

Digital transformation: the EU strategy

Find out how the EU supports digital transformation in Europe and the benefits it offers citizens, businesses and the environment.



Digital revolution

https://multimedia.europarl.europa.eu/en/europe-s-digital-future_N01-AFPS-210325-DGEU_ev

Digital transformation is one of the European Union's priorities. The European Parliament is working to shape policies that will strengthen Europe's response to new technologies and help create new opportunities for businesses and commercial activity. Other aims include supporting digital education, providing training for workers and digitizing public services while respecting fundamental rights and values. These policies will also contribute to Europe's green transition and climate neutrality in 2050.

What is digital transformation?

Digital transformation is the integration of digital technologies into businesses and their impact on society. Digital platforms, the Internet of Things, cloud computing and artificial intelligence are among the technologies affecting different sectors (from transport to energy, the agrifood system, telecommunications, financial services, industrial production and healthcare), as well as citizens' everyday lives.

What is the EU doing to shape digital transformation?

Digitization brings benefits to society. To help Europe adapt to the digital age, the

EU wants to strengthen its sovereignty in this field and set rules rather than follow those of others. The European Commission presented the “Europe’s Digital Decade” program, which includes specific goals and targets for 2030 in areas such as skills, secure and sustainable digital infrastructure, the digital transformation of businesses and the digitization of public services.

[In May 2021, the European Parliament adopted a report on shaping Europe's digital future](#) in which it calls on the Commission to address the challenges of the digital transition. It also stresses the need to seize the opportunities offered by the digital single market, improve the use of artificial intelligence and support innovation and digital capabilities.

At its April plenary session, Parliament adopted the Digital Europe program, the first financial instrument devoted exclusively to bringing technology to businesses and citizens. Its aim is to invest in digital infrastructure so that strategic technologies help boost European competitiveness and the green transition, while also ensuring technological sovereignty.

The program will allocate €7,588 million across five areas: €2,227 million for high-performance computing; €2,062 million for artificial intelligence; €1,650 million for cybersecurity; €577 million for advanced digital skills; and €1,072 million to ensure the deployment and best use of digital technologies in the economy and society.

Platform economy

Online platforms offer major market opportunities and are important communication channels, but they also involve risks: the EU is working on new digital services legislation that seeks to promote competitiveness, innovation and growth while strengthening online safety. It aims to tackle illegal content and ensure the protection of freedom of expression, freedom of the press and democracy.

[Read more about the Digital Services Act and the Digital Markets Act.](#)

Cybersecurity

As a result of growing interconnections between the digital and physical worlds, Europeans face new threats. Increasing cybersecurity in different areas, from online shopping to hospital operations, is essential. Parliament

[adopted new laws in November 2022 to strengthen EU cybersecurity in key sectors.](#)

In 2021, the EP adopted rules for the new European cybersecurity center and to prevent [the spread of terrorism online, which entered into force in June 2022.](#)

[Read more about why cybersecurity matters and learn about the](#)

[main and emerging cybersecurity threats.](#)

Artificial intelligence and data strategy

AI could benefit people through better healthcare, safer vehicles and personalized services. It can also improve production processes and give European businesses a competitive advantage, including in sectors where they already hold strong positions: the green and circular economy, machinery, agriculture, tourism...

[To make the most of artificial intelligence, MEPs are calling for](#) human-centered legislation aimed at establishing an artificial intelligence framework that inspires greater trust, sets ethical standards, supports jobs and helps build an “artificial intelligence made in Europe” that serves as a global example. The Commission presented its proposed AI regulation on April 21, 2021. Under the proposal, AI systems would be classified according to the risk they pose to users. Once adopted, these will be the world’s first rules on AI. Negotiations between the European Parliament and EU countries on the final form of the rules are ongoing.

[Learn more about the AI regulation.](#)

The successful development of artificial intelligence in Europe depends largely on a European data strategy that works. Parliament recognizes the importance of [industrial and public data for EU businesses and researchers and is calling for European data spaces](#), big data infrastructure and legislation that contributes to trustworthiness.

[To help realize the potential of big data and artificial intelligence,](#) Parliament adopted two laws to boost data sharing in 2022 and 2023.

[Read more about how Parliament wants to regulate AI.](#)

Digital skills and education

The pandemic has demonstrated the importance of digital skills for work and interaction. However, it has also exposed the digital divide and the need to expand digital education. Parliament wants the European Skills Agenda to ensure that citizens and businesses can make the most of technological advances.

42%

percentage of Europeans who lack basic digital skills

Online video games: protecting players and boosting the sector's potential

The online video game sector is booming and makes a significant contribution to the EU's digital transformation. As the gaming industry rapidly expands, the economic, social, educational, cultural and innovative aspects of these platforms must be taken into account.

The EU wants to support this sector, which provides more than 90,000 direct jobs in Europe and had a market size of €23,300 million in 2021. At the same time, a safer environment for players must be ensured. MEPs are calling for rules governing problematic purchasing practices such as loot boxes; better cancellation and data protection policies; and stronger protection for underage players and vulnerable groups.

European Chips Act: the EU plan to overcome the semiconductor shortage

There has been an unprecedented worldwide semiconductor shortage since late 2020. Among other factors, the COVID-19 pandemic and the war in Ukraine have aggravated this shortage. Through the European Chips Act, the EU aims to [ensure security of supply by increasing semiconductor production within the Union's territory](#).

Microchip production relies on extremely complex and interdependent supply chains spanning the globe. To increase EU independence, ensure future competitiveness and maintain technological leadership, the EU's semiconductor manufacturing capabilities must be strengthened. Under the proposed legislation, the EU's share of global production capacity should increase from less than 10% to 20%.

Intelligent road transport systems

[Parliament adopted new rules on the deployment of intelligent transport systems](#)

in road transport. The rules seek to increase the availability of digital traffic data, promote digitization in the transport sector and facilitate data sharing between mobility applications. The aim is to improve road safety and the efficiency and sustainability of mobility.

The rules do not favor the use of any specific technology in intelligent transport services; instead, they seek to ensure that applications work well together. They must be designed to give users clear, easily understandable information about the different transport options available to them and must not discriminate against vulnerable road users. EU Member States will have to improve cooperation, especially on cross-border projects, to ensure smooth transport across borders.

European digital identity: easy online access to key services

Since the start of the COVID-19 pandemic, more and more public and private services have become digital. This transformation requires secure and reliable digital identification systems.

[The EU is working on a European Digital Identity \(IDe\) that enables mutual recognition](#)

of national electronic identification systems across borders. With the IDe, European citizens will be able to identify and authenticate themselves online without having to rely on commercial providers. They will also be able to access online services in other EU countries using their national electronic identity document.

A fairer tax system suited to the digital age

Most tax rules were established long before the so-called [digital economy existed](#). [To reduce problems arising from this situation, such as tax evasion, and make taxation fairer, the EU is working on rules to ensure that](#) profits are taxed where businesses have a significant digital presence.

The EU has also adopted rules on a minimum tax rate for multinational companies in the Union, in line with a global agreement on the matter.

[To help drive the development of cryptocurrencies while also protecting](#) users, the EU is working on regulating crypto-assets and the technology underpinning them.

Ensuring high-quality digital infrastructure

Parliament is also working on an act to help reduce costs and [red tape in building very high-speed networks](#). [In October 2023,](#)

Parliament adopted its negotiating position for talks with EU countries on the draft Gigabit Infrastructure Act, which aims to ensure high-speed internet access for all EU households and 5G coverage in all

populated areas by
2030.

Funding the EU's digital priorities

Digital investment is central to EU policies, as it offers major opportunities and is essential to ensure recovery and make the EU a global leader in this field. The COVID crisis highlighted the need for a forward-looking digitization plan that benefits society and long-term competitiveness. The economic recovery plan requires Member States to allocate at least 20% of the €672,500 million channeled through the Recovery and Resilience Facility to digital transformation. In addition, the Horizon

[Europe investment program, focused on research and innovation, and the Connecting Europe Facility](#), devoted to infrastructure, allocate significant funding to digital advances.

Find out more

- [legislation to reduce waste electrical and electronic equipment](#).
- [new rules to facilitate crowdfunding](#)
- [roam like at home: the EP supports extending roaming](#)
- [a common charger: benefits for consumers and the environment](#)
- [new EU rules: digitization to improve access to justice](#)
- [all ongoing legislative procedures on the digital sector](#)

More information

[A Europe fit for the digital age At a glance: the Digital Europe program](#)
[Fact sheet on a digital agenda for Europe](#)