

# REPORT

## Beyond the Digital Single Market

Monday 19<sup>th</sup> of November 2018, 13:00 – 14:30  
Permanent Representation of the Czech Republic to the EU

- **EUROPEUM Institute for European Policy and Permanent Representation of the Czech Republic to the European Union organized an expert lunch debate on November 19<sup>th</sup>, 2018. The meeting, held under the Chatham House rule, was attended by representatives of the European Commission, Member States, research institutes and private sector.**
- **The debate aimed to identify the main takeaways from the Digital Single Market Strategy, introduced by the Juncker Commission more than 3 years ago, and draw recommendations for the new Commission, which will be formed in fall 2019.**

The discussion followed three main questions:

- 1.) What are the key lessons learnt from the DSM Strategy and its implementation? Where can we draw inspiration from it and what not to repeat in the future?
- 2.) Based on the dos and don'ts of our current approach, what should the governance structure within the future Commission look like in order to achieve the best possible results in the digital area?
- 3.) Apart from the above-mentioned priorities, are there any other to focus on when it comes to the digitalisation and new technologies?

The following interesting points were raised:

1. **What are the key lessons learnt from the DSM Strategy and its implementation? Where can we draw inspiration from it and what not to repeat in the future?**

The distinction between Digital Single Market and Single Market is artificial, the line between offline and online world is disappearing and majority of current businesses have also the digital aspect to it. However, DSM still need to have strong advocates within the EU institutions, to make sure the agenda is pushed forward, and the EU doesn't get stuck in a defensive role.



Ministry of Foreign Affairs  
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The experience from the Digital Single Market Strategy implementation shows few crucial points – in order to be successful, the regulation on the EU level must be carefully targeted, everyone must benefit from it and it must create a right investment climate.

Current developments show the importance of the impact analysis of any new legislation in the digital sphere. Well drafted legislation and regulation can create business opportunities and bring benefits to the wider public, but careful assessment of the impact on the end users needs to be carried out before.

Cyber security is a topic to focus on, as the threads are still more pronounced, and the current Strategy has underestimated for example the impact of disinformation or cyber espionage. Next steps towards cyber security must be considered within the framework of the debate about the European Strategic Autonomy. However, a balance between legislation and right to self-regulation of the businesses needs to be carefully drafted. E-Privacy will also remain a topic even after the GDPR adoption.

Creating trust between the legislators, business and end users will be the essential challenge for the new Commission. Some causes of uncertainties were already addressed in the past years, but many grey zones remain, especially in the light of recent failures (such as Cambridge Analytica). EU is also currently very reactive when it comes to digital agenda – a more anticipating, forward-looking approach should be adopted (in AI and blockchain for example, where the new

products could be tested and monitored, just as it is done with goods). Stable and transparent legal environment is important for the business sector.

**2. Based on the dos and don'ts of our current approach, what should the governance structure within the future Commission look like in order to achieve the best possible results in the digital area?**

The position of a vice-president for the Digital Single Market has proved successful and should be/ it is likely to be continued, but there is a need for a stronger team.

While the DSM Strategy was an important starting point, now there is a need for mainstreaming of the digital agenda across EU policies.

The division of work between Directorate-General for Communications Networks, Content and Technology (DG Connect) and The Directorate-General for Internal Market, Industry, Entrepreneurship and SMEs (DG Growth) makes sense, but better coordination is needed - especially since the Member States tend to organize their structures accordingly.

**3. Apart from the above-mentioned priorities, are there any other to focus on when it comes to the digitalisation and new technologies?**

Artificial Intelligence will be a major topic in the future. However, any regulation in this field must be based on a comprehensive ethical approach and deep understanding of the problem.

Data-based economy presents a huge opportunity, but it needs to be approached carefully with respect to private data protection. Public administrations need to be ready to provide stable and transparent legal framework that will help create trust and business opportunities in open data era.

Skills and education: European Union institutions need to lead the debate and encourage the Member states to put more emphasis on computer

literacy and promotion of digital skills in their respective educational policies. Currently, majority of the general public in the EU is not well equipped to participate and benefit from the digital economy which hampers further development.

Taxation and competition policy – current policies are not well equipped for dealing with increasingly digital business environment and will need to be updated accordingly.