The European Commission presented its proposal on Artificial Intelligence (AI), seen as a step toward a new regulatory framework, promised by Commission President Ursula von der Leyen in her State of the Union address.

It is clear that there is no country or company manager in Europe at the moment that does not support the development of a trustworthy and innovative AI ecosystem, which promotes a human-centric approach and that primarily services people, increasing their well-being. There is no company in Europe that does not understand the need to leverage the EU market to spread the EU’s approach to AI regulation globally.
However, at the moment, the EU lags behind. According to a recent study, the United States leads, with an overall score of 44.6 points on a 100-point scale, followed by China with 32 and the European Union with 23.3.

If we want to catch up in the AI race in all economic sectors we must forge policies and initiatives that work for micro, small and medium-sized enterprises (MSMEs), the backbone of the EU economy.

From the initial findings (https://europa.eu/!Qv63Bg) of a study to be published in June by the Employers’ Group of the European Economic and Social Committee, it emerges that the diversity and the potential of limitless AI applications has come so far with a number of complex economic and societal threats, particularly for Europe’s smallest enterprises, which should not be overlooked.

The challenges that MSMEs encounter on their journey towards an AI-enabled business are disruptive, whether they are linked to the lack of skills among existing technical staff, or lack of awareness around AI benefits by company management or missing or inaccessible data. Likewise, the external market conditions, such as too restrictive or too broad legal frameworks, can hamper the successful adoption of AI technologies by MSMEs.

So, it is imperative for policy-makers to think small first and formulate policies tailored towards MSMEs that can be adopted also by large enterprises. Because a growing number of businesses and citizens unknowingly rely on AI-driven solutions to enhance their work and life, we need to make it easier for all companies to use these innovative technologies and to maintain their competitive advantage.

Effective key actions that could boost AI uptake in SMEs start with supporting education and training systems to ensure all new skills demanded by the labour market are acquired and general knowledge on AI is gained, enabling civil society members to be responsible and informed users of AI devices and applications.

Of course, specific applications are quite sector-dependent. Industries that are labour intensive, such as agriculture and construction, benefit from robotisation and automation, which corresponds with the increased safety of workers. AI-driven applications can support or take over rather mundane tasks associated with information processing in document-rich sectors such as the liberal professions, accounting and legal services. Within the healthcare sector – a high priority within the EU due to the aging population and shortage of healthcare professionals – AI has the potential to drive major change and enable efficiencies in patient management, new procedures, better treatments, and potentially also predictive medicine and reductions in expenditure of social budgets.

We also have to make sure that SMEs have a targeted support system from finance and infrastructure to data availability and interoperability, allowing for a successful AI adoption.

Providing guidance on best practices, promote success stories, and share experiences can also serve as a starting point for a broad AI uptake among MSMEs.

In a nutshell, we must improve the coordination and synergies of policy instruments and initiatives to overcome the communication gap, not least on issues like cybersecurity and the potential impact of data bias.

But also decrease regulatory requirements and propose policies that enable easy adoption into SMEs business practice as well as create a business-friendly environment which allow the freedom to develop AI applications.

The EU should by all means foster a pan-European approach and tailor policies to the current needs of Member States. That would not only stimulate the single market but let the EU advance in the global AI race.

About the author:

Marie-Françoise Gondard-Argenti
Member of the EESC Employers’ Group
National Union of Liberal Professions (UNAPL)
One step forward in shaping Europe’s digital future

Shaping Europe’s digital future is both a priority and a challenge for the European Union, which aims to be at the forefront of innovation while protecting consumers and ensuring an open and fair economy.

To turn the challenge into an opportunity, the European Commission has recently unveiled the Digital Markets Act (DMA), alongside with the Digital Services Act (DSA), which introduce an ambitious new set of rules for the digital platforms.

For more than 10 years, our EU representatives have called for a level playing field, especially with big online platforms. As EESC rapporteurs on both dossiers, we do believe that the DMA and DSA are part of the solution to catching up with the digital age: the DSA sets up an horizontal framework for all online services targeted at EU based users and the DMA targets the major platforms that serve as unavoidable gateways to users.

That is all they do and it's already important. The package does not deal with taxation, data governance, working conditions and all the other crucial issues we have to deal with in order to reach this level playing field and to obtain an open and fair Internal Market for all. There are other pieces of legislation where the European Commission is dealing with such issues. And we have to engage on such legislations too.

But for the moment let’s deal with DSA/DMA.

DSA aims to regulate the duties, responsibilities and liabilities of online intermediaries, with a particular emphasis on platforms. The purpose is to avoid fragmentation of Internal Market and ensure adequate mechanisms of enforcement to the benefit of all market participants.

DMA aims to regulate what competition rules failed to, meaning the few online companies designated as gatekeepers mainly because of their financial ability (turnover and capitalisation) and because of the number of users, which seems the best parameter to apply in order to figure out their bottleneck effect. With the DMA, the European Commission introduces a process designed for these specific actors.

As the Employers’ group rapporteurs, we do support both proposals as a good solution for Europe.

First, by focusing on specific services provided in Europe, DSA/DMA cover online operators that are not established in the EU and effectively address the issue of level playing field for European and global online operators.

Then, in the DMA, the identification of gatekeepers is key. That’s the trigger for the application of the Regulation. The quantitative and the qualitative evaluation designed to identify them are quite optimal. Could we have covered more services, practices or companies? Maybe. But the DMA is a well-balanced system as it deals with these very specific global actors.

And because DMA deals with such actors, we need a European solution. The DMA provides EU level maximum harmonisation and so addresses the need to avoid multiplying national legislation and so fragmenting the internal market.

We face the same concern in the DSA. Maintaining the application of the country-of-origin principle combined with fine-tuned safe harbours (namely the so-called “Good Samaritan” clause) is a prerequisite for online growth and innovation. Proportionality is key.

Of course, some adjustments are needed to ensure a fair package. We do recommend some clarification on definitions or even practices and obligations to guarantee a common understandings and legal security.

Naturally, DSA and DMA should be consistent with other legislations dealing with digital, such as GDPR, Data governance Act, Platform to business Regulation, Copyright in the Digital Single Market, Audio-visual Services, as well as with legislations pursuing a level-playing field, such as working conditions, taxations, competition rules. But we believe that with our contribution and with a correct debate, these issues are going to be properly tackled.

To sum up, we recommend the EESC to welcome the DSA and the DMA Regulations as part of a legal ecosystem that will benefit all in this digital economy: companies, consumers, workers.

Emilie Prouzet
Member of the EESC Employers’ Group
Rapporteur of the opinion INT/928
“Digital Markets Act”

Gonçalo Lobo Xavier
Member of the Employers’ Group
Rapporteur of the opinion INT/929
“Digital Services Act”
New study investigates the key role of humans in effective digital transformation

Every sector of our economy and society is being profoundly impacted by digital transformation. The widespread adoption of technologies is radically changing the ways in which we produce goods and deliver services. These trends call for new models to capture the constantly evolving nexus between humans and machines, undoubtedly the most critical factor in sustainable change. Digital transformation is not just the implementation of new technological tools: it is also a deep mindset shift in the way the entire operational process is managed.

Manufacturing, aerospace and the automotive industry are leading the way towards digital transformation (DT). Companies are turning to the Internet of Things (IoT) and predictive analytics to unlock the streams of data coming from machinery and vehicles and transform them into value. Energy and utilities are also adopting AI and automation, with a rich set of practical uses driving new efficiencies without sacrificing productivity or comfort. Retail brands are leveraging AI to bring online and in-store experiences closer together. Logistics is witnessing a huge rise in the use of robots in warehousing, driven by the growth of e-commerce. International banks are increasingly making use of AI-based solutions and investing in financial analytics start-ups to mine big data and instantly answer millions of complex financial questions. The use of AI in the pharma and biotech industries has redefined how to develop drugs, tackle diseases, increase adherence and more. In the healthcare sector, a wealth of applications, accelerated by the COVID-19 pandemic, demonstrates how DT increases patient safety and quality of care. Finally, AI is also used in human resource management across sectors.

European governments are encouraging public and private organisations to invest in DT and adopt AI frameworks to promote economic and technological growth. Nevertheless, Europe is still at an early stage in achieving the true potential of DT.

Building on an extensive review of scientific and grey literature, an online questionnaire for selected stakeholders and a set of semi-structured interviews and focus groups, the present study has identified a number of exemplary cases of DT, focusing on the human role.

Technological change unavoidably shapes the division of labour: the study confirms a broad consensus on the structural changes connected to DT in terms of activities and qualifications which call for a human-centric approach, while predictions of related job losses are still controversial.

The study findings highlight the fact that, when embarking a DT journey, the desired outcomes are not just about productivity. Enterprises see the potential to redirect human effort, preserved as a result of automation, towards innovation.

The core advantages of DT are the opportunity “to transform data into action” and adopt a comprehensive approach to systems integration. Experts agree that when organisations successfully go through the process of implementing DT, errors are reduced, collaboration increases and better decisions are made.

The major obstacles are cultural and behavioural resistance, the lack of a change-oriented mindset and inadequate organisational assets. Limited resources, not only in terms of financing, but also in terms of time and human capital, are the main barriers to DT adoption by small businesses.

Despite the diversity of needs and goals, all the cases reviewed shared clarity of objectives and made use of co-design techniques, wide and tailored communication to workers and extensive involvement of management throughout the entire adoption process: from initiation, design and development, to communication and engagement. Process innovation is the cornerstone of successful DT: a participatory analysis of the whole chain and of the liaison between departments and functions may shed light on inefficiencies that technologies can address.

At organisation level it emerges that digital maturity is mainly the result of the human component, a key determinant in making the needed changes happen; at systemic level, supportive policies, financial incentives and innovation programmes are essential to ensure that DT fundamentally impacts businesses and society alike. Now, more than ever, the unprecedented opportunity to shift priorities towards a sustainable and inclusive post-COVID-19 recovery requires ambitious political plans to leverage the advantages that DT brings while leaving no one behind. This will involve strengthening the role of public-private initiatives, innovative financing mechanisms and bold upskilling and reskilling plans.

The study “How the Digital Transformation can put humans at the centre of robotics and automation – collaboration between humans and machines for better quality products and services”, has been commissioned by the EESC upon the request of the EESC Employers’ Group. It can be found via https://europa.eu/!pB74Vj. The study and the article were prepared by Ab.Aacus (www.ab-acus.eu) and Wise Angle (www.wiseangle.es).
Food distribution at the heart of the European economy

The European Commission has identified trade and food as two of the fourteen key ecosystems for post-COVID recovery under the EU’s new industrial policy. This approach is supported by the more than five million businesses of all sizes covering both areas, the almost forty million workers they employ, their 13.7% contribution to European GDP and the revitalisation of local communities that their activities encourage, both in rural and urban areas.

The health crisis has highlighted the essential role of trade overall, but food in particular, in safeguarding the well-being of families. Trade ensures that agricultural producers and fishermen have access to consumers and, in turn, that citizens can obtain the goods they need for their everyday lives.

If we manage, among all other things, to lay the foundations of a strong distribution system for the future, we will also be helping to build on the sector's major contributions to two key European Commission objectives set out in the Green Deal: digital transition and sustainability of the economy. Food distribution is a key factor in the Green Deal for several reasons: its close and continuous contact with consumers, and its ability to act as a lever for change within the agri-food sector to help meet shared objectives.

The European Commission has recognised this and has outlined its roadmap for the agri-food sector in the Farm to Fork Strategy. It includes the main guidelines for future development, taking account of the sector as a whole and looking at it as a chain, setting out objectives and commitments for all operators and moving beyond the stage of regulating unfair commercial practices in order to lay the foundations for what this strategic sector – or ecosystem – must represent for Europe and its economic recovery.

We have a few vital months to secure the economic revival. The situation calls for a solid approach to the discussions on the development of the Strategy that are already taking place within the Community framework. The “essential dual ecosystem” of food distribution places this sector at the heart of the recovery. The foundations for trade based on balanced, accessible, circular and digital proximity have been laid. It is now up to all to build on the benefits of the system and correct imbalances so as to emerge stronger from this crisis.

Looking to the future, resilience means preserving the sector’s ability to adapt to consumer demand and to continue serving society, from large urban centres to the most depopulated areas. And to build this resilience, we need the support of public administrations with simple, harmonised and less costly regulation for businesses. Over the past months, trade as a whole has demonstrated its ability to very quickly put in place the necessary health and safety measures to protect employees and customers and to continue serving society in uncertain and difficult conditions. It therefore deserves a vote of confidence with simple regulation.

About the author:
Felipe Medina
Member of the EESC Employers’ Group
Spanish food retailers and wholesalers association (ASEDAS),
member of Spanish employers’ organization (CEOE)
Asylum and migration management under the New Pact on Migration and Asylum are key determinants for the future of migration management in the European Union and thus decisive for the future of the continent as a whole. With this fact in mind, I took up the challenge of drafting SOC/669 on the New Pact on Migration and Asylum – addressing the proposed regulations on asylum and migration management and situations of crisis and force majeure – with a positive attitude and a constructive manner.

The expressed aims of the first proposal are, firstly, to replace the Dublin system with a new asylum and migration management system that better allocates asylum applications between Member States by means of a new solidarity mechanism and, secondly, to guarantee the timely processing of applications. The second regulation aims to provide for temporary and extraordinary measures to address crisis and force majeure situations in the field of migration and asylum. However, because the overall concept of the Pact on Migration and Asylum relies on border control and avoidance of secondary movements, it increases the burden of responsibility and inconvenience for the countries of first entry, along with obligations envisaged in the pre-screening and border control proposals. These obligations are onerous for those countries, since they increase the number of people that should remain at the border, with potential grave consequences for their own well-being, but also for that of the host societies.

The introduction of the notions of fair sharing and solidarity is indeed a most welcome development, especially for the countries of first entry, which disproportionately bear the burden of migration management in Europe, as the example of the migration crisis of 2015-16 on the Greek borders clearly showcases. However, it is becoming clear that the proposed provisions on solidarity between Member States are distinguished by complex and highly bureaucratic procedures, limited to specific cases of search and rescue and “migratory pressure”, thus rendering solidarity neither mandatory nor binding.

The way solidarity is envisaged may give Member States in Central and Eastern Europe or beyond a pretext to opt out of relocating migrants to their territory by choosing alternative forms of solidarity (e.g. financing the return of those refused the right to asylum or providing operational support in the field of asylum, reception and return to the host Member States). It is equally unclear what will happen if all Member States opt for returns over relocation, as it appears to be leading to displaced persons remaining in the “front line” Member States for extended periods, if not indefinitely, raising questions about where they will stay during this period. As clearly stated in SOC/669, solidarity has to be binding in the form of mandatory relocations. This is the only effective way to deal with migration in unison.

While the return policy (another form of solidarity) envisaged in the Pact would contribute to easing the burden, it is actually a long-term investment that would not produce immediate results, as it would be a negotiating point with third countries.

The inclusion of a crisis and force majeure component is certainly a positive development. It is a window of opportunity – a window we have to open wider, though. By wider, I mean better defined. It can prove helpful for the countries of first entry. However, there is no mention of a clear, pragmatic, functioning process that would alleviate the burden from the countries of first entry.

Overall, I feel that the proposed Pact is a solid ground for negotiation and SOC/669 certainly flagged up all potential grey areas that the Commission is going to be faced with in the negotiations ahead.

Geography is something we do not choose. It is the way it is. But we can choose how to deal with it. The states of first entry cannot be used simply as a buffer. This is a really short-sighted approach to migration. We need to develop a common stance involving binding solidarity. Of all and for all. I am afraid that anything else is doomed to fail. And we cannot afford failure.

Find the EESC opinion SOC/669 “Asylum and migration management regulation and crisis and force majeure regulation” via https://europa.eu/!JN94Tt

About the author:
Dimitris Dimitriadis
Member of the EESC Employers’ Group
Rapporteur of the opinion SOC/669 “Asylum and migration management regulation and crisis and force majeure regulation”
Upcoming EESC opinion on the Commission's Sustainable and Smart Mobility Strategy
PUTTING EUROPE ON TRACK FOR THE FUTURE

On 9 December 2020 the European Commission adopted its Sustainable and Smart Mobility Strategy. The EESC will adopt its opinion on the strategy at the April plenary, ahead of the Council conclusions. There are 82 planned initiatives linked to the Strategy listed in the Commission work programme for the coming three years.

The focus on the Green Deal and ambitious sustainability aims is good, but with regard to the goal for zero-emission vehicles the question remains of whether the required charging/filling infrastructure will be in place by 2030. This is a matter of financing, but also of interoperability in order to enable cross-border journeys. Why not also accept transitional solutions such as low-emission vehicles for road freight and wider use of larger and heavier lorries and trains to reduce emissions per unit transported?

The strategy focuses heavily on electricity and hydrogen as alternative fuels. A technology-neutral approach might have been wiser, as research and innovation constantly change the context and as supply varies according to local conditions – biofuels for instance are useful in Nordic countries. Sticking to measuring tailpipe emissions instead of well-to-wheel emissions is a suboptimal choice.

The strategy's modal shift objective is really not consistent with its multimodality approach. It might for instance have been better to focus on the need to make rail competitive in an open market, making it an attractive partner in multimodal concepts, with less need for support measures.

Digitalisation and AI provide enormous potential for smart solutions and improved efficiency for both passenger and freight transport. However, in my mind the strategy does not pay enough attention to freight in this respect.

The strategy pays a lot of attention to sustainability solutions and digitalisation issues but there is no overarching view setting this within the context of a fully implemented and strengthened Single European Transport Area, apart from the ideas on a contingency plan and the need for timely implementation of TEN-T. Attention to the single market aspects and the competitiveness of the transport sector would have strengthened the strategy and helped implementation.

Finally, support from stakeholders and civil society is essential for successful implementation of the strategy. In my opinion, EESC has an important role in that context.

Main points of the Strategy
- Improved sustainability, with a 90% reduction in transport CO2 emissions by 2050.
- Digitalisation and automation of transport; deployment of artificial intelligence (AI) in transport.
- Resilient mobility, with a fully implemented and resilient Single European Transport Area, inclusive connectivity and good working conditions.

Key target dates
2030
- At least 30 million zero-emission cars and 80,000 zero-emission lorries on EU roads
- 100 climate-neutral European cities
- High-speed rail traffic doubled
- Inland waterway and short-sea shipping up 25%
- Carbon-neutral scheduled collective travel under 500 km within the EU
- Seamless multimodal passenger transport ticketing and paperless freight transport implemented
- Large-scale deployment of automated mobility
- Zero-emission vessels market-ready

2035
- Zero-emission large aircraft market-ready

2050
- Nearly all vehicles zero-emission
- Rail freight traffic doubled; high-speed rail traffic tripled
- A fully operational, multimodal TEN-T for sustainable and smart transport with high-speed connectivity
- Full internalisation of the external costs of transport
- Death toll from accidents in all modes of transport close to zero

About the author:
Stefan Back
Member of the EESC Employers’ Group
Rapporteur of the opinion TEN / 729 “Strategy for sustainable and smart mobility”
Acting upstream to achieve major reforms

KEY TOPICS FOR THE UPCOMING TERM OF THE EESC FARMERS' CATEGORY

Employers' Group member Arnold Puech d’Alissac was elected spokesperson of the EESC Farmers’ Category on 29 March. Here sets out the topics driving Europe's agri-food sector that the category will be addressing:

The Farmers' Category will focus on three key issues in the upcoming term of office. The first will be the Open Strategic Autonomy concept that the European Commission presented in February. The policy is intended to "contribute to the economic recovery by supporting ecological and digital transformations, [and] by placing a new emphasis on the strengthening of multilateralism and the reform of the rules of world trade so that they are fair and sustainable". It does not, however, cover agriculture. This makes no sense, as agriculture is an essential element in achieving a green and sustainable transition. The EESC Farmers’ Category will work towards getting the policy to also cover agriculture.

Secondly, we want to contribute to finding practical ways of implementing the "Farm to Fork" strategy, which set very ambitious goals, such as reducing the use of chemical pesticides by 50% by 2030, reducing the use of fertilizers by at least 20% by 2030 and increasing the share of organic agricultural land to 25%. In collaboration with DG AGRI we want to find ways to enable Europe to reach these objectives, while allowing farmers to maintain their production potential.

Thirdly, the EESC Farmers' Category wants to increase the power of farmers in the food chain. Farmers try to organise themselves, however, they face legal restrictions that prevent them having more power. This applies to many producer organisations, especially in the milk and meat sector.

We will continue our close and successful collaboration with the European Commission's Directorate for Agriculture and Rural Development (DG AGRI). We also have very regular contacts with the Directorates-General for Competition, Trade, Health, Environment and Climate. The accorded respect of our category stems from our seriousness and the quality of the arguments we use to champion Europe's agricultural profession. No hyperbole, no provocation, just a serious approach: this is the key to success that we will continue to employ.

A farmer in the Normandy, Mr Puech d'Alissac holds a number of local, national and international offices. In France, he is first of all, a member of the executive board of the National Federation of Farmers Unions (FNSEA). Vice-president and head of the European Constituency in the WFO (World Farmers’ Organisation), he has also been vice-president of the EESC Employers’ Group since 2020.