



HOW EQUIPPED ARE THE EUROPEAN WELFARE STATES FOR THE DIGITAL TRANSFORMATION?

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A man in a dark suit stands with his back to the camera, looking down a perspective of a digital tunnel. The walls and floor are composed of glowing blue binary code (0s and 1s) that recede into the distance, creating a sense of depth and immersion in a digital world.

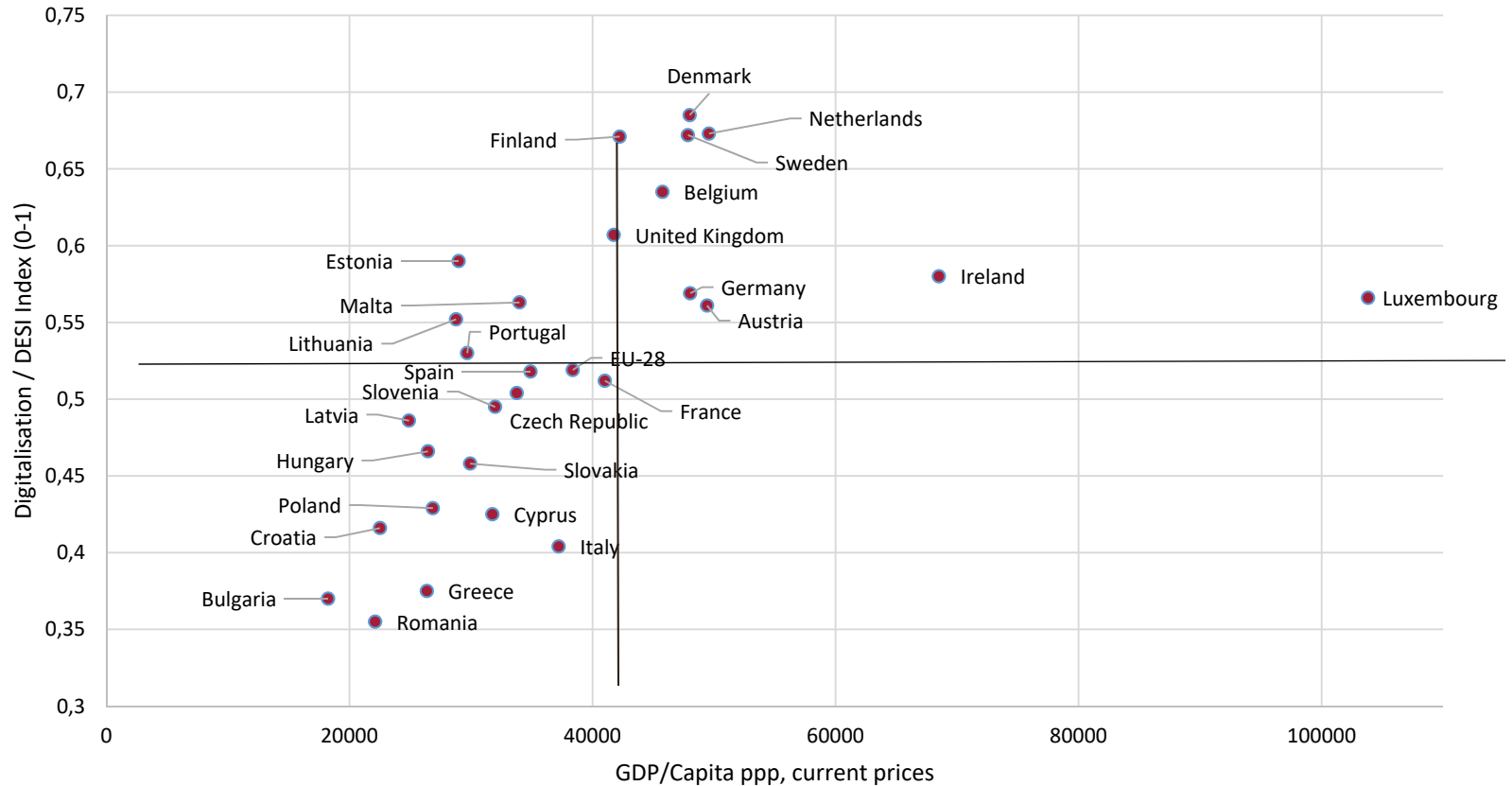
Digitalisation:

„Integration of digital technologies into everyday life by the digitization of everything that can be digitized.“

(<http://www.businessdictionary.com/definition/digitalization.html>)



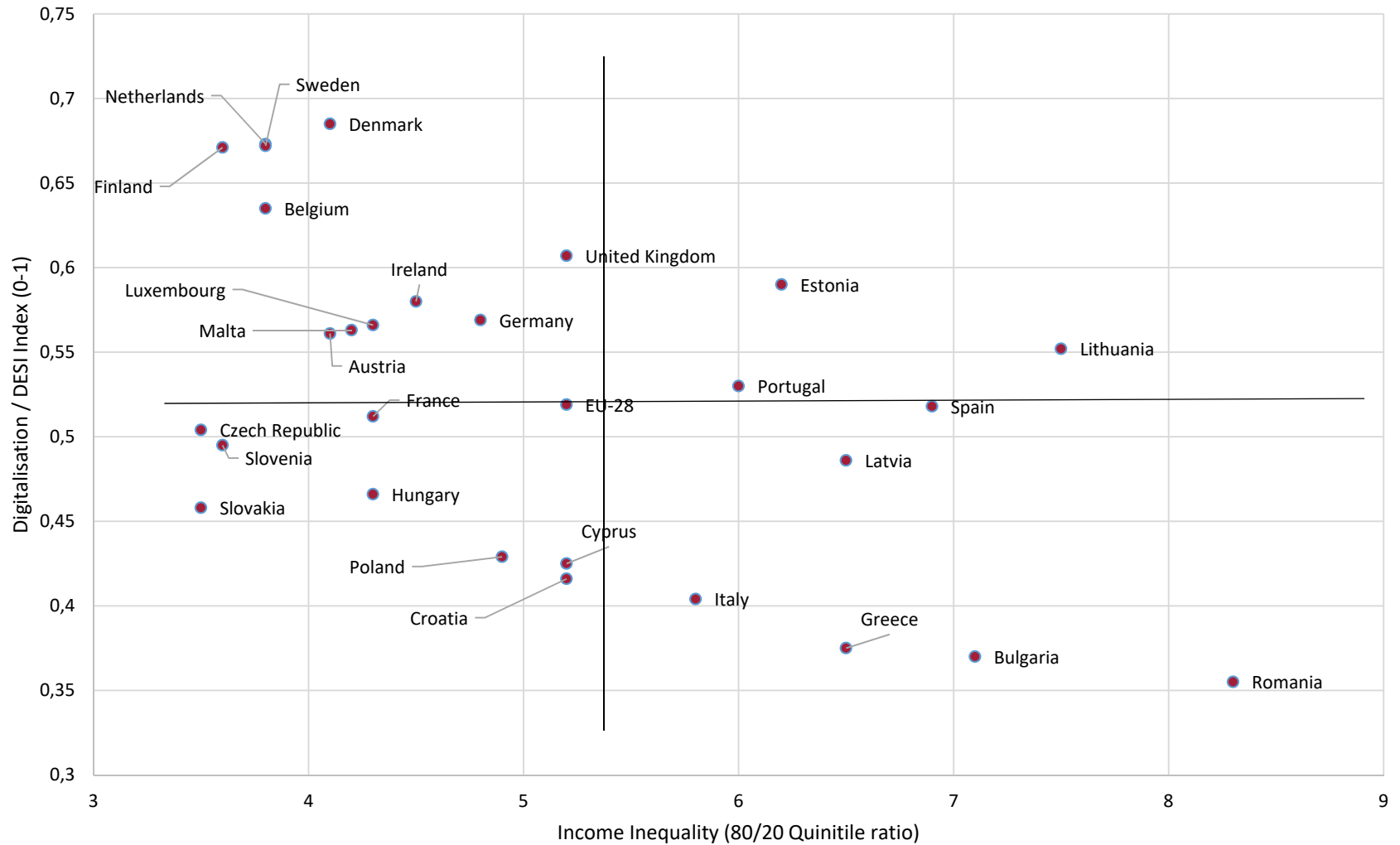
Digitalisation and GDP



The **DESI** is a index consisting of five dimensions. It examines how EU states are developing to become a digital society. The index developed by the EU Commission (DG CNECT) comprises connectivity, human capital, internet usage, integration of digital technologies and digital public services (e-government). The index varies between 1 and 0, with 1 as the highest score. Source: <http://ec.europa.eu/digital-agenda/en/digital-agenda-scoreboard>; 28 September 2016.



Digitalisation and Income inequality





How far have developments in individual welfare states progressed?

How is labour market policy changing?

What role does innovation policy play?

What effects does digitalisation have on healthcare systems?

What further developments can we expect?

**How can we use digitalisation
for modernising the welfare
state?**



Digitalisation and Welfare State

Two Dimensions:

1. Digital transformation is creating a new age of industrial production (i.e. Industrie 4.0) = external modernisation effect

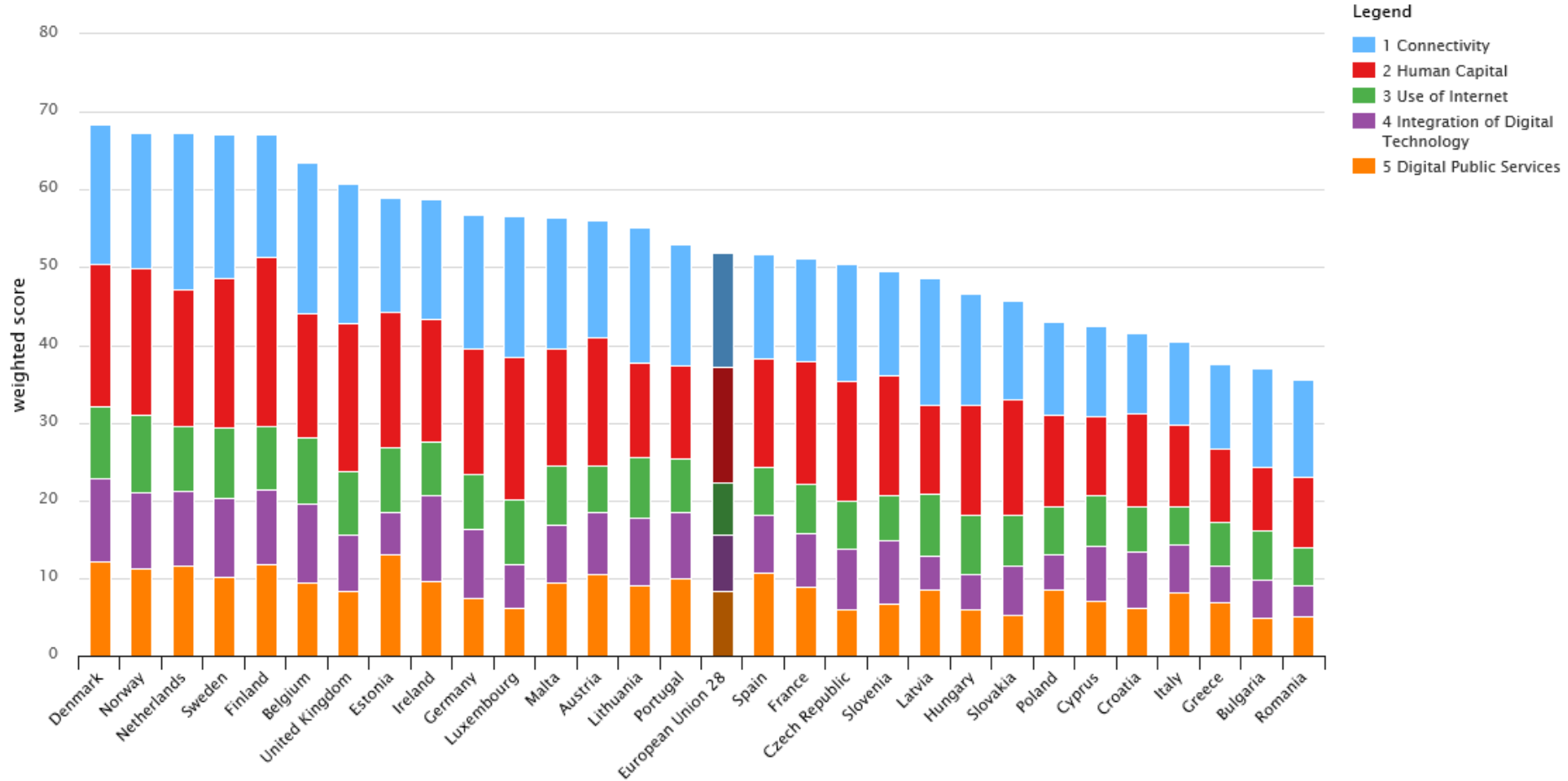
The processing of these changes and challenges needs to be supported by the welfare state.

2. Digitalisation of the welfare state redistribution regime is causing internal modernisation effects (i.e. E-Health/TeleCare; Work 4.0)

Digitalised provision and administration of welfare services (Health, Care, Labour, Education).



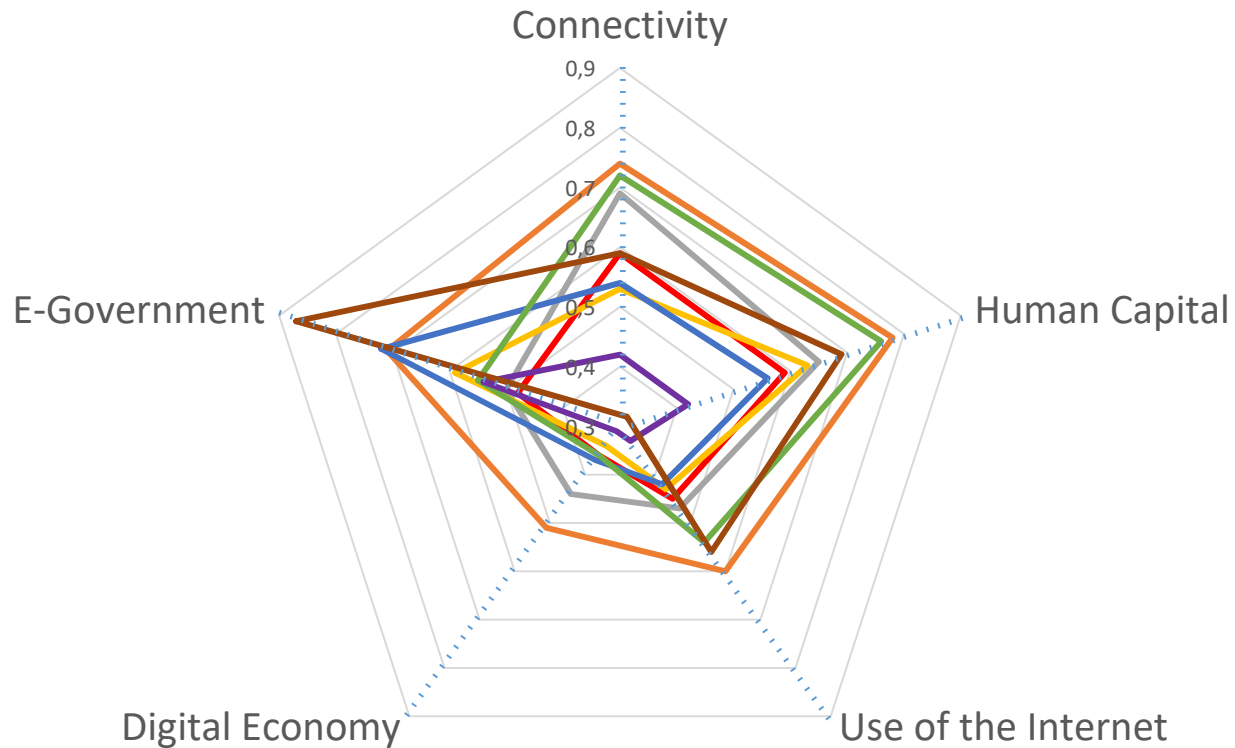
Digital Economy and Society Index



European Commission, Digital Scoreboard



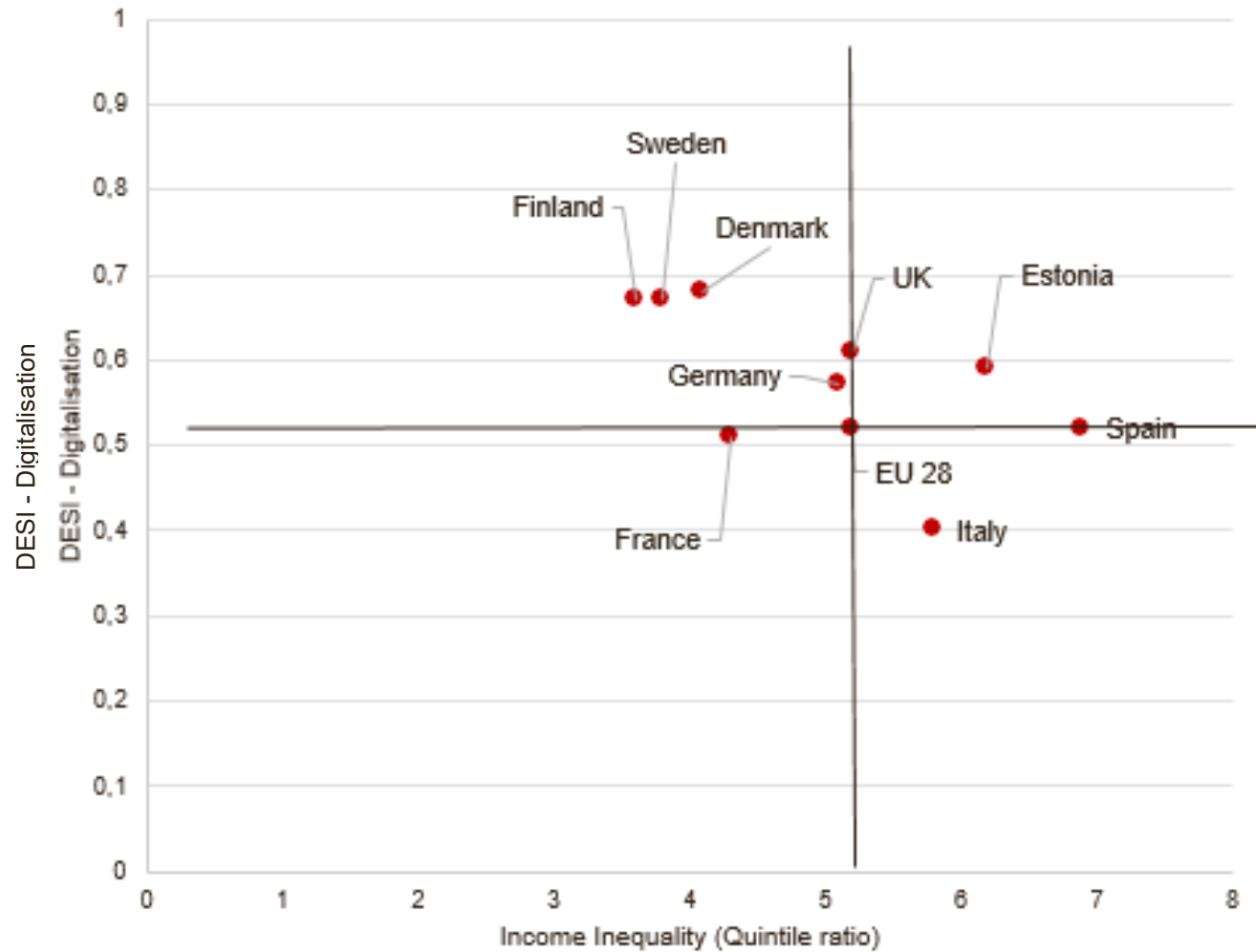
— EU 28 — Sweden — Germany — France — Spain — UK — Italy — Estonia



Datasource: DESI



Inequality and Digitalisation





Modernisation and social inequality (Buhr et al. 2016)

		Modernisation	
		Internal	External
Social Inequality	low	Sweden (also Denmark, Finland)	
	medium	United Kingdom	Germany France
	high	Estonia	Italy Spain

“Social standards are not downsides for economic growth, but rather form the foundation of innovative societies in which both producers and users benefit from faster, more successful and more customised innovations.” (Andersson et al. 2016)

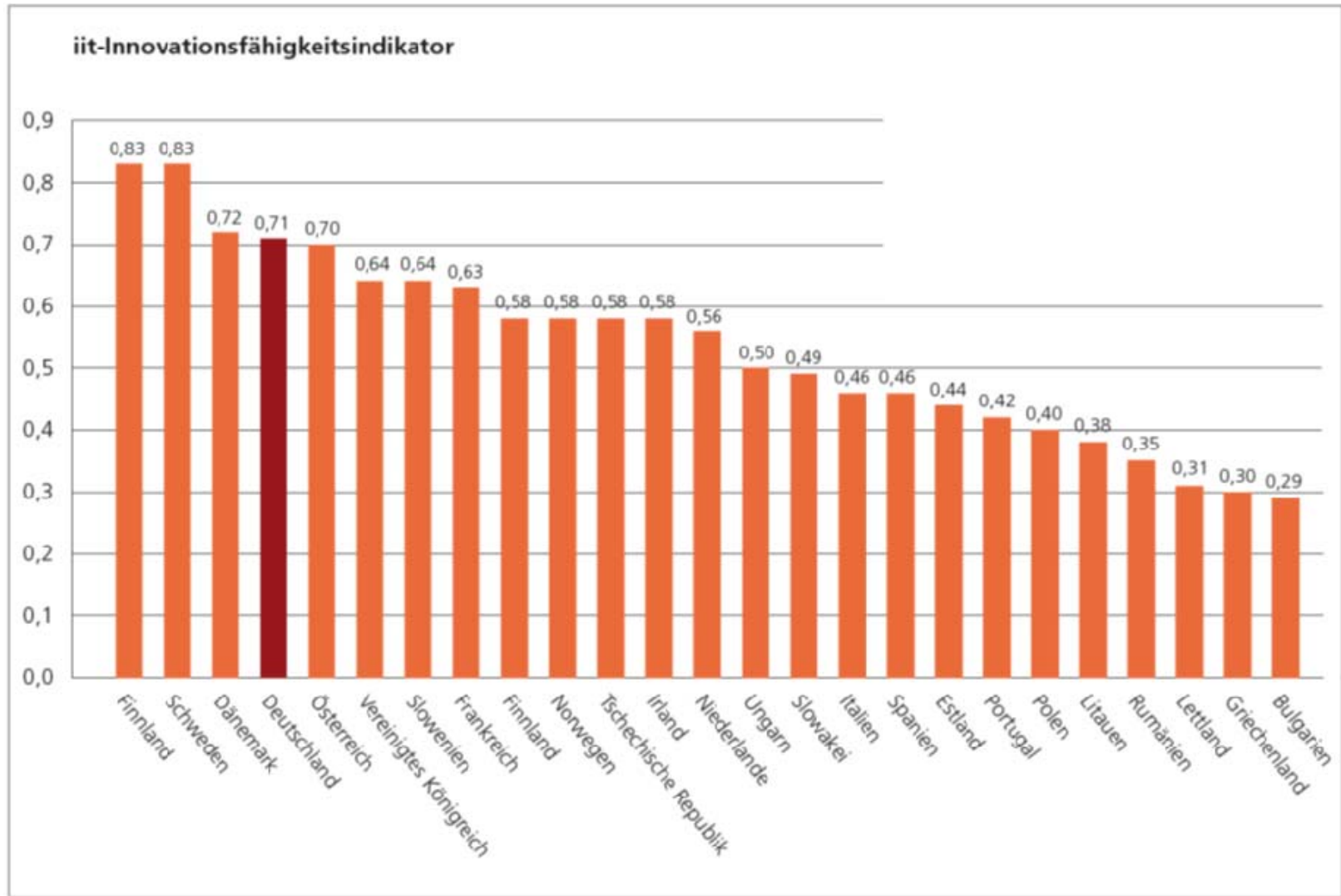


Human capital
Complexity capital

Innovation Capability

Structural capital
Relational capital

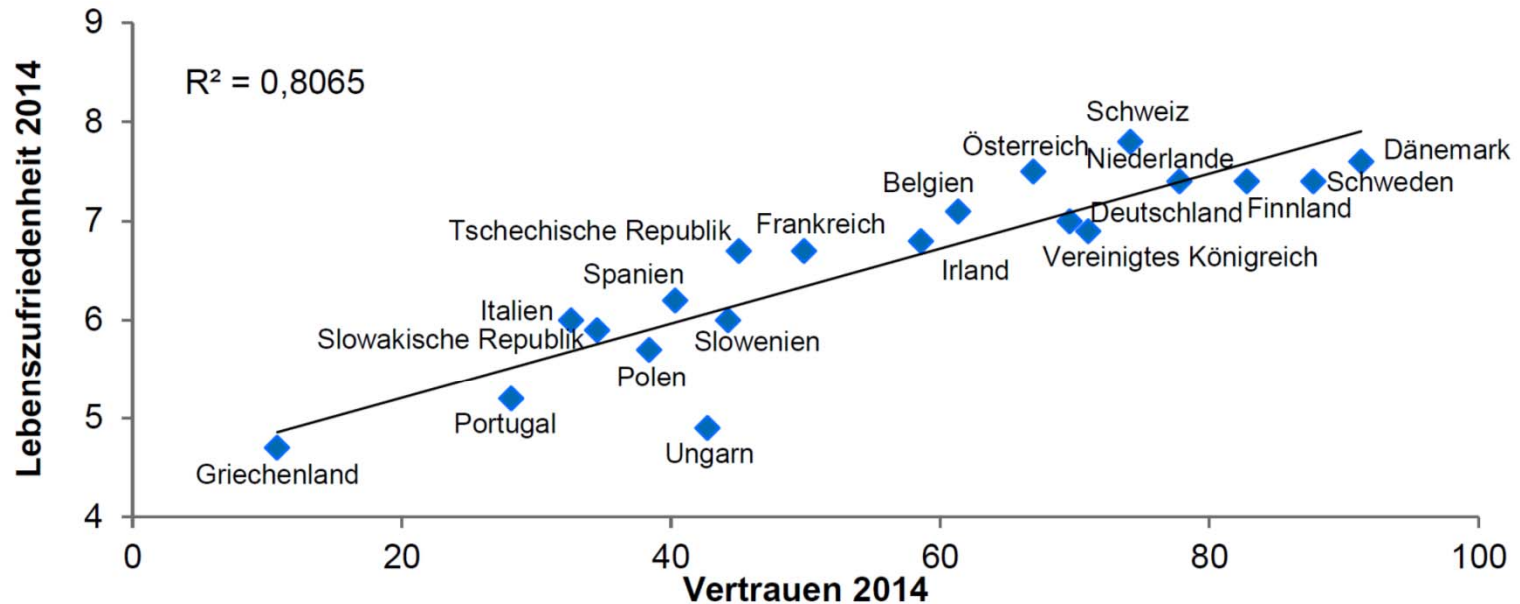
iit 2016



Source: iit 2015



Trust and life-satisfaction



Quellen: Weltbank, Europäische Kommission, ESS, Eurobarometer, OECD, Bloomberg; eigene Berechnungen/Schätzungen 2015

Source: Enste/Möller 2015



Thank you.

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