

The Digital in a fractious world: Europe's way – Speech by President Charles Michel at the FT-ETNO Forum



I am delighted to join this edition of the FT-ETNO. Thank you for giving me the opportunity to close this first session.

I didn't actually choose the title of my speech. But I happily endorsed it. Because Europe will definitely have its own way of becoming a leader of the digital age. So, I'd like to explain why I believe this is within our reach.

Like everyone, we in the European Union have to draw lessons from the Covid crisis. During this global disruption, which has affected absolutely all sectors of life and the economy, we have seen the best and the worst. This also applies to the digital world.

We saw technology helping us stay connected during our confinement. We saw it supporting businesses to maintain some, if not all, activity. We also saw how much the digital gap in our societies increases the inequalities.

And we realised how disinformation can be dangerous and hurtful in times of crisis, when information can be lifesaving, literally.

We also saw that our overdependence on external supply sources, of what seemed to be ordinary goods, constitutes a serious risk to our societies and our economies.

I personally think there's an even more fundamental lesson to be learned from the crisis. In our countries that haven't experienced war for many decades, we simply rediscovered what is most precious in our societies: human life and health.

This is why I'm convinced that well-being must be the focal point of our concern. When I say well-being, I'm thinking of both the individual and the collective well-being. Didn't the crisis remind us that there cannot be life without social life?

Well-being means much more than prosperity, much more than the sacrosanct GDP. Well-being also means a caring society. This should be our new European horizon. In other words: elevating our social market economy to a higher, more human level.

And our digital transformation can, and must, play a key role in this process.

You might have heard or read, in the first weeks of the crisis, that Europe's response was slow. Yet I'm sure most of you, Financial Times readers, received fair and balanced information.

So you know, right from the outset, we took bold monetary and financial measures to support businesses and people – emergency measures worth 540 billion euros.

Then in July, the European Council adopted a ground-breaking budget along with a recovery fund, amounting to 1.8 trillion euros. Of which 750 billion will be raised on the financial markets through European Union bonds. This has been called Europe's "Hamiltonian moment".

This plan is much more than a recovery plan or mere stimulus package. It's a strategy for transforming our societies and our economies. And our Green Deal and Digital Agenda will serve as the backbone.

Two figures speak for themselves: 30% of the 1.8 trillion euros must be invested in climate-related projects. And this week the European Council will most likely decide that 20% of the financial means must be dedicated to Europe's digital transition. Europe's future path will be green. And it will be digital.

Allow me now to focus on the digital and its link with a human-centred society. In the digital domain, like in all aspects of our economy, we want innovation to be at the service of people.

Technological progress is pointless, if it doesn't make people's lives better. We know that digitalisation will usher in enormous progress – in health, mobility, industrial production, and green technologies, to name just a few.

We must make sure these technological developments actually advance the basic values of our European societies, like freedom of speech and privacy.

That's why the European Union was tough when legislating, for instance, on personal data protection. Our experience with the GDPR showed us just how important it is. In the digital sector, by nature the most global one, we wanted to not only regulate our own market, but also make sure our standards set the tone worldwide. By doing this, we are not only protecting our human and democratic values at home. We are also contributing to spreading these values across the world.

And this is one of my deep convictions: the values that underpin the European digital development will not be a constraint, nor a limitation to our business development. On the contrary: technologies respecting fundamental freedoms, clouds where data are safely stored and encrypted, artificial intelligence that is safe, ethical and trustworthy, these will constitute a global competitive edge for our businesses.

Between the American model of "business above all", and the Chinese state-controlling authoritarian model, there is plenty of room for an attractive and human-centred model.

This, Ladies and Gentlemen, may well be our distinctive way, "Europe's way", into the digital revolution.

If we want to set global standards, we must be a leader in digital technologies.

We also need to be strategically autonomous.

In both respects, I have no doubt we are on the right track. And we will act decisively.

Industrial data will be the fuel of tomorrow's digital developments. And the biggest share of these data is European. [My friend] Thierry Breton, Commissioner for the Internal Market, always says, *"the winners of yesterday might not be the winners of tomorrow when it comes to industrial data. Because the platforms we know, mainly built on a B2C model, are not ready to meet the technical, security and service requirements needed by industry or public authorities"*.

Ladies and Gentlemen,

We have to act fast and invest in three key areas.

First, data. We need to fully exploit the potential of data. We must create European data storage capacities. And we need to drive forward the development of supercomputers and quantum computing. These clouds must be safe in two critical areas.

Our cybersecurity must be rock-solid: the stored data and our infrastructures must be protected against all threats and attacks. And we must guarantee that data will be used in a transparent and reasonable way. For example, using our health data for research purposes and scientific progress makes sense. But insurance companies using our individual data, with Artificial Intelligence, to select clients and optimise profits is not acceptable.

I'm also convinced that these safe and secure clouds will constitute a "Stored in Europe" brand that will deliver a competitive edge.

Second, semiconductors and microprocessors. These will be the basic elements of the value chains connecting objects, cars, and phones with edge computing. Creating the industrial capacity for these micro-electronics is the key to securing our European digital sovereignty. Today Europe accounts for 10% of global production. We need to reach 20%.

Third: we must accelerate the deployment of high speed and secure connectivity all over Europe. The development of 5G is key to this. This is also crucial to closing the digital gap, an unacceptable obstacle to social integration and, as we have seen during the pandemic, to education.

But we should already look beyond 5G. A low earth orbit satellite project could provide high-speed connectivity everywhere in Europe.

These three industrial priorities will be key to ensuring our strategic autonomy. And digital sovereignty will play a major role.

Ladies and Gentlemen,

We, as European authorities, are responsible for creating the conditions for these business innovations. And we are acting. The European Commission will present a proposal for a Digital Services Act at the end of this year. And this week, the European Council will task the Commission to come up with a Digital Compass. It will outline the means and milestones to achieve our digital ambitions by 2030.

We will also ask the Commission to propose a framework for a European Digital Identification, an e-ID. I attach great importance to this project. A reliable and safe digital identity will simplify the lives of citizens. And offer them huge benefits in dealing with public authorities and businesses. It will also nurture more cross-border transactions, and advance the integration and attractiveness of our internal market.

Europe has a strategic card to play in this area. We must set our own standards. Instead of using those set by American and Chinese platforms. Setting our own technological standards has served us well in the past – remember the Global System for Mobile Communications (GSM).

And one of Europe's key advantages in shaping global norms is our regulatory power. This extends our influence well beyond our European borders.

Finally, as a more famous "digital speaker", Steve Jobs, used to say: *"One more thing..."*

I must also say a word about fairness in the digital market. Large-scale activities carried out in this area can no longer escape fair taxation. The European Union is committed, alongside the OECD and the G20, to international cooperation to correct this injustice.

Ladies and Gentlemen,

We want to be a leader in digital. We want to reinforce our strategic autonomy. And we want to be stronger, to build a more prosperous and fairer world. Thank you.