



Digital transition in the EU recovery strategy

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Recovery and Resilience Facility

up to EUR 672.5 bn

Grants
up to EUR 312.5 bn

Loans
up to EUR 360 bn

26
Plans

Reforms and Investments

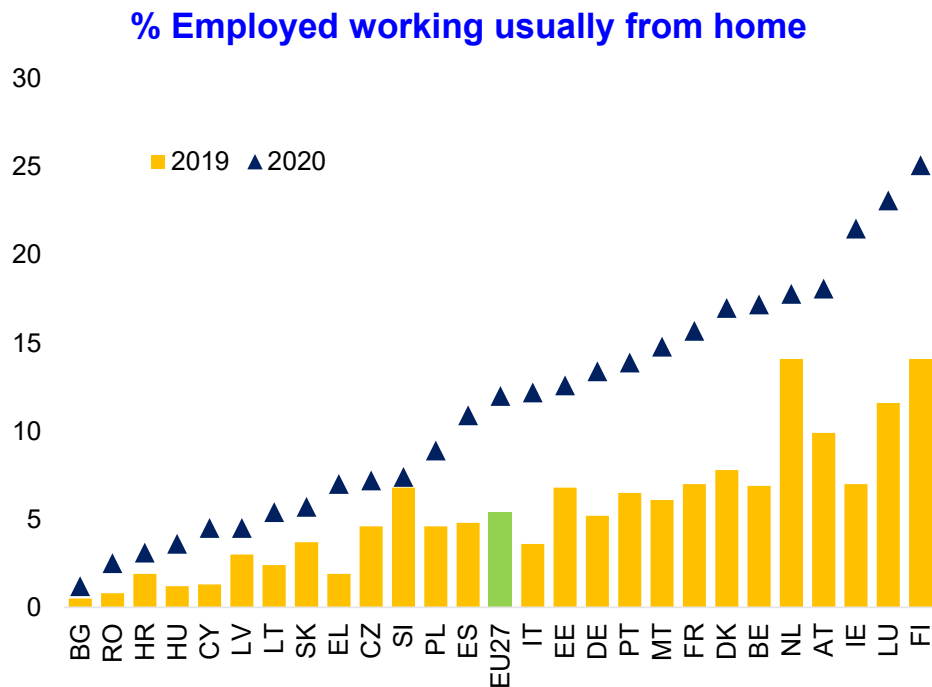
- Lasting impact
- Addressing country-specific recommendations
- Contribution to the 6 pillars of the RRF

min. 37% Green

min. 20% Digital

for all:
do-no-significant-harm principle

Massive shift to teleworking

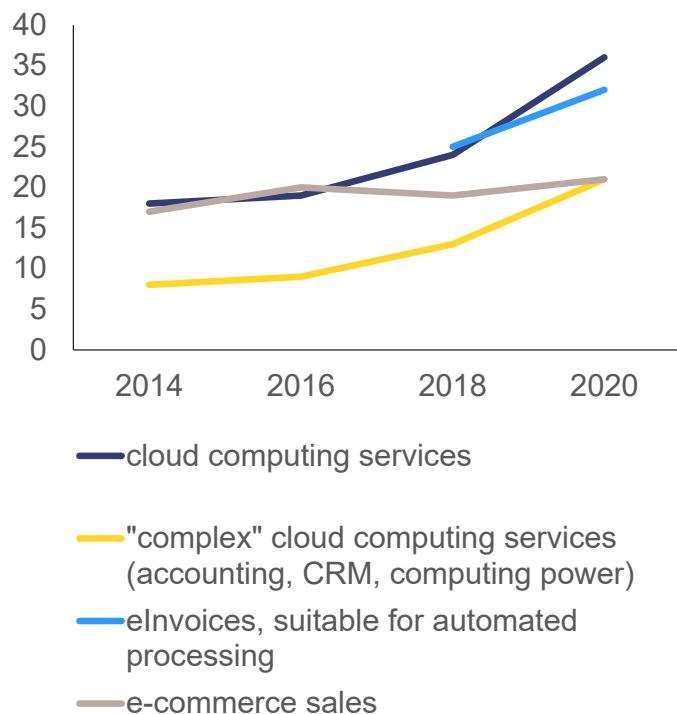


- Share of people usually working from home increased from 5% to 12% in one year (EU27)
- Sectors relying more on **teleworkable** jobs were generally **more resilient** to the crisis
- **Telework is here to stay** – partially

Barrero, J M, N Bloom, and S J Davis, (2021), "Why Working from Home Will Stick," NBER Working Paper 28731.

Accelerated adoption of digital technologies

% Firms adopting digital technologies



- In spite of large demand contraction, liquidity constraints and increased uncertainty, firms heavily **invested in digital technologies** during the pandemic
- Early technology adopters responded more effectively to the pandemic

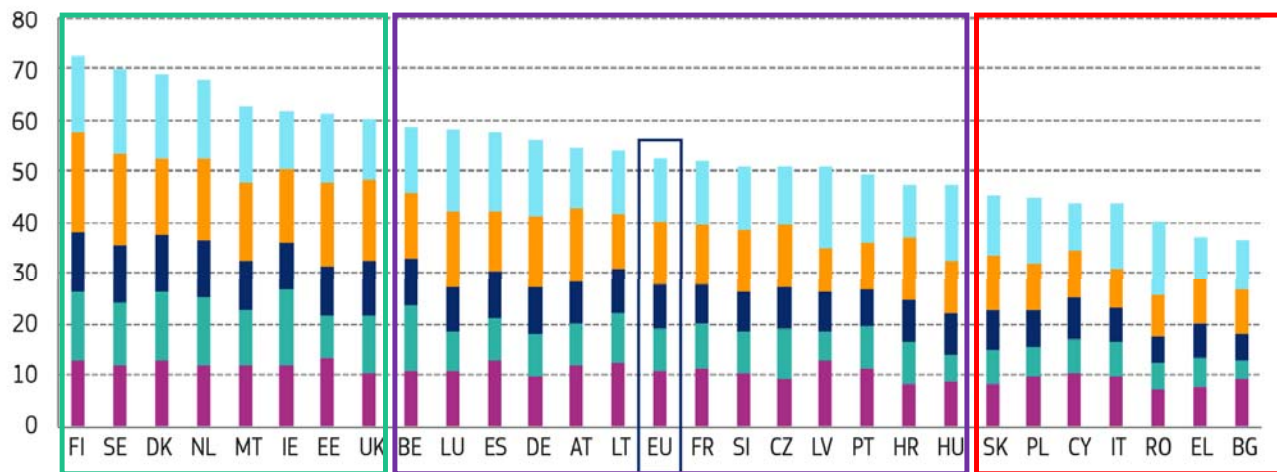
Note: The data cover all enterprises without financial sector, with 10 employees or more
Source: Eurostat data from Community survey on ICT usage in enterprises

Where Member States stand on digital



MS are at very different levels of digitisation and have different needs:

- **Top performers**, which are also world leaders
- **Member States in the middle**, with gaps in several areas
- **Laggards**, facing significant shortcomings in all dimensions



Source: [Digital Economy and Society Index 2020](#)

About DESI:

- DESI measures digital performance across 5 dimensions.
- It is a composite index which combines 37 indicators.
- It provides solid and comparable data (mainly based on Eurostat), recognised by MS and stakeholders.



Support to the digital transition under the Recovery and Resilience Facility (**RRF**)

- At least 20% **Digital expenditure** in RRFs - **26.4% – 117bn***
- **Complementarity** with other sources of funding and private investments (incl. InvestEU)
- Flanking **reforms** (public administration, removing barriers to 5G deployment, etc...)
- **Security self-assessment** to preserve open strategic autonomy

* Assessment of 22 plans endorsed by the Commission to date.

Key reforms and investments to support the digital transition

Digital public services

Digitalisation of public administration, health, transport, and justice
€ 43 bn – 37 %



Digital skills

Basic and advanced digital skills
€ 20 bn – 17 %

Digitalisation of businesses

Support to digitalisation for business with a focus on SMEs
€ 24 bn – 20 %



Connectivity

Supporting the roll-out of very high capacity networks including 5G
€ 13 bn – 11 %

R&I / advanced technologies

R&I and deployment of advanced digital technologies (incl. sector applications)
€ 17 bn – 15 %



- Assessment of 22 plans endorsed by the Commission to date
- The categories for digital public services and digitalisation of businesses can include elements of adv. technologies

Digital skills

- Implementation of **Digital skills strategies**, including:
 - **basic digital skills** training for all citizens
 - adapting the existing initial and continuous **vocational training offer** to better integrate digital skills development
 - **advanced digital skills** training throughout the working life
- Closing the **ICT specialist gap** in the EU
- **Digital transformation of the public administration** accompanied by digital upskilling for relevant staff
- **Digitalisation of schools** and ensuring **pupils' access to digital equipment**
- Targeted support to **vulnerable or underrepresented groups**



Complementary to other relevant EU funding

The social dimension of the RRP



- Social aspects are a key component of the Recovery and Resilience Facility. The social dimension features prominently in the 26 plans submitted so far. Social expenditure accounts for **around 30% of the total envelope**.
- The plans contain a broad **range of reforms and investments** that will contribute to strengthening social cohesion and resilience, as well as the **policies for the next generation** to equip them with skills to make them better prepared for future challenges, thereby supporting the **implementation of the European Pillar of Social Rights**.
- The Commission regularly underlines to Member States **the importance of social partner involvement** in the implementation of the RRP.
- The **European Semester** will complement the procedures underway to implement the recovery and resilience plans. It **will reflect the policy priorities of the Commission**, including the twin digital and green transitions, and the progress towards the principles of the European Pillar of Social Rights.

The broader policy context

Digital

- The Digital Decade Communication
- Artificial Intelligence Act
- Digital Services Act (DSA) and the Digital Markets Act (DMA)

Social

- Initiative to ensure fair working conditions and adequate social protection in platform work
- Debate on remote work and the need for a right to disconnect
- Skills Agenda: Individual Learning Accounts and Micro-credentials

The RRP's must drive forward a green transition and digital transformation towards a fair, inclusive and sustainable recovery to make Europe more resilient from a social, economic and institutional perspective to support sustainable and inclusive growth

Thank you

More information: [Commission webpage on the RRF](#)

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