



European Vodafone Institute Survey on the Labour Market, Careers and Digitisation: Digital Revolution without the Germans?

- Only minority confident that digitisation will create jobs in future
- Italians and Spanish want to be (digital) entrepreneurs, but that involves too much work for Germans
- Most comprehensive survey to date of young adults on labour market, education and digitisation

Berlin, 19 November 2014. Is the digital revolution losing its children? 33 percent of Germans aged between 18 and 30 definitely do not want a career in the digital economy. Only 13 percent of those surveyed said a clear "yes" to the possibility of a career in the digital sector. Nor can the majority of digital natives in Germany imagine working for a start-up (70 percent) or setting up their own business in the digital economy (77 percent). In the crisis-hit countries of Spain and Italy, however, there is a far higher level of digital career affinity. These are the findings of the first Vodafone Institute Survey "Talking about a Revolution: Europe's Young Generation on Their Opportunities in a Digitised World".

The YouGov opinion research institute was commissioned by the Vodafone Institute for Society and Communications to conduct a survey of 6,000 young adults in the six European countries of Germany, the United Kingdom, Italy, the Netherlands, Spain and the Czech Republic. It is the most comprehensive survey to date of this age group on the issues of the labour market, education and digitisation, and is representative for age, region and gender.

Germans are optimistic about the future, but Italians and Spanish very pessimistic

43 percent of German survey respondents aged between 18 and 30 assume that they will have a better life than their parents' generation. In Spain, only 29 percent of young adults have the same optimism about the future, and the figure for Italy is just 23 percent. The economic situation in each of the countries strongly influenced the survey results. While young adults in Italy and Spain believe that digitisation will have a positive impact on their future and that it is one possible way out of unemployment, their counterparts in Germany show a stronger preference for traditional job categories. Although they believe that digitisation does offer opportunities, they do not believe that these opportunities apply to them.

Only a minority are confident that digitisation will create jobs in future



The responses to the question of whether digitisation will cost jobs, create jobs or change the world of work diverged greatly. A minority of respondents (10 to 18 percent) in the six surveyed countries assumed that digitisation would create jobs. Between 27 and 41 percent believed that digitisation was a threat to jobs. Between 33 and 47 percent thought that it would change the world of work. Young people in Italy and Spain fear the biggest loss of jobs as a result of digitisation and those respondents expecting job losses all believe that at least 20 percent of jobs will disappear.

69 percent of young Germans believe the advantages of digitisation outweigh the risks

In an overall assessment of risks associated with digitisation, Britain has the highest percentage of young adults (86 percent) who are of the opinion that the benefits of digitisation outweigh the disadvantages. 74 percent of respondents in Spain, 70 percent in Italy and 73 percent in the Czech Republic share that opinion. Young people in Germany and the Netherlands are less positive, and only 69 percent of them believe that there are more benefits than risks associated with digitisation.

Young Europeans are confident that Europe will play a leading role in the digital future

Young Europeans believe that Europe can play a leading role in digital technology research and development according to the Vodafone Institute survey. However, this positive appraisal is conditional upon Europe investing more in digital skills training so that it doesn't fall behind other regions of the world. The young adults' assessment of their country's competitiveness varied considerably from nation to nation. In Spain, 49 percent of 18 to 30-year-olds are concerned about their country's competitiveness and job losses in the wake of digitization. In Italy, 60 percent have these concerns, whereas a far lower number of respondents expressed them in the Netherlands (40 percent), the United Kingdom (31 percent), the Czech Republic (36 percent) and in Germany (35 percent).

The Italians and Spanish want to be (digital) entrepreneurs, but that involves too much work for the Germans

Interest in setting up a business or working at a start-up company is particularly high in Italy and Spain. High levels of interest were still expressed by respondents when they were explicitly asked about setting up their own businesses and working for start-ups in the digital sector. 35 percent (Italy) and 32 percent (Spain and the



Czech Republic) of young adults who stated that they would be interested in setting up a company gave one of the main reasons as the problematic labour market situation in their country. This factor is not as significant in Germany (18 percent), the United Kingdom (24 percent) or the Netherlands (20 percent).

The main motivation for young Germans to set up their own business is self-fulfilment. In this context, the three main reasons they gave were to implement their own ideas (44 percent), to be their own boss (38 percent) and higher earning potential (29 percent). The young Germans provided the following three explanations for not wanting to set up their own business: too much work involved (46 percent), concerns about putting their work-life balance at risk (43 percent) or fears about not having enough work experience (40 percent).

Young Europeans feel confident

In future, basic digital skills will play a more significant role in the labour market. All young Europeans, particularly the British, agreed with this statement. Many of the Italians and Spanish also believed that digital skills include coding (i.e. programming). When the respondents were asked about specific skills in the digital economy, it was found that young Europeans believe that today's skills, such as processing e-mails and using word-processing software, will be important in future, but they do not believe that hardware skills will be necessary to any significant extent. The Italians and Spanish, in particular, accord higher significance to more complex skills than the young adults in other countries. The competencies that the respondents believed to be important tended to be those that they feel confident using themselves. The only exception was data security.

Digital education - bad grades for the general education system

Companies often complain that job applicants do not have the right skill sets. To bridge the "competence gap", young Europeans suggest close collaboration between companies, schools and universities. There was no consensus among the young adults in the surveyed countries on which institution should have overall responsibility for digital education. The young British people thought that the general education system should be responsible (49 percent; between 17 and 26 percent in other countries). The nation with the fewest respondents who believed that companies should take the lead in digital skills training is the United Kingdom



at 3 percent (between 14 and 26 percent in other countries), and the country with the most respondents who thought that responsibility should be placed in the hands of the corporate sector was Germany (26 percent).

Even though the young Europeans disagreed on the ideal place to learn digital skills, they were unanimous that the worst place to learn them in the digital labour market is the general education system. They suggested that schools should offer more ITC courses, teachers should be better qualified to teach the subject and that pupils should be given more encouragement to use IT equipment outside lessons and courses.

“The Vodafone Institute Survey clearly shows that Europe has to take action to ensure that young people recognise the career opportunities and potential associated with digitisation. We need more pragmatic optimism and passion for innovation in schools and universities. Educational establishments, employers, start-ups and digital innovations have to collaborate more closely,” said David Deissner, Head of Strategy and Programmes at the Vodafone Institute for Society and Communications. “The survey results for Germany give the impression that the 18-to-30 generation is not aware that the digital revolution is well underway. Digital entrepreneurship is not as widespread as it would appear. Entrepreneurship on the curriculum and better access to grants and venture capital could help to change this.”

An overview of other survey results on Germany

- 76 percent of young Germans believe that the risks associated with the progressive digitisation of their lives are higher stress levels.
- Contradictory: although the majority believe that the ICT sector offers the best job opportunities, only 13 percent want to work there and one-third (33 percent) rule out a career in ICT.
- 83 percent of respondents stated that digital technologies are an integral aspect of their lives.
- Generation Y: more than half of young Germans in employment aged between 18 and 30 (56 percent) chose their current job because they are interested in it - salary was only a criterion for 33 percent.
- Just 1.3 percent of respondents stated that they had ever gone abroad for a job.

The study has been published in advance of the Vodafone Institute’s conference “digitising europe – opportunities for the next generation”. Multipliers from politics, business, academia and the European start-up scene will discuss how education, work and academia are changing in the wake of increasing digitalisation. Chancellor Angela Merkel will open the conference; further speakers include Vodafone Group CEO Vittorio Colao, Intel President Renée James, start-up founder Dupsy Abiola and machine learning expert Michael A. Osborne.



"digitising europe" will take place on 4 December 2014 in Berlin. Information on the programme and speakers can be found at www.digitising-europe.eu

About the Vodafone Institute:

The Vodafone Institute for Society and Communications explores the potential of mobile and digital technologies to improve political, social and economic participation and to give better access to education. As a think-and-do tank the Institute fosters dialogue between academia, business and politics. It develops dedicated projects, initiates research partnerships, and publishes studies and practical recommendations for action. Through events and social media communications the Institute provides a platform for public debate.