

A Digital Revolution

.....
That Works For Everyone



Group of the Progressive Alliance of
Socialists & Democrats
in the European Parliament



Contents

FOREWORD	04
INTRODUCTION	05
BUILDING AN INCLUSIVE DIGITAL UNION	06
Digital society and the economy, digital skills	07
Digital taxation	09
Privacy and Security	10
Fake news, disinformation, hate speech	11
Cultural heritage	12
Artificial Intelligence & robotics	13
Workers' Digital Rights	14
Broadband - Connectivity - Internet	15
Copyright in the Digital Single Market	16
Data economy and consumers	17
LOOKING FORWARD	18



Foreword

Computers have come a long way. From the feeble beginnings of 70 years ago, we are progressing towards ubiquitous computing. What used to be machines of industrial scale can now be fitted into the size of a grain of sand. Computers are not only small - they are everywhere: from space to the pockets of your trousers, from (almost) self-driving cars to cardiac pacemakers. Together with the ever-increasing connectivity of these devices, a wave of transformational changes have begun challenging our most fundamental concepts of society and economy.

This transformation has brought benefits to humanity. Easier access to information, global communications at a reasonable cost and the ability to connect to friends all around the world. However, it has also come at a cost. Companies focusing on commercialising the web for their own profit quickly gained substantial power, either by providing a browser for the web, acting as a central gateway for finding information or becoming a world-wide bookstore. These new global players have grown so fast and so big, that we are struggling to grasp the full magnitude of the problems they pose.

Therefore, the right to privacy is central. In a world of ubiquitous computing there is always something listening to our every word, spying on our every move. When these tech-giants capitalise on mass-surveillance and big data analytics, we lose our freedom. Freedom to speak out when something is wrong and freedom to act when we as a society need to stand up for ourselves. The General Data Protection Regulation ("GDPR") reclaims the right to privacy for people on the web; not only in Europe, but all around the world. Nevertheless, more needs to be done.

Europe must come together to reshape digitalisation in a manner coherent with our core values of democracy, the rule of law and human rights. We must step up against election manipulation that big social networks have enabled to malicious actors. We must take a stance against repressive autocracies that want to abolish our freedoms by AI powered social control systems such as the Social Credit System in China.

First and foremost we must unite as an open and inclusive Europe that acts as an independent sovereign, actively setting the global digital agenda whilst promoting European digital services that respect our most cherished values by design and default.



Josef WEIDENHOLZER,
S&D Vice-President for Digital Europe



Introduction

New technologies and the internet are constantly transforming our world. The speed of this transformation is phenomenally affecting the political, social and economic aspects of our lives. Europe should create strong foundations for a properly functioning digital society, and it should take the lead in this digital revolution and digital technologies. A number of digital policies have already been launched and implemented. Still, much more needs to be done as too frequently Europe has arrived too late.

As European Socialists and Democrats, we embrace the opportunities that digitalisation offers. We want to actively shape the digital society of the future and we are not afraid of the potential challenges. We believe that new technologies should aim to benefit all citizens and should contribute to tackling social inequalities and discrimination, creating new quality jobs, and promoting openness, transparency, sustainability and accountability within our societies.

For most European citizens, social media, access to information and on-line shopping is an integral part of their daily lives. Technology changes the way we work, live, socialise and communicate. At this point, it is crucial to develop a better understanding about the potential risks and benefits associated with digitalisation. Citizens must be at the core of this revolution. The S&D Group wants to ensure that digitalisation becomes a tool that respects human dignity and promotes our fundamental values, in particular the protection of freedom, justice, pluralism, accessibility, equality and privacy.

Digital transformation requires all citizens to possess the necessary skills in order not to be left behind. In the future, the vast majority of jobs will require at least some level of digital skills. At the same time, around 170 million Europeans between 16 and 74 years (44%) still do not have basic digital skills, and about 37% of the EU workforce has low digital skills, or none at all. The digital literacy of citizens must be supported across the European Union and across all generations. With e-democracy, the acquisition of digital skills will facilitate the equal civic participation in digital public services and on-line public consultations.

Digital transformation must be conducted in a way to ensure sustainable growth and development while safeguarding good working conditions as well as human rights. The ICT tools along with fixed and mobile broadband will connect people in countries, regions, cities and rural communities across Europe, thus improving the quality of their lives and opening up new opportunities. We call on all policy makers on the EU level and in the Member States, on trade unions, social and cultural partners, civil society and entrepreneurs to cooperate so as to address the different aspects and impacts of the digital revolution. Our Group's social and democratic principles are the guide in this (r)evolution for a fair and equal distribution of digital benefits based on European values of fairness and solidarity.

Digital society and economy, digital skills

Digitalisation offers new opportunities for growth and innovation. Digital skills are now essential for all of us, as technology has entered into every aspect of our lives, such as e-government, social media and the Internet of Things. At the same time, the digital economy has brought new challenges for traditional jobs and services. Ongoing automation and robotisation will increasingly impact the workforce. Digital skills are the key answer.

The S&D Group has called for more programmes and initiatives related to digital skills for all citizens, regardless of their age and social status. Not everybody is able to adapt quickly enough to technological changes. All Europeans should have the possibility to acquire at least basic digital skills and to find their place in an ever-more dynamic labour market. Acquisition of digital skills needs to start at an early age and carry on throughout life as part of educational curricula. Schools should support all learners and respond to their specific needs. More effort has to be made to closing the digital divide, supporting pupils with disabilities and students belonging to ethnic minorities.

Sufficient time needs to be provided for workers to get further training and up-skilling. Our Group calls for a right to paid educational leave for all workers and for more investment in on-the-job training and distance learning.

Digital skills, media literacy and use of digital technologies must be included in all curricula. New learning methods and tools should benefit from open educational resources and open science, including training for teachers and cultural workers in technical and digital skills. The EU must foster cooperation in education, mobility and exchange of best practices among higher education institutions.

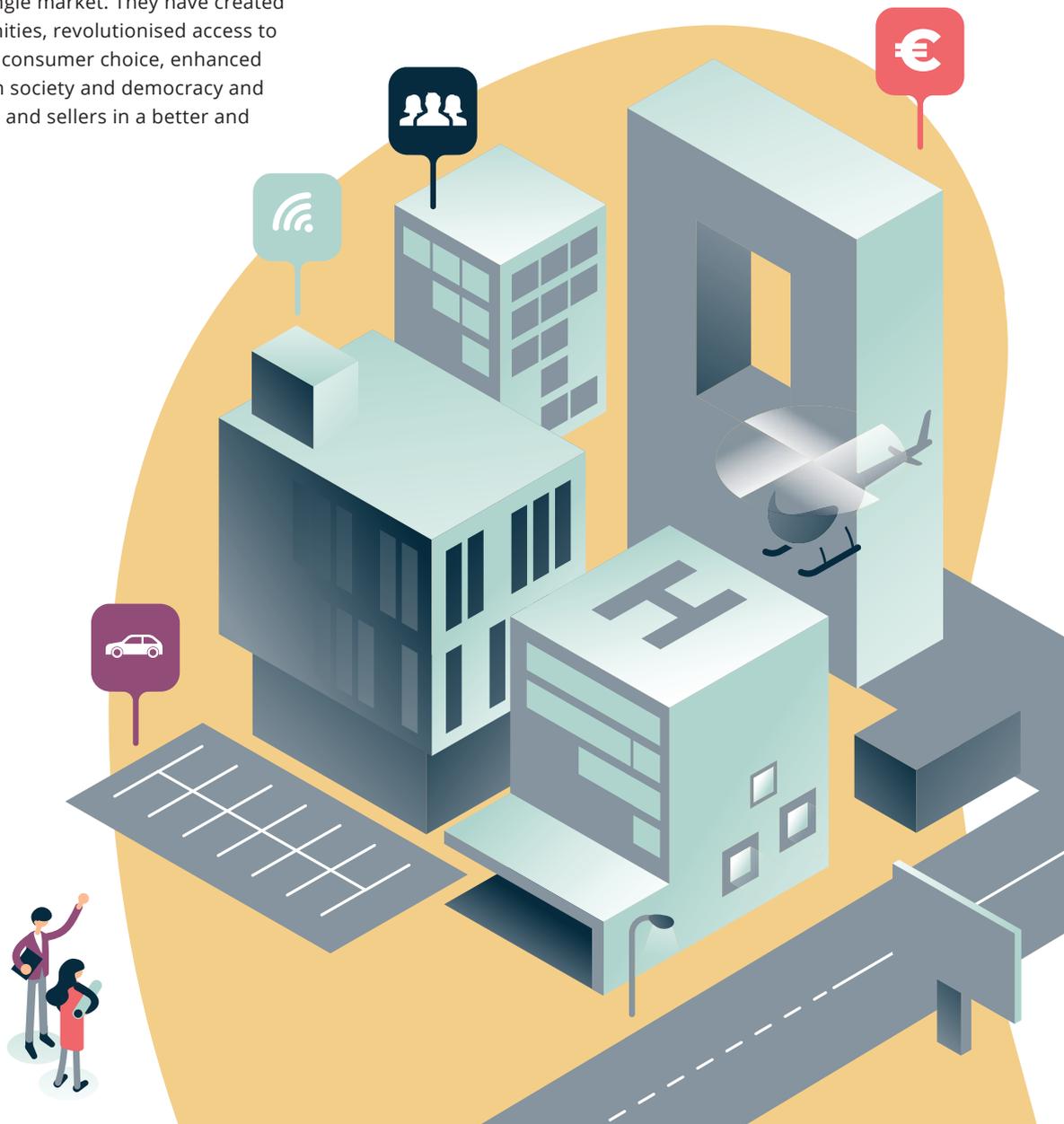
Digitalisation has shaken up traditional value chains. Digital economy has brought new opportunities and investment chances in the EU Internal Market. New policies are needed in order to deal with the global nature of the digital ecosystem and economy. Start-up companies which represent a significant part of the European economy are significantly contributing to economic growth and job creation.

A stable and innovation-friendly environment should help them grow and flourish. In a globalised and digitalised environment, European industries need to adapt to new technologies and develop new digital techniques in order to stay competitive. Our Group sees the need for high-level industrial policies, and for this reason we are promoting access and use of cutting-edge technologies, the Internet of Things, Big Data, DApps and cloud computing or 3D printing for European industries. There are various strategies, initiatives and wide-ranging benefits for European industries in the area of digital innovation.

In some of these areas Europe is lagging behind and other major global players (US, China or Russia) have taken the lead. Europe needs to reinforce its capabilities in key areas such as Artificial Intelligence, cybersecurity, DApps or supercomputing to be able to shape digitalisation accordingly to our priorities and values. Without a clear push from the European Union and national governments to create the right environment and the appropriate incentives, Europe will stay behind in a fragmented market.

In the wake of the rise of digital economy, the appearance and rising influence of the multinational tech-giants such as Google, Amazon or Facebook has become a cause for their increased scrutiny and accountability. The Socialists and Democrats have been on the forefront of tackling the monopolies of these big digital conglomerates. At the same time we recognise that online platforms play a key role in innovation and growth in the digital single market. They have created new business opportunities, revolutionised access to information, increased consumer choice, enhanced citizens' participation in society and democracy and have connected buyers and sellers in a better and more efficient way.

However, in many cases the increased network-effect is not only achieved through higher flexibility, new forms of digital interconnectivity and low transaction costs. Too often, it is achieved through shifting social costs to workers and the public, by circumventing taxes, labour laws and other commercial standards. This is politically unacceptable and socially untenable. While we also have good examples of great tech companies in Europe like Spotify or Booking.com, unfortunately too frequently these platforms and digital companies are foreign corporations. Europe needs to become a more active player, and be more ambitious by developing its own capabilities, reinforce its autonomy and be able to create added-value in Europe.





Digital taxation

The current international tax framework was designed in relation to the traditional economy. It has to be modernised to meet the new challenges. Nowadays, global players such as Google, Facebook or Amazon avoid paying due taxes because they do not have a physical presence in a country. Our Group has been calling out these tech-giants to respect the basic principal of “paying taxes where profits are generated”. The lack of an updated international framework leads to the reduction of Member States’ public budgets and to unequal distribution of wealth, which further exacerbates social inequality.

As Socialists and Democrats, we have supported the European Commission’s initiative for reforming the European taxation system, which aims to harmonise rules in the EU Single Market. Europe should be the world leader on digital taxation, using its weight globally and protecting its citizens.

Privacy and Security



Data protection and digital privacy (e-privacy) are a key challenge of our time, we have therefore, underlined the need for setting up a legal framework in order to limit or prevent illegal and unethical behaviour. The majority of Europeans are active on the internet, on social media and online platforms. Personal data end up in the hands of multinational data companies without the permission of their owners, who are not aware that their data is being used. The Facebook scandal and its ongoing repercussions only confirmed the urgent need for stricter rules on digital privacy in Europe and worldwide. The EU General Data Protection Regulation clearly established citizens' rights, including the right of access to information, of rectifying incorrect information or requesting the restriction of data access in specific cases.

A protected environment for all public and private entities ensures prosperity and development in the European Union. We have pointed to cybersecurity concerns and to this end, a number of initiatives and strategies have already been launched by the European Union, to reinforce our digital security. An EU cybersecurity agency is now coordinating prevention and responses to any kind of cyber-attacks. We have called for more investment in European cybersecurity research in order to keep up with ever-changing threats and boost our defences throughout the EU and its Member States and against all types of cyber-criminals.

Fake news, disinformation, hate speech

In a digital era, European citizens express themselves in new ways and have access to different information sources and communication tools. This has sparked a new level of disinformation, which endangers our free and democratic societies. Our Group has supported several initiatives on a European level to tackle fake news and disinformation online. The EU has to address other dangerous new phenomena as well, such as cyber-bullying, phishing, sexting, internet gaming disorder, digital work-related stress or fear of missing-out. Promoting media literacy and advising citizens, in particular children, on how to use digital media in a critical-thinking manner is of essence. More has to be done to support quality journalism and online transparency in the EU.

As the Facebook / Cambridge Analytica scandal showed, various actors (Russia for example) are attempting to undermine the very basic foundations of our European democracy by spreading misleading or false information. The EU is pushing to make online platforms and social media more responsible and accountable for content distributed on their sites. Self-regulation, however, is not enough and there must be consequences for failing to address these serious issues. At the same time, we must ensure that fundamental democratic rights like free speech and freedom of expression are not infringed.





Cultural heritage

Europe has to speed up efforts to digitise its immense cultural and creative capital. We need to make use of every opportunity offered by new technologies and make European culture available to everyone.

In recent years, the European Union has launched several initiatives aiming at creating synergies between artists and technologists, boosting 3D-modelling and preserving historic areas, buildings and monuments. Europeans can now access more and more cultural materials online and thus learn about the culture and history of Europe and its people.

Our Group actively supported and promoted these undertakings. We insist on the need to further assist digital transformation of cultural and creative sectors and support their contribution to a fair and ethical use and development of digital tools and infrastructures. Furthermore, we encourage promotion of the European cultural heritage, both tangible and intangible, as well as protection, preservation and dissemination of cultural heritage through digitalisation and specific digital initiatives such as Europeana and cultural heritage cloud.

Artificial Intelligence & robotics



The Artificial Intelligence (AI) revolution started as early as in the 1950s and since then it has penetrated our daily lives: identifying spam emails, targeted online advertisements, identification of faces on social media and voice-to-text features on smartphones, just to name a few examples.

In the light of the rapid development of machine learning techniques as well as the consequences of AI systems on society (for example the changes in the job market), our Group lead the call of the European Parliament for a new legal framework on Artificial Intelligence, focussing also on ethical aspects. The European AI Alliance - as a forum for broad and open discussions on AI's development impact - is just the first step.

We call for a clear path forward, including legislative proposals, to boost the ambition of the European Union to take the global lead on Artificial Intelligence technologies. Europe has an obligation to prepare its citizens for the future and raise awareness about AI's challenges, risks and opportunities. It also needs to strengthen the support to this sector compared to what has been done until now. Europe lags behind in the development of AI applications and cybersecurity, resulting in an urgent need to develop our own European capabilities to re-enforce our autonomy and secure our values.

Like Artificial Intelligence, robotics is increasingly influencing all dimensions of our society and economy. It has already transformed our lives, providing assistance in many domains, such as in the health sector or in manufacturing. In healthcare, robots together with Artificial Intelligence play an important role in analysing patients' data, improving diagnostics and supporting highly-skilled medical professionals. Robotics is driving the fourth industrial revolution, thus allowing European companies to compete on a global scale.

Our Group is calling for significant investments in robotics and artificial intelligence. The non-manufacturing industries such as agriculture, transport or security will also benefit and grow in the coming years. By regulating robotics, the EU will ensure a level-playing field in terms of liability, responsibility and protection of users and consumers.

Discussions and research are underway as to the anticipation of consequences of Artificial Intelligence and robotics on jobs and on the future of the labour market in Europe and worldwide. Some academics and researchers point to risks, others see more opportunities in terms of the real numbers of people who would lose their jobs as opposed to those who would find a new one. There is no clear answer yet. We cannot, however, be passive and wait for a final verdict as it might be too late. Artificial Intelligence and robotics (for example self-driving cars) are revolutionising some industries where Europe is still a global champion. We need to be proactive and keep Europe at the forefront to secure value-added jobs. European industries must remain the centre of production for the rest of the world. Europe has to be more than just a market where technology produced elsewhere is sold.



Workers? Digital Rights

The Commission's Digital Single Market Strategy largely disregards the social dimension of the digital economy and its impact on the life and work of millions of Europeans. It is of utmost importance to shape the development of the Digital Single market in a socially just and sustainable manner to ensure that employment and social policies keep pace with the digitalisation of labour markets.

The S&D Group agrees that new types of employment and work on online platforms can offer a better work-life balance, additional income and new chances for people distant from the labour market. However, there is also the risk that new working arrangements in the platform economy undermine current social and employment standards and give rise to precarious forms of employment. Therefore, it must be ensured that all platform workers enjoy the same social and employment rights, the same health and safety protection as well as the same access to lifelong learning as workers in the traditional economy. Propagated freedom, flexibility and self-determination of new working models should not become a synonym for ever more sophisticated control measures, surveillance and performance analyses of workers, which are encouraged by increasing digitisation.

Our Group calls for a level-playing field between "traditional" businesses and companies in the digital economy. It must be ensured that the same rights and obligations apply to all actors in the same way. A competition to the lowest standards - a 'race to the bottom' - is not the way forward!

In fact, digitalisation can be used to further support trade-unions and collective bargaining. Therefore, trade-unions must receive digital access rights to digital workplaces and the right to bargain on behalf of single self-employed workers in the digital economy.

Along the lines of these principles the EU must adapt its social and employment legislation to the challenges of the 21st century, transfer fundamental labour and social regulations to the digital economy and introduce new legislation where needed. The European Pillar of Social Rights offers the best framework to rebalance economic freedoms with social rights, and to redirect the technological progress to the benefit of workers.

Our Group has always stood for an affordable and accessible connectivity for all citizens across the European Union. Fast internet has become an essential good for family and business. Without a reliable connection, SMEs cannot compete and citizens cannot participate in society. We have supported a number of initiatives and legislative proposals aiming to make the EU the global leader in internet connectivity.

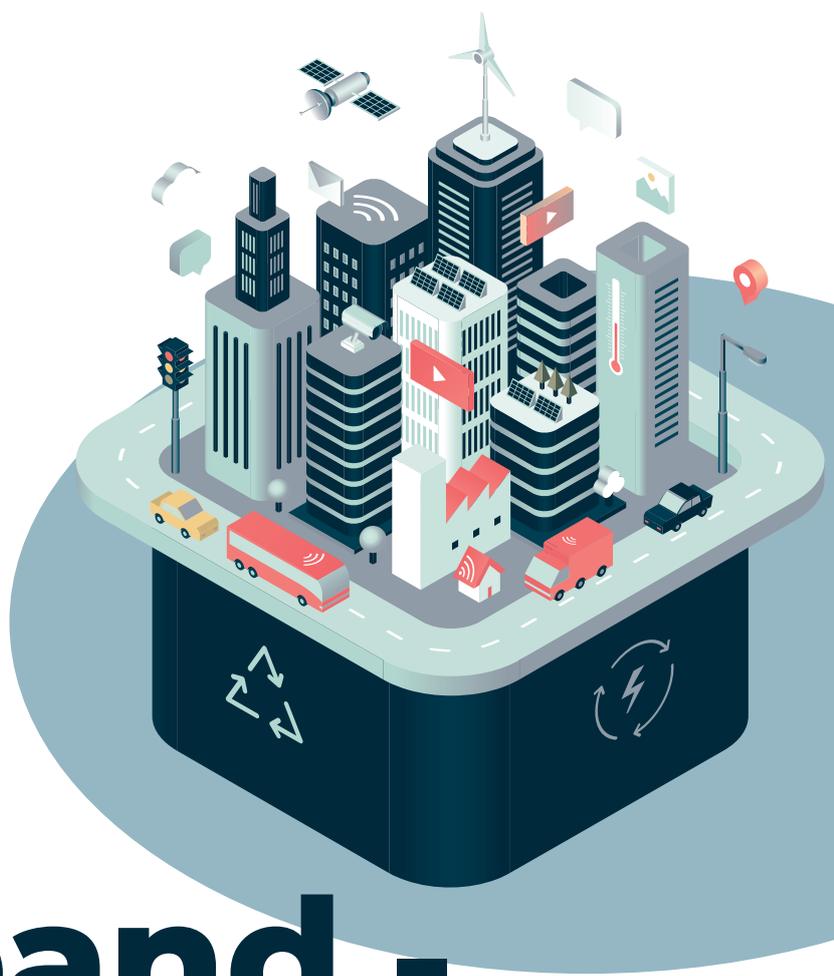
By 2025, all public areas and services such as schools, transport hubs and main providers of public services as well as digitally intensive enterprises should have access to fast-speed internet connections. All European households should be connected to networks using fibre-optics or 5G, and in particular all urban areas along with major roads and railways should have uninterrupted 5G wireless broadband coverage. A fully-fledged commercial service in at least one major city in each EU Member State should start by 2020.

We need urgent investments, especially in less populated cities and rural areas where the market fails to provide fast-speed internet. We need to create the right incentives for making this essential good accessible and affordable for all.

Our Group spearheaded the fight against roaming charges and high costs for intra EU phone calls. All Europeans can now pay the exact same price for using services, like calling (to mobile and fixed phones) and sending text messages when they travel abroad within the European Union (roaming). They will now be able to call their family and friends when going abroad within the EU for a reasonable price. We have also supported a new legislation on portability enabling consumers to access their online content and subscriptions when they travel to another EU country. There is no limitation anymore: tourists, Erasmus students or citizens working abroad can benefit from these rules. Still, more has to be done in order to ensure that content transmitted by TV or radio broadcasters online is also made available across borders.

Municipalities will also be able to provide free access Internet to their citizens or tourists through the Wifi4EU initiative which was led by the S&D and helps financially to set up small Wi-Fi public areas.

Free access to the internet is not sufficient in itself though. That is why we have led the efforts to safeguard the net-neutrality. Access to, and distribution of legal content or services must take place without any kind of discrimination. Since 2016, most Europeans have been enjoying open and free internet, unlike for example, people in the United States where net-neutrality has recently been put into question. There are guidelines in Europe on how to set interoperable digital public services which helps further improve the quality of European public services.



Broadband - Connectivity - Internet



Digital technologies have rapidly changed the way we use and consume products and values created by others. The European Union aims to adapt the copyright rules to the digital era, placing Europe at the front-line of regulating this area internationally. Our Group has called for a balanced copyright law framework ensuring that all stakeholders - content creators and right-holders on one hand, and users

and consumers on the other, can be protected in this often chaotic digital environment. Our main objective is to ensure fair remuneration for authors and performers, to tackle the critical issue of the “value gap” or “transfer of value” which is hampering growth and creativity. We want to ensure legal certainty and a level-playing field for the creative market and to defend consumers’ rights to post, access and share content online.

Copyright in the Digital Single Market

Data economy and consumers



The European data economy has become a reality. Our Group has supported proposals on the free flow of non-personal data, Open Data and on cloud services. Our main objective is to strengthen the EU Internal Market and to foster competitiveness in Europe. The new rules should bring an 18-fold boost of the European data economy which by 2020 is expected to make 4% of the EU's overall GDP. Another significant accomplishment to benefit consumers and businesses is the EU's decision to remove geo-blocking. Websites and online retailers will no longer be able to block users accessing or purchasing from their website just because they are in another EU state. This will allow consumers to access goods and services from other Member States within the EU more easily and for cheaper prices.

More and more European citizens are making online purchases on a regular basis. However, the majority of European consumers are not aware of their rights, and they do not know how to act in certain circumstances when their rights are violated. Still, too many consumers do not make use of their rights. Equally, many businesses are confused by the existence of different consumer contract laws, and they avoid selling their products online to customers in other countries. Consumers tend to buy online from businesses located in their country, as they believe it gives them better protection, for example in cases where they receive an incorrect or a damaged product. Our Group, therefore, called for establishing a common European legal framework in order to support businesses in the European digital single market. It should replace a patchwork of different national legislations which are often confusing. The European Union has already launched several proposals in order to deal with problems of contract rules on the supply of digital content and on the online sale of goods.



LOOKING FORWARD

The Socialists and Democrats in Europe want to ensure that digitalisation creates new opportunities for all European citizens. Acquiring digital skills in order to keep pace with technological advancements is the key ingredient to succeed in this ever changing environment.

By smart and fair regulation of the digitalisation, robotisation and Artificial Intelligence, the European Union can shape the future design of our societies and economies. Only by doing so, the EU, its citizens and businesses will be able to reap the full benefits of the digital (r)evolution and to navigate around possible negative impacts.

Digitalisation must lead to a European society and economy that will be inclusive and sustainable. Nobody should be left behind. The European Union has what it takes to become a place for all generations to fulfil their aspirations and dreams for a better life in a fair digital society.





ABOUT THE S&D GROUP

The Group of the Progressive Alliance of Socialists and Democrats (the S&D Group) is the second largest political group in the European Parliament with 187 members from all 28 EU Member States.

We stand for an inclusive European society based on principles of solidarity, equality, diversity, freedom and fairness. We campaign for social justice, jobs and growth, consumer rights, sustainable development, financial market reforms and human rights to create a stronger and more democratic Europe and a better future for all citizens.



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