The rising impact of automation on the workforce underscores an unmet demand for effective upskilling and education initiatives

Capstone Project
University of St.Gallen

Objective

- **Implementing upskilling initiatives to effectively address the workforce transformation caused by automation**

Implementation in Japan

- Estimated **56% displacement of work activities** in Japan, allowing cost reduction and increased productivity amid a shrinking workforce
- Japan 2019 AI strategy: Train for data science and AI; emphasize business translators **to align talent with business goals**
- Idea of an **upskilling chain**: continuous cycle of skill transfer and adaptation to changing job markets

Outcome of Japans measures

- Robot Revolution Initiative (RRI) to **advance automation**
- National imperative**: Reskill workforce** amid talent competition and innovation pressure
- Cultivating an innovative learning culture to address demographic challenges

Germany's status

- **"Weiterbildungsgesetz 2023"** targets employees in structural shifts, underutilized due to low awareness
- Workers in jobs susceptible to automation exhibit **below-average participation in continuing education**, especially those involving IT and soft skills

Policy recommendations for Germany

- **Increase awareness** about the possibility of continuing education with a communication campaign
- Encourage at-risk individuals to engage in further education.
- Provide **financial incentives for companies** to integrate business translators and promote skills training

Possible Scenario

- **Objective:** Equalize the participation rate of workers in jobs susceptible to automation with those not threatened by automation
- **Impact:** A 14% increase in training for the endangered
- **Costs:** Primarily for financial incentives, communication efforts, and expanding training. Estimated in the mid-eight-figure range

Sources: Dr. Zika, Eurostat, IAB, McKinsey, Oxford University, Wharton