

Foreword

Andrus Ansip, vice-president of the European Commission in charge of a Digital Single Market and **Günther Oettinger**, European Commissioner on the Digital Economy and Society

For: In Jean-Pierre Dardayrol (ed.) *The European digital union* [special issue of *Réalités Industrielles*, August 2016.

To build a Digital Single Market is to construct Europe's future. Given the many crises facing Europe, it is more important than ever to project ourselves into the future and lay the foundations for a European Union where all citizens will be able to live better.

We are convinced that our future is digital, since the present is already digital. Day after day, the new technology accompanies us, as we buy, sell, study or work on line. This technology, now part of our environment, is evolving in fields ranging from health to education and culture, not to mention transportation or research and development. It does not reckon with borders.

For this reason, the European Commission has set as one of its ten policy priorities the creation of a Digital Single Market. After six months of exercising this mandate, we presented, in May 2015, an ambitious strategy with no fewer than sixteen major work areas. We stand at the midpoint, having presented half of our proposals to the members of the EU Parliament and Council of Ministers. We want to modernize existing regulations in the key areas of e-commerce, telecommunications, audiovisual media, cybersecurity and copyright law. By doing this, we want to stimulate innovation propelled, in particular, by the data economy.

We are delighted to see this issue of *Réalités Industrielles* devoted to several subjects central to our strategy, such as the data economy, the economic and social functions of on-line platforms, and cybersecurity.¹

* *
*

The Single Market, one of the major successes of the European Union, is based on the free circulation of persons, services, merchandise and capital. In digital space however, many obstacles and forms of discrimination persist that no longer have a place in the "physical" market.

According to our studies, barely a third of Europeans manage to make purchases via the Internet in Europe outside their homeland. Only 8% of small and medium-sized European firms (in particular French) make on-line sales in other European countries than their own. The explanation has to do, above all, with the complex patchwork of national regulations that apply to the Web and hamper this new technology's potential development. To advance, we must make progress at the European level.

A little more than a year ago, on 6 May 2015, we presented a plan of action for creating a genuine single digital market. This ambitious, complete strategy rests upon three pillars, which we shall now describe.

¹ Article translated from French by Noal Mellott (Omaha Beach, France).

The first pillar: Better access to contents, services and products across national borders

First of all, we want to make sure that citizens and firms have better access to digital contents, services and products across Europe. This means adopting standardized rules and regulations that set frameworks for contracts and consumer protection, and create the conditions for a more efficient, more transparent and cheaper delivery of packages throughout the Union.

We have proposed clear rules for putting an end to the reprehensible sales practice of “geoblocking” (which blocks commercial websites depending on the consumer’s geographical localization) and other forms of discrimination based on nationality and place of residence or implantation.

Another project under way is to modernize EU regulations on intellectual property rights, regulations dating from 2001 — well before the worldwide success of the big Internet players, like Google, YouTube or Spotify.

We also want to reduce the administrative burden on firms who try to commercialize on line their products or services outside their homeland. This burden stems, in particular, from member states’ value-added tax systems. For this purpose, we are going to propose a common VAT threshold to help small firms sell their products or services on line.

The second pillar: An innovation-friendly environment with a level playing field

Our strategy’s second pillar is to foster an environment favorable to the development of innovative digital networks and services. In this regard, we have just concluded a partnership with representatives of the cybersecurity industry for developing secure products and services.

We have also just proposed updating the EU directive on audiovisual media services. The new rules of the game will be fair to everyone, whether traditional broadcasters or new on-line services for providing video on demand or sharing video products. These rules will improve the promotion of European audiovisual productions.

We have also expressed in detail our appreciation of the economic and social functions of on-line platforms, a topic examined by articles in this special issue. This new approach to the now inescapable web players has come out of a year of work and in-depth analysis. The best solution for benefitting from these platforms and encouraging them to develop in Europe while respecting fair, transparent and durable rules is, we have concluded, to undertake actions in key domains (such as the audiovisual media, telecommunications or intellectual property rights) where these platforms operate and where EU legislation needs updated. Given the wide diversity of platforms, a major horizontal tool is of no help in reaching these objectives.

The third pillar: Enable everyone (citizens, public authorities, firms...) to make the shift to digital technology

The third pillar seeks to maximize the digital economy's growth potential. For this purpose, we presented, in April 2016, a series of measures for backing and interlinking various national arrangements that already favor the shift to digital technology in industry, for example, "A New Industrial France / Industry of the Future" or "Industry 4.0" in Germany.

Concretely, we propose speeding up the process of setting of common standards in fields that, specifically European, are deemed a priority, such as fifth-generation mobile communication networks (5G) or cybersecurity.

We also want to boost public e-services of quality for both citizens and businesses.

Finally, our strategy calls for a European cloud, the primary objective being to offer our 1.7 million researchers and our 70 million scientists and technicians a virtual environment for stocking, managing, analyzing and reusing an immense quantity of data.

Since data form the very core of the digital world (and thus of our EU strategy), we shall present, before the end of 2016, proposals for the free circulation of "big data" in the European Union. After the important reform for better protecting citizens' personal data, this initiative will be oriented toward innovation. It will focus on the restrictions impeding the new data economy. In particular, it will clarify the legal status of property rights to the data collected through smart reception devices.

As part of this third pillar, the European Commission adopted, in June 2016, a new strategy for fortifying the aptitudes and talents that Europeans need to adapt to an ever more competitive, demanding job market and thus play a full part in the digital society. In this sense, the Commission will soon form a "coalition for digital jobs", which will bring together member states and professionals in education, employment and industry. The goal will be to equip everyone with the appropriate digital skills.

In the works

We stand at the halfway mark. All our proposals will be presented as planned by the end of 2016. We are heading in the right direction, but the road ahead is still long. We count on member states, in particular on a dynamic France and on the European Parliament, to work on our proposals and turn them as soon as possible into operational tools at the service of jobs, growth and innovation. There is no time to lose.

This issue of *Réalités Industrielles* shows interest in how entrepreneurs from various countries, even outside the EU, view the digital economy. What they have to say is instructive and rewarding. Let us take this opportunity to point out that our digital strategy is not at all protectionist. On the contrary, a European digital market will facilitate corporate activities not just in Europe but also beyond. The best way to make the European Union attractive to investors worldwide is to replace the mosaic of national regulations with a unified set of European rules.

With the advent of globalization, forming a Single Digital Market in Europe is not an option: it is a necessity!