

Our position

Europe's digital decade - 2030 targets



AmCham EU speaks for American companies committed to Europe on trade, investment and competitiveness issues. It aims to ensure a growth-orientated business and investment climate in Europe. AmCham EU facilitates the resolution of transatlantic issues that impact business and plays a role in creating better understanding of EU and US positions on business matters. Aggregate US investment in Europe totalled more than €3 trillion in 2020, directly supports more than 4.8 million jobs in Europe, and generates billions of euros annually in income, trade and research and development.

Executive summary

The Communication ‘2030 Digital Compass: the European Way for the Digital Decade’ proposes to translate the EU’s digital ambitions for 2030 into concrete terms as well as to develop a framework of digital principles and promote the EU’s digital agenda internationally. AmCham EU shares the European Commission’s ambition to make the 2020s Europe’s ‘digital decade’. To that end, the European Commission has laid out a ‘digital compass’ to map the EU’s progress towards a truly digitalised economy and society.

AmCham EU’s top-line recommendations for the EU’s 2030 digital compass

Build and maintain strong international partnerships and reject protectionism: openness and market access are key drivers of prosperity.

Commence collaboration in forums such as the EU-US Trade and Technology Council with broad stakeholder participation that includes industry.

Accelerate investment, innovation and entrepreneurship to create financial and other incentives, and to foster uptake and scale-up of new technologies with high economic and social potential.

Enhance digital skills and inclusion in order to build and preserve trust between society and technology. Skills and inclusion must be central tenets of any public and private digital transformation strategies.

Introduction

The digital compass communication reflects on the role and perception of digitalisation in our economy and society during the COVID-19 pandemic, and reinforces the European Commission's aim to '**pursue digital policies that empower people and businesses to seize a human centred, sustainable and more prosperous digital future**'. We agree the pandemic presents an opportunity to look at innovation and investment in all areas of growth, in particular across the digital sector, for the long-term viability of the European economy, and we support the four cardinal points of the compass, focusing on digital capacities in infrastructures and education and skills, as well as on the transformation of business and public services.

AmCham EU is pleased that the European Commission has underscored that for Europe's Digital Decade to be successful, it will need to build strong international digital partnerships and that Europe's starting point is an open digital economy based on the flow of investment and innovation. Indeed, the EU should strengthen partnerships with like-minded global partners such as the United States, as openness and collaboration are key drivers of prosperity. In this sense, the EU-US Trade and Technology Council is an important initiative which should commence as soon as possible, and ensure the involvement of the private sector, such as through dialogues to assist the Council.

The following pages map further reflections on:

- The digital compass communication and its 2030 targets;
- the digital principles framework; and
- international partnerships including towards a revitalised and resilient transatlantic relationship.

The paper provides recommendations to ensure optimal results in each of these areas.

Digital compass

The establishment of the digital compass in the form of a digital policy programme, with its own set of concrete targets for each cardinal point, a governance structure, monitoring of digital principles and a mechanism to organise multi-country projects, is required for the digital compass to succeed. The European Commission has a solid precedent of setting targets for its digital ambitions and mapping digital progress in the Union, such as through the Digital Economy and Sustainability Index (DESI) and the Gigabit Society goals. It is important that the measures in the digital compass align with these past initiatives, as well as any potential future initiatives. We also support the Commission's intention to consult with relevant stakeholders, as communication and collaboration with economic and social actors throughout this process is required if the digital compass is to succeed.

We also agree that to deliver the European vision for the Digital Decade, a common approach is required and this includes the pooling of resources across Member States and the alignment of all actors. The creation of multi-country projects, including using funding from national recovery and resilience plans, is also welcomed and our members look forward to engaging in these. At the same time, we firmly believe these projects must remain open to participation from third-country entities with considerable European footprint and respect for European values. The exclusion of vital economic contributors from like-minded countries such as the US, Canada or the UK would cause market distortions and ultimately weaken not only the transatlantic and the UK-EU relationships, but also hinder Europe's ability to meet or exceed its 2030 targets. It is also key to avoid the situation where public funds crowd out private investments in these areas; funds should only be used where there are no viable private options.

Cardinal point 1: Digital skills

AmCham EU agrees with the 2030 digital skills targets of at least 80% of adults having basic digital skills and over 20 million employed ICT specialists with convergence between women and men. **Significant investments in education, life-long learning and reskilling are essential** to ensure the workforce is ready for the jobs of tomorrow. Vocational training and apprenticeships will continue to play their role, but the EU also needs to better align education with in-demand skills like science, technology, engineering and mathematics (STEM) skills and competences.

Further to this, **AmCham EU is concerned by the severe gender imbalance, with only one in six ICT specialists and one in three STEM graduates being women.** The gap can be attributed to a range of factors such as the lack of education on ICT skills and career paths (especially among young girls), societal pressure and stereotypes, and a lack of role models and inclusion in the workplace. Solving this requires institutions, civil society and business to work together to change the perception of ICT as a male dominated field.

Recommendations for digital skills

Include digital skills initiatives in a wide range of educational activities, disciplines and across all levels to create better, smarter and more resilient products and services. Advanced digital skills for Europe's entrepreneurs and workers are also very important for increasing the EU's competitiveness and innovation in the digital age. They will be critical for economic recovery after COVID-19.

Build a solid and standardised foundation of digital skills as lifelong learning for all – digital skills should be universal, inclusive and accessible for all learners, irrespective of their backgrounds and career interests. Courses need to be designed in an interactive and visual manner to increase interest and motivation.

Encourage companies to support the reskilling and upskilling of diverse candidates with training programmes in underrepresented fields (ie, encouraging women into STEM, further supporting black and minority ethnic groups into high skilled roles, creating opportunities for low-skilled young people).

AmCham EU has developed these views further in its recent paper: 'Enabling Europe's digital future through education.'¹

Cardinal point 2: Digital infrastructures

Next generation and secure connectivity for everyone across Europe is required for businesses and citizens to fully participate in and benefit from our digital society. The rollout of 5G, powered by fibre, gigabit-capable networks and enhanced Wi-Fi capacity, is one of the critical building blocks for our economy and society. The connectivity benefits of the uninterrupted availability of high speed, high quality, reliable and secure technological infrastructures will help accelerate the digital transformation, give consumers faster access to information and make business more efficient.

In addition, cloud computing is critical to the successful deployment of artificial intelligence, IoT, blockchain and a myriad of other innovative technologies. Building and nurturing a sustainable cloud ecosystem is paramount to the recovery of the global economy. To accompany the development of a vibrant market for data, massive investments are realised in next generation cloud infrastructures and services. A clear, consistent and future-proof rulebook will be required to support the cloud and edge computing ecosystem and more broadly, the data economy worldwide.

Similarly, data has enormous transformative potential, but significant investment as well as fair and clear rules on data access and use, that comply with European values and advance competitiveness, will be key for Europe to deliver on its strategy to become the most attractive market for the storage, processing and profitable use of

¹ https://www.amchameu.eu/system/files/position_papers/enabling_europes_digital_future_through_education_final.pdf

data, particularly as Europe looks to recover from the COVID-19 crisis, digitise its industries, and compete globally. This has been further analysed in AmCham EU's recent position paper on the 'Data Governance Act'.² The European Commission has expressed a desire for Europe to be digitally sovereign, and this includes making Member States less dependent on digital infrastructure provided by foreign corporations as well as to promote home-grown firms for data storage rather than alternatives offered by non-EU technology providers. Enhancing the competitiveness of European industry is a fully legitimate objective - however it is important this does not translate into protectionism, as we have previously noted³.

The EU should continue to cooperate with like-minded global partners such as the US, with the aim of making these critical partnerships stronger and more reliable than ever. This would send a clear signal to foreign investors: the EU is open for business.

- Susan Danger, CEO, AmCham EU

Rather, its perimeter should be defined so that a genuine and prosperous international digital economy can emerge. Digital markets are by definition international, and therefore demand a multilateral approach to solve complex societal issues. The transatlantic relationship is the most important economic relationship in the world and should be used to address issues in the digital economy. As providers of digital services and products across the EU, our members are an integral part of the European fabric and industrial base. We see our role as an enabler and a business partner in this process.

Recommendations on digital infrastructure

Adopt and implement Member States' 5G roadmaps swiftly, release both licensed and unlicensed spectrum in a timely and coordinated fashion, implement the European Electronic Communications Code in Member States quickly and consistently, and continue to ensure a shared European approach to a trustworthy, resilient, diverse and competitive supply chain for ICT, in particular as the rollout of 5G accelerates.

Invest in European data spaces and federated cloud infrastructures, which would be open to technology providers with a strong European footprint and respect for EU rules and values, making Europe one of the most attractive markets for the storage, processing and profitable use of data.

Promote the free flow of data across borders and prohibit unjustified data localisation requirements.

Ensure a clear, consistent and future-proof rulebook to support the cloud and edge computing ecosystem and more broadly, the data economy worldwide.

Define the perimeter of digital sovereignty, oppose protectionist measures and enable AmCham EU members to be trusted digital enablers and business partners in Europe.

² https://www.amchameu.eu/system/files/position_papers/data_governance_act_final.pdf

³ <https://www.euractiv.com/section/global-europe/opinion/open-strategic-autonomy-what-is-in-a-name/>

Cardinal point 3: Digital transformation of business

The COVID-19 pandemic has underscored the importance of and accelerated our use of digital technologies in the way we work, communicate and collaborate with colleagues and operate our businesses. This momentum must not be lost but rather, Europe should continue to accelerate investment, innovation and entrepreneurship to help new technologies scale up as we build a more resilient and sustainable economy towards 2030. The most promising technologies (e.g., artificial intelligence, blockchain, 5G, data and cloud infrastructures, IoT, robotic process automation, and cybersecurity strategies) have tremendous economic and social potential, and can change the way we develop and use certain products and services.

Europe must also take every possible measure to enable its entrepreneurs and start-ups to scale up in Europe. Here, EU leaders have a role to play to create a stable, predictable, and supportive regulatory environment for entrepreneurs and investors.

Recommendations on the digital transformation of business

Build trust between businesses and technology. An understanding of the technologies available and their benefits will be necessary for them to be accepted, trusted and used, in particular by SMEs across the EU.

Accelerate investment, innovation and entrepreneurship to create financial and other incentives and to foster uptake and scale-up of new technologies which have tremendous economic and social potential.

Cardinal point 4: Digitalisation of public services

COVID-19 also accelerated the adoption of emerging technologies within the public sector, such as video conferencing, Robotic Process Automation (RPA) and AI-powered technologies, to help provide digital public services, enable remote working, and support employees manage high-volume workloads. Emerging technologies helped with managing increased data processing, medicine reporting, processing of unemployment benefits with speed and accuracy. RPA and AI implementations increased internal operations' resilience by overcoming challenges posed by insufficient digital distribution channels and bureaucratic processes. Increasing the uptake of emerging technologies will be essential for enabling a faster, digital, public administration and a more resilient economic recovery.

Recommendations for the digitalisation of public services

Create strong public-private partnerships to tackle complex challenges such as IoT, cybersecurity or disinformation, and educate citizens in an era of complex value chains and diverse business models, as well as a fast-developing digital environment.

Digital public services and authorities should make available a broader range of data which has significant potential for re-use and can be of benefit to the general interest. This supports a transition to open data by public services, making them more agile, efficient, and transparent.

Digital principles

As the digital compass communication states, digital technologies and services used by European citizens must fully respect EU fundamental rights, comply with applicable legal frameworks and respect the rights and values intrinsic to the European way. In this context, AmCham EU takes note of the European Commission's intention to propose a set of digital principles and rights in an institutional declaration between itself, the European Parliament and Council.

We agree such a declaration can help to inform end users and guide policymakers and businesses on the European way for the digital society, while also helping to ensure Europe can protect and defend its citizens and its values at home and abroad. We look forward to contributing to the consultation process on the digital principles, earmarked for 2021.

International partnerships

The transatlantic space is the heart of the global digital economy. Trusted technological solutions have enabled the European Union and the US to sustain social, economic, healthcare and educational interactions, as well as information flows and research. The 2021 Transatlantic Economy Report⁴ presents the most up-to-date facts and figures about the economic relationship between Europe and the United States, including for the digital economy.

Did you know?

The US and Europe are each other's most important commercial partners when it comes to digitally-enabled services. The US exported \$167 billion in digitally-enabled services to the EU in 2019, while the EU exported \$130 billion to the US.

The transatlantic theatre is the fulcrum of global digital connectivity. North America and Europe generate about 75% of global digital content.

Transatlantic cable connections are the densest and highest capacity routes, with the highest traffic, in the world, with an estimated 38% compound annual growth rate until 2025. Submarine cables in the Atlantic carry 55% more data than transpacific routes.

Conclusion: Transatlantic cooperation essential to Europe's digital decade

AmCham EU believes that for Europe's digital decade to be successful, it will need to build strong international partnerships, as no single country or region can solve collective problems independently. In its Communication, the Commission notes the concern regarding the lack of investments in ICT and skills, especially in the aftermath of COVID-19. In this regard, US companies provide substantial investment into these areas in Europe. Hampering that investment could unintentionally slow down the building of European capabilities in this space. We welcome the digital compass communication's emphasis on the importance of the renewed transatlantic relationship, where the EU has proposed to establish a new EU-US Trade and Technology Council, deepen joint trade and investment, strengthen joint technological and industrial leadership, develop compatible standards, deepen research collaboration, promote fair competition and ensure the security of critical supply chains. Ever closer transatlantic cooperation on digital would bring substantial economic benefits, set global standards and retain their technological leadership.

⁴ http://www.amchameu.eu/sites/default/files/publications/files/transatlanticeconomy2021_fullreportthr.pdf

Recommendations for transatlantic cooperation in digital

AI and emerging technologies (quantum computing, Internet of Things, 5G, etc): transatlantic initiatives could help identify governance models and best practices necessary for society to benefit from emerging technologies while responsibly managing their risks.

Cloud: develop common trusted principles to enable a higher adoption rate of cloud technologies, support the cloud and edge computing ecosystem as well as unlock the potential of the next generation of cloud infrastructures.

Cybersecurity: cooperate on cybersecurity, cyber espionage and supply chain security through public-private partnerships to develop interoperable policies and to ensure that networks and systems are resilient against evolving cyberattacks. Greater collaboration specifically on systemic risks to the financial system would encourage mutual understanding and risk identification.

Data transfers: prioritise early solutions to ensure the ability to transfer personal data between the EU and the US as both sides renegotiate the Privacy Shield, with a focus on promoting greater trust. In accordance with the EU-US agreement on e-evidence, cross-border demands for electronic data should follow clear, mutually-agreed rules that help law enforcement authorities fight crime quickly and effectively. Finally, fragmentation of regulation increases risk. The EU and the US should ensure that their respective regulatory environments allow firms to manage risk holistically across borders.

Data collaboration: encourage cross-border and transatlantic data collaboration projects, leveraging free flow of data principles;

Standards: support the development of 5G and 6G international standards as well as innovative deployment approaches and projects such as Open RAN and virtualisation.