

HOW DOES EUROPE RESPOND?

DIGITAL REVOLUTION AND THE TRANSFORMATION OF WORK

The Pablo VI Foundation's multidisciplinary seminar has been studying the digital revolution and the transformation of work since 2019, with the participation of a broad group of experts: economists and sociologists, philosophers and social ethicists, engineers and technologists, entrepreneurs and trade unionists; two volumes have been published¹. In the third phase, from December 2023 to May 2025, the seminar reflected on the institutional response to these transnational phenomena which, in the absence of a global governance body, is in our case located in the institutions of the European Union. In addition to the monthly sessions of the Committee of Experts, an international conference was held in April 2024, organised in collaboration with the Istituto Paolo VI of Brescia (Italy), on Citizen Participation in the Construction of Europe.

Is the EU in a position to provide an effective response to a technological revolution that today appears to be dominated by powerful centres of power, both private and public, in the United States and China? What kind of response? To what ends? With what effects?

To answer these questions, at a time of profound geopolitical change, the seminar had to navigate the choppy waters of the present day to situate Europe in the global context: from history, through the "culture wars" imported from the United States and the debate on the social market economy and its sustainability, to the EU's regulatory capacity and its effects.

Throughout the journey, reference has been made time and again to the full validity of the founding principles of European construction: an unprecedented project of transnational collaboration, at once pragmatic and idealistic, respectful of subsidiarity, rooted in the pooling of economic and scientific capacities, inspired by a conviction of peaceful coexistence between states and nations.

*The wealth of material from this last stage of the seminar will be published shortly in the third volume of the series. Without claiming to summarise the whole range of ideas and controversies, the organisers nevertheless wished to formulate the following **MANIFESTO** at the end of the series.*

¹ *Huella digital ¿servidumbre o servicio?* Tirant Humanidades 2022; *El trabajo se transforma* Tirant Humanidades 2024. Recordings of the sessions can be viewed on the website of the Pablo VI Foundation <https://fpablovi.org/europadigital-sesiones>. Excerpts and interviews have been published in podcasts https://www.ivoox.com/en/podcast-trabajo-se-transforma_sq_f12531388_1.html and https://open.spotify.com/episode/1OMKRxJ2ooHlBXEmGLEfKB?go=1&sp_cid=94535ba9f5dfa4e4d04238062770492c&utm_source=embed_player_p&utm_medium=desktop&nd=1&dlsi=a23e27ea42c94eed.

DIGITAL REVOLUTION AND THE TRANSFORMATION OF WORK: EUROPE RESPONDS

1. History, geopolitics and culture

The strength of the EU is perceived more clearly in the rest of the world than by Europeans themselves. In Europe, everyone has their own reading of the continent's past, both a historical source of culture and a starting point for colonial expeditions. A past in which beneficial cultural influence is mixed with abuses of power, business - extractive or integrative, as the case may be - with religious missions. Whether or not we are reconciled with this past, with the painful memory of the "European civil wars" and two world wars launched on our continent, even if Europe has long since lost its global power, its citizens remain the bearers of a culture of political and institutional virtues - the rule of law and the welfare state - which inspired the creation of the EU and are a prefiguration of a hypothetical global federative governance.

Where would we be without Europe? The EU is small and weak in some respects in the multipolar world. Europe's lack of credibility is partly due to the fact that it does not sufficiently put into practice the ideals for which it claims. But even so, the positive results of the process of European integration for coexistence and welfare are evident.

The EU has made several enlargements and has more to come. The founding countries wanted to share part of their historical identity in a common effort; in contrast, some of the newly acceding countries aspire to fully recover their identity mortified in years of Soviet domination. This difference in approach brings increasing complexity to the process, but the EU could hardly refuse the desire for accession and reform of a European country that shares its core values.

European institutions are little known to the public. An information effort is needed to convey the reality of shared sovereignty, which is exercised within the limits of the Union's competences and is an essential part of the governance of the whole. Today, the European institutions enjoy stability, based on a majority coalition, and a system of *checks and balances* enviable to many governments and parliaments in the Member States and the rest of the world.

European society suffers, like the West as a whole, from a blind inclination towards the individual, far from the relational and supportive ideal of the personalist tradition. Despite this, in a world in which blocs inspired by an aggressive and retrograde nationalism are asserting themselves, Europe remains the bearer of hope for its own members and for the whole world, not in words but by the effect of its institutional reality. To preserve and develop this space, idealistic formulas are not enough. The methodology initiated by the founders must be followed step by step, combining pragmatism with inspiration in the high principles of the Treaties.

2. Sustainability and the social market economy

The economic sphere is not autonomous, but is subject to broader goals of well-being and integral human development. European integration promotes from the outset an economy based on the free market and private initiative, within an institutional framework that respects human dignity, freedom of movement, equality of citizens before the law, the rule of law and human rights. The debate on the economic future of the Union is inseparable from the political debate on a multipolar world and Europe's commitment to world peace, so difficult at the present time of near-by regional confrontations, "outsourced" by external actors.

In the changing geopolitical environment, Europe has weaknesses: demographic deficit, low productivity, lack of innovation and technological leadership. Difficulties in energy supply and the resurgence of protectionism further endanger an industrial model geared towards the export of sophisticated products, but threatened with obsolescence by digitalisation and artificial intelligence. The single market is still far from being fully realised: there are still excluded sectors and regulatory barriers that hinder intra-European trade. European regulation suffers from excessive complexity. Decision-making processes between 27 Member States are slow. A reform of the treaties is essential to reduce the requirement for unanimity and allow greater use to be made of majority decisions. Perhaps the "virtual 28th state" coined by Enrico Letta is an important step in this direction.²

Necessity compels: in the face of the covid-19 pandemic, Europe responded effectively to obtain vaccines and to finance the subsequent recovery. Now, the need to strengthen Europe's defensive autonomy requires joint action. For years, the United States has complained about Europe's inadequate financial participation in NATO's defence spending. It is now to be feared that the pacts that have protected Europe since 1945 will be weakened. The invasion of Ukraine shows that defence is not an expendable luxury: there is no freedom without security. Even if increased defence spending does not provoke enthusiasm, defence investment is relevant to technological development. Above all, Europe cannot ignore the need for a more integrated industry at the continental level, increasing the efficiency of the defence economic effort through economies of scale. In this new context, a rapprochement with European countries that are not part of the Union and are not applying for membership, such as the United Kingdom, Switzerland and Norway, and with all countries that are part of the European Political Community, is useful.

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Europe is a leader in the transition to a "green economy". Its full development - while respecting the time needed for industrial transformation and the retraining of workers -

² http://commission.europa.eu/document/download/10017eb1-4722-4333-add2-e0ed18105a34_en#:~:text=Making%20it%20possible%20for%20innovative,insolvency%2C%20labour%20and%20tax%20law.

³ The European Political Community is a platform created in 2022 to promote the exchange of views on the current and future situation of the European continent, involving 47 countries www.epc-observatory.info.

requires large amounts of investment in European electricity interconnection and decarbonisation projects.

In view of these financial needs, it is necessary to mobilise public and private investment, which is difficult in a context of high public debt and tight fiscal margins. The debate between "frugal" and "prodigal" countries in the EU gives way to the need for a common effort to retain European savings and finance investment needs in defence, digitalisation and the "green economy". The financial sector moves out of its "silo vision", putting itself at the service of integral development. Overcoming the fragmentation of financial markets, promoting the availability of risk capital, making it fiscally easier to invest in attractive European projects: these are challenges that the EU and member states must continue to address together. Europe has succeeded when it has set out on an ambitious project, such as the creation of the single currency: the strength of the euro and its credibility, recognised worldwide, testify to what can be achieved by working together. Europe can succeed when it abandons fragmentation in favour of concentration. The *World-Wide Web* was created at CERN, an agreement of many European countries. Too often, Europe's Member States fight for their own prominence by encouraging fragmentation rather than creating critical mass and scale.

The possibilities of technology and the need to transform the European growth model of the last 70 years lead to the need for a comprehensive sustainability vision, impossible without the "top-down" impetus of a political will for European leadership, breaking the routine of endless negotiations between national governments. No progress can be made until decisions are taken *"as if we were a single state to face the challenges of the EU"* (Mario Draghi, opening speech of the European Parliament 2025), with a reaffirmation of the common will and a vision of open collaboration towards global development.

It may not make sense for Europe to compete at all costs with the United States and China in the same growth fields. The conditions of this competition are changing rapidly; simplifying policy positions - such as the imposition of tariff barriers - pretend to ignore the reality of complex multinational value chains and the overt or covert struggle for raw materials. Competition will increasingly shift to the application of artificial intelligence to production processes, and Europe, while dependent on American *big tech* for the use of technologies, has much to contribute in new applications at the service of integral human development. Technological evolution offers opportunities to compete in our own fields, based on traditional skills. The values that inspire European construction can help to set scientific, economic and social objectives that are different from those of the USA and China, for example, in the field of transport, health and the cultivation of enriching cultural products for the growing leisure time that will result from the reduction in working time.

3. In the face of digitalisation and the transformation of work, more role for Europe?

With the DSA (*Digital Services Act*) and the DMA (*Digital Markets Act*), the EU is providing a legally enforceable response to potential threats in terms of transparency, security, user rights and possible abuse of market positions by market *gatekeepers*, be

they American, European or Chinese. The *AI Act 2024* complements these provisions with a classification of the level of risk for different uses of artificial intelligence and the prevention of potential harm. This regulation is necessary, but slow in the face of rapid technological leaps in generative artificial intelligence

European regulatory activity and its effects beyond Europe (the “Brussels effect”⁴) are not the cause of the weakness of European digital entrepreneurship: the development of American *big tech* and their Chinese emulators predates it. Europe suffers from other limitations, which can be corrected: lack of proximity between research and business, weakness of venture capital, more risk aversion, non-valuation of failed experiences. Both the US and Europe have strong regulations to preserve competition; US policy is more in the short-term consumer interest, while European regulations tend to ensure diversity of supply in the long term. Both approaches are necessary.

The “Brussels effect” is provoking criticism from certain countries and from digital macro-businesses, while at the same time setting an example for the whole world: a market of 450 million “rich” consumers probably deserves to abide by rules that, for reasons of economy, producers themselves will tend to extend to all their production. Although a relatively weak player in business and technological terms, the EU has asserted itself as a leader in international regulation of the use of digital technology. To this extent it deserves the full support of those who seek to promote a socially constructive use of digitalisation, the delegation of functions to automated systems, and generative artificial intelligence systems.

The effects of digital disruption on employment are uncertain. Jobs created around digitalisation may be complementary to existing occupations - increasing their productivity - or replace functions, or even create new occupations. New jobs are different from disappearing jobs, often less durable, sometimes precarious. Can social adaptation in the labour, education and social policy systems catch up with the unpredictable race of technology, driven by competition and investment? There are no answers about the point of arrival, but work can be done on the processes that will enable adaptation, in particular lifelong learning in the workplace. To put this adaptation into practice, regulation and the will of employers are not enough: it is essential to give maximum vitality to social dialogue and sectoral collective bargaining - two intangible assets and a competitive advantage that Europe must absolutely promote. European institutions, national governments and all the living forces of society, including the Christian churches, must work together to do this.

For the medium-term future, in the face of advancing digitalisation and robotisation, we must not lose sight of the fact that work and employment are not identical. Employment is the form of income distribution that has prevailed since the 19th century, and currently involves approximately half of the total population in Spain; it is possible that its role will be further reduced - in terms of the number of hours worked and the number of people employed - and that new forms of distribution will have to emerge, which require a

⁴ Anu Bradford. *The Brussels Effect: how the European Union Rules the World*, 2020.

necessary long-term reflection on taxation, the remuneration of capital and social subsidies. A society in which compulsory work disappears is not impossible, but work's anthropological and educational value must not be lost: subjects on which new reflections on social ethics are expected, such as those that Pope Leo XIV, who has referred to the current revolution of "new things", can give in the wake of *Rerum Novarum*.⁵

4. Inspiration

The founders of the EU were inspired by these principles of social ethics, some of them were convinced Christians. Their work illustrates what action based on the Greek and Judaeo-Christian tradition - common good, universal destination of goods, subsidiarity, participation, solidarity - in cooperation with other philosophical and religious orientations, and at the same time fully grounded in political, social and economic reality, can mean at a given moment in history.

In view of the prospect of a further enlargement of the EU, the Catholic Bishops have expressed themselves clearly: *Beyond being a geopolitical necessity for the stability of our continent, we see the prospect of a future enlargement of the EU as a strong message of hope for the citizens of the candidate countries and as a response to their desire to live in peace and justice. But this requires an internal impetus to renew inspiration: As long as a true European spirit, including a sense of belonging to the same community and of shared responsibility for it, is not fully developed, trust within the European Union may be undermined and the building of unity compromised by attempts to put particular interests and narrow visions above the common good.*⁶

After decades of confidence in economic growth and institution-building, our societies feel a sense of bewilderment, a "quick satiety with good" (Tolkien). Euroscepticism and criticism of what may be "technocratic dreaming" in the European project reflect this discontent. But the social crisis affects national political structures and opinions to an equal or greater extent, paralysed between the radicalism of the extremes and the difficulty of dialogue in the centre. The reconstruction of European culture and society everywhere requires action "from below" in the cultivation of local and regional civil communities and initiatives. But, at the same time, European institutions - less affected by paralysing polarisation - can and must exercise leadership "from above", especially in the defence and protection of "global public goods".

In this context, the Christian churches can play an important role, insofar as they themselves are faithful to their vocation, updating their message to the demands of a secularised society, but hungry for spiritual nourishment.

⁵ Encyclical of Pope Leo XIII, 1891, the first encyclical in the social doctrine of the Catholic Church.

⁶ COMECE, Declaration of 19.04.2024

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