
■ ABSTRACT: On June 21, 2021, the Hungarian Ministry of Justice (Deputy State Secretariat for EU Relations) and the Ferenc Mádl Institute of Comparative Law (MFI) organised a high-profile international conference entitled ‘Dialogue on the Future of Europe: Building a Digital European Union’ as part of a series in which two previous conferences were held on June 25 and September 21, 2020. By organising these events, Hungary is among the first Member States to launch a dialogue as part of a series of discussions on the future of Europe. As a proactive actor, Hungary has contributed to the ongoing exchange of views offering a comprehensive assessment of and approach to the digital developments and perspectives of the European Union. The June 21, 2021 conference – composed of three thematic panel discussions – focused on the future of digitalisation and competitiveness in the European Union. Highly accomplished...
national speakers such as Hungarian Minister of Justice Judit Varga and Hungarian Member of Parliament and President of the Economic Committee Erik Bánki and international speakers such as Commissioner Mariya Gabriel and State Secretary Ana Paula Zacarias gave presentations outlining their visions. This article summarizes those presentations. In addition to public officials and economic actors, academic experts and researchers on digital transition also gave presentations at the conference. The conclusions drawn from their exchanges of views seek to contribute to the creation of sensible decisions leading towards a digital future, while also raising public awareness regarding digitalisation, a realm of growing influence on policymaking.

**KEYWORDS:** Conference on the Future of Europe, CoFEU, digitalisation, sovereignty in the digital sphere, digital readiness.

**Introduction**

On June 21, 2021, the Hungarian Ministry of Justice (Deputy State Secretariat for EU Relations) and the Ferenc Mádl Institute of Comparative Law (MFI) organised a high-profile international video conference entitled *Dialogue on the Future of Europe: Building a Digital European Union* as a follow-up event to the meetings of June 25, 2020 and September 21, 2020. The first panel discussion was opened by the Hungarian Minister of Justice, Judit Varga. She was followed by Mariya Gabriel, Commissioner for Innovation, Research, Culture, Education and Youth; Ana Paula Zacarias, representing the Portuguese Presidency as Secretary of State for European Affairs; Leonardo Cervera Navas Director at the Office of the European Data Protection Supervisor; and Erik Bánki, Hungarian Member of Parliament and President of the Economic Committee. Edina Tóth, a Hungarian Member of the European Parliament, moderated the first panel discussion. Participants discussed issues concerning the balance between digitalisation and sovereignty. The second panel discussion focused on digital competitiveness. Speakers included László György, Secretary of State for Economic Strategy and Regulation, and Valentina Superti, Director at DG GROW. The speakers provided insights into the aims and measures taken by Hungary and the European Commission. In addition to representatives of the public sector, economic actors also contributed during the second-round table discussion. The presenters included Josephine Wood (EuroHPC), Erzsébet Fitori (Vodafone), Balázs Nyers (SAP), and Marie-Theres Thiell, President of the German-Hungarian Chamber of Commerce. The second panel discussion was moderated by Gergely Böszörményi Nagy, Founder of BrainBar. The third and final panel discussion involved academic experts and researchers in a discourse on digitalisation and European citizens. Contributors included András Koltay, Rector

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8 For the event report, see https://futureu.europa.eu/processes/Digital/f/14/meetings/276.
of the University of Public Service; professors Lennard Brand, Cristopher Markou, and Michel Cannarsa; and Head of Department Ms. Krisztina Stump (European Commission). The discussion among experts was moderated by Márton Sulyok, Lecturer at the University of Szeged.

**Panel discussion 1: ‘Digitalisation and sovereignty: how to balance the legitimate interest of both?’**

During the first roundtable discussion, EU-level and national representatives shared their views on how far the EU has come in terms of digitalisation. The potential future contribution of Member States’ national assemblies to common EU objectives was also addressed. A number of speakers concluded that joint efforts are required on behalf of Member States to regulate the digital sphere and to counter the influence of big tech companies.

*Edina Tóth*, an independent Member of the European Parliament, moderated the first panel discussion. In her opening remarks, she reminded the guests that the conference of June 21, 2021, was the third official international event held in Hungary organised under the aegis of the Conference on the Future of Europe.

*Judit Varga*, Minister of Justice, discussed sovereignty from the Hungarian point of view, highlighting the importance of national parliaments, which, she argued, must play a key role in the Conference on the Future of Europe. The Minister referred to the Conference as a historic opportunity to rediscover the roots of the initial spirit of European cooperation with a renewed sense of ambition. According to the Minister, one of the duties of current generations is to preserve their heritage while progressing toward the ever-changing future. She recalled that the digital revolution – that is, the third Industrial Revolution – brought fundamental changes to economies, societies, and cultures, including the European Union. She argued that evaluating the long-term consequences of related changes is a key obligation of all governments. Highlighting the fact that it is Member States that write the history of integration, she emphasised that the Digital European Union must work for the benefit of all European citizens. According to the Minister, one of the most important features of sovereignty is freedom of action and the ability to decide one’s own fate. Therefore, considering that we have come to live a significant part of our lives online, we have to ensure that the principle of sovereignty can prevail not only in the physical world but also in the digital world. While social media platforms seemed to have promising potential for democracies worldwide, growing disenchantment among users due to issues such as data breaches, fake news, and censorship has become a reality. People are becoming increasingly aware that their data, behaviour, opinions, and habits are continuously collected and analysed by these platforms, which, instead of fulfilling a passive gatekeeper role, have come to manipulate users. She argued that the online private sphere has been shrinking despite users’ opinions and interests. Hence, she claimed that one of the most
urgent questions of modern times is whether people will be able to control technology instead of allowing it to control their lives, stressing that neither expert warnings nor users’ worries should be neglected. Referring to the freedom of speech and digital sovereignty as common successes, the Minister pointed out that, under her leadership, the Hungarian Ministry of Justice established a Digital Freedom Committee with the aim of bringing about more transparency regarding the operation of transnational technological companies and their data management.

She informed the participants of the conference that the Digital Freedom Committee drafted a White Paper with the aim of summarising and discussing issues concerning regulation, based on the experience of government agencies and law enforcement. The priorities of the White Paper include freedom of expression, the protection of data and private life, the protection of children, and national sovereignty. The Committee has already organised a number of meetings to discuss how digital sovereignty can prevail in times of crisis. Minister Varga argued that the same laws should apply both offline and online. After many Member States acknowledged the urgency of regulating social media platforms, the European Commission drafted two legislative proposals: the Digital Services Act and the Digital Markets Act. Their aim was to establish a common set of rules throughout the EU. The Minister warned of the threat posed by big tech companies due to their monopolistic status in the global market. Since Member States might have a hard time establishing effective legislation on their own, as shown by experience, she encouraged firm European action to counter the hegemony of social media platforms in the name of fairness and objectivity.

In concluding, she underlined the importance of Europe as a pioneer in the online protection of fundamental rights, setting a global example. The Minister stressed that ‘As the world changes, the legal context must change, too’ and hence urged a ‘smart’ Union instead of an ‘ever closer’ EU, as the former could face the challenges of a ‘smart’ world.

Mariya Gabriel, European Commissioner for Research, Innovation, Education, Culture, and Youth, asserted that it is only by joining forces that Europe will achieve a digital transition. She highlighted the need to invest in new technologies and disruptive innovation, and referred to innovation as a critical element of the challenge Europe is ready to take up. The commissioner sees the digital sector as the source of numerous transformative technologies, with its capacity to accelerate knowledge diffusion and ease innovation adoption. Achieving economic competitiveness and technological sovereignty is of key importance for European integration. The Commissioner said that the European Innovation Council (EIC), aimed at overcoming financing shortages with a total budget of €10 billion over the next seven years, will fund start-ups as well as small and medium-sized enterprises (SMEs) through venture capital-style funding. In terms of the latter, the EIC functions as a shareholder in the enterprises. The European Innovation Fund will have a blocking minority for projects with strong security components or when the EU wants to reinforce its sovereignty over prominent technologies. Gabriel added that the Commission is preparing the ground for a pan-European innovation
ecosystem connecting national and local ecosystems, through which cooperation, exchanges of ideas, cross-funding, and networking would all be possible. As for the innovators, they must express their needs; the EIC's forum will function as a platform for this, alongside the creation of policy recommendations and activities. In addition, connecting local, digital, and deep-tech innovation ecosystems will result in more global-champion scale-ups, such as the winner of this year's Future Unicorn Award, the Hungarian Oncompass Medicine, which developed artificial intelligence-based (AI-based) medical software that assists in selecting the most appropriate targeted cancer therapy. At the end of her speech, she encouraged all actors in the digital market to put forward their own proposals.

Ana Paula Zacarias, Portugal’s Secretary of State for EU Affairs, invoked the first Plenary Session in the framework of the Conference which took place on June 19, 2021. The Secretary of State recalled that the issue of the ‘double’ (green and digital) transition was raised by several citizens. In her speech, she focused on the issue of how to make the digital world more sustainable and the need to use the digital domain for more sustainability. She envisioned a reliable and competitive digital world and evaluated digital transformation as both a challenge and an opportunity. The Commissioner pointed out that, while digitalisation can be a tool facilitating the EU’s economic recovery, the pandemic accelerated the pace of digitalisation. In her view, a well-functioning single market and the establishment of an e-market are both imperative. She claimed that public services have been key to overcoming this pandemic. Regarding the future, she emphasised the need not only for more innovation in Europe but also for more autonomy concerning Europe’s value chains, with special attention paid to micro, small, and medium enterprises. The importance of ensuring that the EU takes on board the issue of digital rights was highlighted, since the people themselves are at the core of digital autonomy. In addition, the State Secretary underlined the importance of continuing to deepen the internal market while ensuring that the data being shared are protected. Finally, the State Secretary expressed the necessity of defending against multilateralism.

Leonardo Cervera Navas, Director of the European Data Protection Supervisor, began his speech by asserting that digital sovereignty does not mean digital protectionism; sovereignty is about alternatives, as well as about being able to define our own rules autonomously. The Director pointed out that since the EU cannot seclude itself from the rest of the world, digital sovereignty does not require keeping personal data in the EU. Regarding the global arena of data protection, he highlighted the lack of a truly global international convention dealing with the issue of personal data flows. In addition, he recalled the ruling of the European Court of Justice of July 2020, which invalidated the Privacy Shield for EU-US data transfers. The Director welcomed the new impetus being given to the trans-Atlantic relationship, and expressed a hope for a sustainable solution, supporting both an intensified dialogue with the US and other third countries, as well as the policy initiatives required to achieve digital sovereignty. He also emphasised that data localisation should not be a goal.
Erik Bánki, Chair of the Economic Committee of the Hungarian National Assembly, concluded that it would be timely to initiate a pan-European dialogue on problems essential to citizens instead of abstract ideological dilemmas. He argued that this would, in the long run, reduce the distance between citizens and EU institutions. Recalling the conference co-organised by the Hungarian Ministry of Justice and the Ferenc Mádl Institute of Comparative Law last September, he concluded that Hungary was the first Member State to commence a discussion on the future of Europe. Bánki justified the importance of national parliaments, underlining that these institutions are the closest to citizens through their legitimately elected representatives. He pointed out that both e-commerce and the digital transition were given a significant boost during the COVID-19 pandemic, resulting in a 3% growth in the share of e-commerce transactions in global retail in a single year. He then drew attention to the double-edged joint impact of digitalisation and the pandemic: while digitalisation rendered commerce more resilient, the pandemic deepened the already-existing digital divide. As the chair pointed out, big tech became the biggest winner of the pandemic, while a number of SMEs have lost market share. Therefore, he argued, creating a comprehensive long-term strategy is necessary to help SMEs. While a market ecosystem would contribute to Europe’s increased resilience, the demand side must also be prepared for imminent changes, and, to this end, they must be provided with proper guidance.

Following the presentations, the audience had the opportunity to address questions to the speakers. Minister of Justice Varga, reflecting on a question about the Digital Freedom Committee’s involvement in promoting joint EU efforts regarding the DSA and DMA regulations, emphasised again that an EU-level solution is required, since big tech companies follow ‘big numbers’. Thus, an entity with a population of 500 million is more influential than a member state of 10 million people. She added that what happens online reflects the offline world; however, regulating the former poses more significant challenges. State Secretary Zacarias, referring to the most significant achievements of the Portuguese Presidency, highlighted the Porto Social Summit, which offered an opportunity to raise awareness concerning the social aspects of the digital transition. One audience question enquired about the efficiency of the EU in guaranteeing the safety of European users’ data, to which Director Cervera Navas replied by acknowledging that the EU has acted adequately in terms of data safety. Chairman Bánki addressed a question on the national parliaments’ contribution to EU digitalisation objectives. He mentioned the integrated law-making initiated by the Hungarian government, which makes available each decision made by either the municipalities or Parliament.

Panel Discussion 2: ‘Digitalisation and businesses: the future of European competitiveness’

The panel discussion addressed the economic implications of digitalisation and the responsibilities of economic actors, Member States, and the European Union.
Fundamentally, all speakers agreed that Europe lags behind the rest of the world in this regard – most notably compared to the United States and China. They explored the reasons for this and possible solutions. One very important factor is the underdevelopment of the infrastructure needed for digitalisation, which will require significant development and resources if we are to build successful digitalisation programs.\(^9\)

László György, State Secretary for Economic Strategy and Regulation of the Ministry of Innovation and Technology, stated that high regulatory standards in Europe have significantly increased living standards but at the same time represent a serious economic disadvantage for businesses on a global level. The speaker suggested that new competition and data protection rules are needed to allow large European digital companies to emerge. In addition, a strong industrial base and infrastructure are needed, which could serve as the basis for strategic autonomy. He also stressed the need to prevent hostile takeovers, and argued that practical examples are needed for the digitalisation of SMEs, such as the Hungarian Modern Model Plants program.\(^10\)

In her presentation, Valentina Superti, Director at DG GROW, emphasised that businesses that invest in digital solutions are more likely to succeed than those that do not. In addition to public funds, the involvement of private capital is a condition for success in the PPP model.\(^11\) She spoke about the European Commission’s support for digitalisation in terms of three pillars: the adoption of the digital compass,\(^12\) digital transformation roadmaps developed by each sector, and transformation initiatives such as local digital platforms for local economies.

Josephine Wood, Senior Program Officer at EuroHPC, reported that EuroHPC was launched as a European PPP with 33 participating States and two private sector supporters with the aim of procuring and commissioning supercomputers.\(^13\) Eight supercomputers are being procured, and their computing capacity plays a major role in data analysis. In addition, training is being conducted to ensure that the professionals needed to operate them will be available.

Erzsébet Fitori, Group Head of EU Affairs and Relations of the Vodafone Group, addressed four important issues: political ambition, overcoming obstacles, assessing gaps, and making recommendations to bridge the digital divide. Within the policy field, she highlighted the need for high-level policies and the use of the PPP model. She added that the most important factor in reaching our goals is the development of infrastructure, which will serve as a basis for later steps. She underlined that the development of

\(^10\) Available at: https://modem4.hu/ (Accessed: 1 August 2021).
\(^11\) Public-private partnership (PPP) is a very useful tool, especially for infrastructure development, based on mutually beneficial conditions and risk sharing. See: Tolstolesova et al., 2021.
rural connectivity is an important goal, as 30% of EU citizens live in these areas, and the digital divide could deepen without a strong focus on this area.\textsuperscript{14}

\textit{Balázs Nyers}, Chief Operating Officer of SAP Labs Hungary, emphasised the essential role of new technologies in ensuring that businesses can continue to operate during the COVID-19 pandemic. China is seeking global leadership in the development of new technologies by relying on its vast internal market, while American companies have also benefited greatly from the liberal economic policies of the United States. Meanwhile, Europe is lagging far behind and is reacting to new challenges slowly.\textsuperscript{15} He cited the lack of vaccine development by European companies and the introduction of the delayed EU Green Passport as examples of the backlog. Developments can only be made at the EU level, as Member States alone cannot compete with China or the United States in his view.

In her presentation, \textit{Marie-Theres Thiell}, Vice President of the German-Hungarian Chamber of Commerce, emphasised that greater digitalisation often results in better efficiency but also requires investment. She said that digital administration is often expected by customers dealing with utilities. She also stressed the importance of education in digital skills, where older people should also be taken into account. In responding to a question on the effectiveness and attractiveness of Hungarian digital developments, Vice President Thiell complimented the flexibility and readiness of the Hungarian labour force in adapting to changes. She also underlined the convenience provided by the fact that Hungarian innovation and technological developments are guided and supervised by a common Ministry. Another technical question was addressed to Ms. Fitori, who enumerated three areas in which 5G systems perform better than 4G systems: increased speed, low latency, and capacity growth.

\textbf{Panel Discussion 3: ‘Digitalisation and European citizens: how to ensure an ethical transition?’}

\textit{Lennart Brand}, head of the Managing Director of Leadership Excellence Institute at Zeppelin University, pointed out that judging and regulating the technology of the future under current ethical rules is harmful, as it hinders the emergence of the kind of new ethics that has always resulted from changing social situations.\textsuperscript{16} Ethics has always followed the material framework of societies. In his opinion, the Judeo-Christian value system provides a permanent basis for the development of new ethics, by which new technologies can be regulated effectively. He mentioned as an example genome-modified humans (as a possible new human subspecies) and combat-robots, for which current ethics does not provide a solution but for which a new ethics may.

\textsuperscript{15} Korreck, 2021.
\textsuperscript{16} For an ethical approach to digital technology, see Capurro, 2017, pp. 277–283.
Professor András Koltay, Rector of the University of Public Service, examined the relationship between online platforms, freedom of speech, and the press, pointing out that these platforms have no moral obligation to provide public services. They do have internal rules but lack procedural guarantees, a good example of which is the blocking of former US President Donald Trump.

Among the regulatory options, he highlighted self- and co-regulation. Two solutions seem to have emerged in Member States: one focusing on the removal of illegal content (e.g. Germany) and the other focusing on the protection of freedom of expression (e.g. Poland).

Krisztina Stump, Head of Unit of the Audiovisual and Media Policy Unit at the Directorate General for Communications Networks, Content and Technology, of the European Commission, also addressed regulatory issues but from a different perspective. She was concerned about the problem of online disinformation. The EU has been working on regulating this phenomenon since 2016 using self-regulation, which will become co-regulation once the Digital Services Act (DSA) is adopted. In her view, financial incentives for addressing disinformation content should be withdrawn. She also emphasised that disinformation should not be made impossible to spread; rather, it should be controlled.

Christopher Markou, an affiliated lecturer at the University of Cambridge, spoke about the possibility of involving AI in judicial work, which is a very sensitive subject for lawyers. The question is whether we can reach the point where the machine will be able to evaluate all aspects taken into account by a judge. The 17th-century mathematician Gottfried Leibniz claimed that law is ideally structured like mathematics, giving a predictable result in the end, Markou however argues that making such a decision is almost impossible. He also referenced John von Neumann, who said that technology is moving towards singularity at such a rate that humanity cannot keep up with it. Automating decisions leads to a deterioration of legal language and lower standards, as it needs to be approximated to the binary language of machines. In his view, therefore, we should not allow the letter of the law to be applied in a way that is contrary to its spirit. Therefore, he argued that an impenetrable red line is required in this area.

Professor Michel Cannarsa, Dean of the Faculty of Law at the Catholic University of Lyon, focused on the regulation of AI, pointing out that, while it can increase efficiency, its risks must also be considered from legal and ethical points of view. He asserted that this should be the responsibility of developers, while at the same time, lawyers also need to learn about new technologies so that technology does not come to determine law in the long run.

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17 Koltay, 2019, pp. 1–56.
18 Rodriguez, 2021.
19 See Germany’s ‘Facebook law’ (Gesley, 2017).
Summary

The first panel discussion of the conference granted space for a discussion on the relationship between digitalisation and sovereignty. Judit Varga, Minister of Justice of Hungary, emphasized the importance of the principle of sovereignty and the role of national parliaments in the digital world. She highlighted that, to achieve an efficient digital transition in Europe, Member States need to cooperate with and rely on one another. Panellists pointed out that the digital European Union must serve the interests of European citizens. Making the digital world more sustainable is crucial for the future of a well-functioning European digital market. The minister spoke about the consequences of the monopoly held by big tech companies and underlined that the EU needs to take joint action in this regard. The EU lacks a convention on the protection of fundamental rights online; hence, the aim should be to implement legislation to protect citizens and to set a global example. To achieve global economic competitiveness, Europe needs to invest in technologies and innovation. Digitalisation has rendered commerce more resilient, yet the pandemic has widened the digital gap. At the end of each panel discussion, audience members – many of whom were representatives of youth organisations such as the Youth Business Group – had the opportunity to ask the speakers questions. The audience seemed to be particularly interested in the national parliaments’ contribution to the digitalisation aims of the EU, as well as the level and effectiveness of digitalisation in Hungary.

In the second panel, the most important ideas revolved around the need for infrastructure development as a prerequisite for digitalisation. It was argued that rural populations must be taken into account in this process and that rural infrastructure development must be supported in order to avoid a digital divide. It was also observed that SMEs, which form the backbone of the European economy, find it more difficult to adapt to new challenges than American or Chinese digital companies do. It was claimed that digitalisation should not be treated as just a financial issue for SMEs and that the right models should be made available to them; an example of this is the modern model plants program in Hungary. Education and digital skills development are important and are also key for older people. In the area of regulation, it must be understood that high standards mean additional costs for businesses and put them at a competitive disadvantage in the global market. The speakers agreed that digitalisation will be successful only through the effective use of public–private partnerships.

The third panel discussion explored the social impact of digitalisation. Views differed on the importance of an ethical approach, as one speaker argued that we should wait for technology to create a new ethical framework, while others claimed that we need to address key issues before the new technologies fully emerge. In the field of regulation, online platforms and misinformation were key issues in the lectures. In Europe, self-regulation and co-regulation have become the primary solutions. Two lectures dealt with the regulation of AI. According to the speakers, in addition
to increasing efficiency, the dangers of technology must also be considered. This is especially true for the use of AI in the legal field, which may be promising but can also lead to a decline in legal standards. The main question was whether the letter of the law would be applied in way contrary to its spirit.
Bibliography


