefore discuss ways to expand the benefits of the digital economy; ways to expand digital infrastructure and digital trade in our countries; and how digital economy can help enhancing connectivity and business interaction among our participating States.

The **second session** will focus on *“Boosting innovation, competitiveness and employment through digital economy”*. When it comes to the topic of digital economy, the greatest fear is that digitalization will replace entire economic sectors, suppress jobs, and alter the man-machine balance. Although robotics will have a profound impact on the job market in the long-term, digitalization offers an undisputed opportunity to create and launch new business ideas, starting from the ease with which it makes possible to set up and bring to success companies often supplying dematerialized goods and services for citizens. Particular attention will be given to the processes aimed at encouraging the emergence of an entrepreneurial spirit among young people especially relying on the fact that SMEs and start-ups play a critical role in the development of a full range of new and innovative business models.

The **Third Session** will be devoted to *“Enhancing good governance, transparency and the fight against corruption through digitalization”*. ICT plays a crucial role in modernizing and increasing the efficiency of public administrations. E-government and Internet have revolutionized the whole society structure, values, culture as well as the ways of managing business by utilizing the potential of ICTs as a daily work tool. In doing so, the network becomes a mechanism to increase transparency, information and citizen involvement. Furthermore, digitalization is a formidable tool for the empowerment of individuals in a democratic sense. During the session we will talk about the advantages of implementing e-governance systems as well as the most important challenges that effect the establishment of these systems.

During **Session IV** we will address some among the main “security implications of digital economy”. Lately, large scale digital security incidents with potential economic consequences have increased in frequency and complexity. Trust and security remain vital to enjoy full potential of the digital economy. Constructive discussions on threats and vulnerabilities in the use of ICTs, risks for public and private sectors, and ways to promote digital security in business are timely and needed also in the context of the OSCE region.

In **Session V** on “Boosting sustainability through digital economy” we will talk about how digital transformations can contribute to reducing inequality and achieving the goals of the 2030 Agenda for Sustainable Development. We need to bridge digital divides and make sure that the benefits of sustainable and innovation-driven growth are shared equally and widely. Sustainable and inclusive development remains a challenge for many countries and communities. Meeting this challenge will entail

integrating the economic, social, technological and environmental dimensions of sustainable development. During this Session we will therefore focus on the synergies existing between digital economy and green economy and example of green, sustainable and smart living.

Dear Colleagues,

Let me conclude by underlining that Italy strongly believes in the existence of a strong link between digitalization, economic changes and security. The vast technological changes brought on by the digitalization of economic and social life has had and will have a revolutionary and fundamental impact on conventional business practices, social norms and the security of our countries and people.

While recognizing and facing the potential risks coming from this radical change, our governments should start considering the digital economy as a unique opportunity to enhance dialogue and trust while reducing economic and social disparities.

I am confident that this First Preparatory Meeting can provide us enough food for thought to start reflecting on the unifying role that new technologies and digital economy can play among and within States in the OSCE region.

Thank you all for your attention