Position of the Digital V4 Group regarding the European Commission's "Shaping Europe's Digital Future" communication

As organisations representing the digital and advanced technologies industry in the countries of the V4 Group – Poland, Hungary, Czech Republic and Slovakia – we express our optimism in regard to the contents of the European Commission's "Shaping Europe's Digital Future" document. We are enthusiastic to see that the European Commission understands the importance of digital technologies in shaping our everyday life, the great value and magnitude of the data generated today, and the ongoing digital transformation which is having the most profound impact on our Community. We are of the opinion that Europe should lead the way in this global transformation and provide all of its citizens with all the benefits of a truly digital society.

We approve of the requirement to pool European investments in research, innovation and cooperation across Member States. At the same time, we realise there is a need to boost investments aimed at increasing the widespread use of digital solutions and advanced technologies, including 5G, IoT, AI and safe pan-European cloud solutions. Over the coming months and years, their importance will grow significantly, especially in terms of overcoming the economic crisis caused by the pandemic. The necessity of using financial resources on these technologies is clear but the investment gap, estimated by the European Commission at 65 billion EUR per year, is a cause for concern.

If Europe truly wants to "lead the way in the adoption and standardisation process of the new generation of technology", in the light of the legitimate goals set by the European Commission, it must be noted that reaching those goals will be an ambitious task, highly needed and just as expensive. We would like to voice our concern that the resources designated for a key piece of our growth, namely the digital transformation, as provided for in the EU's 2021 – 2027 budget and set at 3 percent, might prove to be insufficient.

As organisations deeply engaged in building social awareness in the field of cybersecurity, we welcome those elements of the European Commission's document which point to the need to build a safe digital environment and to improve knowledge amongst citizens and entrepreneurs in that field. We take action in that domain in our Member States and the practices we propose (in regard to stimulating the demand for cybersecurity solutions) can be successfully upscaled on a pan-European level or adopted by other Member States. We call for our European leaders to align security certification schemes to existing, globally recognised, international standards, ensuring regulatory coherence, avoiding different Member State rules and harmonising a pan-European business environment to promote the uptake and adoption of cybersecurity solutions.

We are glad to see that the Commission understands that improving digital skills is a crucial part of the digital transformation and recognises the need to build a workforce skilled in using digital technologies necessary for the well-being of European enterprises. This is particularly important for Member States with a subpar level of digital competence. We believe it is necessary to adjust the domestic legislation of Member States in the scope of vocational training, so that it better responds to market needs. The European Union should also consider the possibility of extending the scope and

duration of student loans to allow resources to be spent on short-term training for adults in the field of digital competence, as well as the introduction of dedicated training vouchers for employees and employers which could be used to cover expenses on qualified training programmes. It is necessary to run attitude-shaping and motivational campaigns encouraging citizens across Member States to take up training and acquire new digital skills.

Working for the development of a truly digital single market, we approve of the European Commission's goal of building a fair and competitive digital economy. We are well aware of the need to create an environment in which start-ups and SMEs are able to grow. That can be achieved by providing a proper tax policy, funding programmes, reduced bureaucracy, simplified procedures and the introduction of dedicated tools for assessing an enterprise's potential. We believe that regulations aimed at simplifying tenders for digital projects in SMEs and also supporting e-commerce enterprises at Member State level are necessary. Incentives for cooperation between start-ups, industry companies and universities are mandatory. Setting up an ecosystem for growth and innovation should also be reflected by regulations allowing collaboration between the public and private domains, and engaging entrepreneurs, citizens and the state (e.g. the Polish GovTech programme). This is particularly important given that digitisation and the achievements of the ICT sector will be a key tool in the strategy to overcome the crisis and also an efficient method for SMEs in their long-term struggle against its effects.

In the face of the ongoing crisis, there is a need for a digital European renaissance. We must abolish the existing bottlenecks in the digital single market and strengthen cooperation and the free flow of data between Member States. We support access to data on 'fair and reasonable conditions' for all entities. However, we believe that data sharing schemes should be voluntary, and the law should create regulatory incentives for companies to share data. As European organisations representing the digital sector, we believe that in order to achieve a stable European data-driven economy and to benefit fully from the potential of digital technologies such as AI, a strategy aimed at providing high-quality data to the economy is required. A substantial dialogue is also required with the industry to recognise the character of its sectors and boost the creation of a pan-European data space dedicated to each sector. In addition, simplifying regulations is mandatory to allow European business to migrate into the cloud and apply best data analysis practices, which serve as the foundation of the digital economy. We need a modern approach to processing data for the further development of innovative services. The free flow of data, in both the public and private domains, is much needed.

We believe that while developing technological robustness, it is in the best interests of individual Member States, and the EU as a whole, to build the digital infrastructure and R&D potential which will allow innovative ideas to grow in fields such as AI and robotics. It is crucial to have the know-how and ready products developed right here, in the European Union. Only in that way do we stand a chance of becoming a globally competitive market. In order to achieve that, we must secure hospitable legal regulations that support the growth of advanced technologies and provide an incentive for innovation, as well as making sure that the ideas coming out of European start-ups can be commercialised here successfully.

We do agree that ensuring fairness in the digital economy is a major challenge. Ensuring fair play in online competition and just tax regulations for digital services is an extremely demanding undertaking, requiring consultations and the introduction of systemic, coherent solutions. We therefore appreciate the fact that the European Commission has declared its will to conduct consultations in that regard in accordance with the progress made by the OECD. All solutions

implemented must be compatible and coherent amongst all Member States. In our opinion, the taxation burdens introduced should also be equal for all sectors of the economy. We take the position that a digital tax cannot advantage certain sectors of the economy over others. One must remember that, at all times, new taxation policies must avoid striking at the growth of the digital and advanced technologies sector, which serves as a source for innovative products and services.

Another goal set in the "Shaping Europe's Digital Future" document by the European Commission, based on the pursuit of a safe and transparent digital environment for citizens where they have freedom of action with regard to their own personal data, also aligns with our beliefs. We are well aware of the need to build a digital European society which allows citizens to control their electronic identity. However, we must ensure there is cohesion and consistency between the regulations on data security and those regarding its free flow, aggregation and use, as mentioned above. We would reiterate that while data security and data-based economy solutions are being designed, we must keep in mind those entities which rely on the processing of personal and non-personal data in their activity. We cannot allow the situation in which we hinder the development of innovative services and solutions, potentially affecting the whole European digital industry, including products and services based on AI and IoT. They will have a decisive influence on whether the European economy stands a chance of competing against global markets. We must avoid data protection regulations which might result in products and services shutting down, thus harming entrepreneurs and consumers themselves.

As organisations of the V4 Group, we wholly agree with the European Commission's aspirations to build a truly digital single market, a data-driven economy, and a secure and common digital European society based on advanced technologies such as the 5G network, AI, big data and cloud computing. We wish to express our willingness to cooperate in creating specific solutions aimed at boosting the EU's digital transformation in a safe, fair and determined way, without harming the best interests of all parties involved – the state, business and consumers.

About Digital V4

Digital V4 is a project by organisations from digital and advanced technologies industry in Poland, Czech Republic, Slovakia and Hungary with a goal of cooperatively creating a policy supporting development of innovativeness and digitisation in Central and Eastern Europe. The initiative refers to political and economic collaboration between the four countries in scope of the Visegrád Group (V4).

The enterprise has been established in October 2019 during Congress 590 in Rzeszów (Poland). The project is created in cooperation by four organisations: Digital Poland Association, IT Association of Slovakia – ITAS, Consumer Electronics Association in Czech Republic – ASE and ICT Association of Hungarian – IVSZ.