IMAGINING EUROPE’S DIGITAL RECOVERY: OPTIONS FOR INVESTMENT

EVENT REPORT

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As part of her state of the union speech in September, Commission President Ursula von der Leyen noted that the EU’s recovery fund, the so-called ‘Next Generation EU’ outlay, should be spent on digital projects by member states.

Questions have now arisen in Brussels as to where that money would be best directed. In this event report sponsored by trade association Digital Europe, EURACTIV examines some of the most popular ideas on the table.
Incoming Portuguese Presidency calls for 'significant' investment into e-Government

Digital skills key to Europe's COVID resilience, industry chief says

How to spend €150 billion to build a stronger digital Europe
The incoming Portuguese Presidency of the EU says that one of its priorities for its six-month stint chairing the EU Council is to foster the uptake of digital tools for governments across the bloc and that ‘significant’ funds from the EU’s recovery package should be allocated to this field.

As part of her state of the union speech in September, European Commission President Ursula von der Leyen said that 20% of the EU’s recovery fund, the so-called ‘Next Generation EU’, should be spent on digital projects by member states.

Since then, there has been heavy jockeying in Brussels for promoting different digital initiatives.

DIGITALISING EUROPE’S PUBLIC SECTOR: THREE AREAS

Speaking as part of a conference hosted by trade association Digital Europe on Wednesday (21 October), Pedro Siza Vieira, Portugal’s Economy Minister, said that such funds should be predominantly directed towards efforts to further digitalize the public sector.
Such efforts have only become more necessary, Siza Vieira said, as Europe faces the prospect of further lockdown periods resulting from the coronavirus, in many cases cutting off citizens from access to vital services.

“We want to have a very significant investment in digital government,” Siza Vieira said, adding that the Portuguese Presidency, which takes its seat at the beginning of 2021, would encourage member states to focus on three areas for future digitization, including justice, social security, and health services.

Certain member states already have a patchwork of digital services available for public use but the EU plans to create a more harmonious landscape across the bloc for the provision, deployment, and uptake of such services.

At September’s European Council summit, conclusions noted that a ‘European digital identity scheme’ could be one way of ensuring member states are more aligned in such areas. An EU-wide electronic identity should aim to “provide people with control over their online identity and data as well as to enable access to public, private, and cross-border digital services,” leaders said.

The incoming Portuguese Presidency and member states seem to be on common ground with the EU executive on these points, with the Commission already in the process of exploring how interoperable digital tools can be employed to develop a more harmonized landscape for cross-border digital public services.

The Commission will put forth plans for the establishment of a European digital identity in the first quarter of 2021.

Commission documents recently obtained by EURACTIV reveal that the Commission’s wants European digital identity to be ‘universally available’ to all EU citizens and businesses on a voluntary basis, as well as being ‘universally usable’, and be recognized “by private and public service providers for all transactions that require authentication.” The Commission is dubbing this feature the ‘EU single sign-on.’

PORTUGUESE CALL FOR DIGITAL SKILLS UPTAKE

Elsewhere, Siza Vieira on Wednesday also charted a rapid digitization of the bloc’s educational sector, as a means to contend with the increasing challenges of working and studying remotely, and to ensuring that citizens across the bloc are have the skills allowing them to be more mobile in the future jobs market.

“We believe that during the early years we should use digital technologies to transform how children learn, and what our children learn,” he said. “Digital technologies should be used to train and retrain teachers in order to be able to better make better use of collaborative technologies and also to change the experience in the classroom.”

The Portuguese Economy Minister also said that it was vital all children have the appropriate digital tools to work in the classroom and that schools across the bloc have the means to be well-connected.

Delivering a pre-recorded speech at Wednesday’s event, these points were largely backed by Austria’s Minister for Digital and Economic Affairs, Margarete Schramböck, who explained her country’s approach to digital affairs and how it has been transformed as a result of the coronavirus pandemic.

“First, it’s about a transformation of Public Administration. It’s about making lives easier for citizens and also for the companies in Austria. Second, it’s about digital education. So we will also put a lot into the digital education of our youngsters and our students in schools, but also at university, for example,” she said.

In the broader pursuits for digital capabilities across the EU, President Von der Leyen’s advisor for digital affairs, Anthony Whelan, noted how the need for digital skills should be a ‘major focal point’ for future EU policy, and that the executive’s recently presented Digital Education Action Plan should be a standard for the future digitalization of skills.

Towards the end of September, the Commission charted a two-pillared strategic approach to fostering digital education in the EU as part of its Digital Education
Action plan, including ensuring high quality infrastructure, connectivity, and digital equipment for students, as well as encouraging the uptake on basic digital skills from an early age.

More specifically, as part of the plan, a broad series of initiatives will be pursued, including recommendations for distance learning for primary and secondary education, guidelines on Artificial intelligence use in the classroom, promoting digital literacy, and creating a European Digital Skills Certificate.

In addition, at the beginning of July, the EU executive laid out ambitious new goals for upskilling and reskilling the bloc by 2025, including the objective of ensuring that 70% of the adult EU population has basic digital skills. Such initiatives are also broadly welcomed by industry.

As part of Wednesday’s event, trade lobby Digital Europe also put forward a series of investment recommendations, focusing on five ‘digital’ areas of the economy, such as education, healthcare, SMEs and startups, sustainability initiatives, and connectivity.

And particular focus, Director-General Cecilia Bonefeld-Dahl said, should be directed towards the relationship between skills and employment in the digital arena, pursuing the targets already laid out by the Commission.

“One of the things that we’re looking at his skills. We will have a lot of unemployment in the future,” she said.

“People will depend on being able to reskill themselves into digital jobs, and this is more relevant than ever in the post-COVID era.”
Digital skills key to Europe’s COVID resilience, industry chief says

By Samuel Stolton | EURACTIV.com

Increasing digital skills, broadening the availability of the bloc’s eGovernment services, and bridging Europe’s connectivity divides are areas that should be at the forefront of policymakers’ minds in the EU’s resilience against the ongoing public health crisis, Hilary Mine told EURACTIV.

Hilary Mine is the president of the technology trade association DIGITALEUROPE, and also Nokia’s Vice-President and Market Unit Leader for 11 countries across the Nordics, Baltics & Benelux regions.

We’re currently in the midst of Europe’s second wave of the coronavirus pandemic. As part of the bloc’s wider digital transition, how has this impacted our priorities going forward?

Coronavirus won’t be our last pandemic, and it’s clear that we need to be better prepared as a society. In the field of digital healthcare, it’s incredibly important that we have seamless connectivity all over Europe. But more broadly in the public sector, we need to increase our eGovernment capacities in order to ensure that access to vital services can continue.

These two objectives, however, also depend on citizens being able to use digital tools efficiently. Here, we must ensure that as many people are competent in digital skills as possible. If that’s not possible, we need to invest in training, upskilling and reskilling. This is where the new 20% outlay of the recovery budget should be directed towards.

Current targets state that by 2025, EU nations and companies across the bloc should have retrained 20% of the workforce, however, this leaves a

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deficit with regards to needs outlined by the World Economic Forum, who recommend that 52% of workers need some sort of reskilling. We should bridge this 32% gap.

**What are the key components of increasing digital skills, how comprehensive are the potential societal benefits?**

I really try to stress the importance of affordability as a key component. When you say that you've got connectivity that's not affordable, it's not connectivity. This is vital in order to ensure that the benefits of connectivity across the continent can be experienced by all – regardless of where they are geographically based.

In terms of upskilling and reskilling, we need to be thinking about training programs designed for all generations, not only young people. If you think about the use of health services of elderly people – who are typically the ones who need greater access to health services – if those folks can’t get access to health services, because they can’t use it, the whole infrastructure becomes useless. Here, broad inclusion in digital education programs is vital.

For jobs as well, inclusion for the poorer elements of populations is important. It’s absolutely critical that they be included in digital as well. Otherwise, you’re missing out as a society on the value of the contribution. Everybody is able to contribute to societal development, but if you don’t enable them to contribute, you lose it.

**Earlier, you referenced the importance of capacity building for eGovernment services, how do current objectives align with this need?**

Well, we believe that 75% of EU citizens should be using government services by 2025. Currently, it's about 56%, which sounds good – but that means almost half of folks can’t and aren’t using the government services. And that’s a cost factor for the EU as well.

So there’s a there’s sort of a positive cycle as you start to get the digital skills up, connectivity up, you can then provide more government services more cost-effectively and at a higher quality as well.

**In terms of the EU's data strategy, what are the key elements that could help with our management of the continuing coronavirus crisis?**

Cross-border data sharing is really important, and this is why we fully back the EU’s plans to build a single market for data. Creating the right data spaces to enable an increased sharing of data, particularly in the health sector, is vital for our future resilience.

There has been a recent example in the Netherlands with Philips, which was involved with some hospitals and with the government to create an Open Data program during the first wave of COVID in Europe, in an attempt to enable hospitals to share data much faster.

This allowed hospitals to treat patients more efficiently and to identify when, where, and what hospital beds were open, and all that sort of thing. But this is happening in one of Europe's more digitally advanced countries and these sorts of practices should be more widespread across the bloc. There's a lot of work for us to do in order to build up a harmonized landscape across the EU.

**As the bloc charts its digital future amid the current coronavirus crisis, how important is the concept of European digital sovereignty, a priority of Commission President Ursula Von der Leyen’s when she entered office?**

Digital sovereignty is about having well-defined and open mechanisms that enable us to be more competitive as Europe but in an open and transparent way.

Unfortunately, the word digital sovereignty for some stakeholders sounds a little bit like we’re going to close the world out and do our own thing, which I actually think is worse, to be honest. This protectionist approach will do Europe no favours in the long term.

We need investment, we need capabilities, we need to build our own path, a European path for digital. Doing all this, while safeguarding openness and working with global partners is the key to European digital sovereignty. The way to achieve this in the legal space is to ensure that true harmonization is attainable, and not to have such a fractured marketplace that makes certain areas of Europe unattractive for investment and development.
If there is any – tragic – merit in the hard lessons of the COVID-19 crisis, it is that the pandemic has forced us to face the most pressing issues of our society, and to finally take action.

Cecilia Bonefeld-Dahl is the Director-General of DIGITALEUROPE.

Access to health diagnoses and treatment, access to education, access to democratic participation – the inequalities underlying these fundamental rights have become very visible in the recent months. We have realised in the hardest of ways our shortcomings in ensuring these rights are guaranteed even in times of crisis.

Digital technologies have not only proved themselves to be essential in helping bridge this gap but also – more broadly – in keeping our whole society and economy functioning.

As we retreated back into our homes and away from offices, schools, restaurants and large gatherings, digital solutions kept us in touch with what mattered. Many citizens, businesses and public sector institutions have made a huge ‘digital leap’ in the last few months.

However, the crisis has also exposed the fact that there remain huge gaps in our digital infrastructure. For example, 40 per cent of Europeans in rural areas still do not have access to fast broadband. Meanwhile 42 per cent of citizens lack basic digital skills – things like using video conferencing software or emails. This meant isolation and unemployment for many

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In Brussels, this message has been heard loud and clear, and I’m proud that the EU has demonstrated exceptional leadership. In the COVID recovery package, first President Ursula von der Leyen and then the leaders of the EU Member States agreed that 20 per cent of the new €750 billion stimulus funds should be spent on digital. That is roughly €150 billion. This is something DIGITALEUROPE had been calling for since June.

This was a fantastic statement of intent by EU leaders to make sure that the post-COVID economy is innovative, competitive, green and resilient. In other words, the crisis is a good opportunity to reinvent ourselves, not just rebuild what we had before.

However, the attention now turns to the Member States, who are putting together their national spending plans.

This is a crucial moment. The investment decisions of today will shape Europe for the next five years, and speed is of essence. For example, before the crisis we knew that 52 per cent of the workforce needed to be reskilled over the next five years due to digitalisation. Now it looks like this must happen in the next 12 months, as millions have been made unemployed or have been placed on government furlough schemes.

The question is not if we should spend money on digital, but how.

At DIGITALEUROPE we know a thing or two about digital investments. On 21 October we published How to spend it: A digital investment plan for Europe, containing the know-how of our national associations and companies from across our continent as well as ten pan-European investment ideas. We also set a number of KPIs that European governments can use to measure their success by 2025.

One such idea is a mass retraining programme for schoolteachers across our continent. Currently, less than 40 per cent of them feel ready to use digital technologies. We believe that by 2025 that figure should rise to 80 per cent. We must empower our teachers, not only to carry on their work during lockdowns, but also to inspire their students in integrating technology in their everyday life and become innovators themselves.

Another priority area is healthcare. Remote medicine was essential during the crisis, freeing up valuable beds for COVID-19 patients. By 2025 we believe that 60 per cent of citizens should be able to access health and care services provided online. To get there we need significant investments in secure connectivity, software and ICT services to digitalise our hospitals.

For our smaller companies, we need to invest in access to data to ensure they can grow to be the next unicorns (billion-dollar scale-ups). This is a regulatory issue, but it also requires investment to help them access the vast amounts of public data that could be available. Although access to public data is not a new concept, we have only scratched the surface so far – there is huge potential for growth and to create new high-value jobs.

To support these ten priorities, we have hand-picked over 30 examples of successful digital projects already in place. That includes everything from smart cities in Ireland and industry retraining programmes in Germany to 5G wireless access in Estonia and digital healthcare in Austria.

Luckily, some governments are already showing what can be done. Earlier this month, the Spanish government and Minister of Finance Nadia Calviño published their investment plan – the most forward-looking so far. One-third of their €72 billion recovery fund will go towards projects like boosting 5G coverage to 70 per cent of the population, giving all citizens high-speed broadband connections, and training 20,000 new cybersecurity experts.

This is exactly the level of ambition we need to see from countries across Europe if we are to emerge from the crisis stronger and more resilient than before. As our investment plan shows, the digital solutions are there and we know they work. Thanks to European leaders, the funds are also in place. Now, all we need is for EU governments to step up and commit to making the digital investments that will drive our continent forward.