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## IF EUROPE WANTS TO LEAD, IT NEEDS TO INVEST IN DIGITAL SKILLS

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Northern European countries are in a strong position to reap the benefits of digitalisation, according to new research from McKinsey. But this will depend on how fast companies adopt new technologies, and how quickly people can acquire the skills needed for new, or different jobs, writes Iarla Flynn.

When the printing press, electric light and railways were invented, they brought huge change and disrupted calligraphy, oil lamps and horse-drawn coaches. All these things still exist but we use them because we want to, not because we need to. In the same way, another wave of digital technologies like artificial intelligence and robotics are starting to change the way we live and work.

We are on the brink of a new era of automation, where machines may be able to perform not just mechanical processes, like weaving or moulding plastic, but a broader range of more complex tasks. You could say that technology is about to start jumping from the factory floor to the office.

At Google we are technology optimists. We see a future where thoughtful integration of technology like machine learning into the workplace can help people do a better job. Just as spreadsheets replaced calculators, not accountants, so too can machine learning be a tool that helps people to do their jobs better. Just imagine, nurses and doctors with smart diagnostic aids who have more time for patient conversations, or customer service staff who now have the expertise at their fingertips to solve problems.

But we also recognise that technology is not destiny. At Google, we're inventing new things all the time, because it's in our DNA. But we also need to be mindful about the fact that not everyone always welcomes the change this brings about. So when and how these new technologies will be used across Europe is a conversation that should involve government, trade unions, educators, and businesses. And at this early stage, there are more questions than answers.

This month we took a step forward with the publication of new research from McKinsey that looks at the potential impact of automation in nine digital frontrunner countries in Northern Europe, including the Nordics and Benelux. McKinsey drills down into the impact of earlier generations of digital to highlight that historically technology has been a major boost to productivity and a net creator of jobs.

For the impact of emerging technologies in the future, they find that some jobs will be displaced, and more tasks within jobs will change. Yet overall they expect a similar positive outcome, with

jobs and economic growth boosted. Jobs in digital are expected to double and increased investment from greater productivity gains should deliver an even greater jobs dividend across sectors.

Yet this growth won't happen automatically. Urgent action is needed. If countries fail to ensure people have the right skills for this digital era, that growth won't occur. So governments and industry must be honest with workers, and prepare young people for the jobs of the future. Re-skilling is critical.

Ultimately, the impact of these changes will depend on how fast companies adopt new technologies, and how quickly people can acquire the skills needed for new, or different, jobs. This provides a huge opportunity, but also some serious challenges. Northern European countries start from a stronger position than most, as they are near the top in Europe on digital adoption. They have strong innovation ecosystems and robust social models to help transition workers to new jobs. But this will only happen if this transition is managed properly and done quickly.

At Google, we believe we have a role to play here. We have trained over 3 million Europeans in digital skills through tailored programs delivered with national partners. For example, in Sweden we are working with the public employment agency to ensure people looking for jobs are trained in digital skills as they transition to a next job. And in the Netherlands we worked with local partner Qredits to create Digitale Werkplaats, so far training 52,000 people. Many of those who took the training courses, are seeing a real impact and starting and growing their own online businesses- across Europe, over 30,000 SMBs have hired new employees after completing our training.

Still, with rapid change comes anxiety. Incumbents resist change. This is not new and in fact we have seen it throughout every stage of history. In 1876, the President of Western Union declared that the telephone had too many shortcomings to ever be seriously considered as a means of communication. And when Henry Ford rolled out the Model T in 1908, the automobile was dismissed as a fad - while the horse was here to stay.

Yet anxiety can't be an excuse for not having the debate. So it's important to have the discussion about technology, automation and the future of work. Companies, governments and civil society need to anticipate the coming changes, which means preparing people for new jobs, skills and technologies. There's only one chance for European countries to face up to this technological revolution: it's imperative that we all work together to get it right.

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