REPORT

FOR THE GENERAL COMMITTEE ON ECONOMIC AFFAIRS, SCIENCE, TECHNOLOGY AND ENVIRONMENT

"THE ROLE OF THE OSCE IN THE CURRENT SECURITY ARCHITECTURE: A PARLIAMENTARY PERSPECTIVE"

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Our world is in turmoil - the impact of the unprovoked, illegal, and unjustified military invasion of Ukraine by the Russian Federation, climate change and environmental degradation, irregular migration and demographic-related difficulties, and challenges around digitalization and artificial intelligence, are just some of the main topics under the scrutiny of the OSCE PA General Committee on Economic Affairs, Science, Technology and Environment.

Against this volatile geopolitical context, I commend the exceptional work carried out by the OSCE executive structures. Moreover, I welcome the Maltese Chairpersonship's priorities in the second dimension, including on bridging digital divides and promoting wider access to digital technologies and skills. Through continued co-operation and co-ordination between our executive and parliamentary structures, we should strive to address these challenges swiftly and effectively, fostering dialogue and co-operation among participating States.

In this report, I highlight some of the key challenges that our Assembly is confronted with these days, focusing on trends which I deem particularly noteworthy, and on how parliaments of participating States could enhance economic and environmental security and co-operation across the OSCE region. As such, this report is not meant to be exhaustive of all the items on the agenda of our General Committee, which are too many and complex for a detailed review each year.

Co-operation in Rebuilding Ukraine

The Russian Federation's aggression against Ukraine has resulted in extensive loss. Considering all the lives lost during the conflict and the countless people experiencing physical and psychological harm because of the war, and especially war crimes committed by the Russian Federation, which cause transgenerational trauma, it will take a very long time to overcome the human cost. Combined with the impediment of the war on education and vocational training, rebuilding Ukraine will take an enormous amount of time, finance, and support.

At the same time, economic and environmental destruction impacts critical infrastructure, industries, housing, and social services. The OSCE participating States must stand ready to support Ukraine to rebuild its country, its economy, and its infrastructures. Preparations for supporting Ukraine's post-war reconstruction must start immediately, and multilateral co-operation and co-ordination in this context is pivotal.

Ukraine's reconstruction provides a critical opportunity to not only rebuild and revert to the past, but to "build back better", by fully embracing a green transition for long-term resilience and geopolitical independence. While some aspects of Ukraine's reconstruction and green transformation may need to wait for a more stable geopolitical situation, others demand immediate attention to build resilience against the environmental and economic consequences of war.

In this regard, I welcome the establishment of the Parliamentary Support Team for Ukraine within our Assembly, and I look forward to their important contribution.

For a successful post-war reconstruction, rule of law and transparent and inclusive government structures must be strengthened, and corruption combatted at all levels. The Council of Europe's €50 million Action Plan for Ukraine (2023-2026) underlines the need for efficient and accountable use of resources during the reconstruction process.

By focusing on post-war reconstruction with a green and sustainable perspective, the international community can collectively strengthen Ukraine's economic and environmental security, setting a path for prosperity and independence, both during the rebuilding phase and in times of peace.

Environmental War Crimes

Environmental damage can be both a cause and a consequence of conflict. The war against Ukraine has clearly shown that deliberate destruction of and harm to the environment may be used as a weapon to cause widespread suffering to the population. Incidents such as the destruction of the Kakhovka Dam cause not only immediate casualties and suffering but will also continue to do so in the future, as the ecosystems of the affected areas are severely damaged, making it unsuitable for plants, animals and, consequently, humans to thrive. The safety of the Zaporizhzhia Nuclear Power Plant remains a key concern of the international community.

The concept of "environmental war crimes" has not yet been a point of heavy focus in international criminal law, even though article 8(2)(b)(iv) of the statute of the International Criminal Court (ICC) explicitly prohibits: *"intentionally launching an attack in the knowledge that such attack will cause incidental loss of life or injury to civilians or damage to civilian objects or widespread, long-term and severe damage to the natural environment which would be clearly excessive in relation to the concrete and direct overall military advantage anticipated.[1]"* Accordingly, parliaments should work towards a stronger recognition of environmental war crimes in national legal frameworks.

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[1] www.icc-cpi.int/sites/default/files/RS-Eng.pdf

Water Management

Visiting the Aral Sea region with a delegation of the OSCE PA led by Special Representative Farah Karimi was a striking experience. The Aral Sea catastrophe is a consequence of Soviet mismanagement. This environmental crisis impacts Uzbekistan, Kazakhstan, and other Central Asian countries tremendously. People's health is harmed and their livelihoods, such as the fishing industry, are destroyed. At the same time, there are many positive lessons to be learned from the efforts of the Central Asian republics in responding to the crisis through multilateral co-operation, and in particular, the work of the International Fund for Saving the Aral Sea.

Due to inefficient water management and a subsequent rise in temperatures, lack of freshwater already poses significant challenges for the Central Asian countries, while population growth will further exacerbate regional water scarcity. The main water resources, such as the Amu Darya and Syr Darya rivers, are transboundary. Enhanced regional co-operation, where countries develop and implement agreed action plans based on fair and efficient use of water resources, is therefore key to overcoming the water crisis in Central Asia. Increasing the sustainability of water resources use by introducing advanced technologies and water management practices, including the monitoring of losses, is crucial. This may include upgrading irrigation or water retention systems and adopting modern agricultural practices that will reduce water loss and increase crop yields.

The Impact of Artificial Intelligence

Advancements in specialized computer hardware, combined with breakthroughs in deep learning, have tremendously accelerated the development of sophisticated Artificial Intelligence (AI) models. In particular, generative AI, such as OpenAI's ChatGPT and GPT-4, have raised massive attention and controversial debates about this technology's potential development and impact on our societies. AI can alter our lives, potentially to an extent exceeding the impact of the internet. Because of the complex and interdisciplinary challenges we are facing, it is more important than ever to involve multi-stakeholder, cross-border initiatives to ensure a secure, transparent, ethical, and humancentric design, development, and use.

AI can be used to unlock societal opportunities innovatively and even to address global security challenges. Notable applications in the service of human beings range from using AI in medical practices to self-driving vehicles and robots, from accelerating vaccination research to advancing climate modeling to predict and mitigate global warming, and to aid decision-making processes in social or juridical affairs. Advanced AI models also offer a vast economic potential as they can significantly enhance productivity. Therefore, OSCE participating States should actively support research and development in the context of AI, and also to promote competitiveness.

Nonetheless, numerous experts, many of whom are involved in the development of AI themselves, are also raising concerns about the risks involved. AI can be misused in targeted surveillance and distorting access to information, resulting in behavioral manipulation. China's AI-driven high-tech surveillance system is a concerning example of these major challenges. Such ways of using AI to curtail human rights and exert political control must stop. AI's decision-making is not transparent nor well understood, which results from complex interactions of training data and algorithmic design and the difficulty of mechanical interpretability. Therefore, we must establish norms of transparency for the deployment of AI systems.

Global efforts are essential to further develop the international law of armed conflicts in response to the challenges posed by AI and robotics in military contexts, for example, through a further additional protocol to the Geneva Conventions. This seems like the only realistic way to prevent a dangerous arms race of lethal autonomous weapons systems and, at the same time, allow AI and robotics to be used to further develop weapons systems in accordance with the principles of humanity, distinction between civilians and combatants, proportionality, and military necessity.

AI systems such as chatbots and deepfakes also raise new questions about the safety of these systems and how they may affect freedom of thought and our democracies by subconsciously influencing human moral choices and opinion formation. AI simplifies the production of manipulative and propagandistic content, as well as the spread of misinformation, fake news, and increasingly realistic fake content, which poses a challenge to our democracies, as well as to the stability of our financial markets and the reputation of specific companies and individuals.

As it becomes more difficult to distinguish between human and machine interactions in online text-based communication, parliaments should discuss how AI-generated or manipulated content, as well as other interactions with AI systems, should be recognizable and visibly labelled, as the recently adopted EU AI Act mandates. Voluntary associations such as for example "Content Authenticity Initiative" (CAI) are already promoting an industry standard that allows a secure statement about the origin of digital content. Such initiatives should be supported and included in the political discussion.

The values and ethical standpoints upon which AI systems make decisions and the information they retain are vastly influenced by which training data is used and in what way. Generative AI systems are trained on vast amounts of texts from all over the internet, including books and magazines, news, and scientific papers, but also all kinds of social media posts or potentially harmful scientific methods. Therefore, careful guidance is needed in their development to prevent unwanted or even dangerous chatbot answers, ranging from giving detailed instructions on creating harmful substances to producing content reflecting social biases.

Predictive AI, which solely focuses on identifying patterns and forecasting specific future outcomes, does not reflect the concept of human freedom and is at high risk of reflecting social and historical biases if not developed carefully. Companies have been working on meeting their own safety standards, with minimum requirements now coming from the European Union and other institutions. Participating States are called to join growing international co-ordination and collaboration with trustworthy organizations to embrace and support quality standards, as well as standardized guidelines for ethical design and impact assessments, which shape the design, development, and deployment of AI systems. A noteworthy example is that of Value-based Engineering with ISO/IEEE 24748-7000, which is co-chaired at the Vienna University of Economics and Business.

Transparency in the training data used and how it is collected, as well as transparency in investors, developers, and training methods used should also be discussed. In areas of sensitive application where decisions related to personnel, medical care, or similar areas are made, introducing data transparency and quality standards is essential.

AI liability is equally critical, especially when AI systems produce misleading or inaccurate results that cause harm to health and safety or negatively impact human rights. It is important to consider where the current legal frameworks need to be adapted to meet future legal requirements in this context.

Frequently, AI enhanced bots participate in online public debates, which might illegitimately steer political debates. It could also affect businesses when it comes to evaluations of products and services. It is therefore necessary to consider a requirement of using clearly identifiable names and proving one's identity on platforms which impact economy and democracy the most.

Given the rapid development of the technology and the high risks involved, I welcomed the efforts of the General Committee on Economic Affairs, Science, Technology and Environment to explore the security impact of AI with experts from governments, academia, and Big Tech during the OSCE PA Winter Meeting on 22 February 2024, as well as the opportunity to follow-up on these important deliberations during the OSCE PA Conference on the *Security in the Age of Artificial Intelligence*, held in Lisbon, Portugal on 20 May 2024.

To further these important discussions, which clearly bear multidimensional security repercussions, I advocate for establishing an Ad Hoc Committee on Artificial Intelligence within our Parliamentary Assembly.

Demographic Decline

Demographic decline is one of the most pressing trends in many OSCE participating States.[2] In many participating States, the mortality rate has exceeded the birth rate: the proportion of people older than 80 years in the EU has almost doubled in the last 20 years, life expectancy continues to rise, and the average age expectancy has increased to 80.1 years in the EU.[3] Within the OSCE, many regions are experiencing a natural population decrease with the number of deaths exceeding the number of births.[4]

Demographic changes affect both economic prosperity and the future performance of social security systems. Within the OSCE region such changes have emerged as a result of, *inter alia*, stagnant or declining birth rates and migratory movements, resulting in decreases in overall population, which is becoming increasingly challenging for governments to manage.

In addressing the complex challenges related to an aging population, parliaments should also consider shifting political attention from traditional 'reactive medicine' to key "longevity medicine" pillars, such as prevention, biological age, and the biomarkers of aging.[5] The demographic transition must be "managed" by parliaments by implementing multi-sectoral reforms ranging from public healthcare and accessibility of Medtech, to investment in related research. Thereby, OSCE participating States must aim at progressively lowering the biological age of their population and achieving an overall healthier aging for all their citizens.

A parliamentary-accompanied demographic transition process must also manage infrastructural changes in depopulating areas, as well as discussing how families can be supported in order to have more children. Statistically, the wish to have children is significantly higher than the number of children people finally have. Parliaments should therefore discuss what would be needed for parents to realize their desire. A public discourse of "permacrisis" is certainly not helpful.

Irregular Migration

Compensating for the above-mentioned population decrease is a positive net migration, which can be attributed mostly to migratory movements and the influx of displaced persons from Ukraine.[6]

Well-calibrated labor migration is vital for population growth and represents a driver for prosperity and socio-economic development in many European

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[2] https://europa.eu/eurobarometer/surveys/detail/3112
https://www.csce.gov/hearings/2050-implications-demographic-trends-osce-region/

[3] https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20231106-1

[4] https://ec.europa.eu/eurostat/web/products-eurostat-news/w/ddn-20231121-4

[5] https://www.thelancet.com/journals/lanhl/article/PIIS2666-7568(23)00035-1/fulltext

[6] https://ec.europa.eu/eurostat/web/products-eurostat-news/w/edn-20230711-1

countries. Irregular migration, on the contrary, poses a serious challenge not only for receiving countries, but also for countries of origin. Joint effort among OSCE participating States on economic and environmental affairs and multinational co-operation are key to regional stability and to prevent uncontrolled migratory flows. Preventing "brain drain" and promoting functioning local economies is critical in this context. The implementation of sound labor migration governance systems can help to balance challenges related to border control, demographic shifts, needs of national economies, skill-specific demands of labor markets and private businesses.

Illegal migration, often under the pretext of asylum seeking, undermines the international asylum system and harms the prospects of those legally entitled to asylum. Consequently, the Geneva Convention is often illegally exploited, national legal systems are overburdened, and the care costs for the taxpayers are high. Integration becomes increasingly challenging, which various manifestations across the OSCE participating States show, including in crime statistics and social welfare abuse, as well as in foreign policy and religious and gender clashes. It is therefore necessary to decrease so-called pull factors, such as the distribution of financial support, or push factors, such as poverty and corruption, for instance through development co-operation which focuses on establishing functioning state institutions and viable economies in the countries of origin.

To maximize the positive impact of migration on the socio-economic development of countries of origin and destination and of the migrants themselves, I welcome the balanced approach endorsed by the OSCE in line with the 2009 Ministerial Council Decision on migration management and the 2016 Ministerial Council Decision on the OSCE's role in the governance of large movements of migrants and refugees.

Deindustrialization and Economic Dependency

The share of Europe in the world market has decreased significantly. For instance, the EU's share in global gross domestic product based on purchasing-power-parity has decreased from 25.85 per cent to 14.55 per cent in 2023.[7] Large industries have either left certain areas of the OSCE region or have stopped investing, which implies a closure of their activities in the future. The high energy prices in some areas have contributed to this trend.

To protect jobs, prosperity, and security in the OSCE region, we must place concerted efforts on safeguarding it as an attractive business and industry location.

We must also work towards more independence from supplier countries, especially when they are large single players, by promoting regional economic co-

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[7] https://de.statista.com/statistik/daten/studie/249045/umfrage/anteil-der-europaeischen-union-eu-am-globalen-bruttoinlandsprodukt-bip/

operation and strengthening the self-sufficiency of our region. Accordingly, we must develop strategies for the availability of key necessary products including medications within the region, even if this would entail an increase of costs.

We must also encourage parliaments to diversify access to raw materials and not to rely only on China. Rather, strategic partnerships with other supplier countries should be developed, especially in Africa, by offering development co-operation and supporting local infrastructure in a sustainable way.

Digitalization and The Right to Participation

Psychologists are increasingly alarmed by the effects of excessive use of smartphones amongst youth and children, which negatively impacts family well-being, education and formation, social capacities, and psychological development. Several countries are discussing banning smartphones in schools or limiting the time of cell phone use for minors. Special attention should be given to protecting youth from accessing online pornography.

As capitalizing on the benefits of digitalization is a key objective for our parliaments, we must not overlook such challenges, but rather pair digitalization with protection of younger generations. Parliaments must therefore focus on finding child-friendly ways to use digitalization, including education regarding responsible use, and physical protection from overboarding access.

A growing number of goods and public services, as well as benefits or discounts, can only be accessed online. This is becoming increasingly problematic for people who do not share such access, either out of free choice or due to a psycho-physical disadvantage, old age, lack of capacities or a lack of resources. It is therefore essential to ensure equal access for all people to all goods and services, especially public ones, as well as full and meaningful participation in society, through both digital and physical means. This includes access to non-digital payment methods, including cash. This also includes the possibility of talking to a real person for information, interaction, or to launch a complaint. Only in this way can the human right to participate in society be protected.

Conclusion

Amidst the backdrop of the challenges outlined in this report, which are not meant to be exhaustive of the many important issues currently on the agenda of our General Committee, but rather to offer some novel insights intended to complement the challenges I have already outlined in previous reports[8], including climate change, pollution and corruption , members of the OSCE PA should remain

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[8] Report for the General Committee on Economic Affairs, Science, Technology and Environment, Rapporteur: Ms. Gudrun Kugler, OSCEPA Annual Session 2023, Vancouver, June 30 - July 4
Report for the General Committee on Economic Affairs, Science, Technology and Environment, Rapporteur: Ms. Gudrun Kugler, OSCEPA Annual Session 2022, Birmingham, July 2-6

fully committed to fostering co-operative security in the fields of environment, economy, science, and technology.

Looking ahead, we shall continue leveraging collective efforts to confront multifaceted challenges affecting our security and seek innovative solutions for building a more secure, prosperous, and sustainable future for all citizens in the OSCE region.