ALL DIGITAL Summit 2023 – Skills for Digital Tomorrow

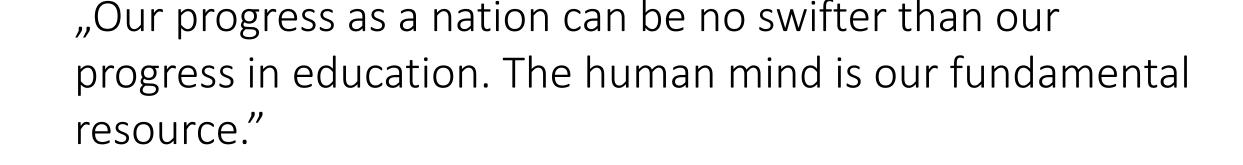
# ARE WE READY FOR THE BRAVE NEW WORLD?

Assit.Prof. Mislav Balković, PhD

dean

Zagreb, 26.09.2023.

- A L L ACROSS EUROPE -DI G I T A L -



John F. Kennedy, 1961.



## Agenda

- 1. Influence of education on society
- 2. How this applies to Croatia?
- 3. What can we expect in the future?



## Influence of education on society

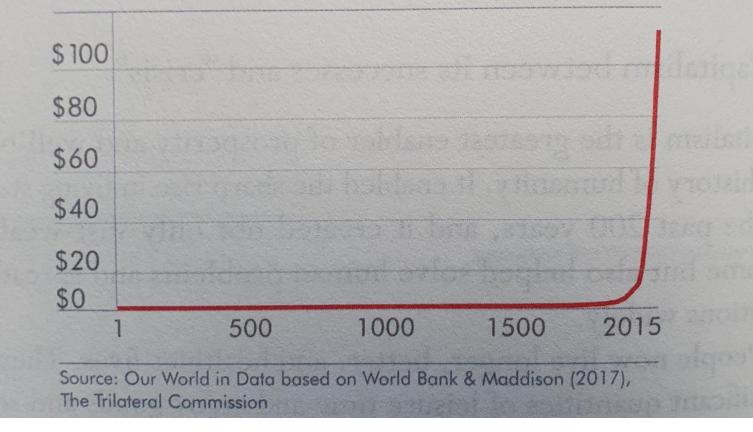
- Influence on economic growth
- Influence on life quality
- Social influence
- Political influence



Economic influence of knowledge during past two millenniums

#### Global wealth exploded in the last 200 years

Total output of the world economy; expressed in 2011 prices in trillions of dollars

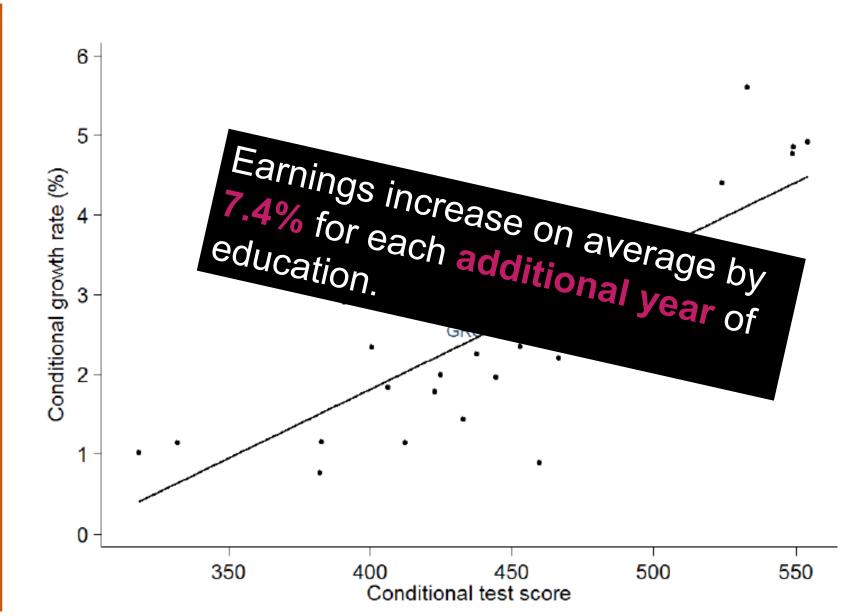




Source: A new spirit of capitalsm, The Trilateral Commission, 2022

## Knowledge influencing economic growth

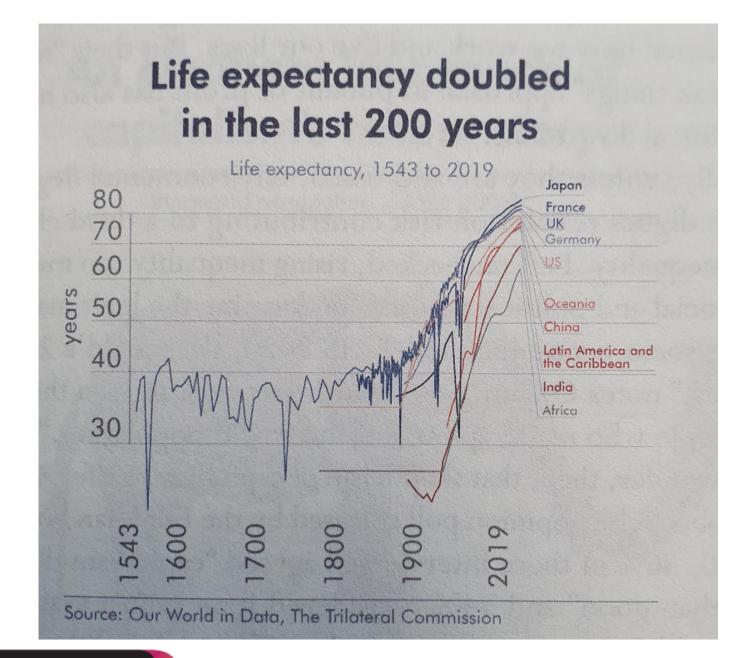
(average annual rate of growth of real GDP per capita in 1960-2009 )



Source: European Expert Network on Economics of Education EENEE Analytical Report No. 20, Prepared for the European Commission, 2014

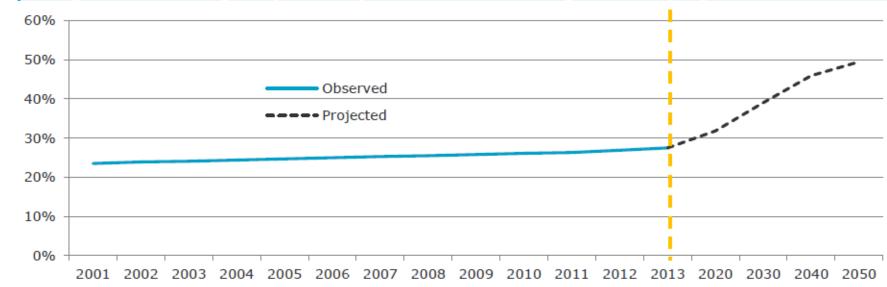


## Influence on life duration / quality





#### Knowledge influencing social insurance model

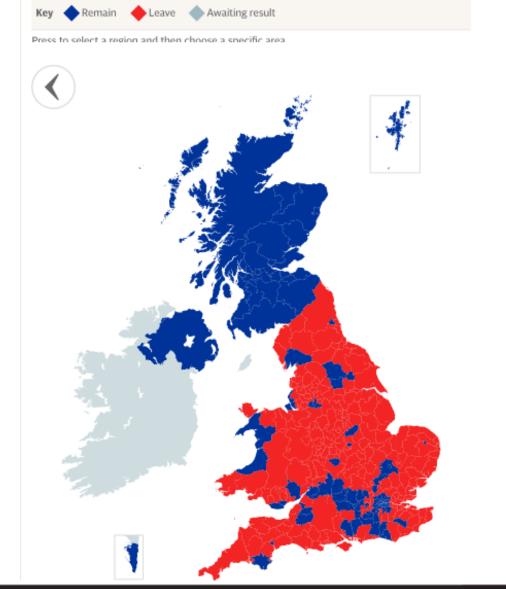


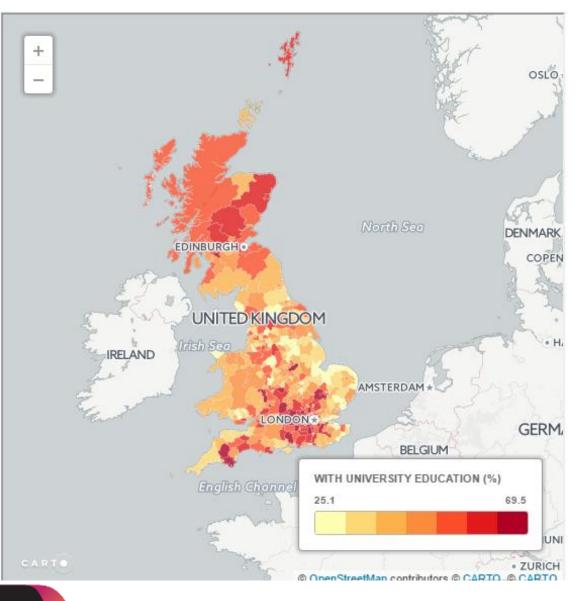
#### Figure 1.1. Old-age dependency ratio: 2001-2013 figures and projection to 2050



Source: Education and Training Monitor 2014, European Commission, DG EAC

#### Influence of education on political decisions

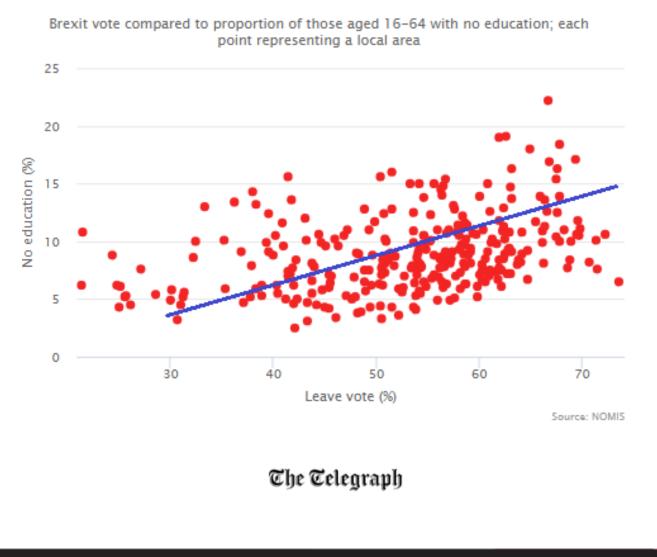


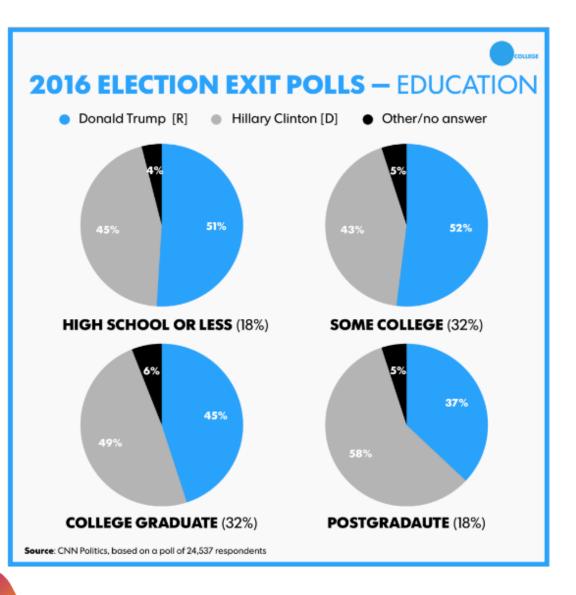






#### Influence of education on political decisions









"Democracy cannot succeed unless those who express their choice are prepared to choose wisely. The real safeguard of democracy, therefore, is education."

Franklin D. Roosevelt



## How this applies to Croatia?

- Is demography our real problem?
- How we compensate with education?







Zakon o strancima - Članak 101. Iznimka od provedbe testa tržišta rada Siječanj 2022.

#### Zanimanja (sve županije):

- zidar
- tesar
- armirač
- betonirac
- zavarivač
- fasader
- monter gradevinskih elemenata
- rukovatelj građevinskim strojevima
- klesar
- rukovatelj kranom
- stolar
- radnik visokogradnje
- radnik niskogradnje
- monter cjevovoda
- soboslikar i ličilac
- krovopokrivač
- vodoinstalater
- elektroinstalater
- instalater grijanja i klimatizacije
- hidroizolater
- monter metalnih konstrukcija
- polagač keramičkih pločica
- podopolagač
- izolater

#### limar

 bravar elektromonter



J aroman villes soor is kunda video nova soor

UHrvatskoj je više od 115.000 stranih radnika, dovode ih

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81 1/00 km uja 00 km

RENAULT

DALJNJI RAST U 2023.

424 agencije za posredovanje

 Filison dovođenja i zapodijavanja stranaca ima i neregularnosti, potvrduju u agencijana, kopektoratu i MOPu

- električar održavanja
- vozač teretnog vozila
- vozač teretnog vozila s prikolicom
- automehaničar
- autolakirer
- autolimar
- kožarski radnik
- krojitelj krzna i kože
- kuhar nacionalne kuhinje
- slastičar
- pekar
- mesar
- programer
- dizajner korisničkog sučelja
- sistemski administrator



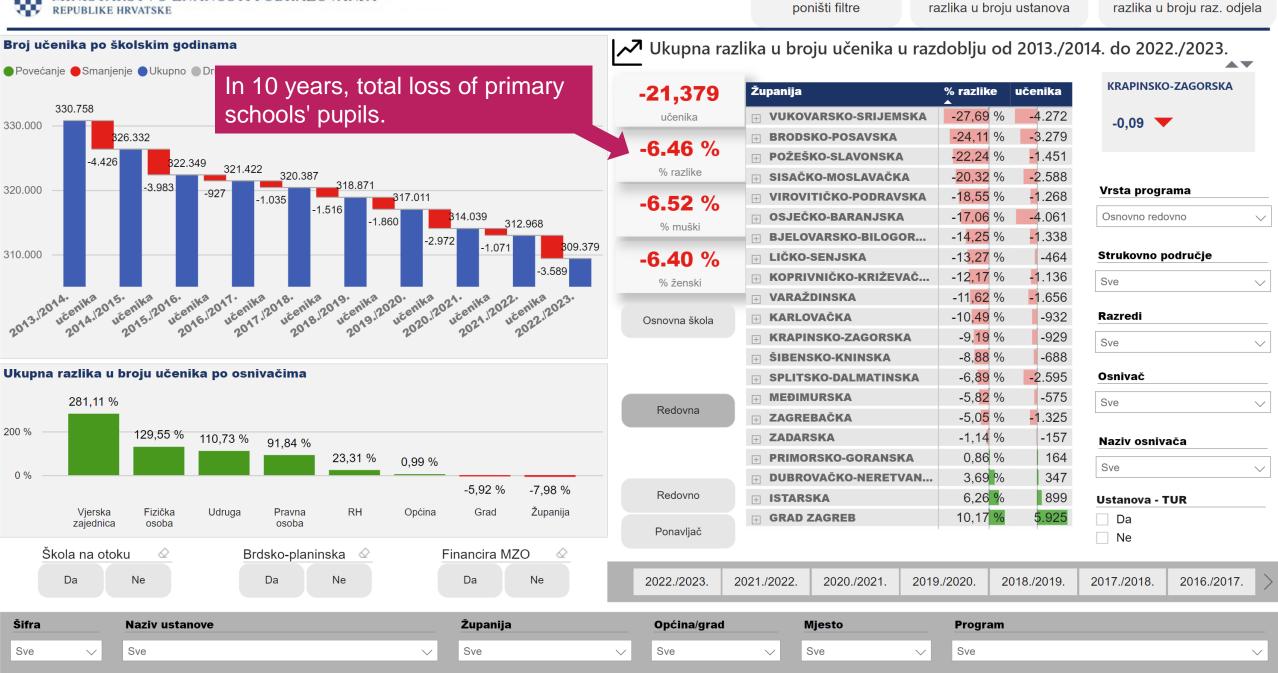
#### Broj učenika po školskim godinama

MINISTARSTVO ZNANOSTI I OBRAZOVANJA

#### poništi filtre

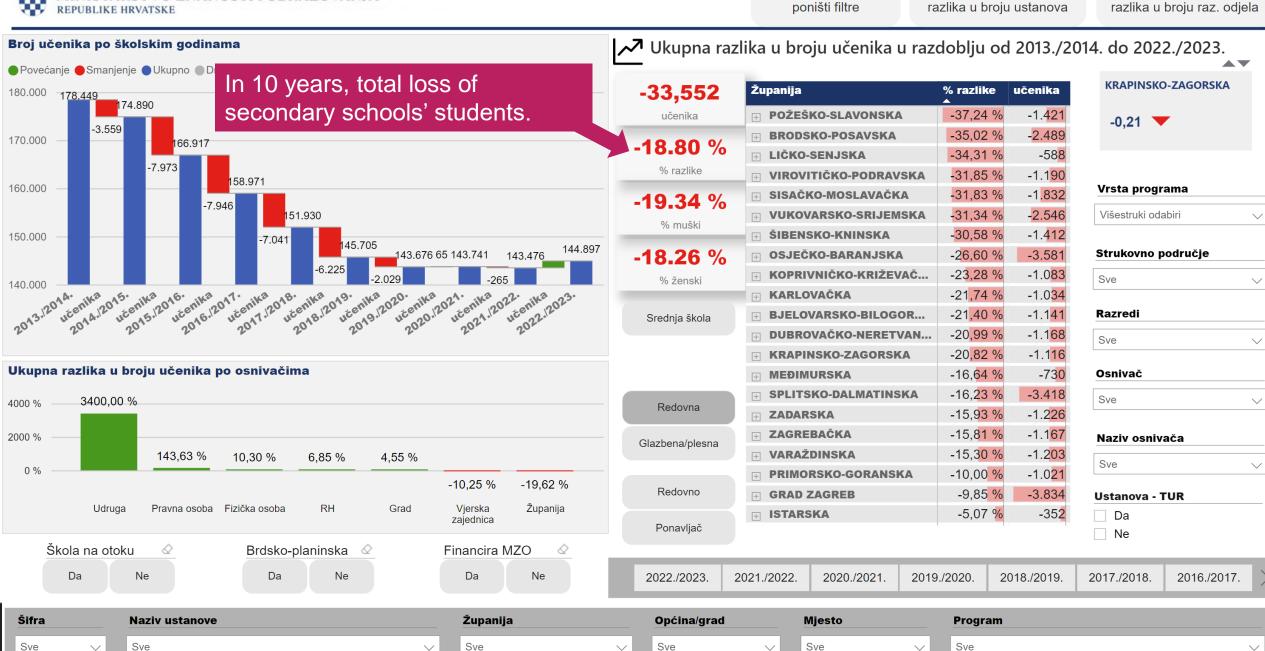
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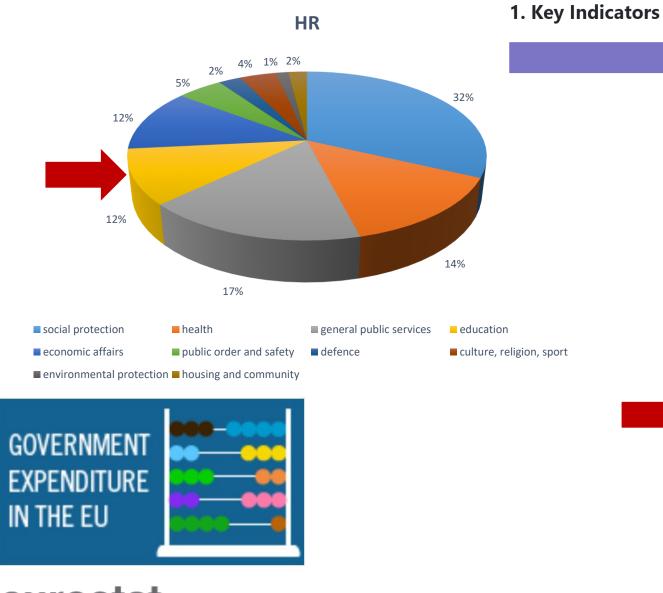


#### MINISTARSTVO ZNANOSTI I OBRAZOVANJA

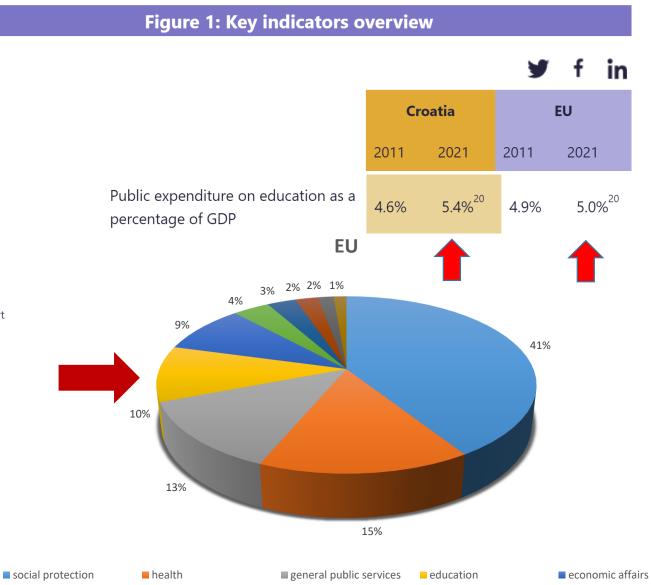
#### Broj učenika po školskim godinama



#### How much we invest in formal education?



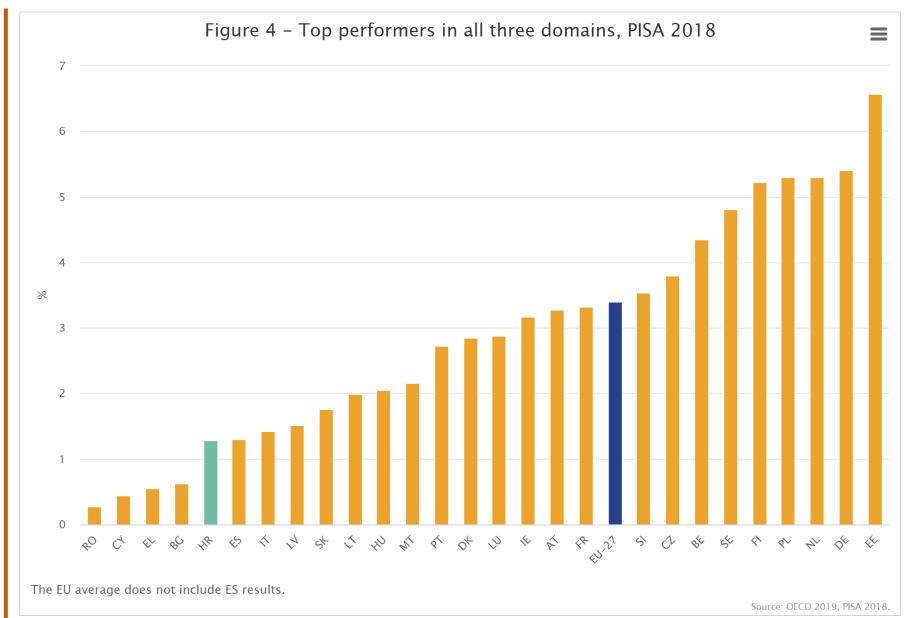
eurostat Statistics Explained



public order and safety defence

■ culture, religion, sport ■ environmental protection ■ housing and community

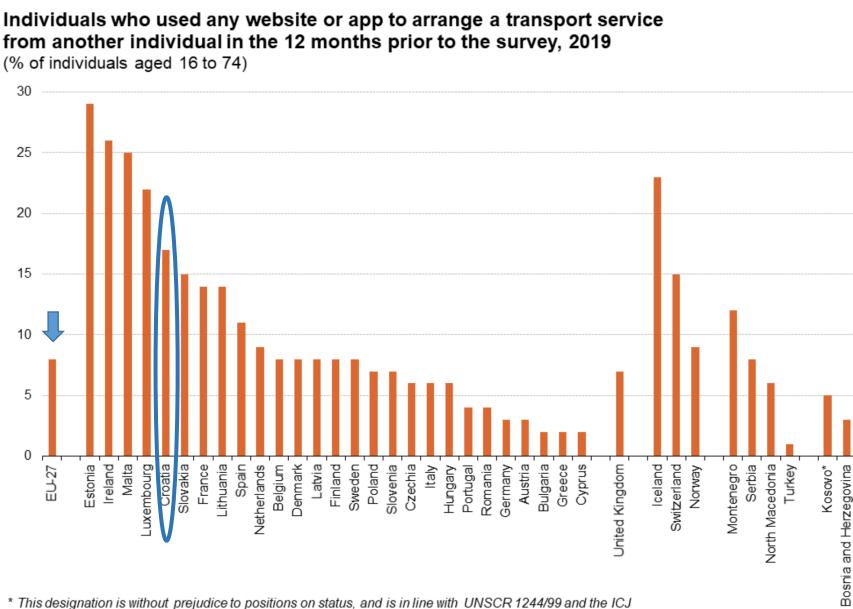
#### How we develop our talents?



Source: OECD 2019, PISA 2018. The EU average does not include ES results.



# How we use technology?



Opinion on the Kosovo declaration of independence.

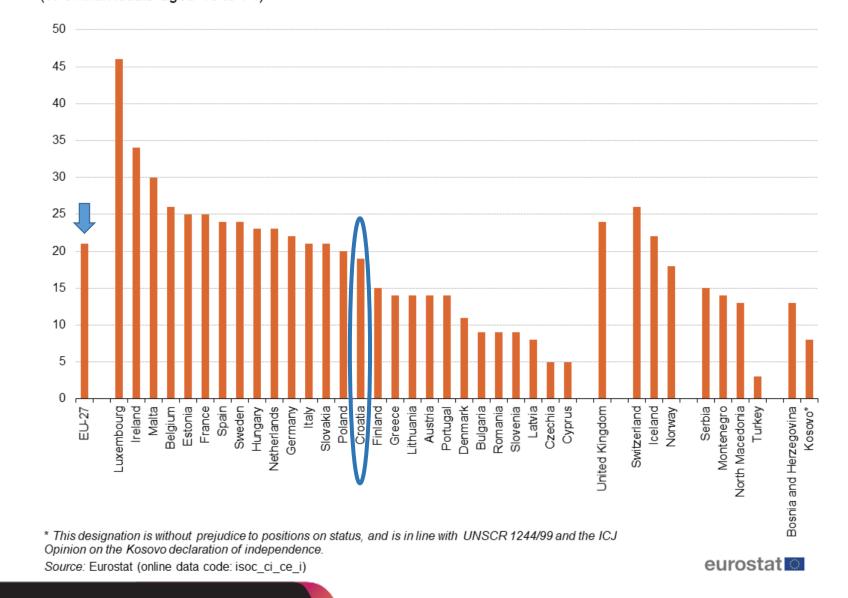
Source: Eurostat (online data code: isoc\_ci\_ce\_i)



eurostat 🖸

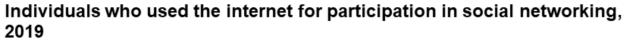
How we use technology?

Individuals who used any website or app to arrange accommodation from another individual in the 12 months prior to the survey, 2019 (% of individuals aged 16 to 74)

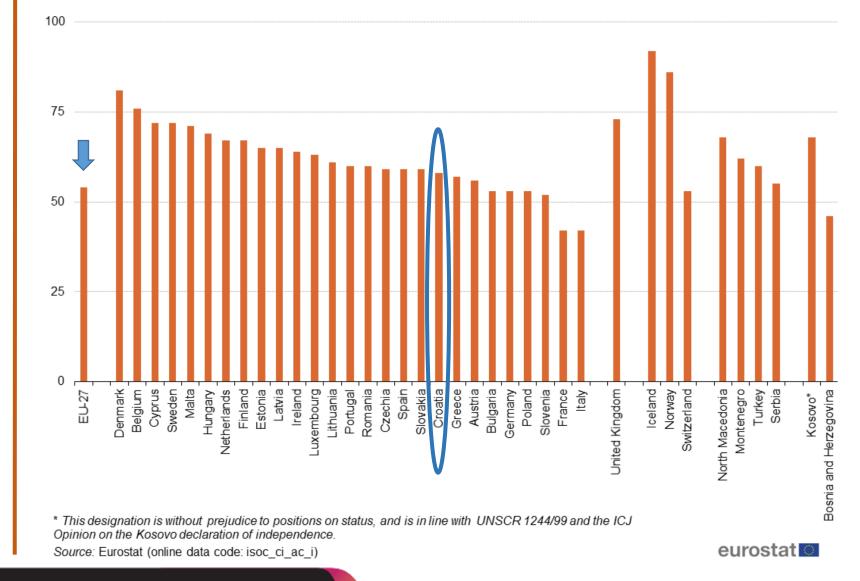




How we use technology?



(% of individuals aged 16 to 74)





# **eurostat**



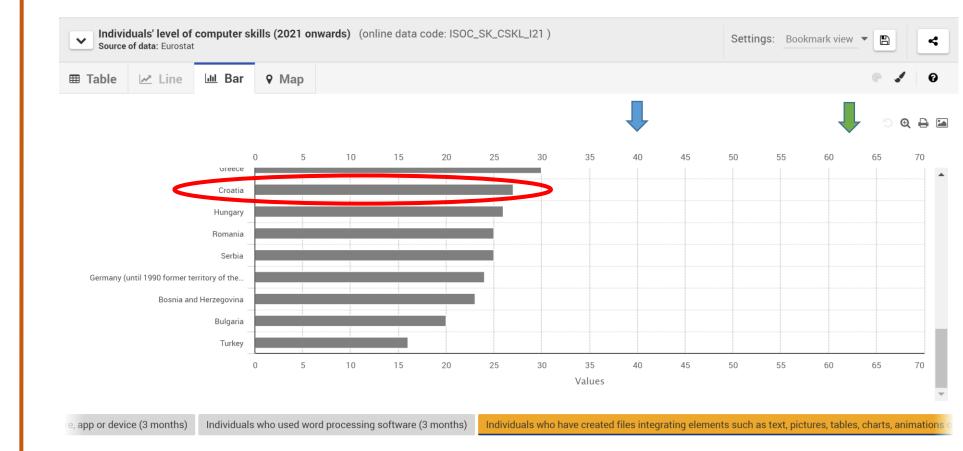














## **eurostat**



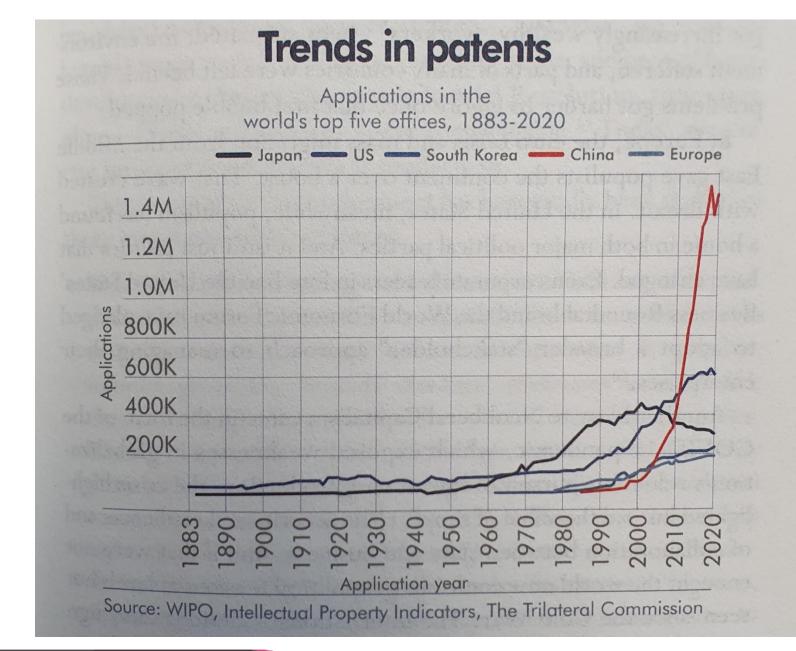


# What can we expect in the future?

- Our jobs in AI era
- What can be done by educational systems / professionals?

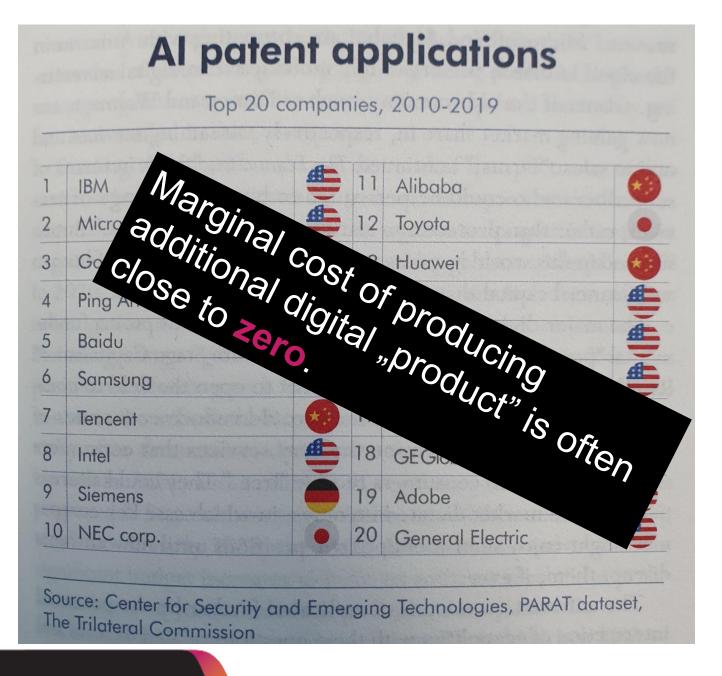


#### Where IP developments happens?



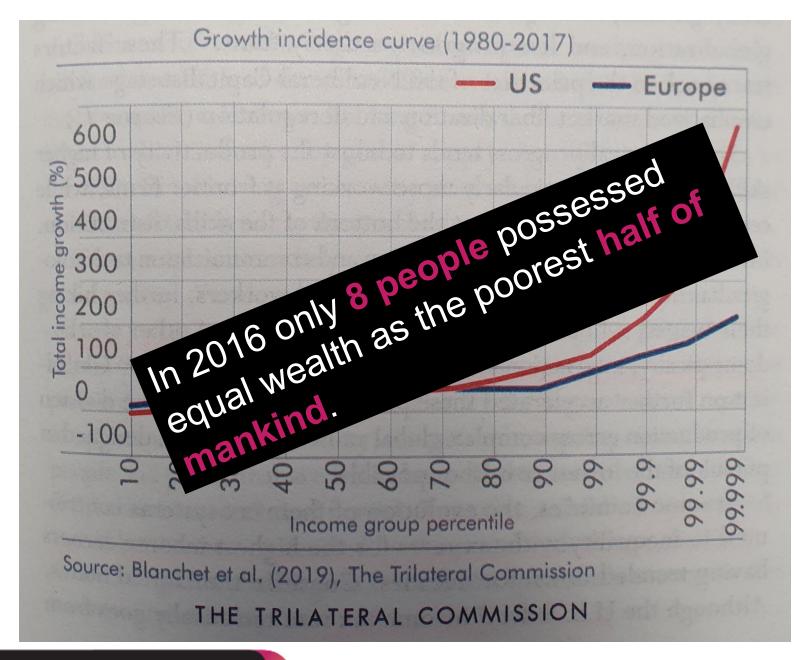


#### Where AI developments happens?





# What are the implications of such development ?



ALGEBRA

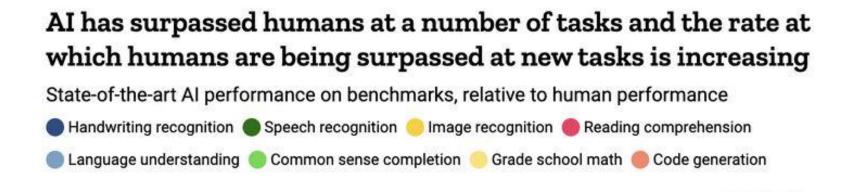
Izvor: A new spirit of capitalsm, The Trilateral Commission, 2022

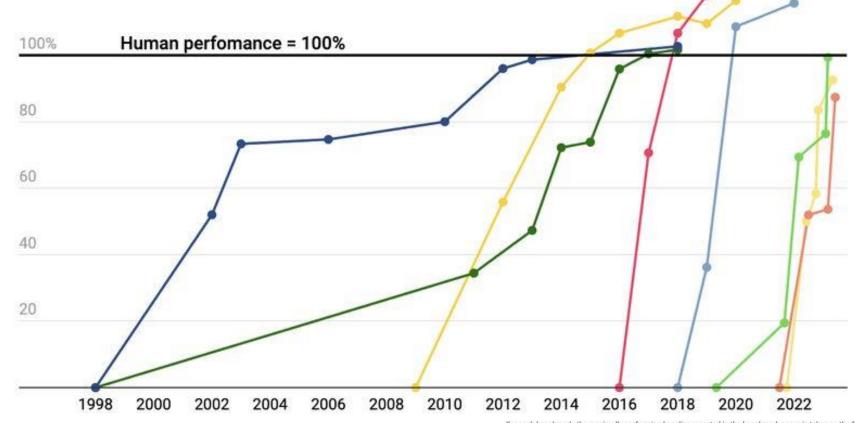
# What is your top of mind idea when AI and digitalization is mentioned?





## What's the real value of AI ?







For each benchmark, the maximally performing baseline reported in the benchmark paper is taken as the "starting point", which is set at 0%. Human performance number is set at 100%. Handwriting recognition = MNIST, Language understanding = GLUE, Image recognition = ImageNet, Reading comprehension = SQuAD 1.1, Reading comprehension = SQuAD 2.0, Speech recognition = Switchboard, Grade school math = GSK8k, Common sense completion = HellaSwag, Code generation = HumanEval.

Chart: Will Henshall for TIME . Source: ContextualAl

#### Potential risks which can jeopardize jobs

 Digitalization increased productivity (and wages) for up to 35% but only in 5% of best organizations. Productivity grew only 5% in 95% of other companies.

- Until 2030 roughly 375 million workers will have to change jobs and skillset

- Some 80% of jobs will not be influenced by AI for more than 20% of tasks, while for 20% of jobs 50% of tasks might be automated.

- Many do not event consider paying interpreters anymore, when Google (and other tools) does this job better and better each day, and for free.

- Tomorrow, jobs in accounting, law, part of medical diagnostics, and others will be automated.



Potential opportunities brought by future education Al questions idea of "comparative labor advantages" as it was so far understood by economic literature (Samuelson & Nordhaus, 2009). "Longer education time for higher qualification".

Typical investment in education to get specific qualification is predictor of income (Adam Smith, 1776).

Education should focus more on interpersonal skills opposed to facts and expertise based on facts (or rules) alone.

Machines will become co-workers, new distribution of labor will happen in many occupations.

People will work less (and less people will need to work), although productivity and profits of companies (possessing IP) will grow.

Careers and educational focuses should be chosen wisely.



# Think on what you can do as educator to help society.

