

Brave New World: Can Europe Shape the Future of Tech?



In 2013, Chancellor Angela Merkel famously described the internet as *Neuland* – uncharted territory. Two legislative terms later and at the end of her chancellorship, Germany is still catching up on the seismic shifts of the digital transformation for society, economy and international affairs. For the new government in Berlin, this means not only adapting to the risks and unknowns of digital changes but also grasping the chances in digital change.

The COVID-19 pandemic has revealed major shortcomings in Germany's digital infrastructure. One of the first priorities of the new government must be the urgently needed modernization of the public sector. However, the implications of the digital transformation go far beyond. Technological progress will define the credibility of modern liberal societies in the global tech competition with authoritarian states. If Germany and Europe want to succeed, they need to become a rule-maker rather than a rule-taker, as Caspar Klynge and Ralph Haupter from Microsoft argue.

Digital sovereignty has become the buzzword in Brussels to describe the European Union's push to set its own standards and to reduce reliance on foreign technologies. According to European Commissioner Mariya Gabriel, the General Data Protection Regulation has demonstrated how the race for artificial intelligence standards influences the geopolitical landscape. The German public is optimistic about Europe's chances in the global competition: 63 per cent say it can remain competitive vis-à-vis the United States and China in technological innovation.

At the same time, the balance between innovation and regulation is hotly debated: 76 per cent of Germans would like to see the political and economic power of Big Tech curtailed. With the Digital Services Act and the Digital Markets Act, the European Union has taken steps towards regulation and public oversight. But it needs to move fast – as Marietje Schaake argues, leaving a governance gap will inevitably result in other actors filling it. Authoritarian states have sophisticated their use of technology for malicious cyber activities, disinformation and repression. As Xiao Qiang and Andrea Kendall-Taylor explain in their double interview, digital authoritarianism is on the rise. Nevertheless, the public is still hopeful: 51 per cent of Germans and 57 per cent of Americans see an increasingly digitalized world as an opportunity for democracy worldwide. As this chapter shows, a variety of factors determines whether the digital transformation becomes a chance or a challenge. Yet, the ability of the transatlantic community to develop a positive vision of technology governance based on democratic values is certainly the most crucial.



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