

GLOBSEC 2020 DIGITAL LIGHTHOUSE ROUNDTABLE

GLOBSEC's Digital Lighthouse Initiative was born at Tatra Summit 2019, aiming to create a dialogue between key stakeholders from the public and private sector in the area of digital and innovation policy in the CEE region. Throughout the whole year, we organize online events, high-level closed-door sessions and publish policy briefs, making sure that our outputs reach the most relevant stakeholders on the EU and national level.

In October 2020, we continued this conversation at GLOBSEC Forum with some of the key CEE-based stakeholders from the private and public sector, as well as academia. The main focus of the discussion was "**Kickstarting the Post-Covid Growth in CEE in the Digital Era.**"

There is a general consensus among policy stakeholders and businesses alike on what the new macroeconomic growth model for the region should look like: based on green & digital technologies, a more diversified export profile, driven by higher value-added activities, education reform, and close cooperation between the public and private sector. Against the backdrop of this framework, the key issues discussed during the session were the following:

1) WIDER SOCIETAL IMPACT OF NEW TECHNOLOGIES

Technology can be a **great equalizer**. It can remove barriers that emerge due to a person's social characteristics, geographic location, physical or sensory abilities. During the COVID-19 pandemic, household connection to high-speed internet has proved to be crucial in allowing access to education, as closure of schools forced teachers and students alike to rely on online models of learning. It is therefore essential to utilize the equalizing potential of technologies and increase access to connectivity in rural areas and towards socially disadvantaged populations.

Similarly, the upcoming **5G rollout** comes with a great potential to enhance economic growth and wide-spread connectivity, yet it will be important to carefully balance the commercial, social, and geopolitical interests in its deployment.

The growing importance of the digital realm, defined by the dominance of digital platforms as gatekeepers of information, online advertising revenues and lack of regulation, has had a serious side-effect: the **spread of disinformation**, misinformation and conspiracy theories. Systemic disruption of economies of disinformation and algorithmic transparency are therefore needed to create a truly democratic digital space.

2) IMPACT OF THE ONGOING DIGITALIZATION, ACCELERATED BY THE COVID-19 PANDEMIC, ON THE INDUSTRIAL LANDSCAPE IN THE CEE REGION

Industrial production is undergoing rapid changes resulting from the deployment of AI and robotics. It is therefore crucial to consider **future prospects for the automotive-focused CEE region** with regards to the skills gap, electrification, and transformation of the supply chain.

The threat of automation is particularly looming in Slovakia, with up to **70 per cent** of the workforce at risk of being replaced by automation. Automakers and their suppliers are facing large uncertainty, and need to swiftly adjust to different models of work. Some of key solutions coming from the public sector in the upcoming period will be based on an effective and targeted use of the **EU recovery and structural funds**, and on strategic **specialization of innovation-oriented activities**. In this regard, the Ministry of Investments, Regional Development and Informationization of the Slovak Republic is closely working with the Ministry of Finance of the Slovak Republic to carry out the post-pandemic recovery plan, while preparing a **smart specialization strategy for Slovakia**, which will be the basis for allocating EU structural funds in the upcoming period.

3) FUTURE-ORIENTED EDUCATION

The ability to engage in the increasingly digital nature of the global economy is key to building resilience to economic and social shocks like those presented by the COVID-19 outbreak. As new jobs emerge and skills requirements change, the volume of the existing talent pool won't be able to meet the demand. Getting the economy back on track will require effective measures responding to the challenges on the labour market.

Educational institutions across all levels should adjust their curriculums to the demand for the current and future technological skills, as well as develop entrepreneurial skills among students. Governments should also facilitate growth of the digital sector through life-long learning and training and re-skilling opportunities, in close cooperation with the private sector.

CONCLUSION

As the adoption of new technologies sweeps the global economic landscape, the original drivers of economic growth in CEE are beginning to weaken. While defining and implementing the new vision of economic growth, policy makers should keep in mind the wider impact of the adoption of new technologies on vulnerable populations as well as security concerns. It is also essential to clearly define innovation-related priorities within the given ecosystem, coupled with efforts to carry out future-oriented education reforms and re-skilling of the existing workforces. An increased level of trust among key stakeholders working towards a common vision, coupled with a truly systematic public and private collaboration, are key to driving future-oriented policies shaping the new economic model for CEE.

GLOBSEC's Digital Lighthouse is powered by [ESET](#), the founding partner of the initiative.