

# Digital is the future, minus the dark side....

*The answer lies not in denial but in devising smart policies that maximize the benefits of the digital transformation while minimizing the inevitable disruptions, just like John Brunner said: "It's supposed to be automatic, but actually you have to push this button"*

***by Majlinda Bregu, Secretary General of the Regional Cooperation Council***

Where are we heading? And I am not referring to any science fiction novel one might think I am reading to challenge my attention deficit disorder after months of hyper-connectivity. I am not even crying over (anymore) on how many meetings moved from conference halls or meeting points, to the studio like corner of my home, or from in office discussions to ones centered around Zoom, WebEx or WhatsApp groups. Well, I am not shocked anymore neither if I hear on a face time mourning, nor on a birthday party happening in a digital platform.

No. I have to say in unprecedented times, technology allowed us to work, educate and live emotions although physically distant. I am wondering, given the high stakes involved, where are we heading if our societies will have the courage to challenge entrenched beliefs on market, worklife, lifestyles, through a digital transformation?!

***Balkan Barometer 2020: 68% of WB citizens see COVID-19 pandemic as a threat to their or job of their family member***

The lockdown brought high unemployment rate rise in the Western Balkans, between 5 and more than 30%. But without modern technologies that enabled working from home and saving jobs, that number would have even been higher. 68% of our citizens see COVID-19 pandemic as a threat to their job or jobs of their family members and 35% are impatient to get back to work<sup>1</sup>.

I know we have embraced this digital world and we can't go back anymore. Until now the devices we have in our hands have brought both usefulness and fun. COVID-19 has shown us that being familiar with technology advancements and knowing how to use all of the existing platforms is not a choice, but a norm. But think, even without the necessity of digital upskilling that the pandemic brought, would it be possible for you to do your current job without it, in this digital era? I don't think so. And after this, it will be even more pronounced.

***Balkan Barometer 2020: 80% of managers in WB consider digital skills very important for doing businesses***

Balkan Barometer 2020 shows that 80% of managers in WB consider digital skills very important for conducting their businesses and 55% of WB companies provide some form of training to upgrade their workers' digital skills. The European Commission estimates that nearly 90% of jobs in the near future will require certain digital skills. The middle class is

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<sup>1</sup> Source: Balkan Barometer 2020

declining in our region. Youth and women unemployment or underemployment is epidemic in all our economies.

Back in 2000 there were only 361 million Internet users worldwide. Sounds so outdated right, as nowadays this number accounts for barely two-thirds of the Facebook users<sup>2</sup>. Back then, 20 years ago, the top 10 countries were vast majority on the Internet - 73% of all the users. None of these top countries were coming from our region. In 2019 there were 4.5 billion<sup>3</sup> internet uses across the globe. Our region even started picking up in the last two decades - according to 2019 statistics Western Balkans had approximately 15 million internet users, and only around 17% of the citizens in the region do not use it, mostly those over 65+ age<sup>4</sup>.

Western Balkans is usually seen as a region that still doesn't keep up the pace with the technology of the most developed countries, but this situation has shown us how fast we can adapt. With the spread of social media, messaging and calling apps 69% of Western Balkan citizens use the Internet as a communication tool. Surely Viber, WhatsApp, Messenger ring a bell. A little more than a year stands between us and zero roaming costs in entire region, a roaming free Western Balkans (an initiative that became impeding as of April 2019 when RCC and EU facilitated the deal between all WB6), so this trend will continue rising.

Online sales make up a significant source of revenues according to 30% of WB business executives<sup>5</sup>. An average person spends more than 3 hours daily using smartphone<sup>6</sup>, and I guess this number was even higher during pandemic & lockdown time. Progress is noted during the last couple of years, with varied performance in digital transformation across the region and across the areas, and there is a promising perspective due to stepped up efforts in all economies. However, the Western Balkans lags behind the EU average in many fields of digitalisation. The region needs to embark on a complex set of reforms to respond to the challenges of fast technological revolution. Let's take e-commerce. E-commerce allows consumers and businesses to have greater benefits and choices while buying and selling online. Estimates show that e-commerce in the Western Balkans is on the rise, and the revenues would amount to around 850 million EUR with (original data is in USD 954 mil) cca. 6,6 million e-commerce users. Despite showing an increased role of e-commerce for citizens and business in the region shopping online is still moderate. The Number of online shoppers in the Western Balkans range between 3 and 32%, which is less than a half of EUs average of 68%<sup>7</sup>

Yes, digital transformation puts Western Balkan economies under constant pressure to make this a top priority for businesses and economic growth. The technology upshift will have a knock on effect on the wider industry, enhancing and adding value to work, but only if we learn how to harness its power for the right purpose.

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<sup>2</sup> Source: <https://royal.pingdom.com/incredible-growth-of-the-internet-since-2000/>

<sup>3</sup> Source: <https://internetworldstats.com/stats.htm>

<sup>4</sup> Source: Balkan Barometer 2020

<sup>5</sup> Source: Balkan Barometer 2020

<sup>6</sup> Source: @RescueTime

<sup>7</sup> Source: Western Balkans Digital Economy and Society Index (WB DESI) for 2019

The WB Digital transformation agenda 2021-2024, financed by the European Union is at the preparation phase and will be the backbone for the socio-economic recovery of Western Balkans, strongly and timely anchored with EU recovery efforts. We want to create the grounds for regional Digital Single Space and make Western Balkan fit for Digital Age, inspired by digitally driven economy and society goals. I mean enhancing digital infrastructure and connectivity, creating a trustworthy regional space and competitive environment for innovative businesses AND working on digital upskilling. People connect on a deeper level than machines and they are the lifeblood of this revolution.

All sort of things are in front of us, be it people, places, services. Risks as well come along with digitalisation. In the early 90"s we might have been ignorant on cyber threats or not afraid at all on getting impacted. But now? Can we not be afraid of all the data privacy issues, information leakage, breaches and even endangered democracies?!

The answer lies not in denial but in devising smart policies that maximize the benefits of the digital transformation while minimizing the inevitable disruptions. Just like John Brunner said: "It's supposed to be automatic, but actually you have to push this button".