CORONA CRISIS –
A CHANCE FOR DIGITAL TRANSFORMATION?

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DIGITALISATION MAKES RESILIENT

Financial Crisis 2008/09

- Effects of the financial and economic crisis less severe in highly digitalised firms.
- Smaller decline of productivity growth
- Higher probability of improving innovation capacity (esp. in the service sector) by introducing process innovations

Corona lockdown

- 73 % of self-employed with very low degree of digitalisation are not able anymore to conduct their businesses.
- Only 28 % of those highly digitalised are affected similarly.
- One in three self-employed increased their degree of digitalisation.

Source: Bertschek et al. (2019)
Source: Bertschek and Erdsiek (2020)
CRISIS SPURS DIGITALISATION

Reading aid: 12 per cent of companies with 5 to 19 employees in the information economy increased their range of offerings as a result of the COVID-19 crisis.

Source: ZEW Business Survey in the Information Economy, 2020
CRISIS SOMETIMES EVEN SPURS INNOVATION

...has delayed existing innovation projects.
...has led to ongoing innovation projects being cancelled.
...has resulted in planned innovation projects not being taken up.
...has resulted in no new innovation projects being planned.
...has accelerated innovation projects.
...has led to new innovation projects.
...is not affecting our innovation projects.
...has affected innovation projects both positively and negatively.

Sector-specific extrapolation on the question „What impact does the COVID-19 pandemic have on your company’s innovation activities? The COVID-19 pandemic...”
Example: In 24 per cent of the companies in the information economy, planned innovation projects have not been taken up.
COMPANIES WELCOME EFFECT OF STIMULI ON INNOVATION

Sector-specific extrapolation on the question „From which of the following measures from the ‘Zukunftspaket’ would your company’s innovation activity benefit?”
Example: The innovation activity of 62 percent of companies in the information economy would benefit from the development of 5G and glass fibre networks.
POLICY MEASURES AND STRUCTURAL CHANGE

To use the crisis as a catalyst for the transition to new technologies and structural change, further economic stimulus programmes and measures should be designed with the greatest possible focus on Research & Innovation.

- “Zukunftspaket” (future package): investment in digital infrastructure & future technologies e.g. AI, Hydrogen technology, Quantum technology
- “Zukunftsfonds” (funds for the future): improve provision of venture & growth capital
- Data Strategy: improve provision and usage of data

speedy and consequent implementation!
REFERENCES


- Bertschek, Irene and Daniel Erdsiek (2020), Soloselbstständigkeit in der Corona-Krise, ZEW expert brief No. 20-08, Mannheim. Download (in German)
