OPINION

European Economic and Social Committee

**Communication from the Commission to the European Parliament, the Council, the European
Economic and Social Committee and the Committee of the Regions
2030 Digital Compass: the European way for the Digital Decade**

[COM(2021) 118 final]

Rapporteur: **Gonçalo LOBO XAVIER**

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Referral	European Commission, 21/04/2021
Legal basis	Article 304 of the Treaty on the Functioning of the European Union
Section responsible	Single Market, Production and Consumption
Adopted in section	15/06/2021
Adopted at plenary	07/07/2021
Plenary session No	562
Outcome of vote	
(for/against/abstentions)	205/0/3

1.   **Conclusions and recommendations**

1.1   The European Commission's plan for the 2030 Digital Compass arrives at a critical moment for the Union and for the entire world. The EESC salutes the initiative and the aim to use digital technologies to improve citizens' lives, create more jobs and facilitate progress and enhance European competitiveness. The pandemic has emphasised the importance and the possibilities of digital developments, has stressed the need for adjustments and has changed the way we socialise and work. The EU needs to address those challenges in a proper way. Having a strategy, a plan with specific goals and a way to measure progress is essential to turn intentions into results.

1.2   The EESC believes that digital innovation must always safeguard fundamental rights, ensuring everyone's health, safety and privacy (protection of personal data). It is crucial that citizens perceive the developments and growth as having a positive impact on the quality of their lives. The effects of new technologies that support our daily life must be good and fairly distributed in order to truly benefit society and the right to health must always prevail and be recognised on the list of fundamental rights of Digital Citizenship.

1.3   The EESC calls for the need to restore public confidence and to improve cybersecurity and cyber-resilience with 'security by design' along the whole digital value chain, to provide people with better choice and control over their data ('Data Ethics'), and to establish the responsibility of intermediaries to fight illegal and harmful content.

1.4   The online accessibility of all key European and national public services is a justified objective. Nevertheless, the EESC warns that no one should be left behind and that it is essential to support those who cannot benefit immediately from the digitalisation process. There is still a significant group of citizens that lack the knowledge and skills and even the necessary hardware and software to benefit from these facilities. The EESC calls on the Commission to support those who are in a transition process.

1.5   The EESC points out the enormous risk of learning disadvantages that can result from unbalanced investment. From children to older people, the effects of digital poverty must be kept in mind and close attention to the real risks is therefore a priority. Investment in infrastructure must be made at the same time as investment in training to reduce gaps.

1.6   The EESC stresses the need to help people upskill and reskill. This should be done by creating equality of opportunities by boosting public-private partnerships for upskilling and reskilling (both the current workforce and adult learners), promoting a life-long learning attitude for all.

1.7   The EESC considers the need to modernise education for a digital society. It is essential to drive the digitalisation of education systems by updating educational content to the digital era and to create public-private ecosystems to implement new methodologies of education that are open and accessible to provide the same opportunities to all.

1.8   Digital developments include risks such as fraud, breaches of privacy and a lack of transparency, which could undermine the goals set out in the document. The EESC believes that the conditions must be created to prevent such risks and to regulate responsibilities at EU level.

1.9   The EESC stresses the need to consider strategies to deal with the possible job displacements resulting from technological displacement. As stated in previous opinions, it is recognised that AI and robotics will displace and transform jobs, eliminate some and create others. In any event, the EU must ensure that all workers, whether employees, self-employed or bogus self-employed, have access to social protection, in line with Europe's set of social rights. Social dialogue on these issues, at all levels, must be promoted and bringing obligations and rights into line with the current digital and platform-driven economy must be a priority.

1.10   The EESC believes that, in order for the digital transition to be managed in an inclusive and socially responsible way and to cope with the loss of jobs, especially in the post-COVID period, one priority must be a European fund, supported mainly by taxing the biggest tech companies, with the aim of benefiting workers who are losing their employment and business due to the digitalisation of the economy, via proper training, upskilling and reskilling.

1.11   The EESC also calls for a coordinated policy that effectively addresses Europe's starting point and matches both the technological and the societal shifts that we have seen over the last few years and that have speeded up due to the pandemic: an industrial strategy – including competition policy and sector-specific regulation, namely for secure connectivity, is paramount.

2.   **General comments**

2.1   The EESC supports the European Commission's plan for the 2030 Digital Compass: the European way for the Digital Decade, as part of a broader action plan to boost Europe's economy and social recovery.

2.2   The COVID-19 crisis has shown a high degree of external dependency regarding technology and data processes, which must be tackled with efficiency and swiftness. Europe's assets in these areas must be better harnessed and European citizens more closely involved.

2.3   The EESC stresses the notion that no citizen should be left behind. Digital illiteracy is still high in Europe - 35% according to the Commission - and the lack of access to digital resources must be mitigated. However, access to human presence in economic and administrative relationships must be guaranteed. It is also important to ensure that the benefits of digitalisation are not reaped only by a few. The Digital Decade must be for the benefit of everyone.

2.4   European companies, especially SMEs, must be supported in their digitalisation efforts and empowered to compete on a global scale. Where the EU owns or funds computing resources, such as quantum acceleration computers, access to them must be fairly distributed, on the basis of objective criteria.

2.5   Nevertheless, ambitions and public money alone will not deliver the outcomes we seek. We also need a coordinated policy that effectively addresses Europe's starting point and matches both

the technological and societal shifts that we have seen over the last few years and which have speeded up as a result of the pandemic: an industrial strategy – including competition policy and sector-specific regulation, namely for secure connectivity, is paramount.

2.6   The EESC welcomes the vision of developing a digital education and innovation ecosystem and highlights the need to leverage the top-tier European science and academic institutions to achieve that goal.

2.7   There is a need to boost existing public and private cooperation and create more synergies to secure a new Digital Deal based on a governance model that combines social, environmental, and economic aspects, to achieve a long-term sustainable, fair, and inclusive digital transition.

2.8   The EESC stresses the need to consider strategies to deal with the possible job displacements resulting from technological displacement. As stated in previous opinions[1], it is recognised that AI and robotics will displace and transform jobs, eliminate some and create others. In any event, the EU must ensure that all workers, whether employees, self-employed or bogus self-employed, have access to social protection, in line with Europe's set of social rights. Social dialogue on these issues, at all levels, must be promoted. Measures to support people who are displaced should be adopted and coordinated, possibly funded by a EU tax on the companies that profit the most in the digital economy.

2.9   The role of venture capital, the stock markets and private investment in general must not be disregarded. Technological development in Europe will be driven by private companies and the EU will only be able to compete on a global scale if it remains a welcoming place for those investments. All of this must take place with due regard for social standards.

2.10   Ambitious connectivity targets should go hand in hand with a commitment towards a more favourable regulatory framework supporting private investment in network infrastructure. It will be of key importance to align the EU's industrial strategy and the vision for European leadership in digital connectivity with competition policy and the regulatory practice for the telecoms sector.

2.11   The Digital Decade roadmap sets out plans to develop European "own cloud infrastructure and capacities" to prevent data produced in Europe from moving abroad, which is where more than 90 per cent of European data currently goes. Europe must not be naïve and must continue in its fight to become more independent and to keep the data of its citizens, especially sensitive data, within its boundaries. In that regard, the aim pursued in the Digital decade plan to have 10 000 highly secure climate-neutral data-edge and cloud nodes, is a step in the right direction. The GAIA X project must be speeded up and become rapidly operational.

2.12   The EESC supports the idea of promoting a European Tech sector to reduce dependency on American and Chinese tech giants and to catch up in areas such as 5G deployment, chip-making and data handling, but cautions against the approach of a protectionist data economy in Europe. International partnerships and cooperation should be promoted.

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[1]   OJ C 440, 6.12.2018, p.1

2.13   To achieve these goals, 20 million technology experts will need to be employed in the relevant areas of work by 2030 - compared to 7.8 million today. In 2019, only 18% of the 7.8 million ICT workers were women. Diversity in the digital sectors is essential and will help shape the vision of the world and its challenges, namely to reduce risks of bias. The target of achieving a more balanced gender composition must be closely monitored and women's access to STEM disciplines must be encouraged. Social dialogue should be promoted at all levels (company, industry and national) as it can contribute to this aim. Powerful campaigns should be promoted in the Member States, starting in primary schools, to encourage young girls to choose scientific and technological disciplines. The digital divide is a major challenge. In many rural areas, not even 3G is available yet. Europe and the Member States should provide incentives to encourage investment in rural areas to ensure that no citizen is left behind.

2.14   These investments could promote territorial cohesion and regional development, and could enable people, if they so wish, to live more fulfilling lives outside big urban centres (the 'smart villages' referred to in the Communication). Remote working must be developed through social dialogue and collective bargaining at all levels, to safeguard the health and wellbeing of workers.

2.15   The EESC encourages the European Commission to establish incentives for people to move outside big urban areas, promoting the economic and social development of rural areas. This can only be done if the proper infrastructure, specifically in telecommunications and transport, is put in place.

2.16   There are major environmental challenges to tackle in the next decade and all actions taken in this context should also take the environmental aspect into account. Moreover, the Digital Compass should be used as a further tool to help meet the European Green Deal objectives and reduce environmental impacts.

2.17   Likewise, digital technologies must be transparent, inclusive, non-discriminatory, fair, and unbiased. This is even more essential as public services become increasingly digital. Today, according to the Commission, 65% of European citizens have basic digital skills. The target is to make this 80% by 2030. The issue of including and supporting the remaining 20% of people (around 90 million citizens in EU), is crucial to reduce poverty and exclusion. These citizens are usually amongst the poorest, oldest and living in rural areas. They could become even more vulnerable in dealing with public and private services, which are becoming more and more digitalised. The EESC stresses that access to humans in economic and administrative relationships must be guaranteed.

2.18   The EESC fully supports the aim of making all key European public services available online and European citizens' medical records will also need to be fully digital, as it is expected that 80 per cent of citizens will use a digital identity. This will also, however, require coordinated efforts and political will from all Member States. The EESC calls for the involvement of civil society organisations to achieve this goal. Basic digital facilities for public services should, in principle, be free. In any event, the digitalisation of public services must not lead to higher financial barriers for users.

3.   **Specific comments**

3.1   The increased digitalisation of life requires particular care in terms of cybersecurity and susceptibility to fraud and it is essential to educate citizens in this regard. The regulation of wearable technology is of particular concern and should be paid special attention.

3.2   European laws relating to the digital economy are evolving fast. Citizens and companies must be made aware of their rights and duties in the digital realm. There should be a continuous effort to consolidate legislative initiatives and make the law easier to understand and apply for citizens and companies.

3.3   The EESC welcomes the regular monitoring of the targets and the governance system put forward in the Communication and multi-country projects are essential to achieve the vision it sets out.

3.4   The EESC suggests that case studies of certain sectors in Member States and non-EU countries be drawn up, in order to adopt or promote best practices at European level. Regulatory sandboxes, providing a safe space to test new business models and ideas, should be promoted. An ambitious digital economy must establish agile and permissive test fields.

4.   **A digitally skilled population and highly skilled digital professionals**

4.1   The EESC supports the objective of having 20 million employed ICT specialists, with convergence between women and men[2] (2019 baseline: 7.8 million). This will, of course, require investment in proper education systems that can support this objective.

4.2   The digitalisation of liberal professional services that are closely related to public interests such as health, safety, law and living standards has a major impact on society and requires new professional and ethical approaches.[3] Its success depends both on highly skilled professionals and on the digital skills and understanding of users, patients, clients and consumers.

4.3   The EESC stresses the increasing need to upskill and reskill people, promoting a life-long learning attitude for all.

4.4   The pandemic has boosted distance learning. At the same time, it has become clear that this entails a high risk of learning delay for children from lower social classes. In realising the Digital Targets 2030 action plan, digital poverty must receive specific attention.

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2   DESI indicator "2b1". Currently the share of women among employed ICT specialists is only 18%.

3   INT/904 - Liberal Professions 4.0

5. **The Global Role of the EU in the Digital Decade and a level playing field for SMEs**

5.1   As regards SMEs, it is of course essential to support their digitalisation efforts through different approaches but it is also important to stress the role of SMEs as drivers of innovation in digital technologies.

5.2   Software development is an rapidly growing sub-sector in the digital process. Support for innovative SMEs deserves specific attention. The EESC endorses the financial mechanisms that can ensure proper support SMEs to guarantee a smooth transition. At the same time, continuity must be ensured, meaning that upgrades to newer versions are provided so that users do not have to constantly invest in new programmes.

5.3   All companies, whether SMEs, start-ups or scale-ups, need capital. The goals set out in the document highlight the urgency of achieving a Capital Markets Union, which considers market solutions and decreases reliance on bank financing and advance support, which favours the transfer of savings between different Member States seeking the best return, and the need to eliminate tax bias in favour of debt. Innovative companies need equity and a tax scheme that does not overly penalise entrepreneurs with marginal tax rates on their capital gains.

6. **Risks and safeguards**

6.1   The need for safety, predictability and both physical and mental health must be also a priority in this agenda. It is important to raise people's awareness of security, along with technology to improve the quality of life and jobs. Under this principle, the EESC believes that the European Commission should take the opportunity offered by the planned annual monitoring exercise sounding out Europeans' views on compliance with their rights and values to assure that the right to health is properly safeguarded.

6.2   On a similar note, the EESC recommends that the EU frames a specific monitoring strategy covering all electromagnetic pollution generated by the various technologies currently available to flank this new industrial revolution. Electromagnetic effects could then be tracked across Europe with a view to developing a body of literature on this issue in order to assure people's state of health once the European electronic health records have finally been rolled out and data can be cross-referenced. Every Member State should monitor this issue and the findings should feed into a single European database. A European policy should be developed to improve people's confidence in this area.

6.3   The digital technologies should be at the service of the European citizens, who should never be treated as objects or mere sources of data. The existing ethical and technical guidelines, such as the Ethics Guidelines for Trustworthy Artificial Intelligence (AI) by the High-Level Expert Group on Artificial Intelligence, should be taken into account.

6.4   The EESC recommends that, in view of the risks presented by data processing, measures must be taken to ensure that no more data is retained than is actually needed by a business, and that data is retained for no longer than is necessary. At the same time, data-driven innovation is a key factor to be competitive in the digital environment and authorities should push for a cross-sector

data-sharing regulatory framework to allow user-centric data-sharing. The applicable framework must promote access to data and focus on interoperability.

6.5   20% of The Recovery and Resilience Facility (RRF) is earmarked for digital connectivity and 37% for green transition. This requires an ambitious and coherent vision for the European telecoms industry and a commitment to a more favourable regulatory framework that supports private investment in network infrastructure, as well as the development of sovereign integrated telecom services with cloud, edge, data and AI technologies.

6.6   The EESC considers that the digital transition must be aligned with the transition to a greener economy and take into account the environmental impact. The use of resources (including scarce resources) and their energy consumption must be reasonable. Transparency on the carbon footprint of cloud services should be required at European level to enable any organisation to calculate its digital carbon footprint and to develop plans to reduce it.

6.7   The EESC stresses the need to keep pace with the rapid evolution of the technology and business models, striving to eliminate any regulatory gaps, especially those that may harm consumers and the most vulnerable citizens.

Brussels, 7 July 2021

Christa SCHWENG
The president of the European Economic and Social Committee

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