

Shaping Policies for Europe's Digital Decade



The COVID-19 crisis has massively accelerated the use of information and communication technologies (ICT). This has revealed **fundamental dynamics long at work**, demonstrating the opportunities of technologies, while exposing the vulnerability of our societies to new inequalities. The dependencies of European digital capacities, supply chains and technologies have become increasingly apparent. Data, data-driven technologies, and digitalisation offer tremendous potential to address some of our most intractable public problems, including the pandemic itself, healthcare, and climate change. Digitalisation is changing the economic strength of entire nations, the face of our economy, but also our culture, our civil society, politics, and the lives of individuals. This game-changing context also drives new risks, and raises legitimate concerns — which calls for an increase of our efforts to foster Europe's digital sovereignty.

It is therefore fitting that the European Union (EU) has several digital strategies and policies underway to address both these benefits and these challenges. As such, it has been taking the lead to ensure that digitalisation is an evolution to **be embraced responsibly and in line with fundamental rights**, freedoms, and values that form the basis of our democratic societies. Similar to any other policies, we should discuss and adopt digital policies with the view not only to protect our political, administrative and financial institutions, but also to address what is at the heart of our citizens' priorities: Employment, sustainable economic growth, the rights to the protection of personal data and to respect for privacy, family life, security and physical integrity, accessibility and digital literacy — for all ages and abilities.

We support the European Commission's objectives for Europe to succeed in the digital era and specifically the data aspects that are fuelling the innovation economy. Ambition in this field will be no less indispensable to preserve our economic and societal prosperity, and to build our resilience and open strategic autonomy. The EU's digital policy roadmap, along with EU strategies for trade,¹ industry, and competition, are instrumental to this purpose. We welcome that the Commission has built on the overarching [Strategy on Shaping Europe's Digital Future](#) to take into account the changes brought about by the COVID-19 pandemic.

With the new **Digital Europe programme**, the EU has committed €7.5 billion to new technologies, digital skills, cybersecurity, and other projects, to boost its global tech ranking. It will make technologies more readily available to citizens and businesses. The EU has also become more assertive in tailoring its Recovery and Resilience Facility (**RRF**) to promote this agenda, with a minimum 20% share to be allocated for digital. We must use the pandemic recovery funds to boost innovation and accelerate the digital transformation, hand in hand with the green transition.

Despite such strong commitments and our many strengths, there are various signals suggesting the **EU is lagging** the United States (US) and China in the development, use, and adoption of strategic technologies, and on the creation and growth of innovative start-ups. **Inadequate investments, burdensome bureaucracy, and the lack of proper implementation and enforcement across Member States** are among the many challenges that we must overcome to achieve a successful digitalisation.

Regulatory standards that have a global impact are seen as a key ingredient to ensure that EU companies, especially our Small and Medium Enterprises (SMEs), can compete fairly along global value chains. With the General Data Protection Regulation (GDPR), the EU has managed to set such standards in recent years. But we should avoid complacency, to always ensure that our rules support, and not hinder, the **growth of innovation ecosystems and the ability of our businesses, governments, and citizens to harness the potential of data.** Our rules, especially when they aim at creating a level-playing field, should ensure our **smaller businesses do not suffer from the need to invest additional resources in compliance,**

¹ The new EU Trade Strategy, which the EPP supports, highlights the importance of technology and rightly defined it as one of the EU trade policy priorities.

as this can penalise them more than the largest market players. We also should always strive to **choose the most ambitious, strategic, and long-term policies over short-term, quick fixes, and achieve forward-looking and coherent outcomes.**

The EU needs updated, flexible, coherent, competitive, effective, efficient, resilient, adaptive, innovation-friendly, predictable, sustainable, principle-based, future-proof, and forward-looking regulatory frameworks that balance potential and risk, and ensure that data, related technologies, and innovations are used responsibly. **Public investment commitments must clearly outweigh the cost of regulatory burdens.** We must factor in the different types of companies and business models that co-exist or may emerge. Creating rules for the digital economy requires anticipating and guiding how the technologies that will develop in the next decades will impact the market, how we may be using the services they create, and which technologies may disappear. A good example is Artificial Intelligence (AI), for which the EU wants to set the human-centric approach as a standard for all future AI systems.

To ensure efficient coordination, as well as the proper enforcement and effective implementation of current and new legislative requirements, it will be important to find the **right balance of competence between Member States, their competent authorities, and the Commission.** Swift and proactive cooperation will enable national authorities to legislate more efficiently, implement EU legislation adequately, and enforce digital policy locally. More guidance is needed in this respect, such as seen with the Electronic Communications Code and the GDPR. But **to avoid fragmentation, a high level of EU-level harmonisation should also be pursued.** The EU should wield its regulatory influence to **enhance the regulatory compatibility** among its own jurisdictions, as well as between its jurisdictions and others. We believe this is best done through cooperation and multilateralism, rather than by imposing our standards unilaterally or through passive market-based influence.

Regulation alone will not guarantee our success in the digital economy. And adding new regulation will not help us succeed in the digital economy — quite the opposite. We should instead **remove, merge, and simplify existing regulations** to make them easy to implement.

We need to produce not simply the right set of rules but also an **enabling and coherent environment** for our companies to thrive and grow in the digital economy. Digital policies should therefore always be discussed with the view to **strengthen, harmonize, and complete the Digital Single Market (DSM).**

We need policies that incentivize **more public funding and private-sector investment,** directed towards **strategic emerging technologies, critical sectors, and digital enablers.** Their development and use must be supported by a world-class **cybersecure, performant, and sustainable digital infrastructure,** which can itself contribute to deliver sound **data governance,** facilitate access to higher-quality data, and provide affordable high-speed **broadband connection** spreading the benefits of connectivity across the EU and addressing uneven access.

We need to increase the **capacity of European businesses to adopt new technologies,** in particular by providing our SMEs with the technical and human capabilities to compete in the digital world, and by creating the right conditions for them to grow. Many of Europe's SMEs lack 'digital maturity' and as a result cannot seize yet the opportunities of digitalisation.

We need to achieve the **digital transformation of our public administrations,** to deliver accessible, affordable, high-quality public services to our citizens.

We need policies that encourage **entrepreneurship,** strengthen public support for fundamental **research**

and innovation, increase **talent** attraction and retention, and equip the EU population with **digital skills and digital literacy**. We need policies that **reinforce fair competition for all companies in Europe, especially our SMEs**, and that guarantee **consumer welfare**.

While we support the EU's efforts towards achieving '**open strategic autonomy**,' the EU will only seize the growth potential of the digital transformation and compete globally if it remains open to the global data economy, continues to defend free trade principles and reject protectionism, and acts as a leader that forges and pursues strategic digital alliances by working with like-minded partners.

Chapter 1: INNOVATION — Policies for a Strong European Innovation Ecosystem

Digital Single Market

An important, and probably a first step towards achieving EU success in the digital economy through a strong and innovative European tech ecosystem is about **overcoming fragmentation** in bringing several stakeholders together to develop digital ecosystems and innovations. Despite progress towards the completion of our **Digital Single Market (DSM)**, there remains various roadblocks and discrepancies, such as the diverging implementation of EU Law and legislative overlaps, which stand in the way of our competitiveness, impact consumer welfare, and overburden our SMEs and start-ups. These obstacles are hampering the ability of the EU's [22.5 million SMEs to reach a market of 450 million consumers](#). The EU also has yet to build a **common European capital markets union**, without which access to capital remains difficult for our companies.

A balanced approach to legislation will help create a DSM that is competitive, accessible, technologically neutral, innovation-friendly, human-centric and trustworthy, and that builds a secure data society and economy. The **principles of 'Better Regulation'** are particularly fundamental to address the fragmentation of the DSM, and build high-quality legislation.

Investments in key technologies of the future

To reflect the EU's ambition of becoming a global technological leader and to reap the full economic and societal benefits of digitalisation and innovation, we need to **invest substantially more and specifically in high impact technologies and the digital enablers** that will be decisive in 10 to 15 years' time — such as Artificial Intelligence (AI), manufacturing, cloud computing, robotics, and synthetic biology, the Internet of Things (IoT), quantum computing, advanced microchips, 5G, and blockchain. GAIA-X and the Cloud Computing Partnership are good examples of such efforts to seize the potential of edge computing. Europe's lag is also caused by a **lack of European venture and seed capital, and private equity funding**, compared to the US and China, and by our difficulty to retain talents — as they leave our countries to go work elsewhere. **The lack of investment** hinders our influence on the global governance of these technologies. Our current **dependence on high tech imports** represents both an economic loss and a potential security threat.

The EU and its Member States should propose a comprehensive European approach to increase sources of capital for technological investments in the EU. **We should invest in and build on technologies of the future, not of the past, and areas of strength where we can make a difference.** The Commission's [updated Industrial Strategy](#), the [Digital Compass to 2030](#) for [Europe's Digital Decade](#), and the [ongoing reflections on a new EU Innovation Strategy focused on deep tech and on not leaving anyone behind](#) are opportunities to address this. **We believe the EU should elevate its digital ambition** and strive for a coherent and comprehensive agenda that links all strategic vulnerabilities and affected areas. The EU

should explore ways of pooling resources, technical capacity, and human resources in an advanced European research unit dedicated to supporting the EU's long-term competitiveness in the field of innovation, industry, and defence. We recognise that the geopolitical relevance of the EU will be directly linked with its technological leadership and industrial strength in the coming decade.

Artificial Intelligence (AI) in particular is a promising technology that Europe must master, exploit, and enhance. From medicine to transportation to cybersecurity and energy efficiency, and more, AI holds great promise for progress in our society, and for solving some of the world's biggest problems in health, the environment, education, and mobility. AI will be central to quantum computing, biotechnology, law enforcement, and cybersecurity.

In the near future, AI will become as natural a part of society as electricity. Its deployment is accelerating rapidly and as AI software become more sophisticated and better at self-learning and self-improving, the pace of development will increase exponentially. Properly managed, this presents great opportunities for all of humanity. **The people of Europe have big expectations for the digital era, and the EPP will work to fulfil them.** We will do this by combining our faith in technological development with our fundamental belief in free enterprise and the power of entrepreneurship — and by defending the market economy and free research. The combined power of these can unleash an unprecedented potential for societal progress. At the same time, it is important to note that AI has no intrinsic value in itself. It is the impact that technology can have on humanity and individuals that constitutes its value. **Technology should exist for the sake of people, not the other way around.** Our values and ethical principles should guide us. AI should be human-centred. It would not be desirable to have a development, sometimes portrayed in dystopian scenarios, where AI eventually makes humans redundant. On the contrary, technology should be an enabler and a door-opener that makes us better. **Rightly used, AI technology can enhance human performance, save resources, and relieve us of repetitive tasks.** When humans make humane use of AI, engaging it in the tasks it is best suited for, these new technologies will benefit all individuals.

But AI will not deliver the future we want — a future in which our principles, values, and fundamental rights are protected — if we fail to consider what that future should look like. The ways in which AI is built and deployed are already significantly affecting society. This means we need the right rules and policy guardrails in place to protect its users and society at large, and ensure the technology does not perpetuate discriminations. We therefore see **the Commission's [AI Act](#)** as an opportunity to determine the parameters within which this burgeoning area can legitimately flourish. A coherent and trustworthy framework for AI developers will **prevent fragmentation and ensure trust.** We agree that given certain applications of AI represent potential risks to fundamental rights and security, their development, market access, and deployment should be carefully monitored to ensure compliance with European values and rules. There should be limits on the use of AI applications that risks exploiting vulnerable groups. At the same time, **we caution against overly prescriptive regulation** as many sectors are already using and developing AI. That could hinder EU industry's growth, discourage investments into AI start-ups, or delay or disincentivize innovations on the EU market. In turn, this would increase our reliance on AI developed in third countries that do not share our values, or might use the technology for industrial espionage or foreign interference. It is also important to distinguish arguments about speculative future AI developments and risks that may never occur, from those about current AI that already affects society today. Furthermore, we stress that unlike traditional standard-setting, future AI regulation will require **significant expertise, close cooperation** between the public and private sector, as well as enforcement instruments and mechanisms that are **flexible** enough to address the evolving nature of algorithms and ensure adequate, appropriate, and continuous regulatory revisions.

Although the AI revolution is welcome in most aspects, it also raises questions that we need to address. How do we make sure that there is a place for everyone in the labour market? How do we make sure that

low-skilled workers are upskilled and do not become redundant? How should the value produced by AI be distributed in a way that benefits both individuals and society? And how do we safeguard European values in the context of fierce competition with global adversaries racing for digital dominance? **None of these questions have simple answers, but the EPP is committed to finding and supporting balanced ways forward.**

Successfully realising the potentials of AI requires an adventurous and open-minded attitude from policy-makers. The EPP will be the party that most vocally cultivates the dream of what AI can do for humanity — and the force that drives policy in that direction. **We dare to have high ambitions.** Just as Europe was the cradle of the industrial revolution, the industrial revolution of our time — the AI era — must now find its centre in our part of the world. This is crucial not only to the long-term competitiveness of our economy, but also to our wellbeing at work, and to our ability to equip humankind and individuals with the tools that truly make us flourish.

Digital transformation of businesses

The **digitisation and digitalisation of European businesses** will be important for the EU's success in the digital economy, and its economic recovery. The EU must accompany its enterprises' digital transition through policies enabling the adoption of new technologies.

Our European tech companies still struggle to scale and grow. Digital value creation and digital innovation take place to a significant extent outside Europe. The EU is home to only [5% of the world's AI unicorns](#) — fast growing companies with a market value of €1 billion or more. Not all our companies are born digital, and in traditional sectors not all have a data-driven business model. Only [22%](#) of our small enterprises use two or more AI technologies, and only 12% and 21% of our SMEs use (respectively) big data analysis and advanced cloud computing services. **The EPP therefore supports the Commission's 2030 objectives** to ensure that 75% of European companies use cloud computing services, big data, and AI; and that more than 90% SMEs should reach at least basic level of digital intensity.

2020 has accelerated the importance of digitally transforming to remain competitive, but not all small businesses kept pace, and some have disappeared. While there is no going back, this process will not happen evenly across industries. We must therefore **provide support and guidance to our SMEs** so they can withstand digitalisation and reap the benefits of using digital solutions. Our policies need to address what they lack — which is **access to capital, to skills, and to data** — and mitigate the negative impacts of dominant online companies.

Digital infrastructure

A secure, performant and sustainable digital infrastructure is now as important to our economy and society as traditional infrastructure and utility services. It enables **high-quality and effective digital connectivity**, which can deliver **innovations faster and better across the economy**, drive economic growth, boost productivity, and open up new business models. But filling the existing deployment gap of digital networks will require a **concerted approach among policymakers at the EU and national level and coordination with private providers, and combination of public and private investments.** EU initiatives on digital connectivity, such as the [Connectivity Toolbox](#) and the [European Electronic Communication Code](#), will be critical in achieving this. The latter has yet to be implemented in seven Member States, despite a transposition period that is long overdue. **We will not boost private investment without sending the positive signals of business-friendly environment.**

We support the Commission's objectives of the Digital Compass to nurture a **secure and sustainable digital infrastructure** for better connectivity through higher **5G** coverage and capacity network, greater

production of **semiconductors and batteries**, and the **creation of more data centres** to increase our capacity for fast and secure access and processing to more data generated in Europe. The EPP believes that the Commission's [commitment](#) to present a new [European Chips Act](#) to jointly create a state-of-the-art European chip ecosystem is an ambitious step to be welcomed.

Policies and investments on digital infrastructure should also aim to ensure **inclusive connectivity**, with available and affordable Internet, broadband and mobile services, in order to close the **digital divide** across the EU, and to support access to emerging broadband-enabled trends and digital services such as **e-health, distance learning, and remote work**. Policies should also offer attractive incentives to companies to invest in providing better connectivity in rural and remote areas.

Finally, there will no European data infrastructure without **cloud infrastructure, high-performance computing (HPC), and quantum computing** capacity to analyse vast amounts of data in the future. HPC should be a strategic investment priority underpinning our entire digital strategy, from big data analytics and AI, to cloud technologies and cybersecurity. We support a dialogue on **6G** to prepare for what already is the next race which other nations will aim to dominate, by setting up the rules and the governance structures to roll out its development, and working with the public, private, educational and research communities around the world to set unitary global standards.

EU approach to innovation

The stakes of how we handle the side effects of new technologies will only grow in the future. While we welcome digital policies that aim to anticipate the potential risks associated with emerging technologies, we **support an approach that would be more risk-taking than only based on the precautionary principle**. The balance we must strike between our values and innovation is delicate, but it must be wrestled with, so long as innovation is deployed in service of these values and our economic prosperity.

Stemming from this approach, the EU should **encourage a more risk-tolerant investment strategy**, and **nurture a European entrepreneurial mindset**, so that more European SMEs and start-ups can grow and compete.

An EU innovation ecosystem powered by education and research

Education, research and innovation are indispensable to ensure Europe's sustainable economic recovery, growth, competitiveness, and leadership, but also to our daily lives. They can provide us with the capacity to prevent, solve, and mitigate unforeseen crises, and build resilient societies and competitive economies. As evidenced by the COVID-19 pandemic, they are vital in key value chains, which in turn makes them an essential driver of the EU's open strategic autonomy. The EU leads in science, but it must now **transform this leadership beyond, into a leadership in innovation**, drawing on the strength of its science and educational institutions.

At the heart of education, research, and innovation, there are ecosystems with many actors whose growth we should nurture and support. This includes **our SMEs and start-ups, which are the backbone of our economy**.

We should **strengthen and further connect our innovation ecosystems** to reap all sources of innovation (labs, classrooms, civil society) into commercial, innovative solutions faster and better. **We need a more unified pan-European innovation ecosystem** to support the growth of start-ups and show entrepreneurs that Europe can be their home. We believe the Commission's objective to create **a single European Innovation Area** is an opportunity to foster innovation excellence.

We welcome the Commission's efforts for **a renewed EU policy for innovation** that will reduce bureaucracy, empower innovators, boost the start-up sector, reduce barriers to translation and commercialisation, and get education and science leadership smoothly flowing into the market. We also support the EU's related objectives to achieve its 2030 target of **doubling the number of our unicorns**, and to introduce **start-up specific visas**. Member States have committed to join such initiatives — we now need to see those implemented in practice. EU countries should also consider policies that will channel public funding more efficiently, such as tax reductions, alleviating labour costs, and investing in experimentation facilities and sandboxing to test new business models and technologies.

The EPP greatly welcomes the Commission's commitment to create 200 Digital Innovation Hubs, which will be lifting the general level of AI development and deployment broadly throughout Europe. At the same time, we stress the need to focus on the very top of AI ecosystems: On excellence, pioneering and creating what could be a beacon for AI development on the world stage. It should be clearly European, and truly global.

The European AI research ecosystem's attractiveness for talents could be enhanced by means of a long-term and very substantial investment into **a designated European AI Lighthouse**, whose resources and competences would be focused on a single region that currently has the most competitive position, hence the greatest potential to compete with the global tech giants. This European AI Lighthouse should be a cluster for AI research and development — similar to research facilities such as a European Spallation Source (ESS) or a European Organization for Nuclear Research (CERN) for AI — that attracts the best and brightest minds to Europe. This would be crucial to fill the competence gaps currently facing actors in the European digital sphere, and to provide AI stakeholders with a bigger and more highly skilled workforce.

Digital and green policies

The green and digital transitions go hand in hand, and form the cornerstone of our recovery process. Industry's digital transformation and innovation are offering new prospects to reduce the EU's carbon footprint in the ICT sector. Digital technologies have the potential to enable a 20% reduction of global CO₂ emissions by 2030, saving almost 10 times more emissions than they produce. While IT uses energy, it is at the heart of many solutions that reduce energy use and emissions, such as telework, precision agriculture, e-commerce, and the smart grid.

The Green Deal is an opportunity to champion digitisation efforts that will contribute to building a greener economy, and to revise data policies that may be contributing to a larger carbon footprint inadvertently.

To support and encourage our companies' efforts, and help them adapt while preserving their ability to innovate, EU climate policies should focus on increasing digital adoption, encouraging voluntary improvements, and promoting further R&D on energy-efficient IT technologies. If the Green Deal results in energy efficiency rules for the tech sector, these should be **proportionate, flexible, and compatible** with the targets that can be realistically achieved by companies of different types and sizes.

Chapter 2: SECURITY — Policies for a Safe and Trusted Digital Environment

Principles for the online environment and the data economy

The online environment must be grounded in **the rule of law**, to bring social, economic and political development globally in full respect of **fundamental human rights and freedoms**. Our vision of cyberspace is to defend and safeguard a global, neutral, open, free, stable, and secure Internet, while offering guarantees to ensure innovation, trust, security, and protect European democratic values. It should remain based

on a **bottom-up multi-stakeholder governance** approach, as this is what has allowed it to flourish and grow over the years.

We have entered an era in which data is the enabler for more personalised services and products, breakthrough research, innovative business models, and more efficient public services. We therefore need to leverage our capacity to organize the data resources we already possess, to **create a data economy that works for the entire EU and serves the public interest**. We want European companies of all sizes to succeed in the data economy, and we want **all EU citizens** to also benefit from the societal progress it leads to. Our policies should also promote a **European data sharing culture** that enables moving from raw data to insights, and from insights to action.

The EU today stands for a high level of **data security, data protection, and consumer protection**, which we support as a priority. It is crucial to ensure companies, public authorities, and individuals can exchange data safely. In addition, individuals should be able to be more in control of their data, to choose who they share it with, and to know what happens to it. We believe that this can enhance **trust, which in turn incentivizes data sharing**, and therefore provides a significant competitive advantage that must be maintained and built upon.

We fully support the EU's approach to building **transparency and trust**, especially with regard to the location of data stored by administrations in the cloud, compliance with EU legislation, or subjecting cloud service providers that offer their services within the EU to European laws with extraterritorial effect.

Data should be “as open as possible and as closed as necessary.” The EU should maintain its ambitious data protection standards and continue to guarantee a high degree of control over data, with clear and balanced rules on IP rights. At the same time, the EU should **maintain openness** towards third countries, to ensure personal and non-personal data flows across borders. **Greater data access, collaboration, availability, and re-use** will play a key role in the EU's economic future, can help address some of society's biggest challenges, and advance Europe's digital goals. While essential privacy protections and commercial considerations impose limits on the sharing of certain kinds of data, much of the world's data can be made more open with appropriate tools and sharing protocols.

While digital transformation and new technologies are offering a host of benefits for the economy and society, they are also providing new opportunities for criminals and terrorists to develop new criminal activities and conceal the crimes and their identities, through the deployment of privacy-enhancing technology inter alia. While the right balance between privacy and security should be found, we consider it therefore crucial **to ensure that law enforcement authorities are as effective online as offline in combatting serious crimes and terrorist activities**. We should thus ensure that law enforcement authorities are legally authorised and provided with the necessary tools to lawfully access private communications with a view to prevent or investigate serious crimes and terrorism.

An online economy requires safe means of payment that respect and preserve the privacy of consumers. The Digital Euro, whose introduction the EPP supports, offers an opportunity in this respect. Such digital currencies can also provide cheaper money transfer and enhanced payment efficiency both domestically and cross-border. They can also help tackling money-laundering, terrorism financing, and sanctions evasion, as well as supporting European leadership in the digital economy. This is why the EPP encourages the ECB's efforts to adopt the Digital Euro by speeding up its investigation, live experimentation and testing phases. At the same time, the EPP recalls that **payment privacy is a major concern** (along with security, the ability to pay across the eurozone, and costs). While it is an inherent feature to the use of cash, payment anonymity for virtual currency is difficult to attain if the ECB wants to comply with anti-money laundering

rules and ensure this currency isn't used for tax avoidance. We urge the ECB to consider additional privacy protocols that are consistent with anti-money laundering rules and could be implemented into the Digital Euro, including the option of making small transactions anonymous as well as being conducted offline. We therefore recommend close monitoring of the ECB's research and development efforts in this area.

Policies for the data economy

Policies for privacy and data protection

The **GDPR** created obligations on firms and rights for individuals regarding processing of personal data, including cross-border data flows. **The EPP acknowledges that it has become a global standard**, inspiring many jurisdictions around the world for their own privacy and data protection legislation.

But it is also because the GDPR carries high ambitions, that **the EU should not turn a blind eye to its shortcomings**.

We call on the EU and Member States to address the lack of resources reported by many Data Protection Authorities (DPAs), **to reduce legal fragmentation by aligning their sectoral laws to the GDPR, and to alleviate** the bureaucratic burden that disproportionately weighs on our SMEs.

Due to the GDPR's highly complex concepts and ambiguous legal definitions, smaller firms struggle to access the technical and legal resources required for compliance. To improve compliance by all stakeholders, the European Data Protection Board and the national supervisory authorities in Member States should provide clear guidelines and further clarifications, also taking into account recent case laws of the European Court of Justice.

We must **ensure that the GDPR remains a future-proof framework** that adapts to the evolution and use of the technologies it captures. The GDPR indeed affects how the EU can develop and use certain technologies that have emerged or have become more pervasive since the law was drafted, such as AI, blockchain, or cloud computing. Some of these technologies and their applications require a significant amount of personal data to be able to perform accurately — which the GDPR limits to a certain extent. But as we grow more dependent on technologies, we need to harness the most of their potential, to ensure we can build ourselves digital solutions to global challenges such as climate change, or pandemics. Using large data sets and central storage of data, as well as provisions facilitating the repurposing of non-commercial data for scientific research and health would have helped during the COVID-19 crisis, through better contact tracing and research studies by the global scientific community. Furthermore, the pandemic underscored the importance of international sharing of health data for research; we should facilitate health data exchange to ensure that our frameworks do not impede health research projects, undermine international collaboration, and put EU leadership in the field at risk.

We believe that **although it is not fully implemented yet and has not yet reached its full potential, a discussion should start on how to adjust the GDPR**, including with clearer definitions and more specific rules for different areas, and without compromising our privacy and data protection standards.

Moreover, we are committed to ensuring that the ongoing reform of ePrivacy, which governs the confidentiality of private communications, does not lead to legislation which would add legal uncertainty for stakeholders falling within the scope of both ePrivacy and the GDPR. **It is essential to prevent a disproportionate, additional burden and further restrictions regarding the legal processing of communications' data, including less sensitive metadata, beyond the GDPR**. This would otherwise and inevitably impede innovation and the competitiveness of European businesses. We are furthermore **opposed to the complete prohibition of online tracking** as many businesses, for instance media outlets providing quality journalism, provide content free of charge but rely on revenue generated by means of personal data processing.

Policies for data governance and data sharing

The EU data economy as a whole will be worth [over €829 billion by 2025](#), representing 5.8% of the overall EU GDP. To unleash its potential, the EU needs **a strong and clear institutional infrastructure for collecting, maintaining, and sharing data** appropriately. It is vital for supporting our goals around the digital transformation of our industries and governments, the transition towards using more technologies like AI, and the broader use of data for research and innovation.

The [European Strategy for Data](#) and its instruments, such as the **Data Governance Act**, will allow Europe to ensure we exploit more of our data to the benefit of European citizens, businesses, researchers, and public administration. It is setting the right objectives: To **facilitate the cross-border sharing of industrial data** between businesses and governments, build a fair, secure, and safe environment for data collaboration and data sharing, and ensure that European citizens and businesses can gain easier access to and more control over their data. We support the adoption of **common rules** on how data should be shared and stored across the EU through the creation of **common European sectoral data spaces**. Data spaces will help **overcome the silos** that exist in data storage across the EU and harness our unused troves of data. They should be user-centric and contain mechanisms to facilitate the cross-sectoral approach. However, **for the broader European Data Strategy to be successful, it has to be consistent with other existing legislation**, such as the GDPR, to avoid legal uncertainty. Its success also requires clear rules for personal data and must take into account implications for international data flows. Moreover, we note that the **Strategy still needs to be complemented by a Data Act**, to govern access to data in business to business (B2B) relationships with a special focus on addressing issues related to usage rights of co-generated IoT data, and that governs the public sector's reuse of privately held data for the public interest.

We believe these are opportunities to create a **credible alternative European model** to the data handling practices proposed by dominant tech platforms. **Support to our SMEs, through guidance and resources**, will be critical for sound implementation. We call for necessary clarifications to address industry's concerns (such as regarding data localisation and ensuring the confidentiality of certain data) and insist on the importance of **economic incentives** to data sharing to ensure all sectors of the European industry and companies of all sizes progressively engage with those plans. We further call on the EU to prioritize **interoperability**, starting by streamlining the adoption of common standards for data sharing by all Member States. In addition, while some encouragement from policy may be helpful to encourage data sharing, **we caution against heavy-handed regulatory interventions** that could jeopardise existing data sharing agreements among private sector providers. Just as important is to **preserve IP rights**, as the goal is not to force companies to give up proprietary data and trade secrets. Where appropriate, we should experiment with **voluntary data sharing models** such as data trusts, which can help improve data quality and encourage businesses to share data responsibly.

Cloud policies

Cloud markets are growing rapidly, and many of our companies have yet to transition to the cloud. The European market alone is estimated to be worth €53 billion, and could grow to over €500 billion in value by 2030. This represents an opportunity for European cloud providers to meet most of the market's needs. But the current structure of the European market is not sustainable. **European cloud products, services, infrastructure and rules are currently too fragmented** to provide solid alternatives to existing global cloud players which lock-in their current customers, among which our companies and governments. As a result, **the existing technological gap increases between EU and non-EU based firms**.

Therefore, we welcome the project of EU countries and the Commission to create a **future cloud federation under the architecture and networked infrastructure of GAIA-X, incorporating trusted providers**

who must comply with European standard rules, and with technical, operational and legal security requirements capable of effectively protecting data and processes hosted in cloud services. We believe that the European Alliance for Industrial Data and Cloud, building on the important contribution of GAIA-X, has the potential to strengthen the competitiveness of European companies and business models internationally.

Policies for the online environment

The Digital Services Act (DSA) and the Digital Markets Act (DMA) are an opportunity to shape the digital economy in Europe. Together, these complementary acts will increase the EU's ability to regulate large online platforms while creating a safer and more open Internet for European citizens. The EPP wants these new rules increase **transparency and product safety** for consumers as well as **legal certainty** for businesses.

Online safety and platform responsibility

Ensuring a safe, predictable, and trusted digital environment requires updating the rules applying to online platforms. The **DSA** will contribute to the proper and smooth functioning of the internal market for intermediary services by setting out uniform and clear rules, and according to this underlying principle: **“What is illegal offline should be illegal online.”**

The EPP welcomes the Commission's commitment to preserve the main principles and liability provisions of the eCommerce Directive by incorporating them into the DSA. This is key to ensure the smooth functioning of the internal market by ensuring free movement of information society services between Member States. **The goal of online intermediary liability laws should be to strike a balance between protecting users, foster free speech, allow online innovation, and ensure the removal of illegal content online.** While many countries are moving to impose more obligations on online intermediaries to protect users, they should be careful not to impose obligations that would undermine these other worthwhile goals. For instance, mandating the use of automated tools for online content moderation, such as filters, risks leading to errors and the removal of content that may be lawful, given these tools remain rudimentary. In addition, not all online platforms can afford such technologies. **At the same time, platforms should not be prohibited from deploying filters — subject to appropriate safeguards — to contain or prevent the rapid dissemination of specific illegal content such as terrorist content or child sexual abuse material.**

We support the introduction of **transparency requirements** regarding platforms' customers, their algorithms, and online advertisement. Online platforms should be ready to explain the design and the functioning of their algorithms. However, transparency requirements should be meaningful, and should preserve and ensure the protection of **trade secrets** of service providers with regards to data access and investigations. We recognise that online targeted advertisement and practices such as 'real-time bidding' can leave sensitive personal data of European users unprotected. **The DSA should explore ways to provide European citizens with more control about their preferences.** Online platforms should introduce the necessary granular controls so that users can make informed and conscious choices about targeted advertisement.

Online disinformation

Disinformation remains a major threat online — to citizens and to our democratic institutions. Elections at European and national levels, Brexit, and now the pandemic, have given more urgency to tackling this phenomenon. The Commission has long identified disinformation as a core problem, as well as greater

transparency and accountability as a key part of the solution. **We welcome, and should build on, the efforts of the EU and platforms** to address online content issues through the current [Code of Practice against Disinformation](#). Co-regulatory policy tools can close the gap between the pace of policymaking and that of technological innovation in ways that some other forms of governance cannot. They are necessary — but they are not enough. We therefore support the Commission's aim to **evolve the Code towards stronger enforcement, monitoring, and oversight** of the application of the Code, as well as its extension to more signatories. We note that progress on behalf of private online platforms in the fight against disinformation has been lukewarm. The quality of shared datasets, openness to independent researchers, and overall transparency can be improved. The EPP supports the Commission's pledge to introduce binding legislation on digital platforms in case the self-regulatory approach on disinformation continues to produce disappointing results.

Proportionality and scope

We must keep in mind that when they enter into force, new digital rules will not only affect large platforms, but also smaller providers of digital services and their users. We should avoid unintended consequences such as **the increase of administrative burden** which companies already are subject to.

The **approach to assessing new obligations for online platforms imposed by the proposed regulations should be proportionate to their size and resources**. However, we encourage discussions on cases where certain requirements should apply uniformly — for instance when this is about the propagation of certain types of harmful content, or content depicting or leading to child abuse.

Digitalisation of public services

For the EU to lead in the digital era, its Digital Compass must remain stable in an area that is critical to trust in technologies and our institutions: **the digitalisation of vital public services at EU level**. Some EU countries like Estonia have shown that public authorities can make a difference as early adopters of technologies like AI, but current EU solutions so far have been fragmented and therefore, do not have a major scale.

The EPP supports the Commission's target to make **all key European public services available online for citizens and enhance the use of eID solutions as well as access to e-health**. Critical to achieving this will be the implementation of a common **European-wide digital identity** and of common **European data spaces as part of the EU Data Strategy**.

In particular, the EPP recommends speeding up the process engaged to guarantee all EU citizens the use of digital services that require identification in all EU countries. **Access to a safe and protected digital identity should be a basic right. The common [European digital identity](#)** will facilitate political participation, generate thousands of new jobs, and could even have a positive environmental impact. Among other enabling conditions, to ensure the EU eID is a success will require strict security requirements, a high level of interoperability, legal certainty, data protection, and privacy. The eID should also be user-friendly, to ensure its uptake by citizens.

Cybersecurity

The EU's data economy will not flourish if there is no trust guaranteed in the **security of its digital infrastructure, applications, and products**. **Cybersecurity** is a major area of concern for most organizations, especially smaller firms for which compliance and prevention demand mobilizing significant resources. The recent spikes in cybercrimes, the blight of ransomware, and the ever-changing hacking techniques pose a serious threat to the cyber world, resulting in major data or monetary losses for people working

from home, as seen during the pandemic. Cyber threats are destructive, coercive, and threaten our democratic institutions. To address them requires combining the efforts of cybersecurity experts, governments, and wider international cooperation.

The **EU must protect access to its critical infrastructure and boost its capacity to prevent and address cybersecurity risks**. We support the various initiatives of the Commission aiming at reinforcing cybersecurity in the EU. In particular, the [Communication on the EU's Cybersecurity Strategy for the Digital Decade](#) had outlined major EU policy objectives for advancing the EU's cyber capabilities. We look forward to the work of the EPP Group in Parliament around the **proposal for a Directive on the resilience of critical entities, and for the Revision of the Directive on the Security of Network and Information Systems (NIS 2)**. These form the basis for a stronger cybersecurity roadmap, and will help us catch up with the reality around us, as pipelines are targeted and cybersecurity incidents leave entire states in crisis. To avoid fragmentation on cybersecurity requirements, we also need to strengthen the role of the **European Network and Information Security Agency (ENISA)**. Likewise, the European Cybersecurity Competence Center and Network (CCCN) must be operational as soon as possible in order to strengthen the EU's competitiveness and capabilities in cybersecurity, and to reduce its digital dependency by improving the uptake of cybersecurity products, processes and services developed within the Union.

We call for further efforts in the development of secure and reliable network and information systems and infrastructure across the EU. All Internet-connected infrastructure and products in the EU should be secure-by-design, resilient to cyber incidents, and quickly patched when vulnerabilities are discovered.

The EPP particularly welcomes the Commission's [recent commitment](#) to create a **European Cyber Defence Policy, including legislation on common standards under a new European Cyber Resilience Act**.

In 2020, the EU invoked for the first time its cyber diplomacy tools and imposed sanctions against Russian and Chinese individuals for conducting malicious cyberattacks. The EU must stand ready to counter such behaviour in cyberspace and have the necessary mechanisms to prevent, deter, and respond to external threats in the digital domain. The EPP calls for closer transatlantic cooperation against these challenges and for extending NATO's capabilities to defend Allies in cyberspace.

Chapter 3: COMPETITION — Policies for a Fair Digital Economy for All

Digital platforms have driven significant innovation in Europe and enabled jobs and growth by providing services to hundreds of thousands of businesses and millions of consumers. But **the EPP acknowledges the concerns raised about digital markets, as they can give rise to challenges which require intervention**. Currently, a set of large tech companies control access to customers, and structure the digital environment by controlling the flow and access to information, e.g., in social media or via Internet search. Issues that their dominance has led to include unfair and competition distorting business practices. Technologies are becoming so pervasive in our lives, in our society and our economy, that when they break, they do not just impact one technology or one company — but all of us. Given this risk, where competition lacks, the few large companies that control those technologies merit closer antitrust scrutiny.

The **Platform-To-Business (P2B) regulation** brought much-needed transparency and fairness, key to competition, but there is a pressing need to go beyond that by bringing new rights and predictability on digital services.

We welcome the Commission's proposal to adopt the **Digital Markets Act (DMA)** as an internal market instrument vital to **address competition-distorted practices of large online platforms through the im-**

position of mandatory obligations and prohibitions. Our companies will have more opportunities to grow and thrive if the new obligations for gatekeepers limit unfair practices and open up competition on platforms. Dominant tech companies have a record of acquiring potential competitors at an early stage, and our European businesses are exposed to more of such acquisitions especially from US or Chinese firms. While this so-called 'exit strategy' is sometimes desired by start-ups, acquisitions should not happen at the expense of the entry and growth of a broader diversity of new players, large or small, in the market.

It will be important to ensure the DMA captures and effectively addresses harmful — existing and potential future — conducts of gatekeepers, without creating unintended consequences for the companies in scope and their users. The DMA can be a great tool that is innovation-friendly and supports a level-playing field, especially for our SMEs. It should reaffirm the EPP's attachment to a digital economy that serves the people, and not the other way around. Nevertheless, to be efficient, it should address the shortcomings of competition law without hampering the legal certainty needed. This would risk disincentivising our companies' growth. To this end, the scope of the DMA must remain limited, and the procedures it establishes, dynamic. It should also take into account the different types of companies, different platforms, different business models — and therefore different challenges — which coexist in the digital environment.

Finally, digitalisation is creating new challenges to the **international tax system**, leading to tax uncertainty and market distortions. **Digital companies must pay tax where they make their profits.** As mentioned in [the EPP 2019 Manifesto](#), **everyone must contribute their fair share to the Europe we all benefit from.** We need a reform to achieve a modern, stable, and effective tax system that will ensure a level playing field between traditional and digital business models, as well as fair competition, both globally and at the European level. **We need to maintain our close cooperation with the OECD to achieve a common EU solution.**

Chapter 4: EDUCATION & JOBS — Policies for a European Digital Society and Culture

Building the European data and digital culture through digital skills and digital literacy

Education is a priority area to ensure the success of the EU in the digital economy. In particular, the EU population's **digital skills** are key to the competitiveness of our companies and to the sustainability of our workforce, with individuals equipped with the skills relevant for today and tomorrow's labour market. **Digital literacy** will be critical to ensure citizens embrace the opportunities of digital technologies, become data-savvy actors, have greater awareness of and control over their data, and understand their digital environment and its risks. We must also consider the role of technologies in education and at work beyond the pandemic.

The skills dimension is critical to achieving many of the EU's digital policies. It goes beyond the requirements of the labour market. More of our population should be empowered with knowledge of what happens in their digital lives, and a better understanding of the tools the EU is creating for them to control their data. In addition, **online information literacy** has become a security imperative, to tackle issues such as disinformation. It should be combined with facilitating access to more modern online education infrastructure, equipment, and connectivity. As [the European Seniors' Union \(ESU\)'s Resolution on Media and Information Literacy](#) recalls, **media and information education should address all members of society equally, for they must be able to exercise their right to participate in the digital society.**

The digital skills gap prevents many companies from advancing their digital transformation and growing in the EU. Finding ICT professionals remains [a key challenge](#) for companies, [big and small](#). Only [56% of EU citizens](#) are currently equipped with advanced digital skills. We therefore welcome the Commission's

[ambitious objectives](#) to **bridge the gap in the employment of technology experts and address the lack of basic digital skills by 2030**, by equipping 80% of EU citizens with universal digital education and skills, and ensuring 20 million people are employed as ICT specialists, including 40% of women in this field. The Commission's new [EU Pact for Skills](#) and **the Digital Skills and Jobs Platform** are important instruments to achieve these targets, and ensure more efficient awareness-raising, support, and availability of data and resources on digital skills and jobs, as well as training and funding opportunities.

Part of building a society resilient in the digital era, along with supporting our companies' growth, also means preparing EU citizens to the so-called **'future of work' — the automation of certain job activities through AI and robotics**. To take advantage of the many potential applications of new technologies, countries need to invest in **workforce development to foster the expertise** needed to develop, deploy, adopt, and scale these technologies. If Europe wants to be competitive in the digital economy, it needs to build an entire chain of talent that works with technologies at all levels. **We must address our talent shortage** by ensuring top talent's growth, attraction, and retention, as well as by enabling greater access to talent for companies. This requires **investing in and incentivizing programmes for upskilling, reskilling, life-long education, non-formal and informal learning**. We stand for a stronger cooperation between businesses, trade unions and vocational, education and training providers, which can enable these schemes, and help identify new and emerging skills needs. Furthermore, we believe that the designation of a **European AI Lighthouse** would be of paramount importance to attract the best and brightest to Europe.

We should support students and young professionals to gain new skills that will be most in demand, and prepare them for the job market in fields such as cybersecurity, big data, digital marketing, and software development. As such, **the EU's Digital Opportunity Traineeships (DOT)** can provide cross-border opportunities to get hands-on working experience in relevant jobs.

We also call on EU Member States to include entrepreneurship education as a subject from secondary level upwards. **More can be done to promote skills and knowledge in Science, Technology, Engineering, and Mathematics (STEM)** within educational institutions, such as by introducing coding into school curricula from a very young age. Coding can indeed enable people to engage with the world as 'digital natives' rather than just act as consumers of technology. More broadly, **adapting school curricula at all levels** of education can be an opportunity to ensure better awareness of fabricated online stories, greater fact-checking and deeper critical thinking.

The Commission's [Digital Education Action Plan](#) is an important compass to help design new and ambitious policies. Member States should further implement and build on the [Digital Competence Framework for citizens](#), which help individuals and SMEs find relevant training and learning opportunities and improve the sharing of knowledge, best practices, and funding between organisations.

[Protecting and onboarding EU citizens in the digital economy](#)

We have an imperative to get EU citizens on board by **enhancing their trust and digital autonomy**, and empower them, so that they **embrace and participate to the digital transition**. We need to help people understand a fast-moving digital world in which too many still feel left behind. **We must ensure that all groups are included** in this digital transformation, especially the most vulnerable workers. The debate on the 'future of work' should be at the heart of the European social dialogue.

As our citizens are the core drivers of our principles and values, we support the Commission's efforts **to more proactively engage with them** and identify what they consider essential for tech regulation — as seen with the [consultation for a new initiative on principles to define the "European way for the digital society."](#) We urge EU Member States to develop more **public education and awareness-raising campaigns**, similar to those that changed attitudes on the environment.

Any open society is based on transparency, and particularly with respect to how the **digital freedoms and rights** of every citizen are transparently guaranteed and protected. **The EPP supports the objective to clarify and reinforce the rights, principles, and values that are relevant to the digital world and which the EU commits to protect and enhance in this new era.** Citizens should be able to enjoy fully in the virtual environment the rights that they have earned in the analogue world but that are affected by the impact of technologies and online communication tools. This includes non-discrimination, the protection of vulnerable groups, access to education and essential services, and labour rights. In addition, data protection, digital identity, and pseudonymity deserve particular attention. **The EPP welcomes the Commission's proposal to build on the [European Pillar of Social Rights](#) and its principles to this end, and to propose a Charter of Digital Principles** that will set the European standard for ethical and fundamental values and human rights in the digital space.

Digital inclusion should be at the heart of our policies for the digital era. In the context of the economic recovery, **the EPP regards digital cohesion as an essential, additional dimension of our traditional concept of economic, social and territorial cohesion**, enshrined in the EU Treaty. Policies should aim to prevent a double digital divide due to a lack of infrastructure and IT literacy and skills. We must focus on equality and creating chances for all — whether for women or men, from East, West, South or North, young or old. The EPP supports [the Statement of the European Seniors Union \(ESU\) on Older Persons and Digital Inclusion in Today's Information Society](#) issued in March 2021, which calls for combating this digital divide and digital poverty with a comprehensive strategy and overall operational actions to ensure digital literacy and inclusion for all generations. Much of the digital divide is indeed regulatory or legislative, but also **educational**.

The **geographical divide** in digital skills must also be addressed through **EU digital policies and projects that increase innovation cohesion among EU regions**. Internet access is a lifeline — not a luxury. And yet access to IT devices, reliable connectivity, and high-speed Internet in remote and rural areas, isolated communities, and among age groups such as seniors remains a major problem across EU regions. Furthermore, the COVID-19 pandemic has amplified deep existing inequalities in affordable and meaningful connectivity. The EPP supports the Commission's request to Member States to earmark budget for devices such as computers and tablets in schools, and welcomes Member States' unprecedented commitment to invest €55 billion in education and digital education as part of their recovery plans. **The EPP calls on Member States' responsibility to ensure these intentions will now be followed by concrete actions and implementation.**

Trusted European financial technology services (FinTech) and applications can be used as a tool for the financial inclusion of citizens who are operating outside conventional banking services and increase personal convenience. But the EU currently lags behind other economies when it comes to FinTech and innovative financial products. Unregulated payment solutions or third-country financial applications are already mushrooming, which creates specific long-term risks and vulnerabilities. The EU should therefore boost its efforts in this field and create the necessary conditions for improving the bloc's standing in FinTech services.

Gender diversity in the area of technology should be a priority in achieving inclusion. **EU policies must thrive to remove the obstacles for women's participation in the digital economy and empower more women to take the lead as tech investors and entrepreneurs.** Only [15%](#) of researchers in STEM are women. We need more female talents for better science, research, and innovation, to ensure that tech ecosystems involve stakeholders who will be able to bring a variety of expertise and backgrounds to the table. Indeed, the under-representation of women in IT, computer science, and R&D affects the results of the systems built.

Diversity must also be thought through in terms of **backgrounds and education, ethnicity, walks of life, or geographical origin**, where possible.

Skills for better digital governance

Digitisation is not simply about moving from paper-based to digital formats, or just about the transmission of information — it is also about reconstructing public governance. **The EU needs to build institutional capacity to design data-driven decision making and effective evidence-based regulatory approaches for the digital economy.** This is essential to high-quality impact assessments and to avoid possible regulatory failures such as excessive regulatory burden.

We must bring into **administrations more digitally skilled people with deep knowledge of technology, digital markets, and data.** Part of this effort requires more dialogue between those who create technology and those who must regulate it. To raise the stakes and level the playing field with large foreign companies, EU governments will also need more **technically savvy diplomats** within their ranks.

Chapter 5: LEADERSHIP — Policies for Europe's Digital Leadership and Open Strategic Autonomy

To regulate technologies that are bigger than themselves, governments will need to work together. Amid pressures such as geopolitical headwinds, and the competition between democracies and authoritarian regimes in the global technology race, the inexorable course of technology is forcing more international collaboration. Some issues may not always lead to consensus, but several digital policy challenges may be more effectively addressed at the regional or international level.

The EU needs to advance a positive, democratic vision for emerging technologies and the Internet. To this end, the EU should seek to establish a level playing field with its partners, by **forging new alliances** with countries that share its values and priorities to promote a rule-based democratic order in the digital era.

We support a more **pragmatic regulatory approach and dialogue with partners on regulatory approaches to set common standards.** This applies, for example, to data protection and security, cross-border data flows, competition, taxation, emerging technologies like AI, but also online content policies. This also involves **intensifying our work with industry** on challenges that are global and complex, and using **multilateral fora to lead more assertive responses** to those harming the digital economy with their own sovereign practices — in particular to address China's unfair trade policies.

We also stand for more **concrete cooperation to optimise our competitive advantages** in the many areas where that is mutually beneficial. Successful technology diplomacy and related policies in our relations with the US, Japan, Australia, South Korea, and others should include support for the expansion of more resilient semiconductor supply chains, manufacturing capacity, and investments in collaborative research. We can deepen our collaboration on broadband, 5G, 6G, AI, quantum computing, cybersecurity, and on IT talent sharing.

As the COVID-19 crisis revealed our strategic vulnerabilities and dependencies, the push for **an EU 'open strategic autonomy'** has gained further impulse. **For the EPP, open strategic autonomy is about controlling the production and deployment of key strategic technologies and vital components and products — independently from foreign suppliers.** This means having the capacity to invest in and develop European, next-generation technological alternatives, such as algorithms, blockchain, HPC, microchips, data sharing and data usage tools. It also means increasing our scrutiny on foreign companies buying up or investing in EU technology firms, and standing up for the enforcement of European norms and values. Europe should be a 'coopetitor' — playing to win. If we want to be a trusted and credible partner, we should be a strong partner that demands **reciprocity and parity**, and acts as the **stabilizer of other powers.**

But we also believe that open strategic autonomy does not mean 'fortress Europe.' It goes hand in hand

with **high-tech partnerships and global free trade** — key to a competitive, growing and prosperous EU economy. **EU digital frameworks must enable the participation of non-EU organisations provided they comply with our rules and standards.** The EPP expects the EU continues to clarify and show that it will not exclude them.

Cross-border data flows underpin global digital trade and technological exchanges, and enable growth in all industries. To ensure the EU and its companies compete globally therefore requires **policies that reduce barriers to the free flow of data and reject protectionist policies**, such as undue data localization mandates and unilateral trade restrictions. These could put European companies, especially SMEs, at a disadvantage. In line with its Trade Strategy, and as we recommend in [our EPP Trade Paper](#), **the EU must continue to pursue an agenda that defends free and rules-based digital trade and supports open markets, within a framework based on cooperation and multilateralism.**

As part of **reinvigorating the transatlantic partnership, the priority should be to resolve disagreements over data flows**, which cause fundamental uncertainty about the treatment of personal data to be transferred out of Europe, and to restore a **stable, long-term legal framework for transatlantic data flows**. Our rivals could otherwise take advantage of potential EU-US divergences on data governance. The EPP is encouraged by initiatives such as the [EU-US Trade and Technology Council \(TTC\)](#) to tackle what both sides of the Atlantic consider innovation challenges at large. We also stress our **expectation that the US will engage** on the regulatory challenges posed by the digital economy, including those identified by the European Court of Justice in the Schrems I and Schrems II rulings. This will also facilitate the ongoing discussions between the EU and the US on a new legal basis for transatlantic personal data flows, following the invalidation of the Privacy Shield mechanism in 2020.

The EU, as one of the world's leading democratic actors, must find a common approach and a joint vision with like-minded allies such as the US, for addressing the economic and systemic challenge of a rising China as a global tech power. If the EU aims to build strategic autonomy, it should find ways to strengthen its export controls mechanism and limit the export of sensitive technologies, which can undermine European technological leadership or be used for authoritarian purposes, and to the detriment of our fundamental human rights. The EU and its sovereign Member States should boost national and collective efforts on investment screening in the field of key technologies. The EPP Trade Paper provides the fundamental position of our Party in this respect.

Conclusion

The EPP welcomes the EU's digital policy agenda. The ambitions and objectives it sets out can truly lead to a paradigm shift in terms of Europe's digital transition and technological leadership, and ensure we deliver on growth, jobs, and sustainable development in the aftermath of the pandemic. Beyond, **we support the ambition of the EU to reshape the digital landscape in Europe and lead in the next decade.** For this, we need more investments in strategic technologies; a secure and sustainable digital infrastructure that enables them; digitised and digitalised businesses and public services; a digitally skilled population; a level playing field and fair competition for our SMEs; and balanced, flexible, innovation-friendly, and future-proof regulatory frameworks. **A pan European Innovation Ecosystem** is a critical driver behind our objective to make our economy more digital and greener, and to strengthen our strategic autonomy and leadership in the global economy.

The EPP believes in the opportunities of the digital era and new technologies. But digital transformation is not evenly distributed. Not all EU citizens benefit from it equally. Not all our businesses get to keep pace with it. For **a Digital Decade that leaves no one behind, we need policies that always aim to**

address these inequalities. Europeans want a digital economy that creates jobs, not just as a source of income, but also of personal fulfilment, and as a place in society. They want rights that protect them from material risks to digital inclusion, such as cybersecurity, data protection, and privacy, and from physical threats to digital safety, such as cyberbullying and hate speech. We must strive for digital policies that provide rights for individuals of all age and citizenship to access and be informed about the online environment.

The EU has been leading the charge on policies that will help the Union and its members to achieve leadership in the digital era. We are convinced that Europe has all it takes to do so. The world knows we are ready to be this continent open and welcoming to innovation, investments, and talent. We should stay true to our diversity, our values, and our principles as they remain our strength and set an example to ensure the digital world is a safe, healthy, thriving environment where all can find their place to build back better constructively and united.

Technological innovation is not going to slow down. The work to manage it needs to speed up. The EU can take more visionary and courageous steps to play a leading role in the digital era, combining investments with skilful regulation.

The EPP encourages commitment from all Member States to give more impulse to the EU's digital agenda, to reconcile the protection of our social model with the promotion of disruptive innovation post-COVID, looking ahead and not backwards, while committing adequate capital and governance to target investments smartly from R&D to education, and ensure Europe's objective of technological leadership does not remain just an aspiration.

We look forward to writing the pages of our technological history together for the next decade.

Rue du Commerce 10
1000 Brussels
T +32-2-2854140
E connect@epp.eu

If you have any question you would like to ask please contact us.