How to make the city (by default) digital with the help of artificial intelligence and co-creation?

In the context of Baltic Sea Region exploring the challenge of digital cities, AI and co-creation can be addressed through the aspect of learning from each other:

- What are the best practices related to digital transformations in BSR?
- How do different cities and regions in BSR address the challenges of digitalisation?
- How to organize a more systematic learning process between cities related to digitalisation?

Output: a proposal on how to make the city (by default) digital with the examples of Tallinn (Estonia) and Espoo (Finland).

According to EU data, 72% of the EU's population live in cities, towns and suburbs, therefore they are the engines of Europe's economy. But despite generating 85% of Europe's GDP, they also face multiple, interconnected challenges, including energy and climate change, employment, migration, social inequality, pollution.

At the same time, the cities are a key platform to boost business development and improve the well-being of citizens. Advancing digital technologies Europe has the opportunity to re-invent the way cities' development is being managed, respond to the big societal challenges, and offer new jobs. Big data and cheap computing have already enabled rapid growth of artificial intelligence (AI) technology – a code that learns, in software applications supporting every aspect of life. For example, AI applications are already being extensively used in healthcare, transportation (traffic control), public safety (facial recognition), and manufacturing (process control) and in online retail.

The significant uptake and increased use of digital and other advanced technologies (e.g. bio- or nano-materials, 3D printing, etc.) are meant to enhance resource efficiency and help address environmental pollution. On the social side, digitalisation has a great potential for increasing the engagement and participation of citizens in the city development. One of the goals of digital transformation in the cities is to provide improved e-services to citizens and build a convenient way of interaction with the city.

Advancing the digital transformation in cities requires building up collaborations with local actors to develop the innovation ecosystem. Yet, digitalisation also brings a set of challenges: for example, as many processes are being increasingly replaced by digital ones, the unemployment is becoming a major threat. As digitalisation advances, different actors (merchants, authorities, insurers) are being informed about everyone's every move, search or test. In other words, privacy issues are becoming very sensitive. Increased reliance on AI leads to the issue of machine ethics and how moral dilemmas will be addressed by machines.