

A coherent European policy for the digital future

Non paper supported by Austria, Belgium, Bulgaria, Croatia, Czechia, Denmark, Estonia, Finland, Germany, Hungary, Ireland, Latvia, Lithuania, Luxembourg, Malta, Netherlands, Poland, Portugal, Sweden and Slovakia.

In a time with strong global competition, Europe needs to ensure a strong stepping stone for European businesses to compete with global players. Therefore, it is important to embrace the accelerating digital transformation of our economy and society, which pose both new opportunities and challenges for the EU. While Europe is often criticized for lagging behind, its main challenge is not a lack of innovative businesses, but barriers to scaling up across the Single Market and beyond. As an essential step, it is therefore necessary to take stock of cross-border barriers and to thoroughly evaluate the impact of existing legislation, in order to assess the need for further legislative or non-legislative action. This will strengthen a new digital policy that sets the right framework to protect consumers while also enabling cross-border innovation, competitiveness and upscaling of key European technologies so that they can compete at a global stage. A special emphasis should be put on promoting the opportunities for SMEs and start-ups to scale up and take part in global value chains. This coherent digital policy will give Europe the edge which is crucial for succeeding in the global competition of the digital economy.

The signatories call on the Commission and co-legislators to:

- **Ensure a horizontal approach to the digital agenda.** There is no longer a separate digital economy – the economy is digital. The rise of new digital business models blurs the conventional sectoral divides of goods, services and data, implying that the distinction between the legal categories no longer reflects the reality of businesses. There is thus an urgent need to reflect the horizontal and cross-cutting digital reality in EU digital policy and the regulatory framework.
- **Avoid fragmentation on the Single Market.** Many of the factors that hold Europe’s digital performance back are due to increasing regulatory complexity and fragmentation in the Single Market. As digitalisation is borderless by default, we should aim at a European regulatory framework that provides simple, transparent and coherent rules that are easy to apply. This requires effective implementation, enforcement and evaluation of the digital policy initiatives and reviewing the fitness of existing legislation as well as the impact of new measures with a horizontal approach. A well-functioning Single Market is a prerequisite for Europe’s global digital performance.
- **Safeguard digital trust.** Trust and security are key enablers of the digital economy and essential for the legitimacy of digital innovation. If European businesses take the lead in creating secure, transparent and ethical solutions, data ethics could turn out to be a great competitive advantage and a way for European businesses to distinguish themselves as creators of trustworthy solutions from their global competitors. This is important in ensuring users’ access to services that comply with European values in a human centric digital future.
- **Introduce digital-by-default and future-proof regulation.** EU regulation should be suited to the digital reality, enable user-friendly national and EU digital public services and solutions. EU regulation should not impose unnecessary burdens nor obstacles on innovation rather it should enable new technologies and business models.
- **Promote a European data economy.** If European businesses are to be competitive in the data-driven economy and artificial intelligence, the Commission and Member States must

lay down the pillars for a European data economy building on a coherent European framework for secure, standardized, interoperable and trustworthy data sharing. This framework should promote voluntary data sharing and reuse of data enabling new digital key technologies such as artificial intelligence internet of things, HPC and blockchain.

- **Effective enforcement of competition law.** The vast variety of online platforms play a growing role for both consumers and businesses and create significant benefits for Europe. Therefore, it is important for Europe's future competitiveness that digital markets remain competitive and open to new business models. In this respect, the main focus should be to ensure that the application of competition rules is up to date. Possible infringements of competition law should be investigated effectively and swiftly. As digital markets evolve quickly and the effects of certain practices can be significant and difficult to reverse. The Commission should examine whether competition framework would need to be updated to prevent platforms from anti-competitive behavior.
- **Consumer policy fit for a digital age.** Traditionally the consumer protection regulation has focused on requiring businesses to inform consumers thoroughly so they can make decisions on a well-informed basis. Meanwhile, a large amount of disclosure obligations is not targeted at the digital age, where smartphones and tablets are an integrated part of the consumers' consumption behavior. The information obligations are burdensome for businesses and do not always have the desired effect. It is therefore important, that both when designing future EU-legislation and evaluating existing regulation, actual consumer behavior and businesses' experience should be taken into account. Further, in an economy where digitalization advances the movement of goods and services across borders, we should strive for a high level of harmonization of consumer legislation where relevant.
- **Keep focusing on intelligent connectivity.** If Europe is to succeed in the digital future, we need a state-of-the-art digital infrastructure across the Union including a strong focus on breaking down barriers for investment and promoting demand for secure 5G solutions. Even though roll-out of very high capacity networks should be market driven, there could be areas where the market will not deliver and public funding can be necessary. It is therefore important that the guidelines on state aid for broadband are updated to reflect current technologies and updated sector specific legislation in a future-proof manner.
- **EU cooperation in innovation and key enabling technologies:** Combined and coordinated investments are the best way to achieve state of the art innovation in Europe that no Member State can achieve on its own. We encourage the Commission to continue to bring together stakeholders from all Member States, explore the potential of public private partnerships and to develop long-term European action plans that aim to promote Europe's future competitiveness and innovation.
- **The need for digital skills:** Skills are the building blocks of prosperous European future and the shortage of specialists and digital skills is a significant obstacle to the digital economy. Hence the need for promoting digital skills and enhanced digital competences is an important cross-cutting issue. Respecting that this area is the responsibility of the Member States, cooperation at European level should continue as European activities can contribute to this agenda.