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**THE GREAT
DIGITAL**

LEAP
FORWARD

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As we try to learn lessons from the global pandemic and look to the future of the global digital ecosystem, we have to offer alternatives to outdated paradigms.

Existing regional hegemonies, patterns of professional life, and even economic approaches are being called into question. What are the alternatives?

NICOLAS BRIEN

INTRODUCTION

THE GREAT DIGITAL LEAP FORWARD

NICOLAS BRIEN's career has taken him through the public and private sector on three continents. He advises a range of public and private sector bodies, and teaches digital policy-making at a number of universities. He has worked in politics as a parliamentary assistant, a deputy congressman, an advisor to a minister, and has also held office himself.

Since 2016, he has been leading FranceDigitale, the French startup association that brings together more than 1,500 startups and more than 100 venture capital firms. FranceDigitale is now the biggest such association in Europe.

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The COVID-19 crisis has changed a lot for many people. For others, it has simply confirmed what they already knew. My thinking around the future of digital work falls into this latter category.

The 21st century is clearly going to be the century of climate change, and these signs were already showing: forest

fires in Australia, intensifying hurricanes in the Caribbean and US, and flooding and typhoons in Asia. To my mind, the only question left was whether we would be able to limit these changes somewhat, or whether we would suffer the most extreme version of our collective future. The coronavirus crisis is the ominous demonstration that more and more extreme climate events are coming, and that our targets for limits on greenhouse gas emissions are inadequate.

The increasing imbalances in our natural ecosystem are such that we can expect an increasing number of climatic and epidemiological disruptions, but also an increase in the intensity and duration of these disruptions.

Extreme climate phenomena share a particular characteristic with the COVID-19 pandemic: they put our civilisation on 'pause'. The global health crisis has only scaled this disruption up. The disruptive phenomenon was epidemiological, not climatic, but the result was the same: lockdown, and everything stopped.

One half of humanity has been affected by lockdowns. We no longer had the choice, we had to take our social interactions to a digital environment. We worked from home, we bought groceries and other goods online, and we visited our relatives and loved ones by video-conference.

If we are to survive the climatic changes that are coming, then the digital transformation is a necessity, and not an optional extra. The digital transformation is what will allow us to keep our civilisation going, to keep that which makes us human.

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Changing the way we decide

The immense importance of this issue is not necessarily reflected in our political decision-making processes. Many policymakers are a long way from the digital issues that we have to address. Many large corporations are simply ill-equipped or under-prepared.

The coming changes will have a substantial impact on citizens. Inequalities in access to social services have been exacerbated by the crisis. Some students were left unable to follow online courses because they did not have access to digital infrastructure. Some elderly people were also left excluded and isolated, because they did not have access to digital services.

If our civilisation relies on digital tools to overcome global warming, then fighting digital inequalities will be key. The environmental and digital transformations are the pillars that will support our economy and our civilisation. Reversing back to our pre-COVID society is neither a palatable nor a desirable option. In France, the phrase *retour à l'anormal* has become a popular way of describing this desire for a change.

Our previous economic model, part of the *anormal* to which we must not return, is a cyclical capitalistic economy, which has recently focused on hypergrowth. Our policymakers and business leaders are well-versed in the growth-recession-growth cycle that this paradigm supports. They are fluent in discussion of investments in innovation. They are able to argue for or against central bank interventions, according to their views, and they saw stock market crises as the main risk that should be avoided.

The COVID-19 pandemic has forced the economy to align with the life-cycle of a virus, and not an economic cycle. The skills to cope with this change were not immediately available. We have been caught short. In the wider economy, management styles and decision-making are geared up towards macro level cycles of consumption and production. In the same way as wine producers have had to learn to factor in storms and increased weather damage to vulnerable grape harvests, we need to build a resilient system. Our decision makers must be properly re-trained.

As the imbalances in our natural ecosystem worsen, we will be forced to align with climatic or epidemiological cycles that arise from the changes in the natural equilibrium.

Changing social models

The pandemic dragged social protection back to the forefront of discussions.

In France, 1.2 million workers with a status that did not even exist ten years ago had to receive state assistance. Independent, non-salaried workers, many of whom partner with platforms, are now an important part of the economy. The lack of reflection on their protection is concerning, however.

We saw during the pandemic that 40 % of people around the world have no access to public healthcare. Improving this figure must be a priority for policymakers everywhere. US

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platform workers were faced with the Faustian choice of risking their lives to continue working, or dropping into poverty. Responsible versions of the platform economy are the ones that we must prefer as we build the future of an efficient and effective digital economy.

At the end of the 19th century, a technical revolution drove a massive transformation in the modes of production and consumption. The Industrial Revolution led to massive changes in the organisation of work.

The recent crisis will prompt a new kind of Industrial Revolution, with platform workers at the forefront of the supply chains. And the issue of social protection in the 21st century will arise. What should our social model look like? The relentless growth of platforms in the early part of this century suggests that we are not capable of protecting workers from the worst excesses of these economic models.

A battle, but not a war

Several world leaders have referred to the war economy, saying that we are ‘at war’ with the virus. Reimagining social models often coincides with periods of great upheaval, including wars, these periods being conducive to the population accepting political changes that would not otherwise be palatable. Beveridge launched the British NHS during World War II, and in France the social security system was created by the ordinance of 1945.

Beyond the facile imagery of military metaphor lies a harsh economic reality. During a war, a curfew might be imposed, and chains of production may be reorganised to contribute to the national effort in a particular way, but production does not disappear unless it is destroyed by enemy action. History is full of examples of demand during wartime increasing economic activity. It rarely collapses entirely, as it did during the pandemic.

The COVID-19 pandemic is not a war, but the economic impact is perhaps closer to that of a conflict than that of a recession. Policymakers are no longer being judged on GDP growth or the number of jobs created, but on the number of infections and deaths. It is a matter of life and death, and that is the very reason why public minds are ready for alternatives. Three categories of these alternatives are considered in some detail by the contributors to this book. I would like to highlight some important aspects to these themes. I will begin with hypergrowth, before turning to *metro, boulot, dodo* (commute, work, sleep), the classic French triptych of daily life born out of the post-war economic model. I will finish with the potential alternatives to American digital hegemony.

An alternative to hypergrowth

As we move away from what is increasingly widely regarded as an abnormal state of affairs, what can we identify as an alternative? In my view, these urgent and drastic changes can only be achieved through the use of tech. We have a climate emergency to tackle, and to do so even half-heartedly, we have

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until 2030 to achieve truly massive reductions in greenhouse gas emissions.

This means that we cannot have a French solution. We cannot have a Japanese solution, an American solution, or a German solution. It needs to be a global effort. While we are moving away from hypergrowth as an economic model, the skills it has taught tech companies are going to be in high demand.

These solutions will be built by teams of innovators supported by investments. Once we have a solution, we need to take it from wherever that investment was made to the whole world, as quickly as possible. Hypergrowth, as harmful as it may be in some regards, has at least given us the ability to scale solutions very quickly and to deploy them globally.

Effectively, we are not going to be looking for an alternative to hypergrowth, but a redirection of its advantages. We are going to be using hypergrowth to deliver environmental and social alternatives. Traditionally, these alternatives, such as food waste avoidance initiatives, have been extremely local.

Tech allows these solutions to scale, and deliver impact at scale. Indeed, impact startups are the most likely source of the solution that will save the world. They are innovative providers of alternatives, and when they find a solution that needs to achieve a critical mass in order to work properly, they can scale globally and deliver this solution. Necessarily, this will involve hypergrowth, but with a more virtuous focus than some market players have had in the past.

If we are changing the whole economic model of our ecosystem going forward, what impact might this have on our professional lives?

An alternative to 'metro, boulot, dodo'

We have seen the biggest ever change in working habits in history, in just 15 days. In France, we went from 800,000 regular remote workers to more than 8 million in just a few days. The rural-urban exodus post-Industrial Revolution took decades, and the changes that we saw during the pandemic took place overnight. The astonishing impacts of this go well beyond the immediate short term, I believe. There is even potential for this major event in world history to be a reset button for urbanisation.

We may even see the beginnings of 'demetropolitisation', as people redistribute themselves across national or even international territories. Globalisation has had a centripetal effect, concentrating and accruing wealth and human resources in major urban centres. The COVID-19 crisis may encourage a redistribution beyond urban centres. This would allow an ideal opportunity to address recent territorial inequalities.

Business unit leaders are no longer needed in Canary Wharf or at La Défense, but can perform their roles just as effectively from their ancestral village in the Alps, or Brittany, or Corsica, or even further afield.

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This move to remote work appears to be happening on a ratchet basis – we aren't rolling back the changes introduced during the pandemic. These changes will continue to be far-reaching, and for the moment, the ball is in the court of policymakers.

The necessary investment is desperately needed to redress some technological imbalances. It seems to me to be rather absurd that a pornographic website can recruit better software developers than the NHS, or any other state body. We must be careful not to technologically disarm ourselves, and when we see the US scrambling to update an unemployment benefits platform in a programming language created in 1959, we can see that it is a real risk.

If a country wishes to prepare for the best possible future, it must invest in innovation, in particular in health. Professor Mazzucato, at LSE, who is a special advisory to the Italian government, speaks of the 'entrepreneurial state'. This concept is absolutely key as we look to find resilient alternatives to existing models not just of commuting, but of work itself. The second part of the triptych is work itself.

There are clearly changes occurring in the structure of *boulot*, or work itself. The digital transformation is accelerating this decades-long trend. We are becoming more autonomous as individuals within the global economy. There are more and more independent workers, freelance workers and platform workers.

There was a true managerial revolution underway, but the COVID-19 pandemic has removed the last remnants of the

micromanagement culture that was clinging on to corporate life here or there. A vertical style of management is no longer sustainable, and autonomy and empowerment are now the watchwords of any half-competent business leader. We have to be careful, though, that micromanaging office tyrants are not simply replaced by micromanaging algorithms.

The final part of the triptych is *dodo*. While this originally refers to sleep, I understand this to include all aspects of non-professional life. In essence, this aspect of working means a true separation between personal and professional spheres. We have the right to rest, relax and disconnect from work.

The term 'home office', now adopted in France and elsewhere, encapsulates the dilemma perfectly, because it encompasses these two separate spheres of life. The home and the office were always separate locations, and we have just started to blur the boundaries. A professional role performed at home has not previously been a feature of our economy.

Work-life balance is clearly an issue, but we need to go further than just this issue. The first is managerial. How do we lead a team in this new world? How can managers get the best out of staff who are not physically co-located with them? The second level of abstraction is probably a regulatory issue. How do we classify the kitchen table being used for work for tax purposes? Or for the purposes of workplace accidents? There are new principles to be built as we work out how to work in the future. The regulatory issue is also a critical one as we consider the future alternatives to Silicon Valley.

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An alternative to Silicon Valley

One of the most striking aspects of the COVID-19 pandemic has been the transpacific strife in what has become something of a technological Cold War between the United States and China. The emergence of American hegemony in technological circles has been built on standardisation.

In the period after the French Revolution, from 1789, the French rebuilt their societal model and exported republicanism to other countries. They did not just spread their political processes, however. They also defined the kilogram and the metre.

These new scientific standards were exported internationally, and soon covered the whole planet. This was not just a question of harmonising measurements and weights – this standardisation made France the centre of the scientific world, and gave her a scientific hegemony that lasted a hundred years.

The modern equivalents, naturally, are the standards on which our digital technologies are built. The United States drove a huge part of the development of network standards, and this has given it considerable weight in the digital ecosystem. It has used this weight to its considerable advantage, and ‘Silicon Valley’ are still the words people think of when they talk about startups.

The Chinese, particularly their equipment manufacturers, have grasped this reality very firmly. They are keenly aware

that they are building the infrastructure on which the digital economy and ecosystem of the future will operate.

In the months leading up to the global health crisis, trade difficulties and disputes have attenuated the polarised American-Chinese view of the world that had been developing in recent years. The pandemic has hit a reset button for many things, and I believe that this polarised issue could be one of them.

The European Union in particular has a significant role to play here. It is a multinational political organisation that is effectively a world-leading expert in consensus-building. The GDPR is a great example of how the European Union can lead the charge on standardisation of important aspects of the digital ecosystem, and in so doing, grant a competitive advantage to its constituent members.

This process, of using standards as an element of soft power, is not necessarily an obvious one, especially as these standards are developed for the common good rather than private gain, but it is certainly proving effective.

I believe that in the future the European Union must develop an alternative to Silicon Valley in the United States, and the Silicon Road in China. Part of this effort must be the development of standards for platform workers. Europe is the continent of social protection, the continent of Bismarck, Beveridge and De Gaulle. We can project our social model on a global scale, to our collective advantage and benefit, if we are careful to adapt it to the 21st century and the digital ecosystem.

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Another part of this effort must be industrial autonomy, and technical sovereignty. On-shoring of chains of production will be an increasing theme now that we have seen how fragile our long, global and interconnected supply chains are. Many will continue to shorten these chains, and we will all pursue greater environmental health.

We will also adjust our models of consumption, particularly in relation to tech. For instance, we will have fewer smartphones imported from Asia, and more reconditioned handsets that are processed in France.

This will not, broadly speaking, concern industrial processes, however. I do not believe that relocation of industrial manufacturing jobs from Asia to rural Mezzogiorno or Devonshire will happen overnight. Instead of reliance on Asia, we might refocus on Eastern Europe arc from the Baltic Sea to the Ukraine, or perhaps the Mediterranean basin, from Morocco to Turkey. Naturally, the future of our ecosystem has a different face depending on which of these options comes to dominate. There are also internal tensions to resolve as Europe refocuses in this way. Does Germany have different preferences from France?

Regardless of the detail of this change over the next few years, I am convinced both that a real alternative to Silicon Valley and the Silicon Road is yet to be built, and that Europe is best-placed to do exactly this.

Many questions were raised by the COVID-19 pandemic, and few have been answered thus far. What will society look like? Can we, as stakeholders in the digital economy, provide a

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cogent alternative to the existing paradigm? What might these alternatives be? What is the future of the workplace, and our physical presence within the workplace? Is there an alternative to Silicon Valley dominance of global tech innovation? Will companies remain focused on hypergrowth?

We have gathered together a number of contributions from business leaders to explore some of these alternatives in an attempt to find answers to some of these questions. I am grateful to them for their time, and for sharing their valuable experience and insights. I hope that these insights and stories are of use to us all, as we are working towards the United Tech of Europe, building a prosperous and responsible economic future for the whole planet.