



## **Commission White Paper “How to master Europe’s digital infrastructure needs?”**

### **UNI Europa ICTS contribution to the public consultation (June 2024)**

#### **Addressing the digital transformation**

UNI Europa ICTS welcomes the Commission’s White Paper as it provides a thorough analysis of future investment needs and outlines a regulatory change in the European electronic communications sector. For many years, the European telecommunications industry has observed stagnating sales and a saturated customer base. The pressure to invest is high, returns on capital are low and growth prospects are limited. According to the Commission’s assessment, the EU’s connectivity infrastructure is not yet sufficiently developed to address the future challenges due to the digital transformation and the technological shift to cloud and edge computing. Europe needs an industrial policy strategy to create and strengthen the European equipment suppliers. There is an urgent need for a concerted field of development with the integration of small and medium-sized enterprises and highly specialised telecommunications technology providers and the established network equipment suppliers. In this context, an ambitious cooperation between industry, business, and science (universities) is needed.

Against this backdrop, we agree that a sustainable, high-quality, and secure connectivity infrastructure is necessary to enable technologies such as edge computing, Internet of Things devices, artificial intelligence, 5G (and soon 6G) deployment or fibre networks. As the Commission correctly points out in the White Paper, the availability of secure and high-quality connectivity across Europe, including in remote and rural areas, is crucial to enable all citizens to benefit from the opportunities of innovative technologies and services. If we want to bridge the digital divide, this must be accompanied by the promotion of digital skills and digital literacy, as citizens should be empowered to actually use new technologies and services.

Innovative technologies can contribute to sustainability, both in terms of greening the electronic communications sector itself and by supporting the green transition of other industry sectors. It is therefore positive that the Commission proposes to incorporate the dimension of sustainability in the European Electronic Communications Code.

Efficient spectrum assignment and management can be a driver of growth and help to provide digital services to all citizens. Europe needs a fairer regulatory framework for all players in the sector to strengthen domestic digital infrastructure and services providers in a global competition and to grow employment opportunities.

However, the Commission focuses on competition to drive investment, arguing that the ultimate goal should be the limitation of sector regulation and a sector that is purely market-driven and only subject to competition rules. We think that truly sustainable competition for all industry



players should not be solely based on prices, as this could impact on employment in the sector. A new strategy must combine incentives for investment – especially in underserved areas - and innovation and at the same time provide for the necessary labour market policies that maintain current jobs, promote upskilling opportunities and job creation.

## **People at the heart of the digital transition - stimulating employment growth**

Considering the technological challenges identified due to the convergence of electronic communication networks and cloud services and given the concerns about the financial situation of the EU electronic communications sector depicted by the Commission, we agree that massive investment in the sector is needed not only to achieve connectivity objectives, but also to underpin current employment opportunities and to stimulate the creation of new and better-quality jobs. UNI Europa ICTS shares the understanding that people should be at the centre of the digital transformation, and we welcome the Commission’s efforts to avoid a new social and digital divide. End-users should not be penalized and unable to access digital services because of unaffordable prices or an unfavourable geographic location. Instead, we support the goal that all EU citizens should benefit from very-high speed connectivity everywhere. This could be achieved by providing specific incentives and tools to provide access to technology in remote and hard-to-reach areas. Enjoying the advantages of digitalization and new technologies like AI should become accessible to all.

When we talk about people, we should not only think about consumers and end-users alone, but also about the ICT workforce that is central to achieve all these objectives. Whilst UNI Europa ICTS embraces innovation for the greater benefit of all, we would like to flag up that advanced technologies like artificial intelligence (AI) can negatively affect workers. To mitigate potential impacts on workers’ health, autonomy, privacy and working conditions, it is important to promote a human-centred use of AI and to strengthen social dialogue and collective bargaining when new technologies are introduced at the workplace<sup>1</sup> (workers-in-the-loop). This is in line with the European Declaration on Digital Rights and Principles for the Digital Decade, that highlights the important role of social partners in the digital transformation<sup>2</sup>.

Given the description of the new digital ecosystem presented in the White Paper, we would have appreciated a reference to how new technologies, in particular AI, should be governed in relation to their impact on the workplace<sup>3</sup>. Likewise, the proposal does not address how the productivity gains of AI can be fairly shared with the workforce (including working time reductions). Trade unions should be empowered to bargain on these gains, and we support the

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<sup>1</sup> The impact of AI on workers and the role of social partners and collective bargaining have been the focus of a joint project of UNI Europa and the Friedrich Ebert-Stiftung: <https://www.uni-europa.org/news/new-studies-show-42-per-cent-of-trade-unions-are-already-negotiating-on-ai-and-algorithmic-management-across-service-economy/>.

<sup>2</sup> European Declaration on Digital Rights and Principles for the Digital Decade, <https://digital-strategy.ec.europa.eu/en/library/european-declaration-digital-rights-and-principles>

<sup>3</sup> In this context, we would like to highlight the joint declaration of the European telecom social partners on “Artificial Intelligence – A Blueprint For Unions And Telecom Companies” , [https://www.uni-europa.org/old-uploads/2020/12/20201130\\_UE-ETNO-declaration-AI.pdf](https://www.uni-europa.org/old-uploads/2020/12/20201130_UE-ETNO-declaration-AI.pdf)



ETUC's call for a Directive specifically dealing with AI at work, based on a human-centred approach and guaranteeing the right to collective bargaining on AI.<sup>4</sup>

We are concerned that the White Paper does not address the issue of employment growth sufficiently. The various scenarios presented by the Commission, e.g. the proposals around an accelerated switch-off of the copper networks, are discussed in the light of competition, investment, connectivity goals and sustainability, but not at all from an employment perspective. Nonetheless, the transition to fibre networks or the uptake of other advanced technologies will impact on current jobs and future employment in the sector.

UNI Europa ICTS supports the EU's connectivity targets for 2030 in principle and acknowledges the potential of fibre to achieve sustainability goals. However, we are concerned that the recommended date for the switch-off of the copper infrastructure might be unrealistic for some countries, given the different levels of fibre rollout and the variety of cable types used in EU Member States<sup>5</sup>. A premature shutdown of the copper network could, depending on the national situation, jeopardise access for citizens, threaten a huge number of jobs, and could create a social imbalance if universal service obligations in the fibre optic segment are not clearly regulated. This would also impact on services of general interest and citizens' cultural and social participation. Any accelerated switch-off of the copper infrastructure must be accompanied with appropriate measures to ensure access to the new network infrastructure for all European citizens.

The labour market implications of a copper shutdown must be analysed in detail. To avoid negative consequences for the great number of highly qualified and skilled people employed in the sector, measures for up- and reskilling needs to be put in place. The transition to fibre networks requires different skills sets and increases the need for training and reskilling of workers on a large scale. To meet the demands of a changing market and to support the existing workforce in the sector, it is important that all stakeholders – including governments and social partners - find innovative solutions for upskilling, retraining, and transitioning of workers. At the same time, new job opportunities for young people must be created to close the skills gap in the sector.

Social partners play an important part in the process and should be involved in the review of existing qualification and training programmes.

When promoting an accelerated fibre roll-out, the Commission must also address the problem of working conditions. UNI Europa affiliated trade unions are increasingly observing the disregard or even approval of inhumane working conditions at civil engineering companies. Often, companies use a variety of subcontractors to deploy optic fibre infrastructure. This makes effective monitoring and compliance with legal requirements and labour standards

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<sup>4</sup> See ETUC Manifesto for the European elections:

[https://www.etuc.org/sites/default/files/publication/file/2023-11/ETUC%20Manifesto%20for%20the%202024%20European%20Parliament%20elections\\_EN\\_0.pdf](https://www.etuc.org/sites/default/files/publication/file/2023-11/ETUC%20Manifesto%20for%20the%202024%20European%20Parliament%20elections_EN_0.pdf)

<sup>5</sup> In some Member States, coax cable networks or hybrid fibre-coax networks are used to provide internet access to a significant number of households.



much more difficult. The White Paper must point out that nationwide broadband expansion should be an outstanding goal of the EU, but this must not be at the expense of the workforce in telecommunications companies and their downstream contractors. The EU Commission must integrate provisions into the White Paper to sanction and, in extreme cases, ban clients and contractors who accept or practice violations of ILO and national labour standards, especially regarding minimum wages. In addition, public contracts should not be given to companies violating labour rights, undercutting competitors, and delivering low-quality services.<sup>6</sup>

The transition to a new digital ecosystem can only be successful if we accompany the proposed actions by solid social policy measures, that minimise risks and maximise opportunities for European workers. Innovation, employment, and growth depend on the ability to invest in future employability of the ICT workforce. Therefore, we would like the Commission to elaborate more on the relation between the proposed policy measures and the creation of more employment and growth in the sector. When we discuss different scenarios for the future of the electronic communications sector, defending and creating jobs should be at the heart of the discussion.

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<sup>6</sup> See also UNI Europa's demand to change the EU's public procurement law: <https://www.uni-europa.org/eu-affairs/procuringdecentwork/>