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Review of the paper „The Challenges of digitalisation and economic competitiveness" by Kalman Dezseri

The topic of challenges of digitization and the economic competitiveness has been around at least for about ten years when the spillover effect from IT value creation became a focus of other industries. Following the interest of German Federal Government under the topic of „Industrie 4.0", the World Economic Forum picked up the phenomenon with possibly more sexy title: „the Fourth Industrial revolution" that is used by Kalman Dezseri as well. But really, there is nothing new under the sun: I actually recall that EC engagement back in 1990s started under the aucpices of Industry Commissioner and formerly Minister of Industry of Germany Martin Bangemann. He initiated this interest in information society because he was afraid that European Businesses are loosing competitive edge to the businesses of the United States of America because the latter was using new information and communication technologies.

Kalman Sezseri points out that the disruptive change is actually affecting a number of areas of public policy and, as policy makers, we should be aware of this. He then lists some areas where the profound change is taking place and makes couple of very good points to which I will return shortly. While these points clearly mandate separate treatment, the overall conceptual focus of the paper was vague as is the picture of changes taking place. One possible explanation could be that we are in the midst of the changes, so it is still difficult to distinguish the truly revolutionary from merely transformative and that, in turn, from quite expected changes taking place. Clearly, the COVID crisis has hightened our awareness of this change and one could argue that it has brought it back to the focus many policy makers. As such it is a valid observation but then again, the paper should have spelled it out and brought it together in way of conclusion.

Prior to annual Davos meeting, Klaus Swab argued in Foreign Affairs in 2015: „we must develop a comprehensive and globally shared view of how technology is affecting our lives and reshaping our economic, social, cultural, and human environments. We need to shape a future that works for all of us by putting people first and empowering them". The main difference between the III and the IV Industrial revolutions is arguably velocity, scope, and systems impact and Kalman Dezseri is making the same observations „that the speed of current breakthroughs has no historical precedent."

Platform businesses, data business, automatisation of work and the destruction of existing jobs, none of which is a brand new concept, however, the awareness of these processes taking place should clearly be a focus for policy planners and connecting all this to digital sovereignity concept betrays an European approach as well as more pronounced view of social inclusion questions.

There are also couple of paragraphs on education, ethics and trust in Kalman Deszeri paper but as there was no conclusion, we need to just assume that they are brought together by the interest of policy makers.

But in this case, why those points and not some others? Where is the conceptual framework against which to measure the changes or list the threats?

I think it is not the place to delve deep into the topic but if we are talking about profound and quick changes, we need to discuss digital identity questions because the way we view society is really going to change very rapidly on this and I have seen very little policy interest in managing this change.

Fifty years ago Canadian philosopher and media theoretic Marshal McLuhan coined the termin „global village" to Express the way news was creating new communities and bringing people close to each ohter. What it actually was, was global mass society. The spread of social networks has changed that reality again and now, the biometric identification is going to fundamentally take us back to village life where all our life took place under the microscope of fellow villagers. I think this type of fundamental change has to be also reflected as well as wider ethics considerations.

I agree with Kalman that ethics of digitisation is very important but maybe it could have been treated more broadly. Indeed the trust seems to be one of the key issues but also I would add the awareness to the different norms and standards of behaviour across cultures and the effects of digital economies on convergence of these norms.

All questions outlined by Kalman are million dollar questions for the policy makers in coming decade. As very aptly noted, while the effects of ICT development have been known for some time, the COVID crisis brought them closer to reality for large masses of decision makers and there is a real interest in directing these changes.

There is a race for global leadership in things digital and it becoming a goal for countries the same way companies have voiced their goals. I am more hesitant to agree that „the most important two areas of this digital supremacy are technical and regulatory standards" for I think that governance standards and our ability to change them are the key ones that would determine the speed of change and gain competitive advantage. Technical standards are set by global companies and I dont see much interest among policy makers to take over but clearly regulatory standards are interesting topic that would merit – as many others – a separate treatment. In fact, regulatory standards like EIDAS or GPRS frameworks are very good arguments for small states to be in European Union and I think the EU should do more to promote the standards that we have jointly created.