

#DigitalServicesAct, #DigitalMarketsAct: Time for our democracy to catch up with technology



The European Commission's forthcoming initiatives to regulate digital services and markets will ensure that providers take responsibility for the services they offer and that digital giants do not impose their own rules on Europe's markets, said Commission executive vice-president Margrethe Vestager at the EESC plenary.

The European Commission's Digital Services Act and the Digital Markets Act, expected to be released shortly, will help European democracy catch up with the last twenty years of digital development, defining how digital services should be provided and digital markets work, said **Ms Vestager** yesterday to the European Economic and Social Committee's plenary during a debate on ***A Europe fit for the digital age***.

EESC president **Christa Schweng** stressed that the digital transition has become more important than ever as one of the two building blocks of Europe's recovery from the COVID-19 crisis, together with the green transition.

The EESC president quoted a recent study which estimated that by 2030 the

cumulative additional GDP contribution of new digital technologies could amount to EUR 2.2 trillion in the EU – the equivalent of Spain's and the Netherlands's combined GDP for 2019.

Ms **Schweng** said: "We need a European, human-centred approach to digitalisation. Without the trust of the citizens and businesses we will not be able to seize the opportunities offered by digitalisation. To that end, it's important to build a genuine European Dataspace where our data is protected and privacy and self-determination are ensured. We also need to build EU technological sovereignty while maintaining global digital trade."

Ms **Vestager** outlined the key elements of the Commission's digital strategy, its focus on **leveraging private investment**, its reliance on **flagship initiatives** (on digital skills, digital public services and cybersecurity) and the building and deploying of digital capacities.

Now "the Digital Services Act will make sure that digital service providers take responsibility and are accountable for the services they provide and that trust can be rebuilt," said Ms **Vestager**. "Illegal online content and products which do not live up to the rules that we have for physical products are the problem. Both should be fixed, and should be fixed on a European scale."

"The Digital Markets Act", she went on to remark, "will say to giant companies: you are more than welcome to do business in Europe, you are more than welcome to be successful, but there is a list of do's and don'ts when you reach that gatekeeper position in order for fair competition to be there and serve consumers in the best possible manner. The fundamental point here is that the market should serve us as consumers and that we want technology that we can truly trust."

Stefano Mallia, president of the EESC Employers' Group, said: "European employers strongly support the key goal of restoring Europe's digital sovereignty. It is our firm view that investing in digitalisation is the best way for the EU and its Member States to come out of the current economic hardship, support the recovery and create new jobs."

He voiced the business community's backing for the Commission's goal of over EUR 20 billion annual investment in AI over the next decade, and quoted a newly published McKinsey study showing that, although just a quarter of businesses globally are reporting bottom-line impact from the use of AI, that impact seems to be coming mainly from the generation of new revenue rather than cost reduction – a finding worth exploring in talks between the Commission, the business community and trade unions.

Oliver Röpke, president of the EESC Workers' Group, said: "As workers' representatives, we are convinced that digitalisation is an opportunity beyond the current pandemic to have better jobs and working conditions. However, clear and fair rules are needed to prevent digital platforms from circumventing legislation and creating a smartphone version of 19th century capitalism. To ensure that we can fully profit from the enormous potential of digitalisation, we must fully involve the social partners through a clear

framework with workers' information, consultation and participation rights enshrined at all levels."

He also said that finding fair and effective ways of taxing the digital economy was a fundamental blueprint to ensure proper redistribution of wealth as new technologies developed and robotisation spread.

Seamus Boland, president of the EESC Diversity Europe Group, stressed that the pandemic had both revealed and precipitated the digitalisation of our lives and at the same time brought to the fore the plight of people who did not know how to use the technology.