

THE EU'S NEW COMMISSION: DIGITAL POLICY IN THE LIMELIGHT

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Summary

- The work of the new European Commission (EC) officially started in December 2019. Leading the work is a set of political guidelines issued by incoming EC President Ursula von der Leyen, focusing on climate, technology, and demography.
- In relation to technology and digital policy, there are ten key areas of relevance, including artificial intelligence (AI) and data, which the EC President sees as the key ingredients that can help solve societal problems.
- Among the most anticipated policy measures is one that relates to AI: 'In my first 100 days in office, I will put forward legislation for a coordinated European approach on the human and ethical implications of AI.'
- The EC President also wants to see a more balanced approach to how data is used: allowing the flow and use of data for the benefit of innovation and market growth, while adhering to strong privacy, security, and ethical standards.
- Across other key areas, the EC President plans to make Europe a tech sovereign by taking the lead in standard-setting, and investing in the tech industry.
- Although the guidelines will be the EC's compass for the next five years, the implications go beyond European shores.

The work of the new European Commission (EC) officially started in December, after a delay in vetting procedures (and partially due to Brexit). The incoming Commissioners have just started implementing the political guidelines for 2019-2024, in line with their allocated portfolios.

In her political guidelines, **A Union that strives for more**, incoming EC President Ursula von der Leyen set an ambitious plan around **climate, technology, and demography**, proposing concrete policy actions.

In relation to technology and digital policy, the EC President is focusing on ten key areas (most of which are found in the section *A Europe fit for the digital age* in her guidelines),

1. AI: Legislating on human and ethical implications

The incoming EC President believes that strong ethical standards can safeguard EU citizens' trust in the union. It is no wonder, therefore, that ethics features in many policy areas, including AI developments, data governance, and the EU's legislative process.

The focus on ethical standards is the strongest in the field of AI policy: 'In my first 100 days in office, I will put forward legislation for a coordinated European approach on the human and ethical implications of AI.'

With so many policy documents, guidelines, and recommendations on AI and ethics emerging globally (including from **the Commission's own High-Level Expert Group on AI**), one possibility is that the EU wants to take on a global leadership role in underpinning ethical standards in the development and use of AI. The coordinated approach will start from within EU borders - much like the approach adopted by the General Data Protection Regulation (GDPR), which is widely considered as a global standard.

Also related to AI is a stronger push for investments through the **Multiannual Financial Framework**, and the encouragement of more public-private partnerships.

2. Data governance: Balancing free flow with strong standards

Strongly linked to AI is the use of (big) data. In fact, AI systems currently work by combining large amounts of data with fast algorithms. If AI technology is to abide by ethical standards, it must also respect rules related to data and human rights, including privacy and data protection.

including artificial intelligence (AI) and data, which she sees as the key ingredients that can help solve societal problems, 'from health to farming, from security to manufacturing'.

The UN's Agenda 2030 finds a central cross-cutting place in her vision: 'Each Commissioner will ensure the delivery of the UN SDGs [sustainable development goals] within their policy area. The College as a whole will be responsible for the overall implementation of the goals.'

In the following, we zoom into the key technology and digital policy areas, and identify potential opportunities and challenges associated with each area.

The EC President wants to see a more balanced approach to how data is used: allowing the flow and use of data for the benefit of innovation and market growth, while adhering to strong privacy, security, and ethical standards.

Arguably, the EU's GDPR is doing a good job of protecting the data of EU citizens. But if von der Leyen is looking for a more balanced approach, does this point to a weakness in the regulation, or will the balance be rather achieved through the planned legislation on human and ethical implications of AI? We might not have to wait long to know.

3. Taxation: Legislating on a fair digital tax for businesses

The current tax framework is no longer adequate for business models in the digital age. A fairer system, for both companies and countries, is needed. The Organisation for Economic Co-operation and Development (OECD) knows it. Europe knows it. Companies know it. The issue is: How should a fair share of the (tax) pie be calculated, allocated, and implemented?

Right now, there is a patchwork of proposals and tax rules, ranging from the OECD's new proposals for a global framework, to new rules by various countries who prefer a quicker, go-it-alone approach.

Von der Leyen has now injected new impetus by launching a deadline: 'If, by the end of 2020, there is still no global solution for a fair digital tax, the EU should act alone.' This will appease those EU countries who are eager to settle the issue quickly (some of which have also integrated 'sunset clauses' - the law will cease to apply after a specific date - into their new tax rules). It also gives more time for a global approach to be developed, which will satisfy other countries in favour of such an approach, at least for the coming year.

4. Cybersecurity: Setting up a joint Cyber Unit

The new President's political guidelines clearly emphasise the need for a safer and more secure digital space, to the extent that she considers cyber(security) a core aspect of digitalisation. Focusing especially on information-sharing among member states' authorities, she intends to set up a joint Cyber Unit to facilitate these exchanges.

In mission letters to her team of commissioners, she said she also wants to see other cybersecurity areas being developed, including certification, rapid emergency response strategies, and the recent laws on the security of network and information systems (transposing the NIS Directive – the Directive on security of network and information systems – adopted in 2016) being **further implemented**.

5. Emerging technologies: Achieving tech sovereignty

Europe has missed out on creating a tech industry as robust as Silicon Valley. Yet, there are emerging areas – which von der Leyen calls 'critical technology areas' – where Europe can achieve sovereignty.

This task will not be easy. The USA's tech industry dominates in terms of innovation, investment, and market share. China is the USA's direct competitor: with heavy investment in hardware, and now in AI, China's tech industry is almost as strong.

So what can Europe do? Invest, and define standards: 'To lead the way on next-generation hyperscalers, we will invest in blockchain, high-performance computing, quantum computing, algorithms and tools to allow data sharing and data usage. We will jointly define standards for this new generation of technologies that will become the global norm.'

To achieve tech sovereignty in these areas, however, Europe must act fast. Gartner's hype cycle shows that **blockchain is currently sliding into the trough of disillusionment** (meaning that we are realising that blockchain is not the silver bullet we were promised). Yet, the tide is expected to turn for blockchain – together with cryptocurrency and digital ledger technology (DLT) – as early as 2021 (Malta's Blockchain Island concept, with its regulatory framework for DLTs, a world first, can help the EU). The quantum computing industry already shows a few leaders emerging, including Canada, the USA, Australia, the UK, and China. When it comes to AI, **the aim behind China's national AI development plan**, published in 2017, is to make the country the world leader in AI by 2030.

6. Developing joint standards for 5G networks

Linked to developing standards for emerging technology is the push for 5G. Von der Leyen believes that since Europe is already successful in setting standards for

telecommunications, 'it should replicate this success and develop joint standards for [its] 5G networks'.

Also linked to 5G is the security aspect. A few weeks ago, EU member states completed a risk assessment of 5G networks, **identifying the main cyber-risks and vulnerabilities**. The next step, due by the end of 2019, is to develop a toolbox to mitigate these risks.

7. Content policy: Developing a joint approach and common standards

Illegal or harmful online content such as disinformation, hate speech, and violent extremist content has been plaguing the Internet. The effects are significant: from political interference to incitement to violence and hate crimes, to the use of digital technology by terrorists.

Digital platforms have been pressured to take more action to remove such content as swiftly as possible, and to prevent it from spreading. Many solutions are in place. The problem of harmful content, however, remains.

The incoming EC President wants to do more. She will urge the development of a joint approach and common standards to get rid of harmful content. In doing so, a few issues will need to be tackled: To what extent will digital platforms be required to surveil content? Can every platform – especially smaller platforms – integrate technology such as AI to help combat the proliferation of harmful content? What trade-offs are actors willing to make?

8. Digital services: New (and updated) rules for service providers

There is a host of issues surrounding digital services, which the EC President would like to tackle. A new Digital Services Act, together with a probable update to the E-commerce Directive, will attempt to solve these issues.

A **European Commission document leaked a few months ago** had already started to prepare the groundwork for the new group of commissioners who would take over. According to the document, the main issues to be tackled include an uneven patchwork of rules for online services across the EU; outdated e-commerce rules, especially when the services provided by digital companies continue to evolve; and a regulatory environment which does not encourage companies to tackle illegal content.

The planned new rules, therefore, will try to close these regulatory gaps. **Whether this unified approach will work** is another issue.

9. Education: Improving digital literacy and digital skills

When it comes to digital technology, there are two main education-related areas which the new EC President will focus on.

The first is to strengthen the digital skills (tech proficiency) and digital literacy (effective use of technology, often referred to as digital competencies) of young people and adults. This involves updating the EU's Action Plan for Digital Education – which urges (a) the use of technology in schools, (b) furthering digital skills, and (c) keeping an eye on the digital trends that can be used in educational settings – and making digital literacy imperative for everyone.

One of the examples she gives in promoting the further use of technology is to increase the use of Massive Open Online Courses (MOOCs). In theory, this sounds like a good step forward: MOOCs have been hailed as the grand new model for higher education, and in some respects, they do carry benefits. But in practice, the completion rate of MOOCs remains very low, as an [MIT study confirmed earlier this year](#). This risks giving false comfort, unless the aim is to use MOOCs to supplement formal education.

A second priority is to improve the conditions of platform workers, who offer their services online to other parties looking for a service provider (the platform is the 'matchmaker'; the term *platform economy* is often used

interchangeably – and imprecisely – with *sharing* economy or *gig* economy). Von der Leyen will focus on improving workers' skills and education.

10. Digitalising the European Commission: Introducing new methods and tools

By extending the notion of *A Europe fit for the digital age* to the work of the Commission, von der Leyen wants the EC to lead by example, by transforming it into a fully digitalised operation. She plans to do this by introducing new digital methods and digital diplomacy tools.

The aim is to make the Commission more agile, more flexible, and more transparent. Presumably, this means adopting a wider [digital diplomacy \(or e-diplomacy\) approach](#) through the use of tools such as social media and other e-tools for public diplomacy and engagement with EU citizens; more use of e-tools for negotiations and consultations, and hopefully, [given the importance of data diplomacy](#), an increased use of (big) data. It may also include e-tools for internal EC processes for a more inclusive environment 'with fewer hierarchies and more cooperation'.

Conclusion

Although the guidelines will be the EC's compass for the next five years, the implications go beyond European shores.

AI ethical guidelines could impact AI systems developed in other advanced countries and marketed or deployed in the EU. Standard-setting initiatives can place Europe as a global leader, with other regions following the same standards for seamless and interoperability purposes. Certain new rules for service providers are likely to extend to any provider offering services in the EU, regardless of where the provider is headquartered.

In areas where measures may not impact other regions directly, the EU can prove to be a good leader in digital policy. Its docile tech industry, compared to the position of the two main superpowers, can spearhead new developments in emerging or advanced technology.

Much depends on how well the EC will use its time, how determined the EC President and her team are in seeing things through, and how much clout the EC will manage to exert.

Overview: Who are the new digital chiefs?

Several commissioners on von der Leyen's team will deal with digital-related issues. Here are their remits in detail.

	Commissioner	EC Portfolio in 2014–2019	EC Portfolio in 2019–2024	Digital Policy Remit in Detail
	Ursula von der Leyen (Germany)	N/A	<ul style="list-style-type: none"> – President – Setting political guidelines for 2019–2024 	
	Margrethe Vestager (Denmark)	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Competition 	<ul style="list-style-type: none"> – Executive Vice-President (EVP-DigitalAge) – Mandate: <ul style="list-style-type: none"> • A Europe Fit for the Digital Age • Competition – Reporting to EC President – Mission letter 	<ul style="list-style-type: none"> – Co-lead a new long-term strategy for Europe's industrial future with EVP-Economy – Co-lead a new SME strategy with EVP-Economy – Coordinate the work on a European approach to AI and ethics in the first 100 days – Explore a balanced approach on data for emerging tech – Coordinate the work on a new Digital Services Act (including working conditions of platform workers) – Propose a new digital tax if a global approach fails by end of 2020 – Review competition and antitrust rules
	Věra Jourová (Czech Republic)	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Justice • Consumers • Gender Equality 	<ul style="list-style-type: none"> – Vice-President (VP-Values) – Mandate: <ul style="list-style-type: none"> • Values • Transparency – Mission letter 	No digital policy remit
	Mariya Gabriel (Bulgaria)	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Digital Economy and Society (since 2017) 	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Innovation • Youth – Reporting to EVP-DigitalAge and VP-Europe – Mission letter 	<ul style="list-style-type: none"> – Lead the work on updating the Digital Education Action Plan* – Explore the increase of MOOC take-up* – Raise awareness from an early age on disinformation and other online threats* <p><i>*As these remits fall under the Innovation mandate, the Commissioner will report to EVP-DigitalAge</i></p>



Commissioner	EC Portfolio in 2014–2019	EC Portfolio in 2019–2024	Digital Policy Remit in Detail
 Thierry Breton (France)	N/A	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Internal Market – Reporting to EVP-DigitalAge – Mission letter 	<ul style="list-style-type: none"> – Contribute to enhancing Europe’s tech sovereignty – Lead the work on a European approach to AI and ethics – Lead the work on a new Digital Services Act – Build a single market for cybersecurity (including certification, implementing rules on NIS security, rapid emergency response strategies, etc.) – Lead the work on a joint Cyber Unit – Contribute to an updated Digital Education Action Plan – Help remove artificial distinctions between new digital markets and more established markets – Review the intellectual property regime
 Didier Reynders (Belgium)	N/A	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Justice (Rule of Law; Justice and Consumer Protection) – Reporting to VP-Values – Mission letter 	<ul style="list-style-type: none"> – Lead the work on consumer protection – Explore how digital technologies can improve the justice system – Ensure full implementation and enforcement of the GDPR – Contribute to the legislation on a coordinated approach to AI and ethics, focusing on human rights
 Dubravka Šuica (Croatia)	N/A	<ul style="list-style-type: none"> – Vice-President – Mandate: <ul style="list-style-type: none"> • Democracy • Demography (including being the Commission’s lead for protecting children’s rights) – Reporting to EC President – Mission letter 	<ul style="list-style-type: none"> – Prepare a comprehensive strategy on the rights of the child, including actions to protect their rights online

	Commissioner	EC Portfolio in 2014–2019	EC Portfolio in 2019–2024	Digital Policy Remit in Detail
	Stella Kyriakides (Cyprus)	N/A	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Health – Reporting to EVP-GreenDeal and VP-Europe – Mission letter 	<ul style="list-style-type: none"> – Implement the new regulatory framework on medical devices* – Leverage the potential of e-health* – Create a European Health Data Space to promote health-data exchange* <p><i>*As these remits fall under the Public Health mandate, the Commissioner will report to VP-Europe</i></p>
	Margaritis Schinas (Greece)	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Chief Spokesperson 	<ul style="list-style-type: none"> – Vice-President (VP-Europe) – Mandate: <ul style="list-style-type: none"> • Protecting our European Way of Life – Reporting to EC President – Mission letter 	<ul style="list-style-type: none"> – Help identify and fill skills shortages and support reskilling as part of the just transition
	Phil Hogan (Ireland)	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Agriculture • Rural Development 	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Trade – Reporting to EVP-Europe) – Mission letter 	<ul style="list-style-type: none"> – Give further impetus to WTO negotiations on e-commerce, to harness the full potential of data, address barriers, and enhance consumer and business trust
	Paolo Gentiloni (Italy)	N/A	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Economy – Reporting to EVP-People – Mission letter 	<ul style="list-style-type: none"> – Lead international efforts (OECD and G20) to find an agreed approach on digital taxation – Lead on the proposal for a European digital tax if no global consensus emerges by the end of 2020
	Valdis Dombrovskis (Latvia)	<ul style="list-style-type: none"> – Vice-President – Mandate: <ul style="list-style-type: none"> • Euro and Social Dialogue • Financial Stability, Financial Services and Capital Markets Union 	<ul style="list-style-type: none"> – Executive Vice-President (EVP-People) – Mandate: <ul style="list-style-type: none"> • An Economy that works for People – Reporting to EC President – Mission letter 	<ul style="list-style-type: none"> – Develop a FinTech Strategy to support new digital technologies – Develop a new, comprehensive approach to fighting money laundering and the financing of terrorist activities (including adapting to risks linked to new technologies) – Ensure a common approach on cryptocurrencies, tackling opportunities and risks

Commissioner	EC Portfolio in 2014–2019	EC Portfolio in 2019–2024	Digital Policy Remit in Detail
 <p>Nicolas Schmit (Luxembourg)</p>	N/A	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Jobs – Reporting to EVP-People – Mission letter  	<ul style="list-style-type: none"> – Improve the labour conditions of platform workers – Lead the work on implementing and updating the skills agenda, focusing on identifying and filling skills shortages and supporting reskilling as part of the just transition
 <p>Adina-Ioana Vălean (Romania)</p>	N/A	<ul style="list-style-type: none"> – Mandate: <ul style="list-style-type: none"> • Transport – Reporting to EVP-GreenDeal – Mission letter  	<ul style="list-style-type: none"> – Leverage opportunities linked to connected and automated mobility, with a strong focus on digital innovation
 <p>Ylva Johansson (Sweden)</p>	N/A	<ul style="list-style-type: none"> – Mandate <ul style="list-style-type: none"> • Home Affairs – Reporting to VP-Europe – Mission letter  	<ul style="list-style-type: none"> – Ensure the implementation of legislation on the interoperability of EU information systems, including improvements to cross-border co-operation between law enforcement authorities regarding information-sharing – Continue efforts to prevent and remove terrorist content online – Continue to drive forward the EU Internet Forum to bring together Internet platforms and authorities to counter hate speech and terrorist content online

Note: A list of supporting services, including Directorates-General (DGs), is available on the EC's website.

Overview: Concrete policy actions and their link to digital policy

If we zoom out and look at the concrete policy actions proposed by von der Leyen, we find that some of them have strong links to digital policy:

Policy actions	Core area	Link to digital policy
European Green Deal	Environment	Weak
European Climate Law	Environment	Weak
Biodiversity Strategy for 2030	Environment	Weak
Farm-to-Fork Strategy	Environment, Economy	Weak
Dedicated SME Strategy	Economy	Strong (revitalising innovation through SMEs)
Private-Public Fund Specialising in Initial Public Offerings of SMEs	Economy	Strong (revitalising innovation through SMEs)
New Circular Economy Action Plan	Economy	Medium (support of digital technology for circular economy – AI, IoT, blockchain)
European Unemployment Benefit Reinsurance Scheme	Economy	Medium (jobs will be affected by the development of digital technology and automation)
Legislation for a coordinated European approach on the human and ethical implications of AI	Digital Technology	Strong (focus on AI and ethics)
Joint Cyber Unit	Digital Technology	Strong (focus on cybersecurity)
Digital Services Act	Digital Technology	Strong (focus on regulating the digital services industry)
Digital Education Action Plan	Digital Technology	Strong (focus on digital literacy)
European Democracy Action Plan	Politics	Medium (focus on fake news and disinformation)
Comprehensive Strategy on Africa	Foreign Policy	Medium (opportunities through Africa's growing digital landscape)

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