Opinion of the European Committee of the Regions – A strategy for Europe's digital future and a strategy for data

(2020/C 440/13)

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Reference documents:

Shaping Europe's digital future

(COM(2020) 67 final)

A European strategy for data

(COM(2020) 66 final)

Secure 5G deployment in the EU — Implementing the EU toolbox

(COM(2020) 50 final)

POLICY RECOMMENDATIONS

THE EUROPEAN COMMITTEE OF THE REGIONS

Summary

1. stresses that digitalisation must bring with it tangible benefits and real advantages for people and that, in the development of digital technologies, legal, social policy, social, environmental, cultural and, in particular, ethical aspects must therefore also be taken into account;

2. points out that digitalisation is a cross-sectoral, cross-cutting issue that will penetrate and significantly transform all areas of the economy and life, such that only cross-sectoral digitalisation opens up fundamentally new potential for disruptive business models and innovative digital services and products; highlights that start-ups in particular play an important role in digital innovation for Europe;

3. underlines the major contribution local and regional authorities make to the practical implementation of the EU Digital Agenda, in particular within Smart Cities and Smart Regions, as well as the important role played by local government in ensuring access to data and its availability;

4. draws particular attention to the need to support capacity-building in citizens and businesses, in particular SMEs, as well as in the public sector. There are many possible ways of using digitalisation of the world of work to reduce workload and promote decent work, and at the same time make economic and social systems more resilient;

5. stresses that the opportunities offered by digitalisation in addressing societal, climate and environmental challenges and in certain crisis situations, as demonstrated with current COVID-19 crisis, are particularly important for education, working life, the economy and smoothly functioning government;

6. deems it important that European values and ethical rules, as well as social and environmental standards, also apply in the digital sphere; and the EU will actively promote these European values and ethical rules globally;

7. stresses the importance of individual and pan-European data sovereignty. It is all the more important in view of the EU Court of Justice's judgment of 16 July 2020 (case C-311/18), which invalidated the privacy shield put in place between the European Union and the United States. The CoR therefore calls on the Commission to clarify the effects of this judgment as soon as possible, given the need for businesses to have legally secured data flows beyond the European Union;

8. regards digital cohesion as an important additional dimension of the traditional concept of economic, social and territorial cohesion enshrined in the EU Treaty;

Digitalisation and the associated opportunities

9. shares the Commission's view, underlying the three communications on the EU Digital Package, that digital technologies lead to far-reaching changes in peoples' lives, thus also affecting Member States, regional and local authorities and businesses;

10. sees the growing importance of data and the opportunities it creates, and underlines the need to protect citizens and businesses from any risks emerging from data sharing, processing and storage; also shares the view that there is an absence of technical tools and standards to make the exercise of individuals' rights simple and not overly burdensome;

11. welcomes measures to help Europe take the lead in the transition towards a healthy planet and on the path towards a digital world, in so doing generating sustainable growth and prosperity while upholding common European values and a strong legal framework based thereon, in terms of data protection, fundamental rights, safety and cyber-security;

12. notes that AI-driven services, as well as other innovative technologies in data-processing, digitalisation and process automation, have enormous potential to deliver benefits to consumers and service providers, while also presenting challenges in terms of ensuring, in a responsible way, non-discrimination, transparency and explainability of algorithms, liability and the protection of privacy, and therefore stresses that the use of AI and of other emerging digital technologies needs to be structured in a responsible way; also notes that existing liability privileges for market-dominant platforms should be assessed with reference to European values, in particular those platforms whose business strategies are run from non-EU countries, and that for algorithmic systems that are sensitive from the point of view of fundamental rights the EU market location principle should apply;

13. draws attention, in the context of the coronavirus crisis, to the opportunities offered by digitalisation, such as teleworking and online education, and stresses that, in the context of the coronavirus crisis and the associated contact restrictions, digital applications and infrastructure have been instrumental in maintaining public administration in times of unexpected crisis;

14. sees this as a good starting point for promoting implementation of the Green Deal with the help of digital techniques;

15. stresses that, according to forecasts, CO_2 emissions from digital applications could already exceed those of global vehicle traffic by 2025. The information and communications sector alone is responsible for an estimated 5 to 9 % of electricity consumption and more than 2 % of all emissions worldwide. On the other hand, digital solutions can support the ecological transition. Environmental data, for example, make it possible to develop solutions that benefit the expansion of renewable energies, reforestation or waste avoidance. In relation to the circular economy, the possibility could be considered of online retailers making a voluntary commitment to incorporating environmental protection criteria in their search algorithms, or of establishing a 'digital product passport' that could contain information about the material and climate footprints of a product's supply chain to enable customers to make sustainable consumption choices;

16. stresses that, also in view of the economic challenges posed by the crisis, progress with the digital transformation and the investment this entails must not be neglected; on the contrary, significant public and private investments into digitalisation is the most efficient way how to regain economic growth in the EU;

Vision for a digital society

17. is concerned that the proposed Multiannual Financial Framework includes cuts to the funding of the Digital Europe programme. Reducing funding may have an impact on the way the programme works;

18. welcomes the Commission's ambition to use digital technologies to enable people to develop, to choose freely and safely, to engage in society and to create a framework for businesses to innovate and compete or cooperate on fair terms;

19. highlights the potential of quantum computing and draws attention to the existing European initiatives in this field, such as the Quantum Technologies Flagship. Furthermore, it calls for continuous support of quantum research projects in the EU in order to achieve global leadership in unlocking the potential of quantum technologies;

20. notes that the data economy has an increasingly important economic role to play in the ongoing digitalisation process and is therefore an essential tool for future added value;

21. advocates the targeted development and expansion of a European data economy and steps to achieve technological independence, including through an appropriate industrial policy commitment to promoting European champions;

22. underlines the distinction drawn between personal and non-personal data, the different applications and uses thereof and the associated different legal frameworks, management and practices;

23. highlights the important role played by open-source options in diversifying choice and strengthening the technological independence of administrations, businesses and the general public, and in supporting open-source communities in Europe, in which businesses and administrations work together;

Reliable infrastructure and digital foundations

24. stresses the social and economic importance of the fifth generation of mobile communications (5G) and calls for awareness-raising based on transparent assessment of the technologies, in order to ensure that citizens fully understand the benefits and disadvantages of the infrastructure – including studies of the ecological and health effects – rather than becoming victims of fake news;

25. underlines the need for a comprehensive approach to boosting the security and resilience of 5G networks and points out that a joint approach in the EU is effective and that a common European minimum safety standard generates overall positive results;

26. acknowledges the approach adopted to implementing the toolbox with a view to ensuring a diverse, forward-looking 5G supply chain and avoiding a lock-in effect;

27. calls on Member States to follow the EU toolbox for secure 5G networks to ensure Europe`s cybersecurity and protect Europe`s geo-political interests against the threat of surveillance and espionage related to the deployment of 5G networks using technology from third countries;

28. expresses its support for fibre optic technology as an indispensable digital infrastructure and basic service that should be available to all people in the European Union, especially in rural areas that other technologies struggle to reach;

29. feels it cannot fully support the view that Europe's data strategy can rely on a thriving ecosystem; in this respect, and not only on the basis of the current situation, support for start-ups in particular appears to be particularly important for implementation of the strategy;

30. welcomes the announcement that the Commission will invest in a High Impact Project on European data spaces and federated cloud infrastructures;

31. refers, in this context, to the importance of Smart Cities and start-ups as drivers of innovation, and of support provided to them;

32. welcomes the plans for agreements with the Member States on cloud federation and the creation of an EU cloud rulebook;

33. sees the risk that inconsistent approaches to data access and use would lead to fragmentation of the internal market, so it is essential that this be avoided;

34. underlines the importance of cross-sectoral measures on data access and use and welcomes the absence of detailed ex ante regulation in the spirit of an agile approach and calls on the Member States to continue, in keeping with the relevant provisions of the e-commerce directive, to ensure the protection of the public interest and of services of general interest, the prevention of distortions of competition and the efficiency of public administration;

35. points out, however, that the concomitant requirements for local and regional authorities in particular should be appropriate and tailored to the implementation effort;

People in the digital world

36. notes that significant public resources are needed to support digitalisation, universities and research institutions, start-ups and SMEs, but also regions, especially in the sense of Smart Regions, and, in particular, to build up cutting-edge joint digital capacities and thus Europe's technological independence;

37. stresses that European regulations must always take into account the guarantee of local and regional self-government enshrined in primary law by Article 4(2) TEU. An obligation under secondary law for local and/or regional authorities to share data would undermine this guarantee and should therefore be ruled out;

38. believes that such capacities must be provided for in the EU's Multiannual Financial Framework and calls for them to be made available despite possible challenges in coping with the consequences of the coronavirus crisis, in particular in the Digital Europe programme;

39. believes that further steps should also be taken to digitalise the public provision of broadcasting services without delay, in the interests of maximum pluralism;

40. underlines that the security of digital products and services is a key factor for building trust and thus, their successful deployment, points to the involvement of the European Union Agency for Cybersecurity (ENISA) in this and supports enhanced cooperation with and between cybersecurity research institutions in the Member States and, where appropriate, the regions;

41. stresses that digital skills are essential both in terms of labour market applicability, especially in the areas of competence of big data and analytics, to realise the potential of AI-driven services, and to strengthen the resilience of the European economic, social and education systems and ensure that people can participate properly in society, in that, notwithstanding their age or place of residence, they are able to handle digitalisation successfully;

42. stresses the importance of education in the digital world, particularly digital or media literacy — not only in educational institutions — as a way of ensuring that all people can participate in digitalisation in an autonomous way;

43. is open to the idea of creating 'personal data spaces', with more possibilities for individuals to control who can access and use data, and of enhancing the portability right for individuals under GDPR Article 20;

44. calls on the Commission to continue its efforts to ensure adequate privacy protection and to work in particular towards the swift adoption of the planned ePrivacy Regulation in order to avoid inconsistencies in the relevant regulatory framework and to boost legal certainty;

45. in this connection, also calls on the Council of the European Union to ensure transparency and thus legal certainty;

46. underlines the urgent need for the future European SME Strategy to include capacity-building measures for SMEs and start-ups in order to enable them to take full advantage of the many opportunities offered by data-driven business models;

47. supports the planned and coordinated establishment and promotion of European Digital Innovation Hubs, advocates intensive exchanges at an early stage between the Commission, the Member States and, in particular, the regions on this matter, and points out that a transparent, accountable selection process and equal opportunities between European regions are essential;

A European community of digital values

48. notes that data is the basis for digital products, services and business models, and thus for economic development in Europe, and that it can improve the basis individuals, businesses, organisations, administrations and policy makers use for decision-making;

49. warns that decisions based solely on data, in particular in connection with automated processing, may not always be appropriate or proportionate and must therefore always be weighed up in the overall context;

50. stresses that the digital society should be inclusive, fair and accessible to all, with a people-centred focus;

51. calls for robust measures to defend civil liberties and democracy in an increasingly digitalised era, including steps to reduce the risks of a 'digital big brother' and to fight fake news, disinformation campaigns, hate speech and discrimination, particularly racism, in the digital realm, regardless of whether these negative phenomena originate within or outside the EU;

52. notes that digital technologies and data-driven solutions are important means of overcoming societal, development, climate and environmental challenges and are therefore also relevant in the context of achieving the objectives of the Green Deal and the UN Millennium Development Goals;

53. welcomes the initiative on circular economy devices and also initiatives for achieving climate-neutral, highly energy-efficient and sustainable data centres by 2030 at the latest;

54. points out that these challenges are closely intertwined and provide opportunities for Europe to take the lead;

Data as digital fuel for the economy and a basis for decision-making

55. shares the view that 'the human being is and should remain at the centre' of the European data strategy; the role of digital policy is therefore to continuously monitor the effects, while weighing up the advantages and disadvantages of developments, and if necessary play a guiding role;

56. likewise shares the view that the use of data is of the utmost importance for the public good to tackle emergencies (epidemics, natural disasters), to better understand environmental degradation and climate change and introduce targeted measures to counter them, and to devise better measures to combat crime and protect against terrorism;

57. supports the development of common European data spaces in strategic economic sectors and domains of public interest, and stresses that further data spaces should be possible for the sake of agile action;

58. supports the idea of a Single European Data Space, based on European rules and values, in order to reduce the over-reliance on digital solutions created elsewhere;

59. calls on the Commission to further strengthen Europe's technological independence in key enabling technologies and infrastructures;

60. underlines the importance of using data to enable evidence-based policy-making and to improve public services, all within the framework of data protection, security and ethical standards;

61. agrees that interoperability of data (e.g. through standards) and the quality of data are crucial and therefore welcomes the development of suitable organisational approaches and structures;

62. highlights the progress report published by the independent expert group of the Observatory on the Online Platform Economy ([1]) on economic indicators and measurement of the platform economy, according to which the lack of data on many aspects of platform companies' economic role and behaviour presents a challenge to policy makers and researchers. The experts quite rightly also insist on monitoring of the platform economy, particularly with regard to the platforms' economic significance, the power they have over their users, and transparency;

63. points out that, when establishing standards, compatibility with existing IT landscapes of local and regional authorities should be borne in mind;

64. agrees that the number of European cloud providers is small and that there is a considerable technological dependence on external providers;

65. also agrees that the level of cloud use, especially in the European public sector, is low and that IT cost reduction potential, among other things, is thus not being exploited;

66. underlines the importance of investing in future technologies such as artificial intelligence, distributed and decentralised ledger technology (blockchain) and quantum computing, among others. This requires, in particular, research and development activities;

67. points out, in this connection, that there are shortcomings in the interoperability of different cloud services and in the development of technical procedures for public authorities in the cloud;

68. welcomes the intention to shape the systemic role of certain online platforms and the market power they acquire in such a way that the fairness and openness of our markets is not endangered;

([1]) https://ec.europa.eu/digital-single-market/en/news/commission-expert-group-publishes-progress-reports-online-platform-economy

69. believes that there is a need for regulation that appropriately governs the working conditions of people employed by online platforms in order to ensure social protection and an adequate subsistence level for this type of work; therefore welcomes the Commission's plans to publish an initiative to improve the working conditions of employees on online platforms, but advocates bringing it forward from 2021 to 2020. Particularly during the COVID-19 pandemic, it has become evident that a number of online platforms profit economically from a shutdown, while platform workers are still precariously employed;

70. welcomes the agreement reached between Europe's social partners on managing the digital transformation [2] in order to shape together how digitalisation evolves and the impact it has on work, workers and how companies operate;

71. emphasises that activities which are banned in the physical world cannot be allowed on the internet either, and believes that the role and obligations of online platform providers should therefore be spelled out;

72. notes with regret that in a digital world without borders, a few companies with the largest market share generate the bulk of the gains from value added created in the data-driven economy, that due to outdated corporate tax rules these profits are often not taxed where they are generated, and that this distorts competition;

73. given the current network effects of the digital platform economy, is in favour of considering whether and how European competition law should be further developed;

74. points out that digitalisation creates challenges in all regions of Europe to the same extent, requiring most heterogeneous resolution strategies, and therefore calls for this to be taken into account when framing overarching strategies;

75. calls for procedures to access European funding to be simplified in order to reach as many businesses, universities and research institutions as possible and encourage them to play an active role in shaping digitalisation;

76. points out that this applies equally to Smart Cities and Regions;

77. shares the view that there is an absence of technical tools and standards to make the exercise of individuals' rights simple and not overly burdensome;

78. stresses the importance of countering 'lock-in' effects, e.g. on IoT (Internet of Things) devices, and of strengthening the consumer's position; in this context, it is important to provide users with the tools and means to make their own decisions about what happens to their data;

Europe in the world

79. welcomes the Commission's commitment to Europeans' interests and equal opportunities for European businesses on international markets and to European values in international business and data flows;

80. welcomes the idea of attracting the storage and processing of data to Europe from other countries and regions, and is aware of the varying strengths of European regions, which should be used as diverse arguments in favour of this;

81. welcomes the initiatives taken by the European Commission and the Member States in order to clarify and harmonise the taxation of the digital business activities of all actors, including those whose business policies are established outside the EU;

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[2] https://bit.ly/2YptFYV

Assessment of these Commission communications

82. emphasises that measures must focus on the European Union's strengths, such as manufacturing, which generates a variety of applications for digital technologies, including Industry 4.0, Artificial Intelligence (AI), robotics, additive manufacturing, optics, sensing and the Internet of Things;

83. calls for a detailed assessment of the impact of the key measures proposed for a fair and competitive economy with regard to the European Data Strategy and the ongoing assessment and review of the suitability of EU competition rules, regulatory measures and the industrial strategy; this applies in particular to the creation of a framework to establish appropriate, competitive and secure digital finance and corporate taxation in the 21st century;

84. reiterates that digitalisation of the regions requires a coordinated and aligned strategic approach that goes beyond the provision of digital infrastructure and connectivity;

85. calls for a comprehensive framework training programme to address the lack of data experts and data literacy in the EU;

86. calls — not only on the basis of the current situation — for support programmes for start-ups and businesses, as otherwise the data strategy cannot be implemented;

87. calls for an initiative to strengthen technological sovereignty (e.g. development of dedicated processors, network components) in order to be able to safely build and operate the infrastructure required and calls for ensuring adequate funding for European research and development projects;

88. recognises, on the basis of the challenges described and the proposed measures, the need to further increase resilience and sovereignty in the digital sphere in order to exploit the potential of the most recent communication standards in a sustainable manner; in this regard, special attention should be paid to the protection of critical infrastructure so that the state's capacity to act and public provision can be maintained even over the long term in a crisis situation;

89. suggests that further measures be considered that can lead to rapid improvements in energy efficiency, a reduction in greenhouse gases, the best possible use of digitalisation for environmental and climate protection and climate-friendly targeting of efforts to promote innovation and gigabit networks.

Brussels, 14 October 2020.

The President
of the European Committee of the Regions

Apostolos TZITZIKOSTAS