A Digital Agenda for Europe's Economy: democratic.sustainable.fair

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Europe's economy at a crossroads

The current decade is meant to become Europe's *Digital Decade*. Yet, in fact, Europe is facing a twin transition, green and digital. If successful, this transition will radically change the face of the European economy. But whereas the goal of the green transition is clear – carbon neutrality by 2050 – this is not the case for the digital transition. What is a European economy for the digital age meant to look like, and where will it differ from the current European economic model and from the currently predominant digital development models propagated by the US and China? Although the EU has been producing piles of strategic papers for the digital transition, we are still lacking answers to these key questions.

Technology is a means to an end, but digital tech is too often treated by policymakers as an end in itself. For many, technology seems to stand not only for more efficient ways of organising economic activity, but for social progress itself. For instance, the European Commission's 2030 Digital Compass strategy pushes for the quick adoption of digital technologies by businesses and public authorities – but it does not seriously consider environmental and social aspects. So far, the effects of digital technology have been ambiguous at best. Online platforms and algorithmic systems have eroded the autonomy of citizens and workers, and data centres, artificial intelligence (AI) and blockchain technology seem likely to escalate the use of scare resources rather than shift production to more sustainable models. Progressives therefore need to come up with a convincing model which ensures that the digital transition supports societal goals.

The establishment of paradigms for Europe's economy in the digital age is urgent: the digital transition is no longer new but an integral part of all economic sectors and everyday life. Big tech firms consistently dominate lists of the world's largest firms by market capitalisation, and they control key resources – from computing power, data storage, and data analytics (the cloud and AI) to key consumer services such as app stores. The EU is working on several laws to address the power (abuse) of large tech firms, but this will at best make the current system more accountable and transparent. It will not induce a radical overhaul. This means that large tech firms continue to control the pace and direction of technological change – our collective technological imagination if you will – in directions that favour capital over labour. If progressives want to achieve a transition that complements and empowers workers, and serves the public interest, they need to take a more active part in the development and governance of technology.

On top of this, the EU is readying itself to spend hundreds of billions of euros for a digital and sustainable economic recovery from the Covid-19 crisis. Europe's left should seize this moment and genuinely change the course of the debate on digital Europe. Otherwise, we might have to resign ourselves to a technological revolution which exacerbates social and environmental pathologies, and which is shaped elsewhere.

If progressives in Europe are serious about developing an autonomous European economic model for the digital age, one that serves both European values and the objectives of the EU, they must address the questions and challenges indicated below.

Brave new world, or the continuation of capitalism with different means?

Many claim that the wave of technological innovations underpinned by computing power and data – referred to as the 4th (or more exactly 5th) industrial revolution – holds unprecedented economic possibilities. Some even claim it changes the nature of capitalism itself (witness the flurry of books about 'cognitive', 'informational' and 'data' capitalism). But what exactly is new about data, the internet of things and AI, and how can the digital economy underpin a good way of life in Europe? Are these challenges new, or are the old debates about profit and power, and the role of the state in the economy, as relevant as they ever were?

Industrial relations in a digital age

Traditionally, the EU differs from other jurisdictions in that it prides itself not just on political, but also economic democracy: workers have a say in the organisation of their work. And yet the digital revolution has put pressure on organised labour by fragmenting work both in space and time. Most notably, work in the platform economy is often characterised by deskilling, fragmentation, and exploitation. Nevertheless, digital technology has already created more autonomy for workers in creative sectors, in the IT sector itself, and in platform cooperatives. By giving workers a direct stake in the ownership and governance of a platform service, platform cooperatives can provide an alternative to monopolistic digital platform businesses that widen inequalities and fuel labour exploitation. Do these platform cooperatives represent an avant-garde that can lead the way for the broader labour force? Can the digital transition remedy information and power imbalances in the workplace, and offer more autonomy to labour?

How is digital becoming sustainable?

Digital technology has been hailed as an answer to the climate crisis. Data would allow for a more immaterial economy, and a more rational use of scarce resources. And indeed, in the 2030 Digital Compass strategy, the EU is banking fully on the digitalisation of economy and society. However, apart from anecdotes, the potential for a sustainable digital transition has not been realised. Technologies, such as blockchains, and AI require vast resources to operate, often for unclear or speculative (efficiency) gains. Does it make sense for the EU to continue down this path, or should it pay more attention to more critical approaches to technology, which favour low over high tech, and a slow, measured adaptation of technology over the current model of rapid scaling and dealing with negative consequences after they materialise?

For an autonomous EU model

The online ecosystem has become essential infrastructure, but a few private parties, mainly in the US, exercise a preponderant influence over the way EU citizens work, socialise and access public services online. The harms of essential infrastructure being run privately, and being designed to optimise for little else but profit, are obvious. This model undermines citizens' rights such as privacy, fairness, and self-determination. It also undermines public values such as transparency, equality, safety, and democracy. The EU will have to create a measure of control over digital technology if it is to realise its own vision of the digital economy and society. In practice, that means developing a more assertive stance vis-à-vis the US, where much of the technology originates, as well as vis-à-vis the Silicon Valley ethos of (finance) market-driven scaling to dominance ('move fast and break things'). With the shock of Covid-19, and the EU investment plans in its wake, can Europe kick-start a novel and sustainable model, which improves citizens' lives instead of spawning more phantom growth? Are the recovery investment plans and the Digital Compass 2030 strategy the way forward?

At the 5th edition of the Digital Capitalism Congress in mid-November, we want to take up the challenges outlined above and explore ideas, concepts and policy projects around a progressive [Digital Agenda for Europe's Economy: democratic.sustainable.fair](). Join us for the debate!