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EIN-A4

(05-03-2018)

Seminar of the European Ideas Network (EIN) jointly with Konrad-Adenauer-Stiftung (KAS) on "Transforming Europe towards the digital age"

Round table: Digital Disruption and the Future of Work

Chair: David Gregosz, Senior Economist and Coordinator International Economic Policy, Konrad Adenauer Stiftung

Speakers:

- **Dr. Aljoscha Burchardt**, Senior Researcher, German Research Center for Artificial Intelligence
 - **Fredrik Hacklin**, Associate Professor at ETH Zurich, Professor at Vlerick Business School and Managing Director of the Corporate Innovation Lab
 - **Steven Hill**, Journalist-in-residence at the Wissenschaftszentrum Berlin für Sozialforschung
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- > The digital revolution starts in our households. It is interesting to look at how things worked in different households 60 years ago and now.
 - > It is now time to create new opportunities for all Europeans. Jobs will change considerably. So far, the companies who are greatly automated have shown outstanding improvements. Europe needs to integrate the migrant and analyse the constructive knowledge they can bring.
 - > It is important to acknowledge the fact that between 2008 and now, jobs have changed its dynamics. Top experts are divided: 50% of experts argue that technology will destroy jobs then it will create while 50% argue that technology will create more jobs then it will destroy, all this by 2025.
 - > What is politically needed to improve companies and bring them to a situation where they can use the new business models? More funding on SME's is essential in order to accomplish this.
 - > How do we transform digital disruption into a more business oriented model? Business model went from leasing devices to consulting-they take care of inefficiencies.
 - > There are 3 technologies coming together to design the economy: smartphones, high speed internet and high speed data. This will be the future of work.
 - > The future of work: digital transformation, artificial intelligence and machinery.
 - > Our aim should be bring data together with knowledge.
 - > Moving from products to services-Hilti case. Hilti VS Bosch bare different positions in the market. Hilti's business model is particularly interesting because their main target are professionals, not just a regular customer. By creating their own transportation channels as well as specific/designed market, they generate a holistic service. Doing this means that they are moving from a hardware to a software company. Hilti creates new profiles, new ways of working and this is the challenging part of the job: employees have to switch the way the sell (from hardware to software services).
 - > On the positive side, one can argue that these technologies are attractive on a practical view, they are time savers, and there are "no expenses" (such as driving from one place to another). On the other hand, it is a threat to the people who are being displaced by them. The direction we are heading towards it is called "freelance society" and it is the society who came out after the economic crisis of 2008.
 - > The jobs that are mostly being created are precarious/part-time jobs. This imposes the real question now is: will consumers have enough money to buy goods and services that business are producing?
 - > Marxism is dead. Is there anything left for the "left"? Left has lost identity. Due to technology, in 50 years' time everything that the left stand for will be obsolete.

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Round table: Rise of Populism and the backlash against Globalization

Chair: David Gregosz, Senior Economist and Coordinator International Economic Policy, Konrad Adenauer Stiftung

Speakers:

- Florian Hartleb, Political Scientist
- Nils Hesse, Senior Economist & Journalist
- Mathias Hübscher, Policy Advisor, CDU

- > Europe and the United States are a good sample of what the rise of populism is in this new era.
- > Is the rise of populism really a backlash against globalization? Populism is not just a phenomenon of modernisation. Developed countries (Scandinavian countries, Italy, Netherlands and Germany) are all adopting this concept. Populism is no longer a common movement in developing countries.
- > How did we end up with Donald Trump as president of the United States, the British voters’ decision to leave the European Union, and rising support for populist movements? This can be explained with three strands: 1) **Economic strand:** inequality; society is split into high-income elites and multinational corporations on the one side and an economically dependent working class on the other. 2) **Cultural backlash** and a deep distrust against the “left-liberal establishment”. 3) Concerns about illegal **immigration**, particularly from less developed countries.
- > Nevertheless, there is a progressive element in populism. Social media takes its tool when it comes to this movement. The vast use of social media allows populist movements to attract as many people as possible. Studies have proven that populism movements are better at this, they anticipate the use of social media before other political movements. Populism also uses social media to create their own “bubble box” especially regarding the refugees’ case.
- > These new tools for the political organisation aspect of populism; considering the 5 Star Movement in Italy, this political party started as a political block and then it transformed into a party politics/political organisation. If we see it from the Trump’s perspective one can argue that populism is a political style (take control of Washington and “bring back the power to the people”, “being the advocate of the simple people”- Trump’s inauguration speech).
- > 2016 was the ground-breaking year for the US and Brexit. It was a reality shock, the counter-revolution year. Many people vote on populist parties based on migration and cultural values. However, there is a lack of knowledge and foundation in these decisions.
- > If you want to protect globalisation and digitalisation we have to control (and protect) migration.
- > We should tell people how important international trade and globalisation has been to fight extreme poverty situations.

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(06-03-2018)

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Round table: The role of technology and innovation policies to foster prosperity

Chair: *Lara Comi MEP, Vice-Chairwoman of the EPP Group in the European Parliament, and Member of the Committee on Internal Market and Consumer Protection*

Speakers:

- **Prof. Dr. Key Pousttchi**, *Professor Digitalisation, University of Potsdam*
- **Andrea Giuricin**, *CEO TRA Consulting*
- **Luis Viegas Cardoso**, *Digital Policy Analyst, European Political Strategy Centre*

- > Speed and scale are today’s ingredients of innovation.
- > The industrial revolution started in 1784. Each stage of industrialization brings not only evolution but also fears- fears for the loss of jobs. During each stage (until now-stage 4.0) we need more people to work on developing machinery but less people working with it (machines will do it).
- > How should we treat digitalisation? This is a triangle. It involves technology, economy and human behaviour (how do we want to have our society in the future). The interdependency of these factors is vital. We need to understand all 3 factors to judge the effects of digitalisation.
- > Digitalisation and digital transformation will soon become one. Digitalisation is constrained in the development and digital transformation is a value creation model (how business is processed) as well as a value proposition model.
- > Due to the new digital market competition, we need to treat and prepare society that will result in a digital society market economy. This cannot be solved by regulations alone but also by innovation. Data ownership will change the value of network.
- > Economic growth is going to the East direction.
- > Big data contributes to develop a User-Centricity approach which includes: Personalisation and ability to match supply and demand and use technology to deliver products and services effectively and rapidly. If the industrial age was about standardisation, the digital age is about customisation.
- > We need to consider the need of infrastructure when talking about constructing networks (we need towers, programming- all of these require funding).
- > A solution for a global market- we need to think on a liberalisation of the capital flows. We should eliminate the asymmetry to create a fairer playfield as well as create a real European market which is uniform around Europe.
- > Digital revolution: The emerging technologies are contributing to a Disruptive Innovation system that use big data to develop a user-centricity approach and a smart society.
- > However, the Digital Revolution is raising some challenges on tackling down economic and social inequalities as well as contributing to more prosperity across the world.
- > Today, 75% think recent digital technologies have a positive impact on the economy, 67% think these technologies have a positive impact on their quality of life 64% think these technologies have a positive impact on society.
- > Big data contributes to develop a Smart-Society. Until 2020, 50 billion devices will be connected to the internet, from smart cars, smart cities or smart industries, everything will be connected.
- > In times of uncertainty, preparedness is the key.

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Round table: Digital Democracy: Transforming Political Engagement

Chair: David Gregosz, Senior Economist and Coordinator International Economic Policy, Konrad Adenauer Stiftung

Speakers:

- Marcin Czubala, Academic Director, Centro de Estudios Universitarios
- Allan Janik, Professor in Philosophy, University of Innsbruck
- Andrea Gallo, Publisher, Funding Aid Strategies Investments

- > European citizens are lacking a representation; citizens feel that they have no influence in the decision-making process.
- > There is no sense of ownership. European countries are divided (on a national and consequently international level). This causes a disconnection problem and the European aim is to connect everyone. What shall we do now that the scenario is not very positive?
- > Europe needs to promote empowerment: communication is the key. Start communication not only vertically but also horizontally.
- > Internet and data protection is a priority. Citizens need to trust that they are safe with what they use and do online.
- > Citizen disaffection perspective tends to focus upon formal institutions and procedures associated with liberal democratic theory: 1) Representation, 2) parties, 3) parliaments and voting. Whereas cultural displacement perspective investigates deinstitutionalised form of political engagement within networks and spaces with loose social ties and informal social structures.
- > Think tanks are a good vehicle towards achieving transparency and accountability.
- > We cannot be too “blue eyed” about thinking that digital democracy as the great response to populism.
- > Democracy is important because it is the best way of practicing politics. Politics is what it is interesting, the confrontation between people across important differences about the way society should be that nevertheless is carried on constructively. It is the art of persuasion that makes democracy interesting.
- > Politics is an attempt to avoid tragedy in society in the end.
- > A cohesive society is the aim. Cohesion should be taught from a young age to everyone.
- > We have seen a decrease with regards to the participation rates democracy. In 2017 not a single European region recorded an improvement in its average score compared with 2016.
- > Digital technologies could encourage greater participation, better decisions, and more trust.
- > Democracy is complex because is a cluster of things: 1) media, 2) civil society, 3) habits of compromise, 4) as formal mechanisms of voting.
- > “Every company is becoming a tech company,” but it seems we are moving past that notion, with every company now becoming a media company.
- > Education plays a crucial role in this: 1) Schools must not only teach but have to education. 2) Education cannot be done only at school. 3) We are facing cultural degradation. 4) Investment for education and culture are too low.

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