



United States Mission to the OSCE

Closing Statement at the 26th OSCE Economic and Environmental Forum 2nd Preparatory Meeting Venice, Italy

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Thank you, Mr. Chair.

I would like to once again thank the Italian OSCE Chairmanship and Coordinator of OSCE Economic and Environmental Activities, and their teams for this week's preparatory meeting of the Economic and Environmental Forum.

From the opening session and throughout the preparatory meeting, we have heard that OSCE participating States must, first and foremost, promote good governance and the rule of law and fight corruption. Doing so improves the investment climate, helps businesses trade and grow, and – in line with the 2017 Vienna Ministerial Council decision on economic participation – ensures fair access to the labor market. Beyond hurting the business environment, endemic corruption will also allow organized criminals and other nefarious actors to plant seeds of malfeasance in the digital economy before it has the chance to take root in a healthy and productive way. OSCE Special Representative on Combatting Corruption Paolo Severino described some of the specific issues we should prioritize in this fight.

One area which there appears to be a shared sense of priority, and even urgency, is in education as a foundation of human capital development. As OECD Senior Economist Criscuolo and Austrian Federal Economic Chamber Advisor Schneider told us yesterday, vocational or mixed-curricula education systems not only prepare youth for faster access to the job market, but also develop a labor force that is relatively resilient to economic upheavals, as we saw after the 2008 crisis.

On the other hand, the digital economy is not the manufacturing economy, and even more important than technical knowledge will be teaching youth critical thinking, problem solving, management, and teamwork skills. These skills will still better make them flexible enough for the fast-evolving digital economy, increase their chance for success, and reduce the likelihood of them falling susceptible to radicalization or criminality. Education based on these principles will also give all citizens the skills to better resolve conflict and, hopefully, reduce the likelihood of violence. Of course, as we heard yesterday, there are also systemic biases in education that prevent women and girls from engaging in the digital economy, further challenging our countries' ability to manage the transition and prosper.

The ILO described for us how the digital economy is creating economic opportunities for remote workers in rural areas or as supplemental income. The system of education promoting independent thought and problem-solving will also help these remote workers manage their workload. Governments must ensure the labor rights of this growing but undefined workforce will also be protected, even while supporting an enabling economic environment.

Finally, and returning to the beginning of this Economic and Environment Forum Preparatory Meeting, the side event on social economy was a useful reminder that private sector development has important community strengthening capacity. But we do not need to limit these socially-benefitting businesses to just altruistic owners. We have seen in the United States and elsewhere that they can be run as profit-seeking enterprises and still create tremendous social benefits. Within the OSCE framework, social enterprises could perhaps be useful tools in our field missions, in particular, which could use them to strengthen communities and reconcile interethnic or other divides.

Thank you.