

Digitalisation: Our tool out of Isolation

We are very much aware that islands, like ours, are often too small to allow for economies of scale.

Detachment, isolation in some cases, or rather inaccessibility, lead to difficulties in business development. Insularity makes investment more remote, as the costs of production become higher.

We know the problems we are faced with. We live and work with them every single day.

But we are also aware of several studies which show us that islands can become Lands of Opportunities if we invest, and invest smartly, in their strengths. And we are already working towards addressing our issues. Hence, for instance, the vision for 4,000 jobs in 10 years for Gozo.

In my relatively short time in Brussels, during my discussions and debates in the various fora, I have realised that in Europe, we are not emphasising Article 174 of the Treaty on the Functioning of the European Union - the article that specifically acknowledges the special nature of island territories - enough.

I intend to do differently. The Treaty is a key tool in the hands of legislators – we need to make full use of it.

To date, interventions to tackle the specific needs of islands have always revolved around -

- the improvement of connectivity and accessibility;
- ensuring environmental protection; and
- Business growth and development, based on local potential.

In our case, we immediately realised that **Connectivity, in its wider sense**, is the key area we needed to address. Through serious investment, we have made a quantum leap in transport connectivity. It also encouraged us to build better, stronger, and faster broadband, which paved the way for today's technological revolutions, happening right here, in our little island state.

With all this in mind, as a country we are taking the **process of digitalisation** very seriously. We rank 12th among European States¹, due to our fast broadband and digital public service. However, we still lack digital skills, and still fall short of high levels of open data.

Through the Digital Europe Programme, we have the formidable occasion to turn our insularity into an opportunity.

We have to recognise the success of the measures implemented in this sector over the past few years. From Financing to digital enterprises, incubators to support the growth of the start-up

¹ European Digital Progress Report per Country.

ecosystem, to accelerator programmes providing seed investment, and pro-bono services to kick start innovative ideas on the market, fiscal incentives to investors. Their impact in the short term cannot be underestimated, and I am certain that in time we will also be reaping their long term benefits.

But we cannot simply be satisfied with what we have achieved. I am working towards the day when as Gozitan, I won't be discussing the challenges of double insularity, but on Gozo as the **remote centre of Europe**.

As the European Union prepares to mould a new industrial policy for Europe, it falls on us, young, environmentally conscious, and future oriented politicians, to push hard for digitalisation to lie at the core of this industrial policy. This in turn should see our services developed, becoming more efficient so that we can maintain both economic growth as well as social and environmental wellbeing

As my colleagues and I push for this change at a European level, we have to continue down the positive path we have taken nationally.

This means we need to strengthen our business platform, to continue to attract established enterprises to operate from our shores, and create the right environment where new business ideas can be cultivated. It means we need to ensure the strongest, most reliable connecting links and infrastructure to ensure a global market to ideas generated among us.

It calls for public and private actors to collaborate, for the upskilling *and* reskilling of the workforce to ensure that our entrepreneurial development amid a process of digitalisation evolves in conformity to our social values.

Our vision to beat the insularity of the Gozitan economy by becoming a centre of digital creativity and innovation rests on three main pillars -

- **Advanced and reliable infrastructure** - *starting from strong broadband, to ensuring international connectivity, and referring to logistical efficiency through efficient transport systems, where we have started by making maritime services more efficient and now we are progressing headlong towards better and more permanent connecting solutions, whilst ensuring a safe cyber space within our territory.*
- **Human capacity** - this is where we are lagging behind. Intangible infrastructure is as important as tangible assets.² It requires us to evaluate the positive impact of measures introduced in the past years, and create new opportunities possibly in collaboration with the private sector. I support the efforts our country has undertaken on vocational

² From the Country-specific recommendations for Malta (2019): “The proportion of innovative enterprises is still lagging behind. Research and innovation performance need to be strengthened by smart specialisation so that this may contribute to growth in productivity. Malta has not yet formulated a coherent, comprehensive and long-term competitiveness strategy for moving the domestic economy up the value chain. Given Malta's specialisation in fast-growing services and its aspirations for block-chain technology, it is critical to invest even more in administrative and supervisory capacity. In addition, increasing Malta's innovation performance will require further investments in intangible assets, including research and development (R&D), addressing skills deficits and gaps and facilitating science-business links, all within more effective governance of the research and innovation system.”

education and training to enhance the innovation ecosystem³, but we need to do more to increase the participation of workers, especially the low-skilled ones.

- **Business conducive environment** - *here I refer to financial support and incentives ideally propped by European facilitating programmes aimed at harbouring digital and technological innovation in our continent with the aim for Europe to achieve technological autonomy in specific technological sectors. While we should not give up on reducing the lag with foreign tech giants in the production and dissemination of business-to-consumer digital products, we can take the plunge and provide the international market top quality business-to-business digital products.*

Let us direct our resources and all our efforts to keep bringing the greatest digital and technological minds among us, but also to train and cultivate the greatest digital and technological minds.

I believe in a social market economy that gives everyone their freedom. We are a society that has never shied away from smart and effective regulation.

One way to make Gozo a focal point of the digital sphere is by acting steadily to provide comprehensive regulation to new and emerging technologies, their production, sale and application. Regulation will facilitate market dynamics, not hamper them, whilst ensuring that a process of digitalisation enhances the positive side of our society not suppress it.

This generation of Europeans should be proud of its unprecedented environmental awareness. I am particularly pleased with the prioritisation of decarbonisation and climate neutrality crosscutting all European policy. Digitising our services, equipping our systems of transport among others, with smart technology based in Artificial Intelligence, to make them more efficient is a necessary and promising way forward also in this regard.

Advanced and reliable infrastructure in a business conducive environment for a skilled workforce in a digital world means that we can grow commercially and economically, without extraordinary demographic changes adding exorbitant pressure on our limited resources.

That makes Digitalisation the best tool we have in our arsenal, to carve our way out of insularity.

Ultimately, what will define our legacy will be our ability to transform our insular island economy into an innovative force based on digital innovation and technological prowess. Our collective effort towards this goal will result in robust economic growth, widespread quality employment, and a high standard of living within a healthy natural environment.

Thank you.

³ From the Country Report Malta 2019 (released in February 2019 and based for the Country-specific recommendations 2019: “Malta took measures to increase the attractiveness of vocational education and training and strengthen its role in the economic and innovation ecosystem. Vocational and applied subjects were introduced in secondary schools, adding over four subjects in the 2019/2020 school year with support from the European Social Fund (ESF). The number of apprenticeships increased by 100 students, in the 2017 academic year. Furthermore, the Malta College of Arts, Science and Technology engaged in 703 partnerships with local industries.”

