

COVID-19 Accelerating Automation

Automation

Policy, Automation, Climate and Ethics (PACE) are at the heart of significant global changes that in turn affect corporate behaviours and governance.

2020 has brought unprecedented forced disruption from a global pandemic, seen the legal exit of the UK from the European Union (to be followed by the UK's departure from the Single Market and Customs Union at the end of the year), created global political movements and prompted a keener focus on climate change. This has brought wider societal and global pressures into sharper focus for many businesses. The PACE of Change takes a research-led look at each of these issues in detail and explores key implications for businesses.

Technology and Automation

COVID-19 has sped up the fourth industrial revolution and has been a catalyst for more human interaction with technology. During the crisis, we have seen further calls to better build back and harness the power of technology for good and to balance inequalities.

Trends are rapidly showing that digital experiences are becoming a must in consumer-led sectors and there has been a sharp upturn in the growth of digital communities. Human-AI synergies relationships are becoming a reality in the post-COVID-19 workplace and a driver for productivity and engagement. Robotics, smart devices and a sharp turn towards contactless experiences are now working across all public and business environments.

We envisage further trends towards strengthened investment in advanced manufacturing, the automation of life-risking and hazardous tasks across multiple industries and the reskilling and re-deploying of workforces. With such game-changing steps, an increasing awareness of risk and compliance should be heeded. With workforce, reputation, ethical issues and finances being under potential threat should, for example, automation or artificial intelligence (AI) go rogue or technology fail, risk and business continuity planning needs to play a pivotal role in any strategic planning. Data analytics will be at the heart of any significant enterprise, and corporate leaderships will need to understand how to contract in data, how to value data, and how data affects competitive markets.

For businesses that have not yet undertaken digital transformation, this is an opportune moment to not only change internal processes, but harness automation and technology to increase productivity and enhance customer experience/service.

Innovation and Cybersecurity

We were delighted to see, and it was very supportive of the [news to show](#), that more than 30 leaders from across UK local and civic government, universities and research institutions signed a new manifesto designed to boost the UK's regional innovation potential. The signatories have pledged their support to boost productivity through innovation, levelling-up the UK economy and supporting its COVID-19 recovery. The 10-point manifesto includes calls for a new national innovation policy, every UK region to have a centre of world-class research excellence by 2040 and greater collaboration between UK cities and regions to adopt a global mindset. The manifesto also calls for:

- A review of existing innovation infrastructure
- An emphasis on translational research to capture more of the value of UK research institutions
- A rebalancing R&D expenditure to ensure every UK region has at least one world-class centre of research – currently over 50% goes to London and the South East
- A transformation of attitudes to ensure businesses back innovation
- A devolution of power, responsibility and decision making to civic leaders to best allow regions to focus on strengths
- The development of alternative and more flexible investment models



As we enter a period of fast-paced digitalisation and global and economic instability, the rise of the dreaded “cyberattack” and data breach has seen a spike. It is anticipated that much larger and sophisticated attacks could be on the horizon – some will be about theft of data and some about denial of service. With risks aplenty on the horizon with ongoing working from home, the growing reliance on the Internet of Things and the 5G rollout that companies will need to address, this will require investment in terms of the right in-house support, third-party vendors and broad organisational awareness of the risks. The recent ECJ “Schrems II” judgement could have a major effect on data sharing between the UK and EU from next year. Those that proactively address cybersecurity and manage the potential risks are more likely to gain a sustainable competitive edge, winning customers’ trust and loyalty.

Digital markets will face new regulations aimed to deliver greater competition and innovation for the use of data, while protecting consumers’ rights. These new regulations will complement existing antitrust, data protection and electronic communications laws. In some cases, governments are also contemplating the creation of new digital markets regulators or conferring to the existing national competition and consumer protection agencies. Requirements to make data open source, as a stimulus to innovation, could come into various sectors and activities.

Although some continue to caution against interference that could chill innovation, there is an increasing sentiment from national governments, consistent with broader enforcement trends that new *ex ante* regulations may be needed to address economic dependency from a few companies with exclusive use of valuable data, data monopolies, interoperability of data systems, data mobility and portability, and transparency and fairness.

Smart and Green Infrastructure

When Chancellor Rishi Sunak delivered his Summer Economic Update to Parliament, this included a £3 billion package to stimulate the UK’s green economy in the wake of the COVID-19 pandemic, which included £1 billion to upgrade public buildings and a £2 billion Green Homes Grant, alongside a number of new clean tech R&D and nature restoration programmes.

More is still to be announced to embrace green infrastructure as a means of sustainable development and unleash its potential for economic growth, as well as for wider societal benefits. This could take shape in the long-awaited National Infrastructure Strategy that will provide the course of action to level up the economy, speed up investment in the Northern Powerhouse and fast-track net zero carbon neutrality.

Aside from this, there is a growing call for green infrastructure and technology developments to be further incentivised through seed investments and supportive regulatory environments, such as electric vehicle (EV) charging, renewable and low carbon energy and energy storage, among others. The information available to researchers about which activities contribute to climate emissions as a result of the Coronavirus lockdown will feed more targeted policy-making, and we can expect positive and negative incentives to start to shape the way the green economy develops.

Local council reform is being discussed and the growing calls from government for more mayors, less councils (which is seen a catalyst for more devolved powers) and finances allowing decision making and investment to have less “red-tape”, will put smart and green infrastructure at the centre of economic recovery.

Many businesses pivoted during the initial stages of the pandemic, changing to manufacture hand sanitizer, ventilators or PPE. The opportunities and funding around a clean, green recovery will allow some businesses to take advantage of the financial incentives to drive business growth and support job creation for the recovery.

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