

EVENT REPORT

Konrad-Adenauer-Stiftung e.V.

SOUTH AFRICA

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MANAGING THE DIGITAL REVOLUTION IN SOUTH AFRICA

Disruption, Artificial Intelligence, Driver of Change - The Digital Revolution has been one of the most passionately and controversially discussed topics throughout the last few years. The round table discussion on 29 August 2018 focused on this future-shaping phenomenon and was jointly organized by the Konrad Adenauer Foundation, the National Planning Commission (NPC) and the Business School of Johannesburg. The event was part of a world-wide discussion series. In Johannesburg, renowned digital experts and representatives from the public sector, the private sector as well as the academia from South Africa and Germany analysed methods of how to manage the digital revolution in South Africa. On the one hand the country could benefit greatly from digitalisation but on the other hand social ills such as unemployment and unskilled labor could turn out to be immense challenges.

The global phenomenon "digitalisation" has affected developments in many societies all around the world and will continue to shape social, economic and political conditions on every continent. Especially for South Africa, as emerging country and important and stable power in the region, it will be highly essential to make digitalisation a success. Following the series of in-depth debates at the Country Club in Johannesburg, pioneering ideas and opinions of experts have found a common voice on the topic. With the changes that digitalisation brings

about to the production processes, there is space for reimagining the management to find a balance between machine and human to maximise efficiency but minimise negative impacts on the labor market and the society. The labor market and the education system will accordingly have to take on proper adjustments to prepare the workforce for the demanding skills and knowledge. Being best utilised, the 4th industrial revolution will become a tool for socioeconomic empowerment and inclusion. In order to reach this goal, a social compact between government, private sector and academia needs to be established.

The event proved its major influence and value as a result of the cooperation between the Konrad Adenauer Foundation in South Africa, the National Planning Commission (NPC) and the Johannesburg Business School. Among others, the National Planning Commission is the state body which has the mandate in researching and advising the Presidency on various issues including the digital revolution. The interactions and exchange of knowledge with stakeholders and experts play a crucial role in assisting the NPC in managing and making recommendations for government policies, affirmed NPC Secretary Tshediso Matona.

How to benefit from the digital dividend?

The workshop started with the first panel on Digitization of production processes and the future of work with four panelists, consisting of Professor Brian Armstrong (Wits Business

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School), Herman Singh (MTN Group), Dr. Philipp Meyer (TRUMPF Germany) and Dr. Roze Phillips (Accenture Consulting). The panelists all emphasised the crucial role of the 4th industrial revolution as a pedal for a highly-sufficient and diverse economy. The digital dividend also enables access to enormous resources of information and opportunities which accelerates empowerment for the poor.

Reflecting upon the impacts on the labor market, a debate emerged between a pessimistic and an optimistic perspective. Digitisation, on the one hand, accelerates the production processes significantly and creates many new jobs that never existed before as a response to the demand for new technologies. On the other hand, workforce for many jobs, mostly physical routine jobs, could be replaced by machines – which could result in mass job-loss. Additionally, “disconnected” workers who are left outside of the digital sphere will have to face a widening gap in knowledge and skills, which eventually results in more inequality.

However, all speakers agreed on the urgent need for a timely adjustment of business models and education system as a response to the new development. Dr. Roze Phillips stressed that these changes need to start from the labor market and should be accommodated by the government with proper regulation that enables small businesses, entrepreneurship and economic inclusion.

Improving digital infrastructure by good regulatory measures

Moderator Dr. Altman (NPC) brought the discussion into the second topic of Infrastructure, the legislative framework, and the digital gap. Key remarks were brought to the panel by Philipp Zindler (Detecon International), Alphonzo Samuels (Openserve) and Envir Fraser (Convergence Partners). The most important point which

was raised in this panel was the role of common infrastructure and minimising obstacles for different players on the market while pushing South Africa into the digital future. The building of a common infrastructure that comes along with the reduction of red tape and entrance costs is of crucial importance. In that way, a suitable eco-system will be created, in which investment will not only be welcomed but also utilised, businesses can benefit to accelerate growth and innovation.

Some of the comments during the discussion also highlighted the concern about the high concentration of corporates in the South African economy and the demand for a more effective regulation from the government. Also, the concurrence with global players like Google and Facebook was also mentioned as a challenge for South Africa and, simultaneously, as a lesson of how to harvest and utilise data morally and effectively. A regional cooperation in Southern Africa was suggested as a solution to consolidating infrastructure and the integration thereof.

Education as the key to digital growth

After a short break, the heated discussion continued with the third panel on the future of education, moderated by Prof. Lyal White. The key remarks delivered by Lebo Nke (Harambee), Professor Saurabh Sinha (University of Johannesburg), Juliane Petrich (Bitkom Germany) and Shafika Isaacs (UNESCO) converged to one point: In the light of digitalisation, the labour market is changing remarkably which requires a fundamental change in the education system. Despite the learning crisis South Africa is facing, the new challenge has already come with a great demand for skills and knowledge regarding work and job opportunities in the digital age.

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The system needs to invest more in digital training for students as well as young graduates so that they are well-prepared for the competitive working environment. The integration of digitalisation into the curriculum will also be a tool to empower disadvantaged learners, enable access to knowledge and opportunities which lay the foreground for an inclusive society and economic growth. The importance of life-long learning and training provided by companies to workers in maintaining a tech-savvy working force was a point emerging from the discussion that received much approval. The panel closed with a statement given by Shafika Isaacs on the impressive potential and learning ability that young South Africans hold – and this sparkles hope for the country entering the digital era.

Unlocking the creative potential

The last panel on repercussions for society moderated by strategist Toby Shapshak examined specifically the various impacts, which digitalisation has on the society, and possible responses. The panel featured Lee Naik (TransUnion), Stafford Masie (Thumbzup) and Alexander Gaus (Global Public Policy Institute Germany). Social inclusion became the main theme in this discussion due to its ability to unlock the prosperity of the whole system when everyone has the access to resources and can contribute to the greater good. In the time of digitalisation, this has been of great importance: On the one hand, digitalisation provides the tool for empowerment, on the other hand, it brings along the risk of job dislocation for unskilled workers.

Another argument raised was that if the society is reimagined, the division of labour also is reimagined regarding the balance between human and machine. This would entail that human beings could do what they enjoy doing with their full potential. The hurdles of the current society could be conquered, and digitalisation will, as a

consequence, be best utilised. However, in order to achieve that optimisation of digitalisation, the question pointed back to policy and social resilience. Policy makers need to adapt themselves to the fast-paced changing economy and response to that properly to enable access and funding.

Themba Dlamini (National Planning Commission) closed the round table with a strong statement: “We cannot have dialogues forever, certain actions need to be executed”. Hence, the results of this seminar will be used to inform future policies – also actively led by the National Planning Commission.

Making digitalisation priority on the political agenda

David Gregosz (Konrad Adenauer Foundation Berlin) indicated that this workshop was just the beginning of a future debate and it was one of the goals of the Konrad Adenauer Foundation to improve and set an agenda for this process. By implementing this round table discussion, the Konrad Adenauer Foundation together with its South African partners, made a valuable contribution to create awareness for the importance of a well-managed process of the digital revolution in South Africa. As the participants of the seminars argued: An important precondition for a successful management of the 4th industrial revolution is to make digitalisation a priority on the political agenda. Declared goal should be that the digitalization benefits the whole South African society and economy and will result in numerous positive effects with regards to the socioeconomic development, which will strengthen the country and guarantee a sustainable future for all citizens. Due to the fruitful debates, significant engagements of the participants and commitments of political influencers, this round table discussion succeeded in laying some cornerstones as first starting

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