Stronger Europe Stronger Ireland

Competitive, Innovative, Sustainable & Open

An Ibec Campaign

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For Irish Business
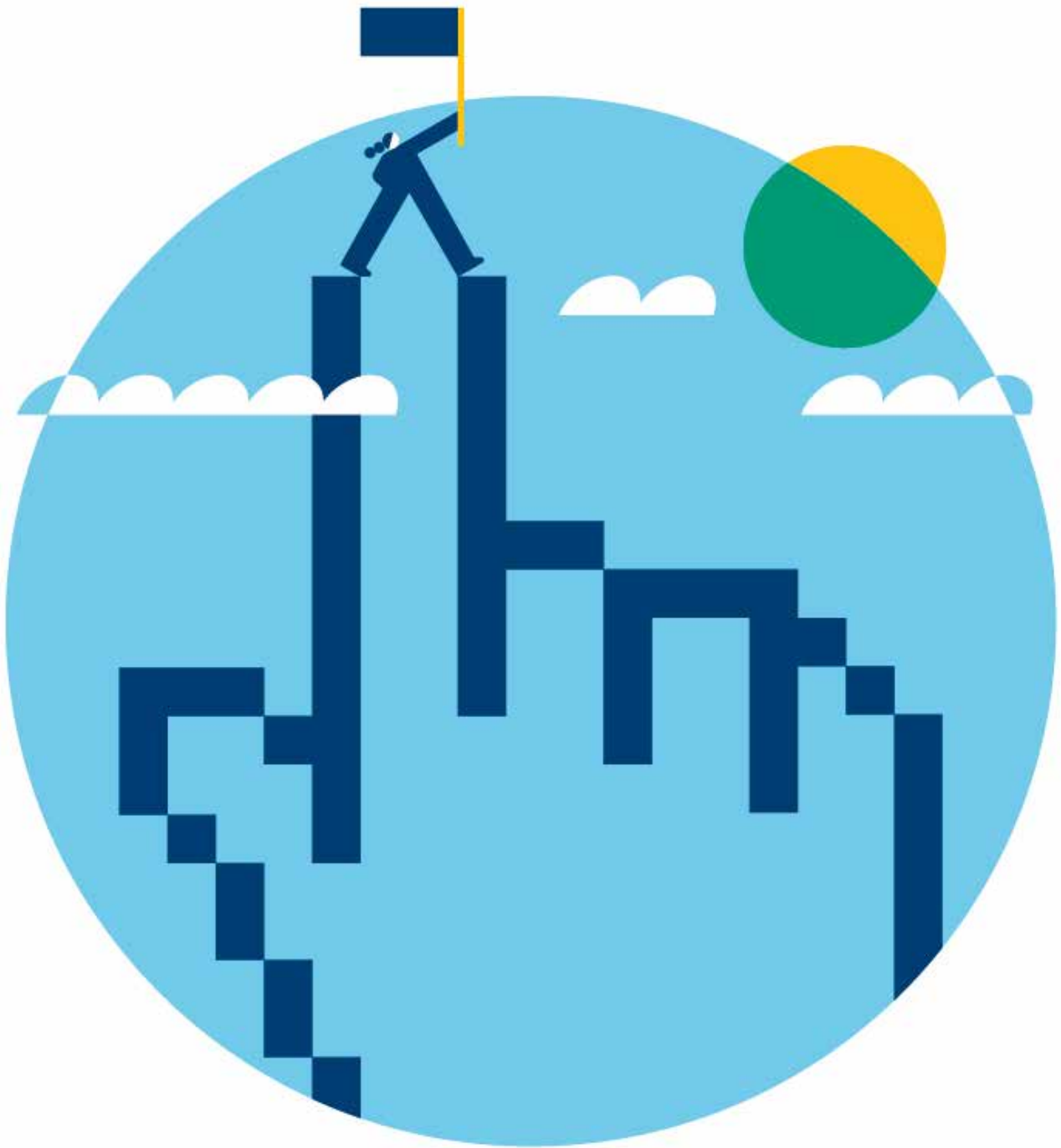
An EU that leads an inclusive and innovative digital decade

Context summary

The EU single market is one of our greatest collective achievements. Now at almost 30 years old it presents unrealised opportunities that will come from further liberalisation of market barriers, a re-energised services agenda and the huge economic, societal, environmental and wellbeing gains of digital; identified by European Commission President Ursula von der Leyen as the EU's 'make-or-break issue'.

In the aftermath of COVID-19 and the challenges it has presented, Europe must avoid any temptation to become inward-looking.

The EU should recognise that a truly harmonised single market and digital single market without barriers presents boundless opportunities for the economic recovery and future growth.

The pandemic has accelerated the economic and societal importance of further digitally enabled transformation of member states, public services, enterprise, and human interaction across the EU by several years.

Digital leadership is critical for Europe's recovery and resilience. Embracing further technological change presents both opportunities and challenges. While progress is being made, the EU must not be complacent as much more needs to be done.

The EU must focus on policies which foster competitiveness.

1. Re-imagine the EU single market of the future

2. Lead a digital decade that is open for business

3. Safeguard trust in further digital transformation

4. Create the right conditions to unlock future digital opportunities

Re-imagine the EU single market

Unlock the potential of the single market to power a strong, inclusive and sustainable European future

Champion a harmonised digitalised single market that provides the best conditions for business competitiveness. The answer to creating jobs and opportunities in the wake of COVID-19 is at Europe's fingertips.

- **Address barriers which preceded the COVID-19 crisis such as divergent implementation of regulations, market renationalisation and lack of harmonisation and develop a framework to ensure it thrives in future crises.** A *Single Market Emergency Instrument,* which draws on positive initiatives during the pandemic such as *Green Lanes* and the *EU Digital COVID Certificate,* would be an effective mechanism to ensure the resilience of supply chains by facilitating the free flow of goods and services in future emergencies, while continuing to address pre-existing barriers.

- **Complete the single market for services.** Targeted, concerted action is needed to complete the internal market in services. Existing rules need to be uniformly applied, monitored and enforced. EU action must include greater regulatory cooperation between member states. The reduction of complex cross-border and administrative barriers as well as a prioritised digitalisation agenda will enhance opportunities for SMEs and startups.

- **Facilitate the movement of workers which is paramount to a sustainable recovery and resilient supply chains.** Initiatives which remove obstacles to travel and labour mobility, severely impacted by COVID-19, will help solve unemployment and labour shortages in the EU.

- **Shape a single market which works for net contributors like Ireland.** The EU single market supports 56 million jobs and unlocking its full potential would deliver annual economic gains of nearly €1 trillion and an extra 1.3 million jobs each year. A fully implemented digital single market strategy could deliver €177 billion in annual economic gains.

Lead a digital decade that is open for business

Enable digital innovation, enterprise and trade and maintain a human centred approach to further digital development and adoption

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Safeguard an 'open' approach to technological sovereignty. Deepen Europe's digital leadership without eroding trust in market openness, access, innovation, and choice. Avoid any inward-looking, protectionist measures which would harm European competitiveness e.g., safeguard cross-border data and service flows and avoid forced data localisation.

Support coherence in digital and green (twin) transition policy, trajectories, and enablers. The proposed EU green and digital transitions have mutual dependencies. Enable both agendas to work in tandem.

Work with, not against, innovation in governance.

- Support a proportionate, human-centred approach to the governance and regulation of AI development and adoption, based on evidence and risk.

- Reassess potential administrative and compliance burdens, particularly for SMEs and startups, or unwanted consequences in the proposed AI Act that could discourage investment in the development and deployment of AI systems.

- Clarify that the focus is on where most widespread and significant societal damage is likely to arise, particularly in proposals around the definition of AI systems, the allocation of responsibilities between different actors in the AI value chain, criteria for determining prohibited practices and the classification of high-risk systems.

- Support and enable efficient co-operation between relevant regulators at national and EU level. Support regulators, avoid fragmentation in the internal market.

- Support and embed the use of regulatory sandbox schemes, with well-established criteria. Support controlled experimentation by our innovators and regulators to assess (yet unforeseeable) risks, locate potential barriers and develop solutions.

Unlock the single market for data.

- Foster a real European data economy for growth, better services, health, and the environment. EU and national policy makers should ensure that the European Data Strategy safeguards further cross-borders data flows and resists forced data localisation. It is vital that the Strategy encourages the voluntary and responsible sharing and use of quality data across the public and private sector, while respecting data privacy, security, and IP requirements.

- Build trust with a voluntary framework to facilitate the access and use of data in a Business-to-Government (B2G) and Business-to-Business (B2B) context. This should be subject to fair incentives, which safeguards privacy, security, and commercially sensitive information. Avoid mandatory requirements for B2G data sharing.

- Enable researchers and innovators to lead Europe's path to a more connected future and ensure a European approach to data is about breaking down digital borders and improving the conditions for data mobility. Avoid mandatory technical specifications for data portability which risks global fragmentation, reduced customer choice and slower innovation. By positioning digital at the heart of the EU trade strategy, businesses large and small can rebuild and grow in local and foreign markets.

Safeguard trust in further digital transformation
Build a digital single market that protects rights, values and assets while facilitating further digital innovation, products, services and opportunities

Support open, fair, trusted, and competitive European digital markets and services for the benefit of consumers and business when designing the Digital Markets Act (DMA) and Digital Services Act (DSA).

- Maintain legal certainty for business, encourage continued investment. Preserve key principles of the eCommerce Directive (ECD) and most importantly, safeguard the country of origin.

- The definition of 'online platform' should be targeted and proportionate to the proposed obligations.

- Ensure proportionality in DSA rules and avoid unintended consequences.

- Support fair, efficient, and contestable markets for the benefit of consumers and business. Provide clear and predictable criteria for designating gatekeepers and their obligations in proposed DMA rules.

- Clearly define the relationships between the DMA and parallel national and EU legislation, and between the European Commission and national authorities. Ensure a risk-based, evidence based and harmonised approach.

- Provide for timebound consultation and targeted remedies in the DMA. The objective of this timebound consultation and dialogue should be a more expedient, targeted, and evidence-based implementation of obligations that limits unintended consequences.

Safeguard business, services, and individuals online and enable further digital opportunity.

- Take a proportionate and risk-based approach in deepening preparedness and harmonisation on cyber security and resilience across the EU.

- Engage industry and ensure EU cybersecurity rules and standards encourage indigenous cybersecurity capacities while remaining open to further international co-operation and trade with likeminded partners so that Europe can benefit from: shared information and best practice on evolving threats; and the economic benefits from cross-border data flows.

Ensure privacy standards safeguard further digital opportunities

- Swiftly conclude work on a revised and resilient framework for EU-US data exchange, addressing privacy issues as well as the needs of modern digitalised business.

- Deliver a considered e-Privacy proposal that works together with other EU regulation to deliver EU objectives to promote the development and use of emerging digital technologies.

- Work with likeminded and OECD partners to deliver policy guidance on Government access to personal data held by the private sector. Safeguard international data transfers and enable further economic opportunity in Europe.

Create the right conditions to unlock future digital opportunities

Create the right conditions for the investment and innovation that will fuel the digital opportunities of the future

Intensify momentum on Europe's Digital Decade initiative. Ensure the value of the EU Recovery and Resilience funds to digital spending are maximised. Ensure strong governance to monitor spending and momentum in both promoting and realising Europe's ambitions to the 2030. Ensure the rising [digital] tide raises all boats in enhancing the collective digital performance and value across the EU.

Work with likeminded partners like the EU-US Trade and Technology Council (TTC) and engage enterprise to shape this digital decade and enable shared recovery and resilience through further secure digital innovation and adoption. For example, work to:

- Deepen bilateral and multilateral co-operation that safeguards cross-border data flows.

- Strengthen collaboration and develop standards in both cybersecurity and emerging technologies, including AI.

- Align on criteria for what technologies require export controls and promote multilateral solutions.

Encourage capabilities and capacities in our semiconductor ecosystem based on identified points of weakness and market demand.

- Strengthen RDI and encourage further private investment. Deepen international links and co-operation with likeminded partners, such as leveraging the TTC, to improve supply chain resilience. Remain open, the semiconductor market is globalised.
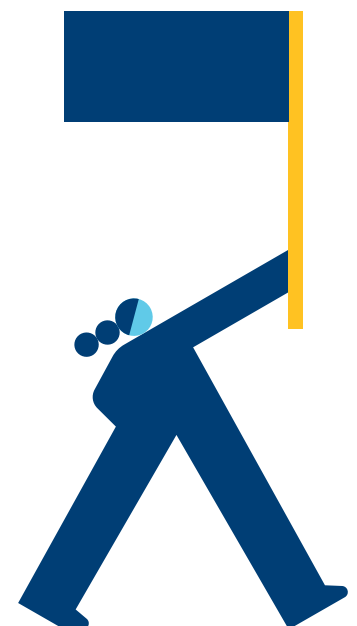
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