



CORRECTING COURSE: THE 2030 DIGITAL COMPASS

ABSTRACT

The recently proposed 2030 Digital Compass strategy by the European Commission is timely and welcome, because digital technology and infrastructures play an important strategic role in today's economy and society, and their importance will only increase.

However, the collection of metrics proposed by the European Commission to measure progress are not aligned with political objectives. Their achievement will not lead to an environmentally and socially sustainable digital transition and more digital autonomy. In addition, there is a need to better align the Compass with other strategies, notably the European Green Deal, the European Pillar of Social Rights Action Plan, and the update of the New Industrial Strategy.

The paper assesses the objectives of the four focal points of the Compass - skills, infrastructure, the digitalisation of business and the digitalisation of public services – as well as the means to implement the strategy, and points to several areas where improvement is in order. Finally, the paper provides a set of recommendations to upgrade the 2030 Digital Compass.



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Summary and recommendations

The Covid-19 pandemic has once again highlighted that digital technology and infrastructures are pervasive and that they play an important strategic role in our economy, society and democracy. Therefore, the European Commission's initiative to provide a medium-term digital strategy – the 2030 Digital Compass – is very timely and welcome.

However, because digital technology is a tool and not an end in itself, the Digital Compass should focus much more on societal and democratic outcomes, and be much better integrated with existing strategies, in particular the European Green Deal, the implementation of the European Pillar for Social Rights, and the update of the New Industrial Strategy of 2020. Right now, the four focal points of the strategy – skills, infrastructure, the digital transformation of business and the digitalisation of public services – do not make that link sufficiently. A strategic alignment of the digital, green and social dimensions is indispensable to avoid building silos that radically diminish the impact of these three strategies.

Moreover, the digital compass strategy eschews many difficult but important political questions around EU strategic autonomy and the role of large online platform companies with a systemic impact. For instance, given that US firms control the cloud services market, but US data protections are not equivalent to EU standards, how can the EU rebalance this de facto asymmetric relationship?

Given that the model of global commercial platforms providing key public goods is creating problems across the board – for democracy, media pluralism, quality of information, future of work, innovation, autonomy, citizens' rights, how can the EU promote solutions in line with its

interests? Not merely in its capacity as lawmaker, but also as buyer and provider of goods and services, investor in R&D and promotor of industrial strategies? A comprehensive digital strategy cannot ignore these issues.

For the implementation, there is no reference to previous digital strategies and lessons learned. But most importantly, the EU is not fully using the opportunity of the Next Generation EU funds to support the EU's strategic autonomy as well as a more socially and environmentally sustainable transition. There is only a tenuous link between the Compass's goals and the implementation of the 20 percent digital spending target of the recovery funds. Moreover, the lack of public procurement conditions (sustainability, social aspects, autonomy) and coordinated EU-wide projects may mean that much of the recovery spending will not lead to meaningful change and may even set the EU back in terms of political goals such as increased strategic autonomy.

To rectify these shortcomings, the European Commission should:

- Articulate a series of ambitious and concrete pan-European projects that harness digital technology for the public good with strong and visible impact for the citizens. For instance, in the area of media and the public sphere, healthcare, education, sustainable mobility and the welfare state.

- Address the elephant in the room: the asymmetric nature of transatlantic tech relations. The EU could consider requiring US firms that process the personal data of EU citizens to do so in a legal form that would exclude them from the remit of the Cloud Act. For instance, by setting up a separate EU legal entity (Societas Europaea) not exposed to such

harmful extra-territorial regulation.

- Ensure the unique opportunity provided by the Next Generation EU funds is not wasted, by setting criteria for public procurement and ensuring stronger coordination for EU-wide

1. Introduction

The Von der Leyen Commission has made digital transformation a major priority, together with implementing a European Green Deal and achieving strategic autonomy. In March 2021, the European Commission published the '2030 Digital Compass: the European way for the Digital Decade'. It is a strategy that aims to serve as the EU's digital policy lodestar for the coming 10 years.

Given the strategic importance of digital tech, this initiative is highly timely and appropriate. That said, if the 2030 Digital Compass will serve as the direction for the EU's digital policy for the next decade, then the EU will end up in the wrong place in 10 years hence.

The collection of goals and metrics proposed are not linked to concrete societal and democratic outcomes and read like an accidental collection of isolated plans. They are not linked up or clearly aligned with the European Commission's strategies and policies for sustainability, a social Europe, and industrial renewal. Beyond that, the envisaged means to implement the strategy are not convincing, as there are no clear lessons drawn from failures with past strategies, nor are important policy levers used to the extent they could be, like the spending foreseen under Next Generation EU (NGEU) or public procurement.

We consider that the Commission has put the cart before the horse. In our view, the digital compass should be a means to implement the

projects on digital infrastructure, beyond the non-committal multi-country projects. Without this, much of the recovery funds are likely to go to large foreign providers, in ways (proprietary software) that rapidly deepen dependence and foreclose a sustainable digital transition.

shared European vision of the future. It is first an operational lever and not an end in itself. For example, the digital transformation could be a major lever towards a carbon-free society. In this respect, the digital transformation and the Green Deal should be clearly twinned and not thought of in silos as is largely the case now.

In a progressive vision for society, the digital transformation should contribute to achieving major European political objectives and realise concrete benefits for each European citizen, such as quality media pluralism, quality of information, lifelong learning, high-quality personalised medicine, monitoring of future pandemics, multilingualism and meaningful participation in the debate on the future of Europe. This dimension does not appear as a top priority of the Digital Compass. There is a short chapter on digital citizenship, but it contains no forward-looking perspective or concrete measures and metrics, other than a possible inter-institutional declaration.

The defects of the Digital Compass may limit its capacity to engage citizens, academia, industry, and administrations and must be corrected as soon as possible. If not, the gap with the two tech superpowers that are the US and China will likely further increase, whilst the EU becomes increasingly dependent and incapable of protecting the rights of its citizens or weighing in on the major global challenges that all have a digital dimension.

2. A compass pointing in all directions

Confounding means and goals – where is the vision?

At the start, the 2030 Digital Compass points out that the motivation for the strategy is President von der Leyen's call for a Europe that should be digitally sovereign, underpinned by a common vision based on clear goals and principles. The goal of digital sovereignty is purportedly 'to pursue digital policies that empower people and businesses to seize a human centred, sustainable and more prosperous digital future'. These are lofty, if somewhat vague, objectives.

However, when reading the strategy, the focus on clear societally beneficial outcomes and value-based principles quickly gets lost. From an instrumental perspective (digital tech as a tool to create better social and democratic outcomes), the text often gives in to the temptation to put digitalisation as the objective itself. The four pillars of the strategy – increasing digital skills, secure and sustainable digital infrastructure, digitalising businesses, and public services – are often not clearly linked to societal well-being and democratic progress. Instead, it is assumed that digitalisation itself is synonymous to progress and an increase in welfare. But this cannot be supported empirically.

In fact, it is likely that the unthinking digitalisation of everything is actually unsustainable, and creates vulnerabilities and dependencies that undermine the political goal of increased autonomy and resilience. In

this respect, the Covid-19 pandemic brought into relief our extreme dependencies on non-European systemic digital platforms for basic communication and information, digital transformation of SMEs, and work-from-home activities, as well as sometimes highly confidential institutional exchanges.

In addition, the different pillars of the strategy read as separate clusters, with – apparently – little thought as to how they interrelate and affect each other. For instance, does it make sense to swiftly push both businesses and public services to adopt a range of digital technologies while the infrastructure, legislation and governance necessary to do this in a responsible manner that furthers EU autonomy is simply not in place? Or will it in fact further increase EU dependency on unaccountable providers?

Finally, what is surprising is that there are hardly references to previous strategies. The European Commission has been articulating and aiming to implement strategies since the early 2000s, from the eEurope Action Plan and the i2020 Strategy to the Digital Agenda for Europe and the Digital Single Market Strategy. Much of the concerns raised 5, 10, 15 and 20 years ago continue to be on the agenda, from skills gaps and the digitalisation of business to sustainability concerns, the lacking interoperability of public services and more generally the achievement of a digital single market. How will this time be different, and why?

¹ Robert Solow's 1987 claim 'you can see the computer age everywhere but in the productivity statistics' still holds. There are a variety of possible reasons for that, including a lack of attention to intangible investments, but positing that digital technology as such will massively increase

general welfare is conjecture. See Robert M. Solow (1987) 'We'd Better Watch Out.' Review of *Manufacturing Matters*, by Stephen S. Cohen and John Zysman. *New York Review of Books*, 12 July.

Table 1 - the quantitative targets proposed by the 2030 Digital Compass

Skills	20 million ICT specialists 80% of population has basic digital skills
Infrastructure	Gigabit connectivity for all 5G for all populated areas 20% EU market share in semiconductors 10,000 climate neutral highly secure edge nodes First computer with quantum acceleration (by 2025)
Digital transformation of businesses	75% of firms use cloud/AI/big data Double the number of EU unicorns Over 90% of SMEs have basic level of digital intensity
Digital transformation of public services	100% of key public services online 100% of citizens have access to medical records electronically 80% of citizens use digital ID

2.1 Groundhog Day: increasing digital skills

The first focus of the strategy is on increasing digital skills. Here the European Commission is in familiar territory.² As the strategy rightly points out, there is indeed a valid concern over a lack of basic IT skills among large segments of the population, in addition to a lack of specialist skills. However, these problems are not new, and both the Compass and the recent implementing decision offer no credible way of addressing these.³

The Digital Economy and Society Index (DESI),

which measures digital skills levels across the EU, has existed for a while and skills gaps across Europe are persistent, with especially large generational and regional disparities. For more specialist skills, in for instance machine learning, there are challenges linked to a brain drain to large foreign firms outside but also inside the EU.⁴ Indeed, foreign companies are installing R&D centres in the EU to capture the highly skilled people who have not already expatriated themselves. These issues are not sufficiently taken up.

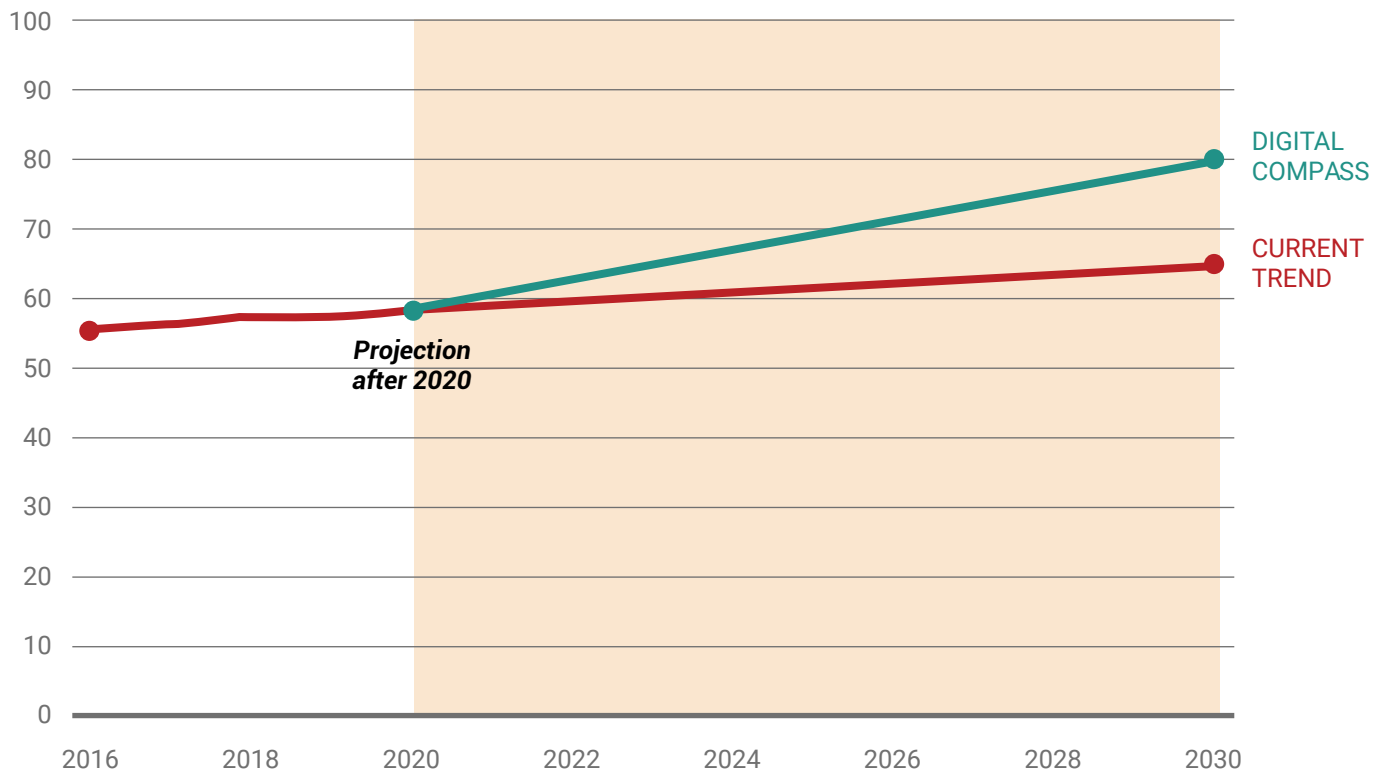
² In 2013, the European Commission has launched the 'Grand Coalition for Digital Jobs'; in 2016, it provided a follow up with the 'Digital Skills and Jobs Coalition'. The latter was part of its New Skills Agenda, see European Commission (2016) 'A New Skills Agenda for Europe', 10 June, COM(2016) 381.

³ Already in 2002, the European Commission highlighted

the need to address skills shortages in ICT, see European Commission (2002) 'Action Plan for skills and mobility', 13 February, COM(2002)0072.

⁴ Julia Anderson, Paco Viry and Guntram B. Wolff (2020) 'Europe has an artificial intelligence skills shortage', Report, Bruegel, 27 August.

Figure 1 - Evolution and projection of % people with at least basic digital skills⁵



This chart shows the expected percentage of the EU population between 16-74 years old with basic digital skills by 2030 based on an extrapolation of the existing trend up until 2020, compared to what would be necessary to reach the 2030 Digital Compass target of 80% of the population.

More broadly, apart from limited references to the European Pillar of Social Rights, there is no real pathway to ensure on-going digitalisation and automation lead to good outcomes for most European workers and citizens and no real reflection on how digitalisation can contribute to a better balance between professional and private lives and more generally to better working conditions except to a limited extent for the platform workers. For instance, it is abundantly clear that prevailing platforms business models

are by design or at least in fact weakening labour and lead to unbundling of jobs and deskilling of workers. This is a major topic of concern, all the more so since the platform model becomes an increasingly important way to organise social activity – including work – and might be the dominant model for the coming decades.

The Commission has announced plans for improving the working conditions of platform workers by addressing their often-erroneous

⁵ What counts as basic digital skills in this context is not very transparent, but it is based on survey responses about ICT usage in households by individuals (in the area

of information, communication, problem solving and software skills). It can be debated whether frequency of ICT usage is the most useful proxy for digital skills.

classification as self-employed, revisiting corporate governance rules to make them more sustainable, and it is already negotiating to create fair minimum wages across the EU. These initiatives can become relevant parts of a vision for a digital transition that supports high productivity and good working conditions, instead of one in which technology is used to drive down labour conditions.⁶

The strategy refers to the European Skills Agenda and the European Pillar of Social Rights, which both cover a broad range of societal issues, including a focus on inequality, but only takes on board the skills challenges. Reducing the social aspects of the digital transition to numerical skills targets only addresses part of the problem and shifts the burden of the transition to individuals.

2.2 Infrastructure: Yes to connectivity, but what about the rest of the ‘tech stack’?

The second pillar of the strategy focuses on ensuring secure and performant sustainable digital infrastructures. This is indeed a crucially important element, as digital infrastructures are increasingly intertwined with existing and everyday-life infrastructures such as electricity grids, water systems, mobility networks, the provision of healthcare and education, and more.⁷

One of the main problems for the EU here is that software itself has become a crucial factor.⁸ In 2012, the External Advisory Group for the Information Society Technologies (ISTAG) warned the European Commission that “missing the strategic importance of software technology as a key enabling technology will lead to a significant drawback for global competitiveness. Fast forward to 2021 and a few large technology firms together control dozens of key infrastructural platforms, from

mobile phone operating systems and online search to app stores, online payments, log-in and social media services.⁹

This presents fundamental challenges for Europe’s autonomy and for the functioning of its democracy. This was again underscored by the Covid-19 pandemic, which saw European governments at loggerheads with non-European tech companies over the introduction of coronavirus tracing apps. Current legislative initiatives like the Digital Services Act and the Digital Markets Act may create some much-needed transparency, accountability, and competition, but they are unlikely to fundamentally reduce Europe’s dependence.¹⁰

Addressing these risks is not straightforward, but the EU could start by publicly funding open-source software infrastructure and for instance require publicly funded projects to be

⁶ The latest trends are not promising in that respect. See for instance Wolfi Christl (2021) ‘Digitale Überwachung und Kontrolle am Arbeitsplatz’, Cracked Labs, September.

⁷ Seda Gürses, Martha Poon and Roel Dobbe (2020) ‘Programmable infrastructures’, accessed at: <https://www.tudelft.nl/tbm/programmable-infrastructures>.

⁸ Already in 2012, the Information Society Technologies Advisory Group (ISTAG) identified the strategic importance of software in its report to the European Commission: ISTAG (2012) ‘Software Technologies - The

Missing Key Enabling Technology. Toward a Strategic Agenda for Software Technologies in Europe’, July.

⁹ José van Dijck, Thomas Poell and Martijn de Waal (2019) *The Platform Society. Public Values in a Connective World*, New York: Oxford University Press.

¹⁰ Huw Roberts, Josh Cows, Federico Casolari, Jessica Morely, Mariarosaria Taddeo and Luciano Floridi (2021) ‘Safeguarding European values with digital sovereignty: an analysis of statements and policies’, *Internet Policy Review* 10(3).

run on software for which the source code is openly available. Public authorities in particular should commit to using software that can be studied, modified, and shared. This will not be straightforward either, but it could improve the cybersecurity of public services and beef up the technical capacity of authorities, while reducing dependencies and costs relating to technical lock-in by proprietary solutions from private parties. It can also spur competition within the IT sector. Finally, a shift to open-source software will help delivering on the European Green Deal, as it allows users to become less dependent on providers' periodical software updates that make existing hardware quickly obsolete.¹¹

When it comes to data, the strategy states that much of the data produced in Europe is stored and processed elsewhere, and that this creates cybersecurity risks and supply chain vulnerabilities. It notes that EU-cloud-based providers have only a small share of the cloud market, and that this is an unwelcome situation. However, the strategy does not provide convincing ways to alter the situation and promote a competitive provision of EU-cloud-based services.

It is sometimes thought that the Franco-German Gaia-X cloud project can offer a counterweight to the global cloud dominance of Amazon, Microsoft, Google, and others. The Gaia-X initiative is focused on creating standards that would allow companies to switch more easily and know their data is stored securely. This is very important work. However, moving from this to jump-starting viable EU cloud competitors

¹¹ Cigref (2021) 'Environmental footprint and security: European user associations call on Microsoft', 8 October, accessed at: <https://www.cigref.fr/environmental-footprint-and-security-european-user-associations-call-on-microsoft>.

¹² European Commission (2020) 'A European strategy for

is a tall order: the top global cloud firms spend tens of billions of euros a year on physical infrastructure like data centres and have an indisputable marketing capacity. Many key European firms are already locked into long-term contracts with foreign cloud providers. Following from the European Data Strategy in February 2020,¹² and a member state pledge to cooperate on European cloud capabilities in October 2020, there is now a European Alliance for Industrial Data, Edge and Cloud.¹³ However, it is an open question whether this will lead to significant investments in EU cloud capabilities.

While the EU could create legislation and standards (like Gaia-X) to try and ensure cloud services operate in accordance with EU laws, that is not an answer to the imperative for more European autonomy. Such a strategy would amount to a resignation to the fact that the important market for cloud services (infrastructure, platform, software) is essentially left to US and Chinese firms. Beyond that, focusing on standards alone implies the entire cloud infrastructure powering Europe's business operations, energy grids, hospitals, universities and sometimes administrations would still be running on servers operated by US companies, which are subject to the US CLOUD Act.¹⁴ That means these firms and organisations are liable to share strategic data about EU entities and personal data of EU citizens with the US government. The EU Court of Justice judgment of 16 July 2020 ('Schrems II') has once more confirmed that the US data protection guarantees are insufficient, and that there is a fundamental tension with the GDPR.¹⁵

data', COM(2020)66.

¹³ European Alliance for Industrial Data, Edge and Cloud, at: <https://digital-strategy.ec.europa.eu/en/policies/cloud-alliance>.

¹⁴ Clarifying Lawful Overseas Use of Data (CLOUD) Act (2018), Pub. L. No., 115-141, 132 Stat. 348.

To address the latter issue, the EU could require that all personal data of EU citizens, as well as strategic industrial data, be processed by companies which are not under infringing extra-territorial regulation that presents fundamental liabilities. Such a measure would incentivise non-European firms to transfer technologies to European firms or develop their own business vehicles with 'Chinese walls' between EU and foreign operations, to avoid falling under foreign extra-territorial legislation. The agreement between Thales and Google regarding the provision of cloud services goes in this direction.¹⁶

However, these issues are not discussed or proposed, nor is it clear how the Compass will complement the ambitious regulatory agenda that contains the Digital Services, Markets and Data Governance Acts, as well as the regulatory framework for AI. Instead, in what feels like a very early 2000s approach, it focuses on discrete technologies, in particular connectivity infrastructure. Because there is no wider strategic framework, the individual choices often feel haphazard and their rationale is difficult to evaluate.

For instance, at the very start the text puts forward

the claim that 'achieving gigabit connectivity by 2030 is key', which translates into the target that by 2030, 'all European households will be covered by a Gigabit network, with all populated areas covered by 5G.' As has been pointed out, the business case for 5G is highly uncertain, as the infrastructure is very costly and demand uncertain. In addition, it may conflict with other targets in the strategy, such as the ambition to deploy 10,000 climate-neutral edge nodes.¹⁷

The Commission is correct in asserting the crucial place occupied by microprocessors, in a variety of sectors that are digitalising. Therefore, the Commission proposes that by the end of the decade, the production of sustainable semiconductors in Europe be at least 20% of world production in value terms. However, the focus on cutting-edge semiconductor fabrication plants has been criticised, and indeed it is not clear how this ties in with a broader industrial strategy, or what the reasons are for this specific choice.¹⁸ For instance, the strategy does not seem to consider foreign policy considerations: why would engaging in a very costly quest to compete with key like-minded countries such as Taiwan and South Korea be the best way forward.

2.3 The digitalisation of businesses and services: sequencing issues

Because the strategy at times mistakes the means for the end, the quantitative criteria that are being put forward are counterproductive. For instance, the target to increase so-called 'unicorns' (start-ups that are valued at a billion USD or more) is hard to justify if the goal is

more social and environmental sustainability. In fact, on the one hand the EU is retooling its entire digital policy framework (Digital Services Act, Digital Markets Act, Digital Governance Act, competition law) to try and limit the harmful effects of the earlier generation of 'unicorns'

¹⁵ CJEU 16 July 2020, no. C-311/18, 'Schrems II'.

¹⁶ Mathieu Rosemain (2021), 'France's Thales partners with Google on secure cloud services', *Reuters*, 6 October.

¹⁷ Andrea Renda, Lorenzo Pupillo, Rosanna Fanni and Carolina Polito (2021) 'The Digital Transition. Towards a

Resilient and Sustainable Post-Pandemic Recovery', July, p. 2-3.

¹⁸ Jan-Peter Kleinhans (2021) 'The lack of semiconductor manufacturing in Europe', Policy Brief, Stiftung Neue Verantwortung, 8 April.

(such as Facebook, Amazon, Google and Uber), whilst on the other hand it is encouraging similar business models, the only difference being that that they should be European. If the European Commission were serious about promoting a 'European way for the digital decade', it would give more attention to promoting different business models for crucial infrastructure and critical services with strong societal impact.

More than the US, the EU is an economy of competitive and innovative SMEs, and the strategy recognises this. However, one can question the metrics proposed to help SMEs digitalise. By 2030, the Commission wants 75% of European firms to use cloud services, big data, and artificial intelligence. It is not obvious why this is crucial, and it is especially unclear how this furthers EU autonomy when the cheapest and most readily available cloud infrastructure comes from very large non-European providers. In particular with regard to 'AI', one wonders how to track such a development, especially considering that at present it is practically synonymous with software.

The aim of the 2030 Digital Compass to improve the availability and quality of online public services is very welcome and a long-standing objective. In particular, there is a long-standing need for public digital infrastructures that are interoperable across the EU. The 2030 Compass recognises the importance of interoperability, although it does not propose concrete follow up

¹⁹ For decades, the European Commission has been promoting interoperability public services across the EU, most recently via its 'ISA² - interoperability solutions for public administrations, businesses and citizens' programme. However, many barriers remain, and in a recent evaluation of the programme, it was recommended to create a binding legal framework for interoperability, to make public services interoperable across the EU. See Andrea Renda, Felice Simonelli, Nadina Iacob and Alexandra Campmas (2019) 'Evaluation Study supporting

actions to bring it about.¹⁹

As with the digitalisation of businesses, there are sequences issues. Whereas the political impetus is to push the digitalisation of public services and use recovery funds to do so, it is not clear how this will lead to avoiding the risks like decreasing accountability and transparency that have been identified in the AI Act, which at best will only be applied in 3 years' time. In addition, can all the local authorities that are being pushed to adopt digital services and AI rely on secure EU tech? Or will they be driven to low-cost cloud providers, like Amazon, Microsoft, Google and Salesforce?²⁰ Likely the latter. Hence the practical effect of the current strategy – in all likelihood – will be to deepen public authorities' dependence.

Finally, whereas the EU has done much in recent years in the domain of cybersecurity, from the Cybersecurity Act and Network and Information Security Directive to the Cybersecurity Strategy, there is nonetheless still a significant gap between the risks and vulnerabilities, and the capabilities of the authorities and businesses to address them. Cybersecurity should be a horizontal principle and require much more attention, especially when the 2030 Digital Compass sets explicit targets for the wholesale digitalisation of EU businesses and public services. The importance of this topic should also be reflected within the European Commission itself, where the Directorate-General for Communications

the interim evaluation of the programme on interoperability solutions for European Public administrations, businesses and citizens (ISA²), Final Report, Centre for European Policy Studies, June 2019.

²⁰ According to research from the Synergy Research Group, Amazon, Microsoft and Google alone account for almost 70% of revenue in the European cloud market, see Ron Miller (2021) 'How European cloud infrastructure vendors lost market share while doubling revenue', *TechCrunch*, 23 September.

Networks, Content and Technology, which is in charge of cybersecurity, has no directorate fully

3. Arriving at the destination

3.1 Leveraging recovery funds

The Digital Compass 2030 Strategy does not only state its objectives, but also lays out how these should be achieved. In a section on governance, the strategy proposes an annual 'European State of the Digital Decade Report' which will track all the quantitative targets proposed. This exercise can help identify gaps and deviations, which the European Commission can then flag to member states.

In addition, the strategy rightly notes that 'for the large technical projects that are necessary for Europe's digital transition, a European approach to building digital capacities is indispensable.' It notes that the funds that are being disbursed to member states under the Next Generation EU programme will allow the possibility for 'multi-country projects'. This is indeed extremely important, and member states must work together when using the EU funds and loans to muster the necessary investments, expertise and scale. The suggested legal framework, of a 'European Digital Infrastructure Consortium' (EDIC) is interesting and could facilitate concrete cooperation among member states.²¹

Unfortunately, there are no strong incentives for member states to pool resources and coordinate

dedicated to these issues.

investments into EU-wide digital infrastructure. The current criteria for 'digital' spending under the recovery funds are very wide, and in the absence of clear EU-wide projects and criteria, a significant part is likely to be lost on national, regional and local pet projects, as well as ending up funding the large tech firms that provide digital infrastructure at the lowest cost. And indeed, the first signs show that foreseen member state spending of recovery funding is not sufficient.²²

Beyond loose coordination one wonders why public procurement is not considered as a crucial lever. The latter accounts for around 14% of GDP in the EU and can provide a huge incentive for pushing the digital transition in a direction more compatible with public values, including environmental and social criteria, and at the same time would allow Europe to regain a measure of autonomy and capacity. This is even more surprising since President Biden has taken several steps to favour US companies for strategic services.²³

There is a lack of coordination and pooling of resources in the EU, that the Compass's foreseen annual monitoring exercise and voluntary

²¹ European Commission (2021) 'Establishing the 2030 Policy Programme "Path to the Digital Decade"', proposal for decision, 15 September, COM(2021)574.

²² Mathieu Pollet and Oliver Noyan (2021) 'Study: French recovery plan not enough to meet EU's 2030 digital targets', *Euractiv*, 28 June.

²³ White House (2021) 'Fact sheet: Biden-Harris Administration Issues Proposed Buy American Rule,

Advancing the President's Commitment to Ensuring the Future of America is Made in America by All of America's Workers', 28 July, accessed at : <https://www.whitehouse.gov/briefing-room/statements-releases/2021/07/28/fact-sheet-biden-harris-administration-issues-proposed-buy-american-rule-advancing-the-presidents-commitment-to-ensuring-the-future-of-america-is-made-in-america-by-all-of-america/>.

multi-country projects cannot address. Public procurement combined with 'buy local' acts was instrumental for the US and China in establishing their technological leadership. In the EU, the fragmentation of 27 public procurement strategies prevents the development of European front-runners. Therefore, ways to incentivise joined up public procurement are indispensable. More ambitiously, the EU could establish public corporations at EU level.²⁴ There are past examples of successful cooperation between European governments in the establishment of firms in strategic sectors, such as Airbus for airplane manufacturing.

Finally, although cooperation with the US

3.2 Delivering on public goods for citizens

What is jarring is the lack of ambitious public vision for the development of the next generation of internet which would limit dependencies and provide citizens and workers with more agency in a digital environment. After so many scandals at for instance Facebook, the decade-long fight with Google over abuses of its market power, or the critical dependence and lock-in of public authorities on software from Microsoft, the strategy offers nothing concrete. It seems to accept that crucial parts of our online environment will continue to be created by private parties, backed by foreign governments, on purely commercial logic.

Where is a coherent vision for the next generation of the internet, focused on delivering public goods? Why is there no reference to

²⁴ See Daniele Archibugi and Vitantonio Mariella (2021) 'Is a European Recovery Possible Without High-Tech Public Corporations?', *Intereconomics* 56(3), pp. 160-166.

²⁵ European Commission (2021) 'Commission launches

is fundamental, a cautious approach is recommended. Naturally, the US proposes reciprocity, also in the framework of the EU-US Trade and Technology Council. But currently EU-US tech relations are skewed, with US firms structuring the European market for digital services and key infrastructures. In such conditions, accepting reciprocity is irresponsible. To ensure the EU can shape its own digital transition, and thereby preserve its long-term competitiveness, the rights of its citizens and the welfare of future generations, a rebalancing is necessary in the short term. This rebalancing is a key condition for a fruitful cooperation with the US.

the European Open Science Cloud that has been worked on for years, or a link to the Next-Generation Internet (NGI) initiative within the European Commission? Why is there no articulation with the research and innovation focus on mission-led development, which resulted in five missions that the EU wants to solve by 2030?²⁵ Instead, there is an assurance that the transition will somehow be 'human-centric'.

The process of the Conference on the Future of Europe would have been ideal to engage citizens in the definition of a vision and priorities and create public missions with broad support. Failing that, the 2030 Digital Compass does promise a stakeholder forum, which could provide a way to engage citizens and civil

EU missions to tackle major challenges', Press release, 29 September, accessed at: https://ec.europa.eu/commission/presscorner/detail/en/IP_21_4747.

society, which have a direct stake in the digital transition. However, it is unclear what this forum will achieve now that the goals and metrics have been defined.

The Compass does list several potential multi-country projects that have been discussed so far with Member States under the Regulation establishing the Recovery and Resilience Facility.²⁶ Although some plans are potentially valuable, notably on connected public administration and digital identity, they read like a list of potential ideas, not as important elements of a digital strategy with a clear direction and plan of action.

There are many areas where the EU has both cutting-edge expertise and vital societal interests at stake, like media, healthcare, mobility, education, enhanced citizenship or multilingualism. For such sectors, the EU should articulate a public vision that leverages digital technology to serve citizens' interests and

rights such as media pluralism, lifelong learning, personalised medicine, citizens' security and autonomy in the digital space. These are public goods at EU level and a European strategy that would deliver on these areas would have been welcome. It would have given a major signal to citizens that digital technology can go on serving progress and emancipate citizens in line with the core value of the European project.

To give one example, for several years, media actors from across the EU have highlighted the problems of being forced to rely on digital infrastructure from firms that make their money via advertising. It has led to the fragmentation of the EU public sphere, diverted funds away from journalism, and led to the ubiquitous surveillance of citizens. There have been various proposals for how the EU can foster a digital media ecosystem, a 'European Public Sphere', that can strengthen EU democracy, instead of eroding it.²⁷

²⁶ Regulation (EU) 2021/241.

²⁷ See for instance Guillaume Klossa (2019) 'Towards European Media Sovereignty. An Industrial Media Strategy

to leverage Data, Algorithms, and Artificial Intelligence', European Commission; or the coalition for 'Shared Digital European Public Spaces' (SDEPS), at: <https://sdeps.eu>.

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