

INSULEUR FORUM 2019



The Digital Transformation of European Islands



THE GOZO BUSINESS CHAMBER MINISTRY FOR GOZO

INSULEUR FORUM 2019

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1. Introduction

The consequences of globalisation highlight the fact that promoting and achieving sustainable development is of utmost importance for insular regions in the European Union (EU). In this framework, INSULEUR (Network of the Insular Chambers of Commerce and Industry of the European Union) was set up in 2000 with the aim of improving economic and social conditions in European insular regions which face inherent difficulties due to their geographical limitations .



This year's Forum was held in Gozo, Malta on 25th October and was devoted to "the Digital Transformation of European Islands". In particular, the association and



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interconnectivity between insular economies and digitilisation was thoroughly examined. Keynote speeches and presentations focused on the initiatives of insular chambers with respect to the digitalization on insular economies and SMEs, and the development of a strategy for the digitalization of EU islands.

Digitalization plays an integral role in business growth as it is the cornerstone that enables businesses to gain competitive advantage in a highly competitive environment. This Forum explored and discussed the way islands can benefit from digitalisation, and also the role of insular Chambers of Commerce in the whole process. The Forum addressed through a wider perspective and through specific case studies how the difficulties faced by islands and businesses on islands can be overcome through the deployment of technology.

2. Forum

The INSULEUR FORUM commenced with the Gozo Business Chamber (which presently hold the presidency of INSULEUR)'s Chief Executive Officer Mr. Daniel Borg delivering the introductory speech. Mr. Borg highlighted the peculiarity that characterizes insular regions, and what should be done to cater for the needs of islands. In this regard cooperation and collaboration is of utmost importance. Furthermore, Daniel Borg stressed that digitalization can be the bridge which eventually will help islands make up for the inherent difficulties they face.

Moving on, the Minister for Gozo, Hon Justyne Caruana, pointed out the fact that insularity can be deemed both as threat and as an opportunity to territorial development. However, both insularity and smallness can be considered assets should adequate policies be in place. Insularity leads to a degree of self-sufficiency in island communities which



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inspire creativity, as the small scale of most islands results into a relatively short path from “thought to action”. Furthermore, the Minister referred to Malta as an example of the use of digitalization for businesses to prosper . Hon Justyne Caruana stressed that the country is making notable headway in regulatory innovation in a wide range of up-and-coming areas of the digital economy, including distributed ledger technology and more recently, artificial technology. On the grounds of islands’ need of new opportunities in the area of digitalisation, the key to its use lies in the development of stronger links with the main centres of economic activity, developing innovative products and services to diversify business activity, which will ultimately overcome the geographical barriers inherent in islands. Concluding, the Minister underlined the fact that embedding a culture of digital thinking would potentially enable our islands to create capital from inherent territorial specificities through the development of place-based strategies that spur innovation and productivity growth, transform public services and improve the well-being of society.

Constantine Michalos (Executive Vice-President of Eurochambres and President of the Union of Hellenic Chambers) and Joan Gual de Torrella Guasp (President of the Port Authority of the Balearic islands) both highlighted the strategic importance of islands, and how digitalization can be an important instrument to address the inherent difficulties faced by islands.

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The next part of the Forum included 3 panels. The title of the first panel was “Insular Economies and Digitalisation”. Linda Randall, from Nordregio International Research Centre, presented “Governing the Digital Transition: Inspiration from the Nordic Region”. She emphasised that digitalisation is the transformation of all sectors of economy, government, and society based on the large- scale adoption of existing and emerging digital technologies. She used three intersecting circles to denote denoting the interconnection between social, economic, and environmental governance accordingly, in terms of digitilisation and sustainable regional development. Another core idea of the presentation was that digitalisation consists a human process rather than a technical one. A common analogy is that 20% of digitalisation encompasses technology and 80% involves people, with the people component largely being a process of change management. In other words, degitalisation is a human process where technology is solely a tool.

Moving on, Tony Moretta from Digital Jersey delivered a presentation entitled “Building a Digital Jersey”. Digital Jersey is the government- backed economic development agency and industry association dedicated to the growth of the digital sector. Various initiatives involving the digital sector have already been deployed in



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Jersey, these include new digital products, solutions and service. Moreover . Jersey has become an attractive location to experiment and develop new digital health technologies. Finally, Jersey is the perfect sandbox location to develop, test and launch new technology in a campus-like environment, without the high cost and complex legal, government and regulatory barriers often faced in other cities or markets.

Jonathan Mizzi, Chief Information Officer, Ministry for Gozo with the presentation “A Vision for Gozo: Government Initiatives in the Area of Digitalisation” was the third speaker of the panel. In 2016 the Mobile Government Strategy was launched and the government has progressed in implementing a 24x7 Public Administration thus making all services accessible and user friendly for everyone, anywhere, at any time. Furthermore, during the digitalization of the services previous processes were re-engineered and simplified. Additionally, more initiatives were presented, all of which have been used to ensure the enhancement of the experience in Gozo for both the locals and the tourists.

The next speaker, Elias Michelioudakis, Management Consultant at European Commission, presented “PM² - the European Open and Lean Project Management Methodology: the Best Option for Insular Economies and Digitalisation Initiatives”. PM²(P-M Squared) is a Project Management Methodology developed and supported by the European Commission (EC) and used and sponsored by most EU Institutions and by private and public organizations across Europe. It consists a holistic approach encompassing Agile, Program, Portfolio Extensions, and powerful Mindsets. It has been used in numerous projects with different size, complexity, and type, and it counts more than twelve years of successful use in diverse environments.

The next presentation was delivered by Hon. Josianne Cutajar, Member of the European Parliament, who delivered a speech on ‘Digitalisation: Our tool out of



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isolation'. She highlighted how detachment, isolation in some cases, or rather inaccessibility, leads to difficulties in business development. She stressed that: “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”.

Moving on, Professor Theocharis Tsoutsos, Director and Founder at the Renewable and Sustainable Energy Systems Lab Director (RESEL)/ University of Crete, presented “Insularity, Digitalisation and Energy Transition, Opportunities and Challenges”. Professor Tsoutsos stressed that Islands need high quality, sustainable environments, while the seasonal fluctuation (winter/summer) tend to affect greatly the design of their necessary infrastructure such as ports, roads, and energy supply systems. Although digitalization is present everywhere with both positive and negative effects, rejecting it may come at a high cost. However, digital technologies give raise to several new ethical questions regarding privacy, safety and security. Professor Tsoutsos also presented initiatives taken and developed by RESEL, some of which are production of liquid biofuels, defining professional frameworks and developing training methodologies. Finally, it was emphasised that digitalisation is not the same as automation, as digitalisation is not about reducing headcount or destroying jobs. What islands and the business community should do is to adapt in order to continue to exist and flourish.

The last presentation of the first panel was Hon Alex Agius Saliba's, Member of the European Parliament, with the title “Towards a Strategy for Digitally Connected Islands”. Hon Alex Agius Saliba accentuated the fact that European islands do not constitute a single homogenous category. On the contrary, they have their own peculiarities and differences due to geographical area, population size, and levels of economic growth, while at the same time they face common challenges and share specific social, economic and environmental problems. Digitally connected

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islands can expand their vast potential and transform their geographical handicaps into a golden opportunity, due to the fact that the concept of borders and space in the digital world is no longer relevant. Furthermore, digitalisation can make islands better places to live, work, and do business in, as healthcare, education, public order, security, and social services can be enhanced. Nonetheless, what is needed is right conditions and a level playing field for digital networks and innovative services. Digital strategies tailored to islands particular needs and developing physical infrastructure necessary to connect to the digital environment consist a cornerstone forreaping the rewards, themajor benefits and the potential for island communities.



The second discussion panel “Insular Chambers’ Initiatives for the Digitalisation of Insular Economies and SMEs” commenced with Christoph Riedmann’s, Policy Advisor/Eurochambres, presentation “European Chambers of Commerce and Industry as Leaders of Digital Transformation”. Christoph Riedmann streamlined three focus areas for business organisations. In particular, evolution of the organisation, communication and service provision of CCIs is of primary importance. He also highlighted that lobbying for a future proof and holistic legislative framework



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is of paramount importance. Finally, providing up-to-date support for companies in their own digital transformation is deemed a fundamental focus area.

Michael Aim, Head of Digital Transformation/ CCI France, presented “The Digipilot Initiative: an Innovative Platform for DigitalTransformation”. Digipilote is the first digital transformation management platform for SMEs, allowing user to perform on-demand, customized Assessments on Digital Maturity. Digipilote encompasses more than 1000 operational action plans and roadmaps, creating thousands combinations to create a unique roadmap to transform one business or another. It is remarkable that Digipilote was adopted by Eurochambres to be the first Digital Project at a European Scale and it will also be the first European Platform for operational management of SMEs Digital Transformation. In a nutshell, Digipilote will enable the creation of noteworthy data insight by comparing statistics on a European level.

The next speaker, Giannis Roussos- President of Cyclades Chamber- presented “How a Digitalised Chamber Can Overcome the Difficulties of Insularity and Benefit Its Members”. The Cyclades Chamber of Commerce uses its advanced IT systems aiming to facilitate the interconnection of the 8 offices in order to service and support more effectively its businesses-members. Furthermore, Cyclades Chamber consists a reliable advisor and mentor of the local businesses in a market that is becoming more and more competitive. Additionally, another pivotal initiative is the creation of a business cluster aiming at creating an innovative business cluster as part of the Aegean Cuisine Network in the Cyclades, with the participation of local businesses that are active in agrifood and gastronomy sector. By joining forces in order to have a more effective promotion of their products and to achieve their entrance in new markets, the members of the cluster, within the gastronomy tourism sector, would serve as a source of jobs, entrepreneurship and innovation for Cyclades.



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Moving on to the next presentation “Adapting Chambers of Commerce to Digital Transformation: Challenges, Innovations and Opportunities” by Vassilis Salapatas -Head of IT Department/Athens CCI- stressed that modern ICT- powered value chain consists of four interconnected pillars, namely market learning, supply chain, production processes, marketing and selling, and customer service. Chambers’ involvement is pivotal on the grounds that it can combine social interactions, business and government operations, legal framework, and jobs and skills. An integral part of the particular speech was the presentation of pioneer initiatives taken by the Athens Chambers of Commerce and Industry. For instance, *Booking Platform For Activities In Nautical Routes* promotes the region’s culture, heritage, sights, museums, and festivals.

The last presentation of the second discussion panel was a video message by Dana Farrugia’s, CEO of Tech.mt titled “Innovative Technology Is The Key To Growth For Malta’s Industries And Society Alike”. Since Malta’s economy is majorly dependent on services, with little reliance on raw materials, self-sufficiency may be difficult to maintain. Hence, it is of paramount importance that connections worldwide are strengthened. Malta has worked hard throughout the years to increase its presence and reach worldwide. Furthermore, there has been a significant attempt to invest in physical connectivity to enable digitalisation.

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The third panel was a discussion panel which discussed whether a digitalization strategy for EU Islands was indeed possible. The panelists consisted of Mr Alfred Sant (Member of the European Parliament), Samuel Azzopardi (European Committee of the Regions), Antoni Vicens (Director of Foreign Affairs, Balearic Government), and George Vital Zammit (lecturer at the University of Malta). This panel debated the following aspects:

- i. Why island regions continue to lag behind in terms of socio-economic development despite the efforts being done at the level of governance in European islands, and national and EU-level policies;
- ii. How does the digitalization of EU islands square with the desire for “place-based” strategies towards the development of island territories;
- iii. Whether island communities really ever be in the driving seat to guide the digital transformation of their territories in a manner that is sympathetic and consistent with their needs and aspirations;

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- iv. To what extent are EU institutions sensitive to the need for a specific and possibly flexible approach towards the digitalisation of EU islands, given their specific challenges and opportunities;
- v. Key recommendations for EU islands to successfully embrace digitalization.



3. Statement of Conclusions and Intent on Developing a Common Digitalisation Strategy for EU Islands

The INSULEUR FORUM 2019 was concluded with the following Statement of Conclusions and Intent on Developing a Common Digitalisation Strategy for EU

The Conference recognises that:

- Digitalisation can serve as a roadmap for small and insular islands to tackle the difficulties that are generally associated with their geographical isolation by developing stronger links with the main centres of economic activity, developing innovative products and services and diversify business activity.



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- Islands have a significant potential to function as laboratories for technological, social, environmental, economic and political innovation. Apart from niche industries, islands lend themselves well as proving grounds for new and innovative models targeted at physically bound communities.

- Accessibility attained through digitalisation in islands is bi-directional whereby island communities may find themselves vulnerable, especially if they are not well prepared for what lies on the other side.

- Digitalisation in island communities can better start with a shift in mind-set, a thorough understanding of the digital business practices, services, and technologies available on the mainland, and legislation to allow the successful transition of island dwellers to the mainstream.

- Guiding the digital transformation of island communities can be challenging for policy makers unless legislation is in place to restrict access which may in turn have undesirable and unpredicted consequences on the freedom of participating communities.

- The Digital Europe Programme together with other EU initiatives contribute significantly towards the creation of a thriving data economy, promote inclusiveness and ensure value creation by reinforcing Europe's capacities in high performance computing, artificial intelligence, cybersecurity and advanced digital skills and ensure their wide use across the economy and society.

On the basis of its proceedings the Conference recommends that EU islands should:

- Educate the community to understand the key differences between analogue business practices and the very different digital equivalents.

- Develop a clear understanding of the strengths, weaknesses, opportunities and threats of opening up access to the world-wide web through infrastructure and incentives prior to putting these critical elements in place.



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- Introduce changes in curricula in order to upskill their human resources and meet the demands of the digital economy.
- Ensure equality of opportunity through robust, fast data communication infrastructure.
- Find a delicate balance to allow for sustainable innovation and introduce legislation in order to protect sensitive ecosystems and ensure digital security.
- Work jointly across borders to develop unified projects.
- Transform insular Chambers, SMEs and their traditional models through the exploitation of new and innovative technologies, data and connections among people, businesses and things. Chambers should offer platforms for their member SMEs to position themselves in the digital global era to be able to adapt in the ever-changing environment and ensure awareness about disruptive technologies among their members.
- Develop place-based strategies to take concrete actions and promote their territorial potential based on a bottom-up approach. Mr Joseph Borg (President of INSULEUR) and the Gozo Business Chamber concluded the Forum. He thanked all those who participated in the Forum and highlighted the need to consolidate the network of INSULEUR.

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He highlighted how “We all come from islands in Europe, some small and other larger islands, but we all have a common origin, we have common sufferings, we have common disadvantages. But we need to turn all these negative aspects into



opportunities which will help us thrive”. He concluded his intervention by highlighting that small islands grow stronger through unity.

All the presentation, speeches, and the statement of conclusions and intent can be downloaded from the following [link](#). This includes also the speech by Mr Ioannis Vardakastanis, who despite not being able to attend, consented towards his intervention (which was planned for the third panel) being published.



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4. ANNEX

Agenda

08:30 – 09:00

Registration

09:00 – 09:30

Introductory Speech by

Daniel Borg,

Chief Executive Officer of the Gozo Business Chamber

Keynote speeches:

- **Hon Justyne Caruana,**
Minister for Gozo
- **Constantine Michalos,**
Executive Vice-President of Eurochambres
and President of the Union of Hellenic Chambers
- **Joan Gual de Torrella Guasp,**
President of the Port Authority
of the Balearic Islands

Insular Economies and Digitalisation

Moderator: Dr Jonathan Mintoff – Gozo Business Chamber

09:30 – 10:40

Linda Randall,

Nordregio International Research Centre,
Nordic Council of Ministers

**Governing the Digital Transition:
Inspiration from the Nordic Region**

Tony Moretta,

Digital Jersey, Jersey Island
Building a Digital Jersey

Jonathan Mizzi,

Chief Information Officer, Ministry for Gozo

A Vision for Gozo:

Government Initiatives in the area of Digitalisation

Elias Michelioudakis,

Management Consultant at European Commission,
PM2

**PM² - the European Open and Lean Project
Management Methodology. The Best Option for**

09:30 – 10:40

Insular Economies and Digitalisation Initiatives.

Hon Josianne Cutajar,
Member of the European Parliament
Digitalisation: Our tool out of Isolation

Professor Theocharis Tsoutsos,
Director and Founder at the Renewable and Sustainable Energy Systems
Lab Director, Technical University of Crete
Insularity, Digitalisation and Energy Transition, Opportunities and Challenges

Hon Alex Agius Saliba,
Member of the European Parliament
Towards a Strategy for Digitally Connected Islands

10:40 – 11:00

Questions & Discussion

11:00 – 11:30

Coffee Break

Insular Chambers' Initiatives for the Digitalisation of Insular Economies and SMEs

Moderator: Henri Malosse - 30th President of the European Economic And Social Committee, Adviser of the Association of the French Chambers of Commerce

11:30 – 12:30

Christoph Riedmann,
Policy Advisor, Eurochambres
European Chambers of Commerce and Industry as Leaders of Digital Transformation

Michael Aim,
Head of Digital Transformation, CCI France
The Digipilot Initiative: an Innovative Platform for Digital Transformation.

Giannis Roussos,
President, Cyclades Chamber
How a Digitalised Chamber Can Overcome the Difficulties of Insularity and Benefit Its Members

11:30 – 12:30

Vassilis Salapatas,
Head of IT Department, Athens CCI
Adapting Chambers of Commerce to Digital Transformation. Challenges, Innovations and Opportunities.

Dana Farrugia,
CEO of Tech.mt
Innovative Technology is the Key to Growth for Malta's Industries and Society Alike.

12:30 – 13:00

Questions and discussion

13:00 - 14:30

Networking Lunch

Towards a Digitalisation Strategy for EU Islands

[Discussion Panel]

Moderator: Dr Gordon Cordina – E Cubed Islands

14:30 - 16:00

Hon Alfred Sant,
Member of the European Parliament

Samuel Azzopardi,
European Committee of the Regions

Antoni Vicens,
Director of Foreign Affairs, Balearic Government

George Vital Zammit
University of Malta

16:00 - 16:30

Questions & Discussion

**Statement of Conclusions and Intent on
Developing a Common Digitalisation Strategy for
EU Islands**

16:30

Closing Speech

Joseph Borg,
President of the Gozo Business Chamber