

Innovative and competitive businesses – Europe needs digital skills Think Digital! Lunch Debate

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Google Headquarter Brussels

Digital transformation is changing the way business operates. The automation of processes and the emergence of Internet-powered services affect the way we work. Digital skills not only are a requirement to save and create jobs, but businesses in all sectors and of all sizes also need tech-savvy people to compete and innovate. The European Union needs to fill the digital skills gap to ensure that today's workforce has the necessary tools to employ existing technologies and to create the workforce of tomorrow.

'Think Digital!' is a joint initiative by the European Office of the Konrad-Adenauer-Stiftung, ZVEI, Die Elektroindustrie, Google, and Siemens. This year-long series provides a platform to discuss the opportunities and challenges of digital transformation for the European economy and society. Our 5th session focused on innovative and competitive businesses and Europe's needs for digital skills. We were happy to welcome as speakers Siegfried Mureşan MEP, André Richier from the European Commission's DG Growth, Ute Poerschke, CEO of Elschukom GmbH, as well as Daniel Haglage, CEO of Makeke GmbH. The event was moderated by Paul MacDonnell, Executive Director of the Global Digital Foundation.

First, Siegfried Mureşan and André Richier were highlighting the importance of digital skills, both for the every-day and the working life of European citizens. The two speakers took stock of current policy tools that were or are about to be installed by the Eu-

ropean Union in order to support the digital transformation of companies. For the European economy to be competitive, an investment-friendly environment has to be provided for the private sector. This refers to the respect of the rule of law and a good infrastructure, to the quality of education as well as to the reduction of barriers and regulation wherever possible.

Both Mr Mureşan and Mr Richier agreed that businesses and the public sector must be equally involved in the digital transformation process. Furthermore, digital skills have to be created and provided both at the national and European level. Education traditionally is a policy field the member states or even the regions are responsible for. However, Siegfried Mureşan argued, the EU level should make education a priority and define what digital skills mean. Via the Erasmus program, for example, and the possibility for young people to complete parts of their studies abroad, the EU indirectly increases labor mobility which usually is relatively low within the European Union. In addition, the EU should provide its citizens with the possibility of a life-long learning, starting with the right syllabus in school. In any case, European and national initiatives have to be coordinated so that investment can be done wisely and effectively.

This having said, André Richier spoke in favor of a clear awareness and understanding of what digital skills mean. There is an unprecedented change going on, both in economy and society. While it is without any question that a high amount of digital skills is needed, it often is unclear which skills ex-

EUROPABÜRO BRÜSSEL

LUCAS SCHRAMM

KAI ZENNER

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actively are meant. Regarding the potential and possible consequences of the digital transformation, many people feel afraid they might not handle or get along with them. Though, Mr Richier argued, a debate in society is needed about which digital possibilities we want to use. Within the European Union, a way has to be found to allow change and optimization thanks to openness for new initiatives and developments. However, not everything that might be possible in theoretical terms should be implemented and used.

Next, Ute Poerschke and Daniel Haglage were providing the audience with insights in their expertise and daily work. Together, they were presenting best practices of digital entrepreneurship and re-skilling workforce strategies. Ms Poerschke is representing a company located in the federal state of Thuringia which has specialized in the development and production of non-ferrous micro wires as well as special fuse solutions. Daniel Haglage, for his part, is in charge of an e-commerce service which offers items of furniture from different shops, according to the customer's preferences.

Those two speakers were pointing to the potentials of digitalization by optimizing processes. In doing so, lots of time and money can be saved. In driving competition and improvement, one in the first place often do not know what the exact result or outcome of a process will be. Against this background, both speakers were highlighting how difficult it can be to convince customers and employers of a certain business model. In addition, it became clear that within the European single market, many barriers and regulations still are in place. This is especially harmful to small and medium-sized enterprises (SME) as they in most cases are lacking capacities to deal with the formal, legal or linguistic requirements.

Taken together, both our panelists and attendees were highlighting the extent and speed of change in economy and society, caused by digital transformation. Demands were raised to the politicians to, on the one hand, create a certain predictability of the

developments in order to handle them, for example by introducing some guidelines. On the other hand, people were arguing to remain open for change and developments, and for the economy to unleash its potential. The policy-makers, on their part, stated that the EU had to increase its productivity and investments in order to keep the European social model. For the moment, the EU is responsible for 50% of global social expenditure. This only will be possible also in the medium and long run if the EU remains competitive in global terms.