



## Digital Economy Planning

### What is the Digital Economy?

The Digital Economy consists of business conducted through computers and computer networks. Farmers use wireless moisture sensors on farms to increase yield and use the Internet to advertise and sell their crops. Doctors see patients using telemedicine, detectives use social media to investigate crime and lawyers search and find legal precedents through online search rather than through paralegals and clerks. It is difficult to find a business or institution in Georgia that does not rely on the Internet and digital technology to improve service, lower cost, automate work, or expand into new markets.

The Digital Economy is not a replacement of our economy but an evolution of using technology to adapt business to global innovation. The Digital Economy is enabled by access to information technology infrastructure, skilled workforce and funding to incorporate these technologies and services into business operations. Computers, mobile phones, tablets, sensors, software applications and broadband networks are basic ingredients. Education, a skilled workforce, adult learning, and the financial resources to incorporate new technologies are critical enablers.

As business adoption of the Internet reaches critical mass, competition will intensify for companies and workers alike. It can produce benefits that include wider access to resources, more effective health-care and education systems, and a workforce with greater skills. Georgia's ability to incorporate and use them directly affects its competitiveness.

### Why is a Digital Economy Strategy Important to Georgia?

Georgia's economy will increasingly be impacted by the Digital Economy, therefore, a long term strategy and planning is critical in providing stability and opportunity for future generations.

The Digital Economy is creating new industry and new business opportunities such as one Georgia startup company, AirWatch, that sold in 2014 for over \$1.5B. New technologies have lowered the costs and opened access to markets anywhere in the world by anyone in Georgia who has access to the technology, knowledge, skills and the drive to pursue them.

The Digital Economy disrupts businesses and institutions that took decades to build. Jobs are being lost to offshoring of manufacturing enabled by the technologies and networks of the Digital Economy. Many video and record stores, bookstores, and even shopping malls were other early victims. This trend will accelerate. One study done by Oxford Professors indicates 47 percent of current professions could be at risk for automation by 2025<sup>1</sup>.

The Pew Research Center's Internet Project has been analyzing the impact of the Internet for over a decade. Its most recent study in August 2014 analyzes how daily life will be changed by 2025 through the Internet, artificial intelligence and robotics after speaking with almost 2,000 widely quoted technologists and analysts.

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<sup>1</sup>

The conclusions directly quoted below emphasize how large a role the Digital Economy will play in the future<sup>2</sup>:

Key themes: Reasons to be Concerned

- 1) Impacts from automation have thus far impacted mostly blue-collar employment; the coming wave of innovation threatens to upend white-collar work as well.
- 2) Certain highly-skilled workers will succeed wildly in this new environment—but far more may be displaced into lower paying service industry jobs at best, or permanent unemployment at worst.
- 3) Our educational system is not adequately preparing us for work of the future, and our political and economic institutions are poorly equipped to handle these hard choices.

Key themes: Reasons to be Hopeful

- 1) Advances in technology may displace certain types of work, but historically they have been a net creator of jobs.
- 2) We will adapt to these changes by inventing entirely new types of work, and by taking advantage of uniquely human capabilities.
- 3) Technology will free us from day-to-day drudgery, and allow us to define our relationship with “work” in a more positive and socially beneficial way.
- 4) Ultimately, we as a society control our own destiny through the choices we make.

**What does the Regional Digital Economy Plan accomplish?**

The Regional Digital Economy Plan examines local and regional abilities to participate in the Digital Economy and identifies important resources, organizations, leaders, programs and investments that already exist, that can be leveraged in the future. The plans also identify each region’s gaps in infrastructure, workforce and access to capital and align, prioritize and convert these gaps into actionable projects with goals that can be measured.

The planning process analyzes the Digital Economy capacity of each region in at least three distinct areas:

1. Workforce capabilities and needs
2. Supporting infrastructure and services for Internet connectivity
3. Access to capital to invest in each region’s plans to increase participation in the Digital Economy

The most important value of these plans is to raise awareness, develop community and regional collaboration, prioritize objectives and establish plans to use our assets and strengths to be competitive.

The key to success for any region in the future will be cooperatively working together to leverage opportunities and mitigate threats brought about by the ever-growing Digital Economy.

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<sup>2</sup> Pew Internet, *AI, Robotics, and the Future of Jobs*, Aaron Smith and Janna Anderson, August 2014, <http://www.pewinternet.org/2014/08/06/future-of-jobs/>