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Report

Opening remarks by **Ms Kathalijne Buitenweg**,
Chairperson of the temporary committee on the Digital Future

Introductory speech given by **Ms Mona Keijzer**,
State Secretary for Economic Affairs and Climate Policy

Keynote speech given by **Ms Margrethe Vestager**,
Executive Vice-President of the European Commission, responsible for setting the strategic
direction of a Europe Fit for the Digital Age

Questions & Answers

Opening remarks by Ms Kathalijne Buitenweg,
Chairperson of the temporary committee on the Digital Future

Welcome everyone. My name is Kathalijne Buitenweg, I am the chair of the temporary committee on the Digital Future. and your host for this event. An event to which I would in particular like to welcome our State Secretary for Economic Affairs and Climate Policy, Ms Mona Keijzer, and most particularly our special guest, the Vice President of the European Commission, Ms Margrethe Vestager. Vice-President Vestager, we are really pleased that you have accepted our invitation so early on in your new term in office, and this time not only as the Commissioner responsible for competition, but also for making Europe Fit for the Digital Age. That is a hell of a job, I imagine, and I appreciate the opportunity for us to share some thoughts with you on this today.

This seminar is livestreamed -- how could it not be? -- and I am sure that quite a lot of people are watching, as there was a lot of interest in this symposium, much more than there were places available. So I would say: welcome to you, too.

I have noticed that quite a lot of people in the audience know each other, but maybe it is nice to introduce all of us, especially to the Vice-President of the European Commission. But no worries, I am not going to ask you all to state your name. Instead, we are doing this in groups.

May I ask everyone working for a research centre or a university to stand up? Well thank you. You may sit down again.

Can I ask those who are civil servants for e.g. a ministry or a supervisory board to stand up? Welcome to you, too.

Will people working for companies now stand up? Thank you!

Those who work for interest groups? Yes, thank you.

Those who are journalists? Thank you, thank you.

And finally those who are politicians? Well, thank you.

Sitting in the front row are my colleagues from the temporary committee on the Digital Future, so of course, I would like to welcome you all in this room on their behalf as well.

Did I miss anybody? Yes, there is: a member of the Council of State. Sorry about that. He is not a civil servant, no, no, I see that. Sorry about that.

Before we turn to our guests, let me say a few words on the temporary committee. The task that we were given by the House of Representatives is a rather institutional one. I have noticed that a lot of people came to us hoping that we would finally come up with some real statements on technology, but our task is an institutional one, I say in an effort to temper some of the expectations. Our task emanates from the feeling that many members of parliament currently have, namely that digitalization and the new technologies are the drivers of important changes with huge consequences for our society, but that we, as a parliament, do not sufficiently manage to steer these developments, to get a grip on them.

We do not sufficiently encourage the kind of development we really want, and we do not arrive at sufficiently discouraging the kind of development that we do not want. This struggle is partly due to a lack of specialized knowledge -- by members of parliament themselves as well, I admit. In part, it is also due to the fact that there are so many ministries and so many parliamentary committees involved. A topic like for example facial recognition can be discussed in more than three different committees and yet still remain unresolved. So how can parliament do its work better? Or in other words: how can it be made Fit for the Digital Age?

Part of our answer, part of our task is to discuss how we can better cooperate internationally and on the European level, to talk about European ambitions and also about limitations. That is also where the focus of the discussion lies today.

We are going to do the following today. First I would like for State Secretary Keijzer to give a short address, then I would ask Commissioner Vestager to share some thoughts with us and that will be followed by time for questions, in which you can all participate, within limits, and ask your questions. This will be followed by drinks at about five o'clock. So that is the order of things.

I suggest that we get started and I am very pleased to invite State Secretary Keijzer to take the floor.

(Applause)

Introductory speech given by **Ms Mona Keijzer**,
State Secretary for Economic Affairs and Climate Policy

Thank you very much, Kathalijne. Ladies and gentlemen, members of parliament, and of course a word of welcome to Commissioner Vestager. It is an honour for me to speak to you all here today. Our government is taking steps to give digitalization in its broadest sense the position it deserves.

There is not a single part of our world that has not been touched, for better or for worse, by digitalization. It also effects government in general, the way we work and how we communicate with our citizens and businesses. I believe that the entrepreneurs make up the largest part of the audience present here today, as we just saw. Yes, you are, and I was very happy to see it, being responsible for Economic Affairs.

The Dutch government has developed a National Digital Strategy for our country. It covers a wide range of areas, from telecom, e-government and cyber security to artificial intelligence and quantum computing. It is the result of close collaboration between ministries, regions and our cities with public and private partners, and we arrived at it in a real Dutch way, by doing what we call "polderen". I know that some people will say: polderen is not a good thing, but I would like to stress here that actually, it is a very good thing, because I strongly believe that poldering is one of the reasons why we are doing so well in all kinds of lists. I will come to that later.

The same goes for the Netherlands Strategic Action Plan, which is based on the European Commission's Coordinated Action Plan on Artificial Intelligence. I have launched it together with a Dutch public-private AI coalition, comprising, as we speak, over 250 representatives of government, industry, science and research. When we launched our Strategic Action Plan, I believe there were about 60 organizations present, which shows what can happen when you work together on a great topic.

Before addressing some issues that concern both the committee and me personally, I would like to make a point about digitalization in general. In the Netherlands, one of the most popular books at present is "De meeste mensen deugen" by Rutger Bregman, soon to be published in English under the title Humankind. Literally translated, the Dutch title reads: Most people are good. It is 400 pages and lies around somewhere in my house waiting for me to read it, but I have to bring myself to it. It is a really good read, I am told, so I will put it on top of my list. Again.

I like to think that the assumption of goodness applies to digital technology as well. It can be used for bad and for good purposes. I simply see how these technologies are being used in the real world. They enrich our lives. Thanks to digitalization, we can communicate instantly with anybody all over the world. Knowledge from all over the world is just a few clicks away and European and Dutch small- and medium-sized businesses and start-ups can go global just like that. Our industries can increase their productivity while enhancing job satisfaction,

and digitalization can improve our health care and help mitigate climate change. All that and much more is possible, provided that we do it the right way, while managing the risks and tackling the drawbacks. This requires action from all of us, because digitalization does not stop at national borders and because Europe must stand strong amidst other powerful actors.

I am delighted that the new European Commission sees digitalization as one of its top three priorities. I look forward to seeing the first analysis coming out in just a few weeks.

The digital transformation is one of the driving forces behind the future earning capacity of the Netherlands. The Netherlands already is a digital leader. We are the most innovative economy in Europe -- here come the lists I talked about earlier -- and the number three in the European Commission digital economy and society index. I think Europe also should become a global leader in digital technology. Europe should not become too dependent on other economic super powers.

Let us see how we can collaborate on several issues, like internet platforms, where we should work on questions like liability, compliance and market power. When the e-Commerce Directive was born in 2004, we did not have platforms like we do today. Take Airbnb. Dutch and other European cities are struggling with the growing number of people renting out their homes to tourists. This causes nuisance and a shortage of affordable housing for residents, for our own population, and unfair competition with the regular hotel sector. With upcoming legislation the Dutch government will provide municipalities with new instruments. These are meant to regulate short-term rentals and to enforce the rules on people renting out their homes. But how to enforce those rules, while thousands of people are sleeping in Airbnb beds in Amsterdam each week?

That is why I think it would be even better if we additionally could impose legal responsibility on digital platforms. We should recognise that platforms like Airbnb often have effects that can be best addressed at the national or even local level. The principle of subsidiarity is key here. The upcoming Digital Services Act should only regulate what needs to be tackled at the EU level and leave the rest to national and local governments. The act should also clarify the roles and responsibilities of platforms and government organizations like enforcement agencies, when it comes to combatting illegal or harmful content, for example. I am keen to discuss these subjects with the European Commission and my colleagues from Member States. I would like to say to the members of parliament here in the Netherlands: further discuss these subjects with your colleagues in the European Parliament. I strongly believe that together we can stand strong.

Another drawback of the platform economy is the position of self-employed platform workers. Not seldom do they work underpaid, uninsured and unprotected. In the Netherlands, I want these platform workers to be able to negotiate collectively, but here too, we could look at the responsibility of platforms themselves. They now sometimes say: I am an intermediary and I am not responsible. I do not think that this is the way forward. There is a responsibility for them, too.

I welcome the new guidelines for the Authority for Consumers and Markets, which provides these workers with ample scope for conducting negotiations. Digital platforms are becoming more important in the supply chain of goods. If goods from outside the EU are offered on the European market, they should comply with our product safety standards. In practice, this is not always the case. In contrast to old-fashioned shops, digital platforms do not have formal responsibility relating to the goods they offer. I would like to look into options to impose responsibilities on digital platforms, such as Alibaba. The Dutch parliament recently adopted a motion on this subject.

I also strongly believe that we should empower consumers in the digital domain, so that they will no longer be forced to accept unfavourable conditions or compromise their privacy. The government supports the proposal from the European Commission on the e-Privacy Regulation. At the request of our parliament, put forward in a motion, again, we have asked for a ban on cookie walls, in close interaction with the GDPR and with an open eye for the impact on the business models of our SMEs, while understanding, of course, what it means for the free internet as we know it now. We are eagerly awaiting the Commission's proposal in this area.

Finally, digital platforms have a market position that leaves their users little or no choice but to use them, for interesting fees. I am pushing for new competence regarding these so-called gatekeeper platforms. Since these platforms operate in the entire EU, I believe there is a key role here for the European Union. A European regulator should be able to impose conditions on these gate keeping platforms before actual abuse occurs. Again, a level playing field and competition are important here. But it is also important that the smaller companies can compete.

I am very pleased that Ms Vestager mentioned the Dutch ideas during the hearings in the European Parliament. I cheered you when you did so. I am confident that this topic is high on her agenda.

Madam chair, last year, thanks to the initiative of our parliament, businesses, social organisations, universities and the government met at the national conference on digitalization. This year, the conference will take place in March in Groningen. You are all invited to experience what the Netherlands has to offer in the area of digitalization and to discuss current and future challenges. Digitalization affects all aspects of government. The temporary committee will continue to investigate how our parliament should carry out its duties in this area even better. As always, with an open eye for the prosperity and development of our Dutch society. I wish you every success.

Thank you very much.

(Applause)

The **chairperson**: Thank you very much for your address. You highlighted also that the Netherlands is one of the leading nations in Europe when it comes to digitalization. You also explained the position of the Dutch government on some dossiers, but you also made some requests. At least you highlighted some of the things that the Netherlands would like to be done at the European level. Europe should not be dependent on other powers but be a digital leader itself in the world.

I am very delighted to announce the vice-president of the European Commission responsible for the dossier of digitalization, Margrethe Vestager, to deliver her address and maybe respond to some of the questions that have been raised.

(Applause)

Keynote speech given by Ms Margrethe Vestager,
Executive Vice-President of the European Commission, responsible for setting the strategic direction of a Europe Fit for the Digital Age

Thank you very much for the invitation to come here today and for the initiative to set up a temporary committee on the Digital Future. I think it is a great idea. The topics you will discuss and the conclusions that you will reach in order to advise the rest of the parliament will be of interest to all of Europe, because everyone is dealing with this. It is the same thing as with climate change: whether we want it or not, it is coming.

We just entered a new decade and we are looking into the future. It is a given that none of us, no matter how insightful and expert we are, know exactly how technology is going to change our lives. When I was a young person in the past millennium, we did not know either. And my God, we have seen technological change! That is of course at least partly because the digital world is so innovative. Innovation is uncertain by nature, that is how it is. Our digital future will be powerfully shaped by the choices we make and the actions that we take.

New technologies can be very, very powerful forces of change. We cannot just ignore these forces and do things as we have always done. Particularly here in the Netherlands you know better than anyone how people's decisions and actions can shape the landscape where those forces are at play. You know what is at stake and you know that we are dealing with something that is coming, whether we want it or not. But you also know that, if we decide what we want to do and what kind of future we want to shape, it is doable.

The first thing, of course, is to figure out how we want to shape the world. What is it that we want to happen? We do not necessarily share the same ideas. When you look at my headline, I am responsible for making Europe Fit for the Digital Age, the first, most obvious, question that comes up is: what does that mean? That was one of the first questions I had to ask myself. Part of it is of course to make us fit for the digital age and for the demands of digitalization. We must make sure that we as Europeans have the right skills and a sort of "digital literacy". At the high end, we need very clever engineers and people with deep insights. But we also need the sociologists who know this will change behaviour.

It also matters that businesses can find funding. Adapting to the digital age requires that we make sure that funding is available when we launch into new innovative processes. Obviously, since all this technology is fed by data, we must make sure that data is available in a way that is actually useful in order to be able to compete.

But it is equally important to do the opposite thing, namely to fit digitalization to our European values. Over the last 70 years, we have built a new society on the conviction that we are all fundamentally equal. That we all have the same right to be here. We also have the same duties, but we should have the same fair chance of making a good life for ourselves. It is a society that is democratic in every sense of the word, to which we all contribute and in which we all have a say. One thing we can agree on, no matter the differences as to how we see the future, is that digitalization should not change that democratic fundamental that we all live on, that we have cherished and shared and built over 70 years.

Some of you may have seen this new Korean movie called *The Parasite*. It is about a meeting of two different worlds. It tells the story of a young boy from a very poor family, who becomes a tutor in a very rich upscale family. I will not further spoil the story, but there is one thing that really stuck me when I saw this movie. The poor family were never without their smartphones, as if they were implants. The worst thing that can happen is that wifi is not available, because: what do you do then? But the moment you enter the beautiful house of the employer, technology is gone. You do not see it anywhere. The son is in painting. The daughter is learning languages and the mother is worrying. But there is no technology. Of course, this film is satire, but it confronts you with the risk that we may create a future where we are fundamentally split between those of us who use technology and those who benefit from technology. The fortune of the rich family is earned by technology: gadgets, virtual reality goggles and so on. But it is obvious that they want their own son to be able to make art works himself.

We can already see the signs of that divide. We can see that it is sneaking in through some tech companies seeming to expect exemption from what other companies must do, from duties that bind our society together. This can be paying taxes or respecting workers' rights. These are two obvious examples as to what makes sure that actually we can make our

societies come true. It does not have to be this way. It is perfectly possible to build a democratic European digital future, one where our whole society relies on the duties as how technology should work and what technology should be: a force for good and a contributor to our society as such.

Of course, the success of a digital society builds on businesses being able to build that technology, but it also depends on the work of many, many people in the physical world. The world does not become digital in itself. We still need a roof over our heads. We still need a chair to sit on. Digitization should never be an excuse for companies to turn their back on those workers, to deny them security or decent working conditions. This is very fundamental. We see the signs already that some businesses try to push in a platform between themselves and their employees in order to escape their responsibility as an employer.

That is one task ahead of us. The second task ahead of us is to make sure that every business pay their taxes. Most businesses do. We know that. Most people who work in businesses will pay their taxes. It is as if corporate taxation has not really understood digital value creation. It kind of got lost in the past millennium. We have to update, to make sure that everyone contributes to society where they do business. The risk is that, when they do better, they do not do better because they provide a better service, but because they do not pay their taxes. Obviously, at the heart this is an international issue. That goes without saying. And this is why the European Commission, together with the Member States, is working intensively within the OECD in order to make things happen. If it does not happen, then Europe should be fully prepared to move on on its own, in order to keep the momentum and in order to show the many, many, businesses who do pay their taxes that we are in this for fairness and for a level playing field.

The reason why I mentioned these two things, workers' rights and paying taxes, is because trust in technology is falling as we speak. The way to win people's trust is by showing them that you accept the duties that come with being part of a society. This is how you win trust, to see that other people can work with you and you do things that are recognisable as being a corporate citizen.

That also means that digital technology will have to support our society's goals. A lot of new toys are being offered. That of course means a lot of fun and it can be great, but it should not just be new toys. It should also be things that enable us to live our lives better in a way we want to. One of the most important tasks of the Commission in the next five years will be to build a framework that supports technology with a purpose, as was already mentioned by Mona. Digital technology can help us fight climate change. We are going to be climate neutral by 2050. This is our strategic target for the European continent. We cannot do that without digital technologies. It can help us to integrate into our electricity grids renewable energy of all different sorts. Agricultural machinery can use artificial intelligence to cut the use of pesticides, so farmers can produce more with less effect on the environment. This is why investing in digital technologies is such an important part of the European Green Deal.

We also need to make digital technologies more green in themselves. Today, the world's data centres already account for as much carbon as flying does. Our flying, not the birds'. It is a lot and if you think about how much we worry about flying, we ought to worry just as much about how we use data. I try to tell my daughter: you cannot watch Netflix alone in your room. You have to go into the living room and see it with your mother, because then we halve emissions per person. I am still working on this. It is almost as difficult as not flying.

Artificial intelligence and technology that comes with a purpose is really promising for the society we would want to create: better health, a safe life, clean cities. There is a company called Medialytics. It is actually funded by the European Union and it has used AI to improve the lives of some 15 million people, who live with heart failure. This is quite an amazing thing.

However, without a proper ethical network, artificial intelligence can undermine values like fairness and equality. Those values are important to us. They are a sense of who we are. This is what we cherish. That does not mean that our society always meets those standards. I think everyone would recognise this. As human beings we can aspire to be better than we are. We can do better tomorrow than we did today. Unless we are careful, artificial intelligence will not see this. It will learn about the world as it is, with all its unfairness and inequality, and not about the world as we want it to be. What we want it to be is in our dream and how we are is in our data. They are delicate in their intelligence to reproduce the past, but not to create a better future.

No matter how clever we are, part of this technology is a black box. It is a black box for the engineers who attempt to build it. It is not just a black box for the huge majority of us, who are not engineers. It is also a black box for the engineers. We have no way to check whether biased data are being used. Are data being used for one gender only and not for both? Or just for one part of the world and not for other parts? We have nowhere to check whether they have balanced out that there may be data they do not have. This is why AI can be a powerful helper, but in the end it must always be people, not computers, who are in charge of decisions that affect our opportunities and our freedom. We also need our technology to be secure and resilient. We cannot build our future on a technology that makes us vulnerable for those who want to harm us. Since the nature of technology is that we connect more and more, there will also be more and more points where we are more vulnerable than we were before.

We have to step up our work on finding security. We need to do that together, because it is not an easy thing. It was a good thing when the other day, the Commission endorsed the work done by a number of Member States, in order to make sure that we have safety in how we do the 5G deployment. It is a very good example of how Member States and the Commission come together and find a European approach. No one is saying: this is our competence and you should not be part of this. On the contrary, since everyone agrees on the analysis that this is something we have to do together, we can find a common European approach.

It is not just about our society, although that is the main part, but IT and digital solutions will also revolutionise our economies. We should make sure that this is one of those real revolutions, where people actually come first. When we shop in the high street and buy a toy, everyone feels comfortable that it is safe. That you can give it as a birthday gift to your niece and that it will be perfectly safe. We protect people and trust in these rules. When you do e-commerce, online shopping, it should not be at the expense of this trust that you can actually trust the people you do your shopping with. Therefore, we have to make sure that we have the same protection online as we have offline. We also need to keep working to deal with the enormous powers that some platforms have over how our markets work.

Talking about the last millennium: I still remember the first search of the internet I did. It was completely unsuccessful, because you had to type such a long address. You would make a typo. You did not have the search engines. Then came the search engines and they allowed you to find things. But now it also means that the search engines decide what you find. Which also means that they can decide what you should not find. Do we really like that? Do we want the platforms that enable us to find things to decide de facto what we can buy and what we cannot buy? What we can find and what we cannot find? Then you step in as a private regulator. Not as a regulator with a democratic backing, but as a private regulator, because you own this market place.

In a few months' time, newcomer rules will apply to make sure that businesses have the most fundamental rights and that platforms have the most fundamental duties on how to treat their business customer in a fairer way. Of course we will make sure we keep an eye on how

these rules are working. Who is to know why you are ranked as you are or if you are not ranked anymore, where to go to solve this problem. If this does not work, of course we will have to come back. Because we need to be able to enforce our rules, to make sure that markets work, also in the digital age. After all, we need a fair economy. Otherwise Europeans will say that we have done a poor job.

We need a good economy, a strong economy, because we need more jobs to be created. This is why it is not a detail what the next European budget will look like for the seven years to come. Because there must be room for research, for innovation, for funding, to scale up where we need to make a difference. At the same time, we need to give people the skills they need to fill new high-skilled digital jobs and we need to tap into all the female talent potential. Because when it comes to digital, I think less than 20% of the people working in digital would be women, and that of course would also reflect in what we get from digital.

That is why the industrial strategy that we will put forward in March will be an essential step in how we think that we can become fit for the digital age. It has to be green, it has to be based on competition and it will have to be for everyone. This will be my last thing. Obviously it will have to be green. We cannot have a strategy to be climate neutral by 2050 if we are not also greening our industry. But also because this is a way of futureproofing our industry and that will have to happen. Such a strategy will also have to be based on competition, on fair competition. Because we can do a lot with funding, but without the most fundamental driver, which is competition, we will not get an innovative economy. After all, it is only when there is a risk of someone taking your place if you are not yourself in the forefront, that you will still find the drive to be innovative. This is why greening and innovation go so well together. And then we will have an even more successful industry.

On that note: this does not mean that businesses should not work together. Of course they should. Europe's businesses hold enormous amounts of data that are not put to work and make no money at all right now. And this is largely because the businesses do not share that data, they do not reuse them or pool them. In this, of course, competition rules have an important role to play. We would be more than happy to give any guidance to make anyone comfortable, so that they do not have an issue with either me or with national competition authorities.

Lastly, industrial policy will have to be for everyone. Our economy is diverse. It is like a woven carpet of small and big ones, in varied value streams where you have many suppliers and many vendors. About 25 million businesses. They are not all in the industrial ecosystem, but just the same, the small and medium-sized businesses count for more than half of the value created and they count for more than two thirds of the jobs created. It may not be that we have giants like Facebook or Google in Europa, but we have thousands of world-leading companies. So what a strategy is supposed to do, is to lead the way for those many, many companies to make the most of their potential, while trying not to measure success by just a handful of businesses that are the biggest on the planet.

Part of having an industrial policy is to have a policy for small- and medium-sized businesses and how they have a stronger chance, also because it is supposed to be an industrial policy for every Member State. Some Member States do not really have giant industries, but they have very important smaller industries that we would not want to miss for Europe's competitiveness. To give you an example as to how things play together -- and let me end with this. The European Innovation Council is a new thing. It was created with one of my former colleagues, Carlos Muedas. He really threw himself into this to make it happen. He did this, because SMEs need to find funding for risky, innovative things.

One of the examples is a German company called Infarm, which got just under 2 million euros from the European Innovation Council. What it wanted to develop, was a kind of urban farming that uses 75% less fertilizer, 95% less water and no chemical pesticides. Now Infarm

is in several countries, including the US. They are backed by more than 100 million euros of venture capital. This is not a detail. This is how Europe is: you have a fair chance of making it if you have a great idea, because we help one another. I know it is almost provokingly trivial, but as long as we agree that we want to do this, to find the funding, to share the data, to give the skills, to make sure that we stand up for fundamental values -- as long as we agree on that, we can make anything happen.

Thank you.

(Applause)

The **chairperson**: Thank you very much. Thank you also for being so clear and inspiring about the European ideals, that digitalization should support the goals of creating a green Europa, a Europe for everybody that is based on fair competition. It reminded me a little bit of Jeremy Rifkin -- I do not know whether you know him, he once wrote a book about the European dream, saying that the European dream was different from the American dream, because that was much more based on competition between individuals, whereby the ideal is that someone who started as a newspaper boy can later become a tycoon, whereas the European dream is much more about sustainability and social values et cetera. Then immediately everybody said: okay, that may be a dream, but you know, we never accomplish that on the European level; it is just words. Rifkin replied: yeah, but that is the same for the American dream. But words matter very much and sometimes we should all speak out about our ideals, to at least mark the direction in which we want to be heading. So thank you very much for having spelled out your European dream for digitalization.

Questions & Answers

The **chairperson**: I think we can now turn to the people present here who may want to ask questions. You may want to sit down, Ms Vestager, please do. By the way, the room we are in, used to be the plenary sitting hall of the House of Representatives and in those days, the MPs sat in precisely the type of chair you are sitting on now.

To whom may I give the floor for a question? I would ask you to state your name.

Mr **Michiel Steltman**: Hello, I am Michiel Steltman of the Dutch Digital Infrastructure Association. The question I have is about the cloud. One of the developments that we see is that some of the great tech firms that you mentioned have a very strong capability to turn technology into generic services that we need for digitalization. You know, they have the CPU and AI and the services that we need to digitize. To illustrate that at this time: if you want to do something with AI in practice, there is literally only three places where you can go. So you pull out your credit card and you go to either Google, or Microsoft or Amazon. They have the capability and the scale to do that. So my question is: what would be the European answer if we look at scale on one hand and on the other hand we need SMEs to provide those generic services? An associated question is: why do we see so little of that stimulation of the particular services industry in the European policies to stimulate exactly that type of industry?

Ms **Vestager**: You are completely right: Europe has a great demand for cloud services, but we supply very little. It has been tried before to push for a big European cloud service provider, but that failed. One of the reasons, as I have been explained, is that if you are for instance Alibaba, then on Singles' Day or Black Friday, you will process giant amounts of orders, because you have a single market of 1.4 billion people. But the other 362 days a year, you still have that capacity. So instead of having that capacity lying idle, you prefer doing something with it. Then you become a giant cloud provider. The same is true for the other giants. So it is the side thing that is due to them needing it themselves. If you want to build it from scratch, the costs are enormous.

So we are thinking two things. The first thing is that you can make an infrastructure that makes it visible that we do have European cloud providers. They are smaller and they provide a different quality than what you get from the giants, and you would have your data available here. Secondly, the trend is that not so much data will go into the cloud, because you will process much more data where you actually produce it. The data produced by a self-driving car will be used while the car is driving. You will not use energy nor take time to put that data in a cloud and to pull it back again later. You will create it, and that is it. So we also see a different pattern emerging. Maybe we should worry less about the cloud competition, give better access to the cloud that we have and then figure out what the next big thing is.

Ms Melanie Peters: Thank you very much for your inspiring talk. I am Melanie Peters from the Rathenau Institute. We are working on innovation technologies, for instance for mission-oriented research. Our question would be: it will not be huge companies doing this, it will be small solutions for local problems. Can we somehow assess societal value? Otherwise we will still be the American dream with the start-ups that have to become scale-ups that will have to become very big. But we see a lot of innovation that is mission-oriented, that can be for hospitals or schools, and they cannot be scaled up easily, but if we succeed in measuring their societal value in some manner, then we can arrive at a different data economy. I know that it is often the competence of the Member States and this is trouble for the European Commission, but do you see some way of valuing these societal impacts?

Ms Vestager: Yes indeed, and I think we will have a much more resilient system if we have both big companies and smaller companies. As for those small companies wanting to scale up, I think it is important to make a distinction between a small company that has a good business and wants to remain a small company, and a small company that wants to be the next big thing. The market is open for both of them. That is one of the issues and that is why we are discussing the market power of dominant companies: if they make it impossible for a smaller company to get into the marketplace, then you do not even have a choice: you will never scale up, because you cannot find your customers. So this is sort of work in progress.

In Europe we have never had anything against success. You are more than welcome to be successful, but if you grow because people like your products, then you get stronger and then you get a responsibility. I really like this way of thinking, and I see it as a very European way of thinking: the bigger you are, the more power you have, the more responsibility you have as well. I think that we need to reinterpret what this means in a digital world. Back in the days, if you were an analogue giant, if you wanted to expand in a new market, you would still need brick and mortar, you would have to hire employees, you would have to hire a place to do your inventory, you would need people to do your audits. So you know, it was still quite troublesome. Now if you want to get into another country, you ask your engineers to provide it and you buy more server space. So it is a different magnitude.

For me, the important thing is to make sure that the smaller businesses have an open market, so that they have a real choice as to what they want to do. But I think it is a very healthy thing, also for innovation, because I think that every problem is solved somewhere. This is why it is a good thing if they are recognized, because then other people can take the inspiration. After all, an unsolved problem we have may actually be solved somewhere else. For innovative purposes, I do not think that we could ever live without the smaller businesses. But the thing is, of course, to inspire them to do this and to inspire them to use for instance data available.

The Commission has worked with our satellite programme and you know we, as Europeans, have the world-best satellite programme. The Americans use it to predict the landfall of their hurricanes. So it is state of the art and could not be any better. Here there is an interface that was especially designed for small- and medium-sized businesses to be able to use this data.

Sometimes I think that -- and I know that from myself -- it is not the physical infrastructure that is lacking, it is my infrastructure, because I do not really see or have the ambition to say: well, maybe I should try to become the next big thing. That is also why it is very good for smaller businesses to see other smaller businesses actually venturing into innovation and solving problems in ways that are new.

The **chairperson**: The good thing is: you are already the next big thing, so. Anybody else? Yes, please. Aha, the Asser Institute.

Ms **Janne Nijman**: Yes indeed, Janne Nijman of the Asser Institute. Kathalijne, I would like to echo your comments on how wonderful it is to hear an inspiring view on Europe and on European values. Ms Vestager, you mentioned the black box and obviously, there is not only a black box in this artificial intelligence technology and in algorithms that we as humans, as citizens do not understand, but there is also a black box that the technicians and the designers do not understand anymore. You mentioned the biases and that, with a combination of data and algorithms, and with algorithms optimizing what they find in the data -- accessor baiting, so to speak -- the inequalities that are in there. One of the suggestions made is for Europe to lead on transparency as a value. I am curious to hear how you think Europe can lead on making transparency indeed THE value and THE strategy to deal with these sides of the technology.

Ms **Vestager**: Two things make Europe a regulatory super power. The first one is that the European market is amazing. You can make a lot of money doing business in Europe. It is the place you want to go. Second, when we know a thing or two about the things we want to regulate, we can do that successfully. Which in itself is a good idea, to invest in artificial intelligence, because if you yourself can do it, then you also know much better what it is that you want to regulate. If you are just out there with a shopping basket and asking for something, then you are not in the driving seat anymore.

As long as we have this amazing market and we actually do ourselves and understand ourselves what it is that we are regulating, then we can also ask of others who come here to play by the same rule book. Look what is happening with our digital citizens' rights, the GDPR: that serves as an inspiration all over the planet, because it is as if things have changed over the last five years from people saying "oh no, these Europeans will be slow and they have not understood a thing, because it is just go, go, go". Then there was a kind of pause, and now people say "well, maybe they are on to something: maybe it is actually a good thing that we put citizens first".

I think that we can do this, if we are respectful in listening to every stakeholder, we will do a white paper on AI, we will come up with a strategy on how to make data available, and then we will ask everyone -- the business community, the parliaments in all Member States, specific committees, general committees, NGOs, organisations for small- and medium-sized businesses -- we will literally ask everyone: please help us get the balancing right. And then, I think we can do it.

The **chairperson**: And did it have an impact on the planet because people thought they were on to something or because they had to stick by the European rules in order to sell something to European consumers?

Ms **Vestager**: Well, that does not really matter, if it works.

The **chairperson**: I do not care either, but the answer is: it may be both?

Ms **Vestager**: Highly likely both.

Mr **Alex van Eesteren**: My name is Alex van Eesteren from Start Page. We are actually an example of a Dutch company that can make a difference, I think. We are a private search engine. How can we, as a European company, help the Commission and Europa to make the difference?

Ms **Vestager**: I think the first thing is to make sure that people get to know you. Because one of the many paradoxes in my line of work is to see that people say: we want to protect our privacy, we want to do better, but they still stay with the same provider. Then I ask myself how it can be that an old woman like me is the most curious person in the room. How many of you use a search engine other than Google?

(Show of hands)

Ms **Vestager**: Wow! I have to tell you: you are far above average! I have asked this question in almost every key note I give and in any room, no matter the number of participants, there would be four hands. No matter if the audience was 20, 200 or 2.000 people, four of them have tried something else. So your State Secretary is really, really right: this is a very advanced country and I think this shows what a difference you can make. Of course if you find that it is too difficult for you to reach your potential customers, come to us, so that we can also understand what kind of issues you might have.

Mr **Van Dam** (MP): I am one of the members of the committee here in parliament and we have two jobs to do. First of all our question is how to get more grip on digitalization, and the other thing is the level of knowledge of the members of parliament. The latter is an interesting thing.

The **chairperson**: Why do I here people laughing?

Mr **Van Dam** (MP): Well, there is a point there. I wonder how you organize your own level of knowledge, because it is difficult -- perhaps I should just be speaking for myself -- to do all the things we have to do to be a reasonable partner, for instance towards the industry, to give them a sense of knowledge back, to be a reasonable person to speak to. How do you organize your level of knowledge and what do you expect from society to help you with that?

The **chairperson**: I think that is a very good question. People in the audience may laugh, but I have been struggling, as I already said to the Commissioner, the last few weeks to understand the architecture of internet. If you have never dealt with it, it is really complicated, I can tell you. People out there in the audience may not understand that I find it complicated, but it is complicated for somebody who never dealt with it. But I think I have now seen the light a bit.

Ms **Vestager**: Well lucky you!

(Laughter)

Ms **Vestager**: The first thing is that I try never to be too clever for my own good. I am an economist by training and I have been doing politics and now competition law enforcement in my working life. So I am a user of technology. One of the things I try to do, is to learn on a daily basis. I try to ask many different sources, because very often you hear something and you think "wow, that sounds very reasonable; that must be the way to go about things". And if you do not hear from someone else, then you may not get the full picture. I am so lucky that I can call on people much more clever than myself, much more insightful than myself, who will very patiently explain things to me.

It is an excellent day if I have learned something new. But I have no ambition of becoming an expert, because then, I think I would lose my sense of being here to make sure that we as citizens are at the centre of this. But I need to know enough to know what I am dealing with and to question the people who will write the exact legal definitions, who will make the references between one piece of legislation and another piece of legislation and a third piece of legislation, and that, of course, is a balancing thing to do. I do not think that there is any way around this but to call on people who are more clever than yourself and ask them to tell you the way in which they see things.

And please do so without using abbreviations, because that is the best way to make sure that the people themselves know what they are talking about. What I will share with you now is a very personal thing, but I have the suspicion that using abbreviations is something you can hide behind and not something you use to communicate faster or more conveniently. You use abbreviations to make you sound clever and to hide that you may not really have understood the matter for a 100% yourself.

The **chairperson**: Yes, that is my experience as well. Someone else? Would you tell us your name please?

Ms **Wendy Meijerink**: I am Wendy Meijerink, I am here just on my own, because I am very curious about innovation in Europe and how we handle it in the Netherlands. I have done this at different places and my problem was always: how can you guard the rules and legislation and keep room for innovation at the same time? Because you want to make arrangements with each other, but you do not want these arrangements to get in the way of learning new things and of actually realizing innovation.

Ms **Vestager**: Well, that is the question we have been asking ourselves from the very first day, because we really think that there is a lot of possibilities in this new technology, but at the same time, lots of opportunities entail lots of issues. That is very often the case. For my comfort, I tend to think: well, this is what we have been doing, what legislators have been doing for decades and decades. We have been willing to frame things, for instance in agriculture. I am absolutely certain that most farmers would use as little pesticides as possible and they would treat their animals in the most decent way. But there may be some who do not and we do not want to take a chance on our drinking water, by allowing the few who will not by themselves be prudent with their use of pesticides to use whatever? So we say: you can only use that much. Good or bad, you can only use that much. The same with animal welfare. We will not take a chance on animal welfare by saying: most people will do this fine, so we do not care about the rest. No, we will have a certain framework and say: this is how we want things to be done.

Of course we will miss out on some things, because maybe among those who did not do the ordinary thing, there would be someone with a sparkle to do something else. But we were willing to do this balancing and to say, for the greater good, this is how we are going to do this. Realizing that yes, we will miss out on some innovation, but we hope that the innovation we will miss out on, is an innovation based on an excessive use of pesticides or on treating animals in a really bad manner. That is, I think, the same thing as we have to do here. We have to say: there are certain things that we will not give up. We will not give up, because of some technological innovation, on the right to freedom of assemble freely or on the right to say what you think. After all, these are our fundamentals. As democracies, I think that as long as we discuss it and we ask our representatives to decide on it, it is 100% legitimate to do that balancing.

The **chairperson**: Okay, thank you. Other people with questions? Yes please.

Mr **Paul Keller**: Thank you. My name is Paul Keller from the Institute for Information Law at the University of Amsterdam. Regarding your initial part about European values and democracy, I was wondering if you could talk a little bit more about that and specifically, I think one of the values which sets Europe apart to some degree is the fact that we have always valued public institutions and public spaces, and the environment that we are facing at the moment is really like a gap, it is a commercially structured online environment. What could we do as Europe to bring back these public spaces in order to have more resilience against the threats that we are facing in the area of democracy as well?

The **chairperson**: Before you answer: Mona Keijzer has to leave and I know she hates having to leave, but she has to attend another meeting. So I would like to thank her very much again for her presence and her speech here.

(Applause)

The **chairperson**: We will no doubt continue this discussion, for example on Thursday, when we talk about Huawei. Ms Vestager, the floor is all yours.

Ms **Vestager**: I think this is a very tricky question, because we have moved so far from what the internet was supposed to be back in the days when it was established. It was supposed to be a place of freedom and of freedom of expression, where everyone would be having their say. You can still find that in our day, but what you find most of all is a very commercial place and you find a lot of hatred, which makes it very difficult to say what you mean, because you will then be confronted with people arguing with you or plainly hating you. Particularly women get a lot of hatred out there and I think that we should be concerned that this could become a real turnoff to go into politics or public office or something like that.

I think that there is no way around it but to reclaim the old-school physical public space, because in my opinion, that is the only way for people to learn that we are real people. I am very encouraged by the young climate activists who hit the streets, because they make posters and they make signs and they dress up and they are out there, together with other people who they not necessarily know very well, which is uncomfortable, but they are out there, and not just behind a screen typing on a keyboard. I think that that is a very, very good sign: they reclaim public space, being there together, realizing that you need to come out in great numbers and you have to do it again, and again, and again, and then things change.

Then we may be able to re-invent public space in a digital format, where we actually have real discussions about how we see things and where we allow for fact checking, for real support and real opposition. Because the route we are taking right now, is a route where the digital democracy is privatized. Basically there is just the possible voter and the sender, there is no fact checking, no opposition, no arguing, but just trying to convince. And that to me is not democracy, because democracy was invented to take place in public space. But unfortunately in order to re-educate ourselves, I think we have to reclaim it also in a physical manner.

The **chairperson**: Thank you, I saw another question back there. Do we have more questions? Ho - not too many!

Mr **Nathan Newcastle**: Thank you. My name is Nathan Newcastle and I work with municipalities in the Netherlands and my question is a bit philosophical, I think. It seems that over the past few hundred years, we have been holding ourselves to all sorts of borders, to organize our work, to organize our countries, to organize our public sector, our public space. And it seems that the internet and ICT have made it possible to remove those borders. Now we are looking at an idea where we will put borders into this space of internet, into ICTs, into the way we are working, as we were accustomed to in the classical world. But I am

wondering whether we do not also need new instruments to manage that public space, that digital public space, which deserves to be governed in a way, but maybe not along classical lines. I would be interested to hear what you think.

Ms Vestager: That is indeed an interesting question. It also borders on the last question: how to have a digital public space that is really open. I found it a somewhat disappointing development over the last ten years, but there are also very nice fora, where people support each other, discuss with each other. They may be more difficult to find, because we hear more about the bad things that are going on. I was recently asked what the best advice would be to actually keep engaging in fostering public debate. Part of that was to say: do not read the comments, because where often, such comments are not written in order to engage with you. They are written for I would not know what reason.

So one of the things we can do, except to say: "reclaim the physical public space for democracy", is to do what is done in many, many school systems where you try to exercise what in German they call Bildung: help kids to get a sense of citizenship and know how to behave there. And then to have moderated forums where you actually know that things will indeed take place based on the values of equal treatment and that your right to express yourself will be respected in an orderly manner. I think you can experience that all over, yet it is as if on the internet as such, there are things growing that you do not really want to grow, so that you have to find these spaces yourself. You have to do so within the municipality itself, but then maybe without being able not to respect the borders.

On a paradoxical thing: we just had a case about a business where they really, really, really just wanted to re-invent the borders, to make sure that the businesses ... They made a Minions-rucksack for children, but did not sell them in another territory. So you are perfectly right: borders are basically what has been keeping us for hundreds of years.

The **chairperson:** It is interesting that you mention it also for in the public space. I think I have learned the most in a youth organization and I sometimes think also for our own youngsters that we should not only be worried about digitalization in the sense that they should learn how to programme at school, but that they should indeed start projects and discuss with each other. I think that is at least as important. Time flies. I saw a lady in the back.

Ms Andja Bratic: Hi, my name is Andja Bratic from Art of Goodbye and I represent the digital funeral professionals today. We are wondering what your view is of regulating the digital afterlife industry, because the seemingly waterproof GDPR ends after someone has passed away, so our digital legacy freedom is non-existing.

Ms Vestager: I have no idea.

(Laughter)

The **chairperson:** Is this something you would ask your experts about?

Ms Vestager: No. I really respect it as a thing, so do not get me wrong. I really do. But I have never thought about it. Because if someone leaves something behind there will be IP-rights. Their heirs would have their rights and they would exercise their rights. Of course they would have a remuneration for that. I have only been wondering about this sort of "life after life" in a digital manner, also because I very much hope to die fully when it happens.

(Laughter)

Ms Vestager: So I am sorry, but I have not thought about it.

The **chairperson**: For the last question, there was somebody else who raised their hand.

Mr **Marco van den Akker**: Hi. I am Marco aka Cloud Evangelist, if you want to conduct a search on me. You mentioned that it was tried to build a European cloud provider and that failed. Have you ever found out why it failed?

Ms **Vestager**: I said: there are European cloud providers. Good ones, high-quality ones, but they do not have the same volume as the big tech ones. One of the reasons why it failed, I am told -- this happened a couple of years back -- is that first, you want it to work all hours of the day, all days of the week. If you want to do that in Europe, then you have to give people a salary that reflects that. That makes it very, very expensive. So you would want to have your actual servers in places where everyone would be working day hours. You just have to follow the sun, but then it is not European anyway. But the main problem was basically the cost. The cost of managing this becomes prohibitive if you actually want that kind of scale. This was in a period of time in which the giants were building this up, as I said, as a side business. Now for some of them it has become a very big business. But back then, because they had so much lower costs, doing it on the side of their main business, that made it very difficult for us.

The **chairperson**: Well thank you very much. We had arranged that we would stop about now because you still have other meetings and prior to this meeting, I have to add, the Vice-President of the European Commission also had a lot of other meetings, including one with our temporary committee, so I can imagine that you may also be ready for a drink. But I am really pleased with the frank discussion that we had on what is only your 65th day in office as Commissioner responsible for digitalization.

Can I ask the audience for a warm applause for Ms Verstager?

(Applause)

Ms **Vestager**: I should thank you, because as I said earlier, this is the first time that I heard about a parliament having a committee on how to organize this. Because factually, this impacts every committee. When I had my hearing, it was organized by three European Parliament committees, with one associated committee. So there is a lot of interest. The second thing is that I think there is still hope for a surge in mankind, now that I learned that so many people here use a search engine other than Google.

(Applause)

Ms **Vestager**: You really, really made my day and I can tell you: this news will travel all over Europe. No, seriously, I am very impressed, also because you know they give me briefings, so I know the numbers. The Netherlands really are astonishing when it comes to digital matters. But there is also a sense of a very thoughtful and considerate willingness of shaping the future and that, I very much appreciate, so thank you very much.

The **chairperson**: Thank you very much.

(Applause)

The **chairperson**: We have come to the end of this symposium, but I would really like to thank a few people, because you have no idea how much work it is, also to make sure that everyone goes through security et cetera. I would like to thank very much Anna, Niels, Amarens, Martijn, Marja, Gerard, Sonja, Fred and Rens for their work to make this possible, so thank you very much.

(Applause)

The **chairperson**: Thanks very much also to the members of our temporary committee on the Digital Future. We are working very hard to come up, hopefully, with a good proposal and with a report in which we are also going to say something about all the challenges ahead in order to understand the new technologies already out there, but also those we will see in the future, and the challenges we face to make sure we are going to accomplish the goals that we want, while avoiding erosion of the values we hold dearly. So we work very hard on it, with a lot of people who are also in this room. Thank you also for contributing to that. It is now time for a drink and I hope all of you had a nice afternoon.

Thank you very much.

(Applause)