

Digital Single Market

The biggest challenges for EU in Digital Single Market (2019-2024)

In the time of technological revolution, EU needs to increase its efforts to keep pace with the global competitors and ascertain itself as a digital powerhouse. In the coming years we are likely to see implementation of 5G network, the emergence of Internet of Things (IoT), use of artificial intelligence in daily life, which will translate into autonomous vehicles, intelligent cities, advanced agriculture and smart factories. However, those unprecedented advances will also increase risks such as growing vulnerability to cyberattacks, higher socio-economic inequalities and augmented anxiety of citizens.

Goals

The development induced by the technological progress should be used to strengthen EU competitiveness and to benefit all European citizens in an inclusive way. Innovation friendly environment should be ensured by appropriate policy frameworks and through technologically neutral solutions. The EU policies should support inclusive growth and fair distribution of benefits from the development of digital economy. In order to ensure the implementation and spread of new technologies, we need to enhance their security and trustworthiness.

Proposed Actions

I. The place of digital policy in the future agenda of the European Commission

We propose to maintain the EU digital agenda as a separated policy and to strengthen the coordination of digital affairs in the European Commission by entrusting a major part of this dossier to one commissioner.

It is indispensable to develop a coherent regulatory approach, based on joint effort in all relevant market policies towards the full implementation of the Single Market in both traditional and digital aspects.

II. Development of Artificial Intelligence (AI)

The EU trademark should be trustworthy, human-centric artificial intelligence (AI). Simultaneously, this approach should address the need of developing competitive AI solutions in Europe.

We should take action to support the development of AI-based solutions in the EU, in particular through:

- strengthening research centers and supporting research projects carried out as part of cross-border cooperation initiatives or agreements, while respecting geographical balance so that there are no distortions to the EU investment policy,
- creating an ecosystem and regulatory environment to support the rise of AI European companies at all stages of development - starting from the idea at the university, through research and development, incubation, acceleration, scaling up to foreign expansion,
- building an ecosystem of data exchange, strengthening security and protecting the privacy,
- increasing the number of AI specialists.

III. Competition policy in digital era

Competition policy needs to be adapted to the challenges of the digital age in order to ensure the EU economic competitiveness on a global stage. It is important to create new tools for effective mitigation of asymmetries in access to data and avoid the closure of ecosystems built by global digital giants. The updated competition policy should ensure interoperability of solutions, e.g. through the development of common business standards and norms in the area of data. We recommend to equip

Polish contribution to the preparation of the EU Strategic Agenda 2019-2024

the proposed independent European anti-trust office, in competences and instruments, which respond to the challenges of digital economy as well as to establish an accelerated procedure in digital affairs.

IV. Free flow of non-personal data (industrial data)

We should make sure that the unprocessed industrial data is free to flow and easily available. This principle strictly refers to data generated by human activity, public data or collected raw data from the environment. However, in the case of companies, in particular SMEs, we should favor a sectoral approach, i.e. look for appropriate solutions in the field of data management, which best suits a given sector.

We encourage the European Commission to take action to establish a framework for the flow of personal and non-personal data (machine data) in global relations with third countries.

V. Personal data protection (revision of GDPR and e-Privacy)

We support the planned revision of GDPR.

Should the work on e-Privacy be continued, a new Impact Assessment of e-Privacy regulation should be prepared to take into account the situation that occurred after the entry into force of the GDPR as well as will prove the need for *lex specialis* regulation in this area.

VI. Taxation in the digital sector

We support the continuation of work on the taxation of digital sector at international and European level. The initiatives at the EU forum stimulate the actions at the OECD forum. An agreement in the EU could prevent a situation, in which Member States introduce their own solutions unilaterally, thus contributing to fragmentation of the Single Market.

International tax regulations need adjustments to the modern digital business models. There is an urgent need for conclusion of initiatives on taxation of the digital sector developed at the EU or/and OECD level. Each month of delay costs millions of euros. We see interesting elements in all the proposals discussed at the OECD level. We call for the development of the widest possible, time-resistant rules.

We encourage the European Commission to address the challenges to the tax system related to the participation of entities from non-European countries in cross-border e-commerce. In particular, we need to maintain the level playing field between European companies as well as platforms and sellers from the third countries.

VII. Regulations of internet platforms

We should be cautious about imposing on Internet entrepreneurs, in particular SME, new requirements.

We believe that it is necessary to support competition on the platform market. In particular, we should prevent the monopolization of data collection and restriction of access to the data. We support the development of interoperability, facilitating the transfer of data between platforms, as well as open data policy.

We should avoid imposing excessive responsibility for published content on Internet intermediaries. This can lead to excessive deletion and blocking of content on the Internet, and therefore to restriction of freedom of expression. The reflection on the principles of platform responsibility should take into account, on the one hand, the need to ensure public safety and order, and on the other hand, provide guarantees to protect fundamental rights and maintain the open nature of the Internet.

We must support level playing field for comparable digital services, as well as between European and non-European companies.

VIII. Security of ICT infrastructure

The approach to the security of 5G network should be coordinated across the EU.

The European Commission should support cyber-security standardisation and producer independent security criteria for certification of new technologies, including IoT, home appliance as well as propagate and support security baselines. At the same time EU should strive to strengthen the competitiveness of European cyber-security technologies and solutions.