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Guidelines and recommendations for international politics on an open, sustainable and resilient digital economy and society

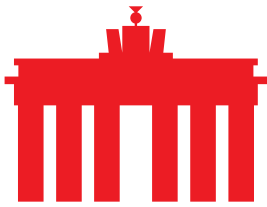
Berlin, 06 April 2022

On 1 January 2022, Germany took over the annually rotating G7 Presidency. “Progress towards an equitable world” is the goal that the the German G7 Presidency has set itself for its programme. This goal is set to guide the work of the G7 and to be aligned with various fields of action. With this goal, the German federal government intends to build on the successes of previous presidencies, but also to set its own priorities and initiate new models of cooperation for tackling global challenges.

In 2022, the international community is not only facing the continuing effects of the Covid-19 pandemic and the challenges of climate change, but is also confronted by wartime conflicts which are creating new political tensions and destabilising international governance. Especially in times of these major international challenges and crises, eco – Association of the Internet Industry is of the opinion that the G7’s close cooperation will be essential for peaceful global coexistence, the sovereignty of democratic systems and a functioning international economic regime.

What has also gained economic and societal importance at the global level is the growth of digitalisation and connectivity: international data traffic enhances value creation, while social networks are connecting people all around the world. On the other hand, attacks on digital infrastructures and services, cyber attacks and disinformation campaigns present a real cause for concern. Global democracies must protect themselves and develop resilience in light of these threatening scenarios.

In light of these current trends, cooperative models for addressing global challenges must be deliberated upon at national, European and international level, particularly within the framework of the G7. Furthermore, discussions in the field of Internet governance and Internet policy have a global scope and should be debated upon by international bodies and forums. eco would like to capitalise on Germany’s G7 presidency this year in drawing attention to the relevance of international cooperation in the field of Internet governance and digital policy. With the following guidelines and premises, eco’s aim is to contribute to the discussion process and forward recommendations for an open, sustainable and resilient digital economy and society.



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I. Internet Governance

▪ Digital sovereignty and global digital governance

International cooperation with partners in the field of Internet governance and global digital governance must be further expanded and strengthened. The Internet can only function if it is managed collectively in accordance with multi-stakeholder principles and not dominated by individual actors or governments.

Against the backdrop of the current circumstances, eco is concerned about emerging and escalating trends and pursuits that could lead to a segmentation and fragmentation of the Internet. Fragmentation of the Internet could endanger its technical and organisational functioning. The international community must therefore work to ensure that the free, open, technology-neutral and decentralised structure of the Internet is maintained and further advanced. To this end, the upcoming consultations at the G7 level must be used to discuss the effects and implications of global digital governance and sovereignty. To this end, a common international and coordinated approach and the avoidance of national go-it-alone approaches in the area of global digital governance must be strived for. From eco's perspective, this requires reducing dependencies and strategic weaknesses without pursuing a protectionist and isolated approach.

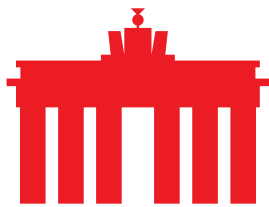
▪ Digital infrastructure

In times of globalisation and worldwide connectivity, there must be ubiquitous access to the Internet. For economies and societies, access to multi gigabit-capable telecommunications networks and infrastructures will become of outstanding importance – for many, it will even be existential. It is therefore of central importance that gigabit infrastructures as well as state-of-the-art mobile networks are rolled out and available everywhere in the world.

The expansion and availability of high-performance digital infrastructures must be a priority for industrialised and emerging countries, both in Europe and worldwide. Efficient digital infrastructures form the backbone of digitalisation. A functioning ecosystem of digital infrastructures also includes high-performance data centres, Internet Exchanges, cloud infrastructures and co-location providers.

For the technical and organisational functioning of the internet, the security and stability of the domain name system, the operation of the top-level domains and the allocation of IP addresses are essential.

The G7 must therefore develop a strategy to secure the digital sovereignty of like-minded partners on the strength of high-performance digital infrastructures.



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- Cross-border data exchange

International connectivity, cross-border telecommunication infrastructures, data traffic and data transfer as well as interoperability of the systems on the basis of international standards within and outside the EU are the foundation for the global connectivity of the economy, society and science, and therefore also for the functioning of the entire international governance system. This is underlined by the intensified international awareness and significance of data protection beyond European borders since the adoption of the European GDPR.

Especially in view of the legal uncertainties following the Schrems II ruling of the European Court of Justice in 2020, it is necessary to resolve the related issues of international data transfer. It is high time for a fundamental and sustainable long-term approach that enables cross-border and international data flows.

eco calls for an international political and legally secure solution for the international exchange and transfer of data to be defined within the framework of the G7.

- Fair taxation

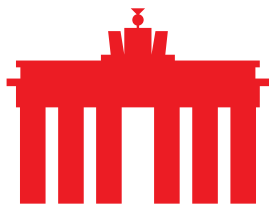
eco is in favour of the OECD's October 2021 agreement for a global minimum tax. With the international agreement on the settlement of taxation issues and the accompanying implementation at the European level, numerous reservations of the digital and Internet industry from the previous debate have been addressed. eco had repeatedly pointed out discriminatory consequences and a lack of legal certainty. The global settlement, which is primarily based on the corporate structure rather than the product portfolio or distribution methods, has developed a legal framework for fair global minimum taxation that does not discriminate against digital products or services.

In the G7 negotiations, care must be taken to ensure that the existing agreements are implemented at the international level and are not made stricter by individual countries/states or modified in a direction that is too onerous for the digital and Internet industry. A further commitment by the G7 Presidency to the implementation of a global minimum taxation and a fair structuring of taxation rights therefore makes sense and is to be welcomed.

II. Digitalisation and Sustainability

- Harnessing the potential of sustainable digitalisation

In eco's view, the challenges of global climate change and the realisation of the ambitious goals of the Paris Climate Agreement can only be resolved through international cooperation and the rigorous use of digital technologies.



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In order for digital technologies and applications to continue to have a positive impact on the climate balance in the future, accelerated digitalisation in all areas of life and the economy is indispensable. Digital technologies will make a significant contribution to achieving the climate goals if existing innovation potential is rigorously harnessed. The potential to cut back on CO₂ arises in a range of fields such as the mobility turnaround, efficiency increases through Industry 4.0, Smart Cities and other application scenarios.

In order to harness the sustainability potential of digital technologies, a holistic approach that combines digital infrastructures and technologies into an ecosystem is required. The prerequisite for this is a functioning digital ecosystem of energy-efficient data centres, cloud-based applications, high-performance gigabit infrastructures, 5G networks and energy-efficient programmed software.

In the future, eco will continue to campaign for even better leveraging of the sustainability potential of digitalisation in all parts of life and the economy.

- Transformation of the energy sector

Tackling global climate change and transforming the energy sector is a challenge that can only be further addressed through a unified international approach. The current crises have also made it clear that a transformation of the energy sector is of central importance for reducing dependencies in energy supply, as well as for countries' own sovereignty.

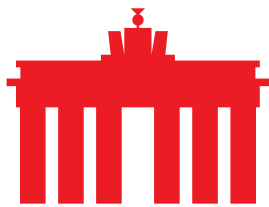
For some time now, eco has been highlighting the fact that an accelerated roll-out of renewable energies in power generation can enable a greater use of digital infrastructures with an accompanying reduction of CO₂ emissions. Moreover, the consistent implementation of the climate goals and digital transformation can only be achieved in combination with the transformation of the energy sector.

eco welcomes the G7's considerations for an open "climate club" that supports the transformation and strives to advance an accelerated global energy transition.

II. Digital Society

- Combating hate and disinformation on the Internet

The worldwide connectivity and cross-border dimension of the Internet also poses challenges that are not Internet-specific. More to the point, societal and political problems also manifest themselves in a global communication network such as the Internet. Disinformation campaigns and manipulation on the Internet can destabilise states and endanger international peace and societal coexistence.



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Access to the Internet and to reliable information as well as free and independent media have an important function for resilient democratic states, especially when repressive regimes spread disinformation and fake news. Therefore, from eco's point of view, it is imperative that opinion-forming processes are protected from falsification and distortion, that hate speech is combated, and that freedom of information and expression is guaranteed and secured. One of the central challenges of digitalisation and global connectivity is to harmonise divergent value and legal systems and to work towards a common set of values and a basic consensus. To this end, clear rules and responsibilities are needed, especially in a cross-border context at the international level, so that decisive action is taken against disinformation, hate speech and violence on the Internet.

eco supports and endorses the G7's commitment to improving information integrity in order to help citizens better recognise disinformation and conspiracy ideologies and to develop the necessary media skills. Article 19 of the Universal Declaration of Human Rights and Article 11 of the EU's Charter of Fundamental Rights provide the basis and foundation for this. In this context, eco also emphasises that maintaining net neutrality and access to information and the Internet is a basic prerequisite. Especially in times of crisis, the maintenance of communication infrastructures is essential to guarantee free and independent information flows, especially in countries with repressive regimes that restrict access to information, limit independent reporting, or suppress unpopular media coverage.

- Promoting digital education globally

Global inequalities can be balanced out through (digital) education and the systematic fostering of education and training – especially for girls and women. Functioning digital infrastructures, as well as access to the Internet and to hardware and software are fundamental components for achieving global educational equality and global prosperity.

Digitalisation and access to the Internet can contribute in particular to enabling people to access the education system and to eradicating educational inequalities. In addition, education in digital form and/or via online platforms can be an opportunity to provide access to education and offer it with a significantly wider reach even in challenging circumstances, such as in remote rural regions.

An economy and society which is shaped by digitalisation and connectivity naturally needs a comprehensive education and training system that embraces technological, socio-cultural and application-related perspectives in equal measure. The roll-out of digital (education) infrastructures should also be promoted at the international level in order to achieve the goals of an educationally equitable global society in the long term.



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III. Security in Cyber Space

As digital technologies and infrastructures become more widespread, they play an increasingly important and frequently central role for the economy, society and the state. As connectivity and digitalisation increases, the threats to companies, states and citizens are changing. With the growth in importance and reliance on the functionality and integrity of digital technologies, services and infrastructures, these elements are increasingly exposed to targeted attacks by both criminal and state actors.

Current developments make it clear that global conflicts also pose a threat to IT security and that cyber threats and attacks are on the rise.

As eco sees it, strengthening IT security and the resilience of digital infrastructures is of great importance and must be perceived as a shared responsibility. The G7 should intensify their joint efforts in this area. eco therefore considers it important that suitable approaches to improving Internet security are discussed at the G7 level and that responsible state behaviour in cyber space is promoted.

About eco: With more than 1,100 member companies, eco is the largest Internet industry association in Europe. Since 1995 eco has been instrumental in shaping the Internet, fostering new technologies, forming framework conditions, and representing the interests of members in politics and international committees. The focal points of the association are the reliability and strengthening of digital infrastructure, IT security, trust, and ethically oriented digitalization. That is why eco advocates for a free, technology-neutral, and high-performance Internet.