Business Services in Europe: Enabling the 4th Industrial Revolution

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Why do Business Services matter?

- They represent 12% of EU value added.

- Their growth has outpaced the rest of the economy:
  - Between 1999-2009, the average growth rate for Business Services was 2.38%, while the average for the EU economy was 1.1%.
  - Between 1999-2009, the average growth rate of employment of Business Services was 3.54%, while the figure for the EU economy was only 0.77%.

- They have a dual impact on economic success:
  - They provide crucial inputs that support the activities of other firms.
  - They have the potential to increase both their own and their clients’ productivity and innovation.
How well have Business Services been performing?

Business Services account for €2,000 billion turnover (Plaisier et al. 2012)
Business Services create jobs

Business Services provide 24 million jobs (Plaisier et al. 2012)
The High Level Group 2020 vision for Business Services

European Business Services that drive innovation, growth and high quality employment through technology and skills in order to deliver solutions for their clients, customers and society:

built on a solid regulatory and standards framework and an integrated Internal Market

becoming a key driver of economic transformation for a sustainable European Society
4th Industrial Revolution

- Cyber-physical systems
- Cyber-physical production systems
- Internet of Things / data / services
- People
Artificial Intelligence

- Brave New World (Aldous Huxley)
- Technically possible
- Morally defensible
- Societally acceptable
There is clear evidence that the Internal Market needs to be strengthened…

- Programme for a Deeper and Fairer Internal Market with a Strengthened Industrial Base (CEC work programme 2015)

- European standards should be developed and their use promoted to encourage best practice
Create a technological infrastructure

Business Services that are not technology intensive will become technology dependent or enabled …

- We need an initiative of common European interest bringing together manufacturing and services to create a shared technological infrastructure enabled by the Internet of Services and Things / web 4.0 bringing about a 4th industrial revolution

- In its pilot phase this should focus on creating a shared virtual services marketplace for Europe in a few key industries
Develop a skills strategy

Business Services are more people and skills dependent than ever, especially due to the technological revolution

- Current developments such as Web 4.0 and Industry 4.0 will lead to a significant increase in the development and delivery of technology driven and dependent services

- An overall European Skills Strategy is required, which includes an e-Skills strategy and which promotes lifelong skills and educational developments particularly in ICT and analytics
Follow-up and implementation

- The EESC should reinforce its partnership with stakeholders including industrialists, SMEs, trades unions, academics and Member States

- This should support -
  - the major recommendations of the High Level Group
  - The CEC 2015 work programme
  - The development and implementation of the 4th Industrial Revolution
  - the development of a Business Services ‘scorecard’ to assess the health, success and contribution to the EU 28 economy of the sector
Follow-up by business

- Work with the European Service Innovation Centre
- Engage with the European Parliament
- Seek to influence the agenda of the new Commission
- Assist the European Economic and Social Committee, especially CCMI
- Don’t let the agenda disappear
Thank You