# Opinion of the European Economic and Social Committee on 'Upgrading inclusive, secure and trustworthy digitalisation for all'

**(Exploratory opinion)**

(2021/C 374/03)

Rapporteur: **Philip VON BROCKDORFF**

Co-rapporteur: **Violeta JELIĆ**

| | |
|---|---|
| Referral | Slovenian Presidency, 19.3.2021 |
| Legal basis | Article 304 of the Treaty on the Functioning of the European Union |
| Section responsible | Single Market, Production and Consumption |
| Adopted in section | 15.6.2021 |
| Adopted at plenary | 7.7.2021 |
| Plenary session No | 562 |
| Outcome of vote (for/against/abstentions) | 221/0/3 |

## 1. **Conclusions and recommendations**

1.1. The EESC recommends the swift adoption of an inclusive EU digital government policy, building on the eGovernment Action Plan 2016-2020, the Tallinn Declaration on eGovernment, the Berlin Declaration on Digital Society and value-based digital government. [1] The Council conclusions recognise that public administrations have the added responsibility for ensuring citizens are treated equally and are entitled to the same rights of access to digital government.

1.2. The EESC recommends that in pursuing inclusivity, governments put in place comprehensive strategies, supporting measures and legislation that is adequate and proportionate, to ensure the interoperability, quality, human-centricity, transparency, security, safety and the accessibility of digital public services and products, as well as optimal access to health, education and economic and cultural opportunities. National, regional and local governments need to digitalise as quickly as possible and accelerate the implementation of new digital infrastructures, including 5G.

1.3. The EESC recognises that huge investment is needed on the part of governments in order to achieve inclusivity. Moreover, it is presumed that, in Member States' recovery and resilience plans, inclusivity will feature very prominently in the planned digital transformation, tapping into the EU's albeit limited Just Transition Fund as part of Next Generation EU, as well as the Digital Europe Programme and the European Structural and Investment Funds (particularly the European Regional Development Fund (ERDF) and the European Social Fund Plus (ESF+)).

1.4. The EESC recognises that digitalisation can provide both opportunities and threats for businesses. Hence the need for governments to provide adequate financial support, including through EU funds to businesses of all sizes, especially SMEs. This will help them to adapt successfully to the transition.

1.5. The EESC also recommends that work practices such as remote working be implemented with full consideration for work-life balance. Social dialogue, support to SMEs and social economy enterprises, and respect for workers' rights, including collective bargaining, are paramount to ensuring a smooth transition.

---

[1] This is in line with the Council Conclusions on Shaping Europe's Digital Future (9 June 2020), in which the Council 'calls on the Commission to propose a reinforced EU digital government policy, bearing in mind the e-inclusion of all citizens and private actors, to ensure coordination and support for the digital transformation of public administrations in all EU Member States, including interoperability and common standards for secure and borderless public sector data flows and services'.

1.6. The EESC recommends that Member States work more closely together on the development and validation of digital solutions, leading to a network for sharing best practices.

1.7. The EESC also recommends an EU-wide review of government policies and measures to engage the relevant stakeholders in proposing effective measures based on social justice. This should include policies and financial resources with the aim of facilitating the digital transformation. The EESC also highlights the need to significantly increase enrolment rates in STEM-related fields of education over the coming years.

1.8. The EESC recommends strengthening the Digital Services Act (DSA) and the Digital Markets Act (DMA), as a pre-condition for a digital transformation that is trustworthy and where consumers can make choices in a truly open and competitive market. In the DSA, responsibilities and liabilities for platforms should be made clearer and better enforceable than currently proposed. In the DMA, the use of 'dark patterns' and other 'non-neutral' choice architecture, which surreptitiously influence consumers' behaviour, should be outlawed.

1.9. Finally, the EESC recognises that digitalisation and the greening of EU economies and the EU's carbon neutrality targets in particular, go hand in hand. Going 'digital and green' is of vital importance, but again the EESC emphasises that equity and social dialogue should always be the guiding principles for implementing digital and green technologies.

## 2. **General comments**

2.1. European societies are moving online. The COVID-19 pandemic has accelerated the need for society to digitalise, as digital channels have often during lockdowns been the only channels available for citizens and businesses.

2.2. On their part, many business owners recognise the fact that it is necessary to gravitate towards the digital world to ensure the long-term success of their businesses. Equally, workers and the public need to understand what digitalisation is all about, how it affects their working and daily lives as members of a business organisation or public sector entity, or simply as members of a community. As is stipulated in the New Consumer Agenda, European consumers should be at the core of digital transitions with consumers being afforded adequate protection and empowerment in the process of change.

2.3. As for governments across the EU, swift digitalisation is inevitable and this can only be made possible through public spending on digital infrastructure. Public authorities at local, regional, national and European level need to develop into flexible, resilient and innovative organisations, seizing the benefits of the digital transformation and emerging technologies and advanced capabilities to provide inclusive, seamless, convenient, transparent, secure and trusted human-centric digital services to citizens and businesses.

2.4. Public administrations, businesses, workers and the general public need to adapt (while being provided with support and, where necessary, analogue solutions as an alternative) to the tech-centric world we are living in, and it is important to understand what the difference is between the digitisation, digitalisation and digital transformation.

2.5. Digitisation refers to the digital version of physical or analogue items and it plays an important role in the context of businesses and governments, and the number of hours worked. The process of digitisation sets off a chain of events that can drastically optimise the workflow of any business and government, resulting in automated business and government processes. This represents a challenge to workers and civil servants alike.

2.6. While most businesses and governments use basic methods of digitisation in their everyday processes, there is so much more that can be done to apply digitisation effectively. The challenge here is building trust among workers, civil servants and the general public if they are to adapt successfully to new digitised workflows and processes. In the workplace, this transition requires social dialogue, as well as respect for collective bargaining. The transition can deeply affect workers' lives and hence the need to provide information and hold consultations at an early stage of the process. Equally, the public needs to be made aware of the unintended consequences of the transformation.

2.7. Whereas digitisation appears to increase efficiency in businesses and governments (the potential benefits have always been overestimated), there is always a cost, as is the case when workers or civil servants are made redundant, or when the public, especially older people and persons with disabilities, do not adapt quickly enough or at all to digitisation. Hence the relevance of making digitalisation accessible to all regardless of age, gender, socioeconomic status and disability. Similarly, SMEs may find themselves at a competitive disadvantage if they cannot keep up with the pace of digitisation in their industry, particularly if such processes require a high upfront initial cost.

2.8. Digitalisation is the second term that businesses, workers and the general public need to understand. It encompasses a vast range of elements. Digitalisation helps transform how businesses operate through the application of digital technologies. This affects business models, communication flows within and external to the business concerned, and indeed the entire value chain.

2.9. Digitalisation opens new windows of opportunity for businesses by creating digital-based revenue streams that were never available in the past. From social media integration to the ability to offer subscription-based data services to clients, having custom-built business applications may be the key to innovation, growth and expansion for businesses in the future. New digital technologies, especially those denoted by the acronym SMACIT (social, mobile, analytical, cloud and Internet of Things), are a great opportunity for SMEs because these technologies for large and old organisations represent opportunities and existential threats simultaneously.

2.10. Years of research into the outcomes of digital transformations have shown that the success rate of these efforts is consistently low: less than 30 percent of planned outcomes. Recent McKinsey results on a sample of 263 respondents show that only 16 percent of respondents said the digital transformations of their organisations had successfully improved performance. These challenges are also faced by 'smart industries' such as high technology, media and telecommunications, among which the rate of successful outcomes does not exceed 26 percent. On the other hand, in organisations with fewer than 100 employees, respondents are 2,7 times more likely to boast of a more successful digital transformation than is the case in large organisations with more than 50 000 employees.

2.11. Irrespective of size, however, businesses that are still rooted in more traditional processes risk losing competiveness and it is wrong to assume *a priori* that all businesses can successfully achieve digitalisation. The same holds true for workers, especially those who work in traditional activities.

2.12. The transition to digitalisation may help drive business efficiency and open up new opportunities for businesses to generate income, besides helping to reduce the carbon footprint. It may also support increased mobility in the labour market, enhance productivity and flexibility at the workplace and enable work-life integration when workers work remotely from home, as has happened during the COVID-19 pandemic.

2.13. The reality, however, may be very different and questions need to be asked as to whether digitalisation and remote working in particular has actually resulted in a better work-life balance. Though many workers favour remote working, it has often been implemented haphazardly, impacting working conditions, especially in the case of working mothers and workers with inadequate digital skills. Hence it is legitimate to ask whether digitalisation has blurred the boundaries of private and professional life. Whereas digitalisation may boost workers' and business performance, the implications for family life and possibly health may be altogether a different story. Artificial intelligence tools, hurriedly applied during the pandemic, have tended to increase stress and health and safety risks among workers.

2.14. There is also an increasing tendency for individuals not to 'disconnect' from digital work processes. As remote working becomes the norm in businesses and public services, it is vitally important that it takes place in the context of social dialogue and collective bargaining. The right to disconnect also needs to be recognised through an EU-wide instrument.

2.15. The final aspect of digitalisation affects not only business owners, but society in general. Over the past three decades, and most noticeably in the last 10 years, there has been a dramatic shift towards the adoption of digital technologies in all social settings and human activities. This has essentially developed what are known as 'digital customers', with increasing numbers of people becoming reliant on digitalisation in practically all aspects of their daily lives. Digitalisation is slowly becoming the basis for the way that organisations of all shapes and sizes connect with customers but it would be wrong to assume that all persons, whatever their age, are able to keep up with new digital developments.

2.16. This brings us to the distinction between digitalisation and digital transformation. The latter is all about the transformation of business and social operations into elements of the digital world, as we have all experienced in countless ways during the pandemic, with for instance increased remote working.

## 3. **Specific comments**

3.1. The ongoing digitalisation of our society and economy will only continue to grow and deepen, and whereas digitalisation promises further social and economic advantages, there are also concerns about its divisive impact on society and whether an increasing number of people are actually digitally dexterous. On paper, the transformative technologies appear to boost social inclusion rather than widening gaps between the digitally dexterous and the disadvantaged, but again the reality on the ground may be somewhat different. Many people are simply not managing to adapt to the rapid pace of the digital transformation. This applies especially to older people, persons with disabilities, and people living in rural and remote regions.

3.2. Whereas digitalisation for all is necessary to enhance efficiency and productivity, as well as to accelerate socioeconomic development in a post-pandemic world, the digital transformation has to be carried out the right way. By this we mean that the policy on digital transformation, both for the public and the private sector, must be inclusive, avoiding at all costs the exclusion of groups within society such as older people, the socioeconomically disadvantaged, persons with disabilities, and those in rural areas.

3.3. To achieve inclusivity, governments need to put in place comprehensive strategies and supporting measures to ensure the interoperability, quality, human-centricity, transparency, security, safety, and accessibility of digital public services and products, as well as optimal access to health, education and economic and cultural opportunities. In this context, digital tools can be used by public administrations to engage citizens in the creation of digital public services, ensuring that such services meet the needs and preferences of the citizens that use them.

3.4. Above all, achieving inclusivity requires huge investment on the part of governments and it is presumed that, in Member States' recovery and resilience plans, inclusivity will feature very prominently in the planned digital transformation, tapping into the EU's Just Transition Fund as part of Next Generation EU, as well as the Digital Europe Programme and the European Structural and Investment Funds (particularity ERDF and ESF+). However, in the case of the Just Transition Fund, reservations have been expressed about its adequacy to meet the transition challenges of both digitalisation and climate change ([2]). National, regional and local governments also need to digitalise and to accelerate the implementation of new digital infrastructures, including 5G.

3.5. The wave of digital transformation is unprecedented in terms of speed, scope and scale. To expect all businesses, SMEs and social economy enterprises to adapt quickly and successfully to this unprecedented wave of change is not realistic. The transformation may generate as many victims as successes unless businesses are allowed time to adapt and are supported by relevant measures.

3.6. Such measures should include providing businesses with the infrastructure necessary to support the digital transformation and the accompanying legislative framework that is proportionate and fit for purpose. Also relevant is the need for Member States to work closely on the development and validation of digital solutions leading to a network for sharing best practice. Other measures could include tax credits to further support the investment required by businesses in the digital transformation of their operations and work processes.

3.7. Markets where consumers can trust, be free of manipulation and make choices in a truly open and competitive environment are a pre-condition for trustworthy digitalisation. This is often not the case, if we look at how concentrated certain markets are (social media, communications apps, search, OS, etc.) and how often consumer rights are being violated. The EESC highlighted in its opinion on the New Consumer Agenda (INT/922 ([3])) that consumer protection rules also need to be adapted to the digitalised world. The new challenges posed by emerging digital technologies such as artificial intelligence (AI), the Internet of Things (IoT) and robotics call for a strengthening of current protection.

---

([2]) https://www.epsu.org/article/proposed-transition-fund-really-just
([3]) OJ C 286, 16.7.2021, p. 45.

3.8. A further pre-condition for achieving the desired outcomes of the digital transformation is the preparation of business of all sizes, including social economy enterprises, for the digital transformation. This includes support from eligible financial resources and training programmes for small business owners and staff to get acquainted with the latest technologies and the opportunities arising therefrom. Secondly, all aspects of introducing this profound change need to be communicated at all levels in the workplace. Thirdly, it also necessary to raise awareness about the need to introduce new ways of working, behaving and communicating in line with the unprecedented change in organisational culture.

3.9. The digital transformation has led to a significant increase in demand for digital skills across practically all industries, from manufacturing to financial services and beyond, with demand only set to increase further in the foreseeable future. Therefore, it is imperative that governments and businesses continue to invest in education and training for all, including vocational education, to ensure that the digital transformation occurs smoothly and with the right talent in place to enable individuals and businesses to reap the benefits of this transition. This should also include education on participating in digital platforms.

3.10. As the digital transformation gathers pace, this needs to be accompanied by a significant increase enrolment rates in STEM-related fields of education over the coming years. Developing STEM skills is necessary to support the transformation, to bridge the gender gap, and to create the next generation of innovators. STEM education will help boost the economy and create jobs.

3.11. The digital transformation has resulted in increased work intensification and job insecurity, thereby posing serious challenges for workers' protection, representation and fair treatment. The ILO Centenary Declaration for the Future of Work, adopted in 2019, proposed a human-centred approach to new technology in the world of work. However, the challenge is how to translate this into effective policies, legislation and measures that protect workers and allow for adequate representation. This is why an EU-wide review of policies (and quite possibly legislation that is proportionate and fit for purpose) and measures is deemed necessary, not only for policy coherence purposes but also to engage the relevant stakeholders in crafting policy that is based on the fundamental objective of achieving social justice.

3.12. Finally, any discussion on digitalisation for all cannot ignore its connection with the greening of EU economies and the EU's carbon neutrality targets, as well the emphasis being placed in the Recovery and Resilience Plans on initiatives that support these targets.

3.13. 'Digital and green' should not only go hand in hand, they are essential to promoting innovation across the EU. Examples include blockchain technologies to optimise the supply chain and enhance efficiency, which would assist in reducing resource consumption while keeping track of components, products and materials, thus contributing to the circular economy. In addition, digital technologies can help neutralise or offset emissions that are technically challenging or expensive. Going 'digital and green' is of vital importance, but as has been stressed in this opinion, fairness in society should always be the guiding principle for its implementation. Put differently, the benefits of digital transformation in, for instance, application of the latest technologies used to deliver smart, seamless and unobtrusive services in the areas of energy, security, mobility, wellness and community which help achieve carbon neutrality, should be accessible to all.

3.14. We recognise that this is not easily achievable but it is precisely why digitalisation plans connected with the greening of EU economies should involve a multi-stakeholder consultation process and analysis, based on social dialogue and collective bargaining, where the focus is on medium- and long-term targets that effectively make a difference to Europeans' lives.

Brussels, 7 July 2021.

*The President*
*of the European Economic and Social Committee*
Christa SCHWENG