

**INSULEUR FORUM 2019 - Digital Transformation of European Islands**  
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**3<sup>rd</sup> Panel: Towards a Digitalization Strategy for EU Islands**

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**About the EESC**

The European Economic and Social Committee (EESC) was set up by the 1957 Rome Treaties with the aim to involve economic and social interest groups in the establishment of the common market and to provide an institutional structure for briefing the European Commission and the Council of Ministers on European Community issues. It is a consultative body that contributes to strengthening the democratic legitimacy and effectiveness of the EU by enabling civil society organisations from the Member States to express their views on EU issues. The Committee fulfils three key missions: 1) helping to ensure that European policies and legislation tie in better with economic, social and civic circumstances on the ground, 2) promoting the development of a more participatory European Union, which is more in touch with popular opinion and 3) promoting the values on which European integration is founded and advancing, in Europe and across the world, the cause of democracy and participatory democracy, as well as the role of civil society organisations. The work of the Committee is organized in six different sections: Agriculture, Rural Development and the Environment (NAT), Economic and Monetary Union and Economic and Social Cohesion (ECO), Employment, Social Affairs and Citizenship (SOC), External Relations (REX), The Single Market, Production and Consumption (INT) and Transport, Energy, Infrastructure and the Information Society (TEN).

**The views of the EESC on digitalization**

Digitalization is an issue thoroughly examined by the EESC and a number of relevant opinions has already been adopted addressing various aspects, such as Enhancing digital literacy, e-skills and e-inclusion (2011); Digital Agenda for Europe - Driving European growth digitally (2013); Digital society: access, education, training, employment, tools for equality (2014); Effects of digitalization on service industries and employment (2015); Digital single market - trends and opportunities for SMEs (2017); Implications of the digitalization and robotisation of transport on EU policy-making (2017); Digitization in the European financial sector (2017); A socially sustainable concept for the digital era (2018); Digitalization and SMEs in the Mediterranean region (2019).

Digitalization and new technologies play an increasingly important role in our economy, in our society and in our daily life. Therefore, it must be inclusive and no one should be excluded from digital progress, regardless of gender, age, educational level, skills, social and economic status, disability, origin and geographical location. Advantages and challenges of digital revolution should be seized by all parts of the European society and economy and all the EU territories, in particular islands that suffer from a number of difficulties that could be overcome with the use of digital technologies.

Information technology is on the rise everywhere, yet its potential for economic growth, employment, innovation and, above all, improving European citizens' quality of life, has still to be

fully exploited. The EESC, both in its opinions as well as through direct contacts with stakeholders, has addressed many issues related to digitalization such as: the implementation of the Digital Single Market strategy and the creation of a functioning Digital Single Market, the attractiveness of the digital field for women, the consequences of digitalization for working conditions, the need for education in the digital field, the accessibility and protection of users, especially children and persons with disabilities, and other. The EESC's TEN Section continuously monitors the digital gap and promotes equal access for all. It is also working on the impact of digitalization on health and social protection since Europe is lagging behind in terms of e-health and we need a European agenda to tackle digitalization across the continent and in particular on the islands.

The issue of digitalization is crucial also for social economy enterprises, because the changes it implies offer both challenges and opportunities. New digital technologies enable quicker exchanges of best practices and offer tools to support the values of the social economy through new collaborative, short-circuit and circular economic models, on which social economy actors could have a defining influence if they rise up to the task. Social economy and social enterprises must use digitalization and digital technologies as a lever for economic transformation and increased social impact across Europe and in particular most isolated areas such as the islands.

Digitalization is a tool of democratization, so it should be seen as a public good and no one should be left behind from the digital revolution. A comprehensive European digital strategy is necessary to enable everyone and every area in the EU to make the best possible use of the significant opportunities that digital technology has to offer.

### **The views of the EESC on the future of European Islands**

The EESC has a particular interest in the situation and development of the European islands and has shared its views and recommendations on various issues related to these areas in a number of opinions, such as the Opinion on Getting EU energy islands connected, the Opinion on Smart Islands, the Opinion on Cohesion and growth for islands and the Opinion on Inclusive islands.

The interest for the islands has been expressed also in opinions related to the Cohesion Policy of the EU. As stated in the EESC's opinion on the Proposal for a Regulation on the European Regional Development Fund and on the Cohesion Fund, in which I was rapporteur, sparsely populated areas, in accordance with Article 174 of the Treaty on the Functioning of the European Union, as well as isolated areas, such as small islands, are regions that face specific problems of communication - including internet access - and transport. In addition, they commonly lack social infrastructure (health, education, etc.). In these regions, the scattered nature of the population and the lack of employment opportunities result in a gradual increase in the cost of delivering public services, making it harder to develop employment programmes and attract companies. The proposal for the two Funds allocates part of the budget for these regions together with those classified as outermost regions. However, the classification of regions includes the outermost regions in 'group 3', not taking into account the special characteristics of the sparsely populated areas, other than Gross National Income per capita. A specialized approach with sufficient funding and the correct thematic concentration requirements are necessary in order to tackle the difficulties encountered by sparsely populated and isolated areas. The specific objectives of the Regional Development Fund and the Cohesion Fund should include areas such as the social economy, the digital transformation, the accessibility of infrastructure and services for all EU citizens, and there should be specific references to sparsely populated areas and islands.

The identical challenges faced by EU islands cannot be addressed only through the Cohesion Policy. The EU must adopt an integrated approach for a better integration of islands in the internal market as a key factor for enhancing the cohesion and growth of the Union. To this direction, the EESC has recommended the establishment of an integrated framework of Community policies covering all problems of European islands in a coherent way, and has stressed the need for sound governance to cope with issues such as information and communication, networking and clustering and civil society participation. Special focus should also be given to the inclusion of a horizontal incorporation of equality, non-discrimination and accessibility for persons with disabilities. Persons with disabilities, and in general vulnerable groups, suffer more than others the effects of the problems faced by EU islands. Therefore, as recommended in the EESC's opinion on Inclusive islands, the principles of "Efficiency" and "Equity" must be put into practice to foster the competitiveness and social cohesion of all islands in Europe. "Efficiency" means ensuring that all islands can achieve their full development and "Equity" refers to ensuring that all citizens have access to opportunities and services regardless of the territorial context in which they live. Also, key policy areas such as the Single Market, Competition Policy, Transport Policy, Rural Development Policy and Fisheries Policy, as well as EU initiatives and programmes supporting Education, Training, Youth and Sport Policies must be applied with a greater degree of flexibility when it comes to island economies.

In view of the specific characteristics of islands, the EESC has called for EU policies to include an "Island Test", whereby any policy would be tested as to its effect on islands and proper consideration would be given to the island dimension. Also, the EESC has recommended that the Commission presents an annual report to the European Parliament, the Council, the Committee of Regions and the EESC itself, monitoring and evaluating the effectiveness of relevant measures taken to solve the problems of European islands. "Island Tests" and annual reports could provide useful information for the development and implementation of policies and measures that can improve the competitiveness, prosperity and cohesion of European islands, guarantee their sustainability and also the accessibility and connectivity for all inhabitants.

### **Digitalization as a means for the growth and cohesion of the EU islands**

A concrete digitalization strategy for EU islands is necessary towards the growth of "inclusive islands". Digitalization can and should be exploited to harmonize and improve the balance between economic, environmental and social sustainability, by applying a "holistic approach" aimed at implementing the concepts of "Quality islands", "Green islands" and "Equal opportunity islands". The digital capacity is a vital means of counterbalancing the connectivity handicaps of European islands and keeping islands attractive, especially for young people, preventing and combating island depopulation. More investment is required for information and communication infrastructure and technologies to ensure sufficient availability of public services to meet the needs of all those living in insular territories.

Island inhabitants should be guaranteed access to affordable high-speed internet, regardless of the size of the island and population. Broadband connections and free Wi-Fi are crucial for European island communities because they would allow for increased use of smart tools for teleworking, e-commerce and education, enabling islanders to continue living on their islands. ICT technologies should be encouraged to overcome islands' territorial limitations, particularly in the areas of administration, health, education and training, infrastructure, commerce, spatial planning and social issues. The use of safe data protection systems, such as Quick Response codes, should also be encouraged. As regard free Wi-Fi, which has become an asset for increasing the attractiveness of

islands, local authorities should ensure that the online storage of data is handled at national level so as to ensure effective control of users' personal information.

The digital transformation of islands and their economy should be supported with adequate policy measures and funds that are tailored, as far as possible, to the specific characteristics of the islands and the needs of different types of their SMEs. These measures should be part of a broader policy agenda aimed at strengthening the decisive role of islands in the socio-economic development of the EU, most importantly, in the fight against unemployment and in-equalities at all levels.

**Digital capability is one of the ways in which islands can diminish the geographical barrier of isolation**, not only through the opportunities e-Commerce offers for entrepreneurship, employment and SMEs, but also by enabling the public to reap greater benefits from the single market. **Digital technologies should be further exploited also to ensure that learning and education, one of the key elements for improving living standards, is as accessible to islanders as it is to people living in mainland Europe.** Islands suffer from greater depletion of the population due to relocation, and hence the promotion of digital skills at all levels of education and lifelong learning should be part of the policies and practices designed to retain a workforce that is not only highly employable but also attracted to remaining on the island. Digitalization can also help reconcile work and family life by allowing for flexible working arrangements and telework. At the same time, digital entrepreneurship is a promising avenue for the creation of employment opportunities for young people, but its potential remains largely untapped.

In the course of the changes generated by digital transformation, people must be at the center. **Digital readiness is the key to a successful digital transformation, but this transformation must be guided by a human-centred approach to digitalisation**, focused on increasing workplaces' productivity and improving the life of all citizens on the islands and all-over Europe.

### **Smart Islands project**

EU islands face in deed great challenges. However, there are islands that managed to respond to specific challenges by developing innovative and small-scale projects in the fields of ICT, the environment, energy, transport, tourism development and commerce, as well as governance. In 2015 and 2016, a delegation of EESC Members carried out fact-finding missions to six EU islands that are implementing remarkable projects (Île d'Yeu - western France, Majorca - Balearic Islands, Favignana - western Sicily, Samsø - Denmark, Kythnos - Greece and Saaremaa - Estonia). In its Mid-term evaluation of the Connecting Europe Facility (formerly Smart Islands) the EESC presents best practices introduced on the six islands, such as: Virtual care and services for the elderly population; Automated management system for harbour services; Intelligent energy management system, E-commerce and other.

The EESC fact-finding missions demonstrate the need of islands for smaller-scale projects, but also for funding in all thematic areas of the Connecting Europe Facility, since many smart solutions in the fields of energy, transport and ICT are emerging on the islands that are not funded by the CEF. Also, islands are territories suitable for testing innovation. Therefore, they should be supported by all possible EU funding instruments for developing and hosting pilot projects, particularly in the fields of ICT, energy, transport, waste and water management, commerce and fisheries.