lighthouseeurope

Europe's Digital Decade

Lighthouse Europe

April 2021

By Alexander Prenter

I/ Introduction

What will Europe's economy look like in ten years? On 9 March 2021, the European Commission *Europe's Digital Decade: digital targets for 2030* presented its vision for Europe's digital transformation for the coming decade. Europe's Digital Decade revolves around four cardinal points: skills, government, infrastructure, and business. Each entails a series of targets the Commission has set for itself. This article will provides an overview of the Commission's targets and what this means for the business community moving forward.

II/ Background

The advent of the internet has fundamentally changed the economy and society. It affects the way we work, interact with one another, consumer products and services and rests as the bedrock for any successful business. While the European Union was at the forefront of developing the internet, in recent times, the EU was slipped far behind its peers in the United States and China. Cognisant of this fact, the Commission believes the EU must improve its standing across the board, from the level investment, to setting the appropriate legislative framework through to the promotion of skills and proliferation of digital technological solutions among public administrations. The Commission's self-imposed targets reflect also a larger policy goal of achieving digital and technological sovereignty.

The COVID-19 pandemic has also exacerbated and brought to bear the need to fully embrace the digital transition. Many businesses have been forced to transition to more flexible working arrangements or embrace digital solutions to allow their operation to continue. What would have been achieved in three years was done in three months, accelerating the digital transformation of businesses and society. To keep pace with this change, the Commission sees the need a shift it policy focus to account for these recent developments.

With that said, the Commission recognises that digitalisation brings with it a whole series of benefits and challenges. Through its policy actions the Commission guarantees that no one is left behind and that all European citizens and business stand to benefit. A particular concern for the Commission is the fact the digital technologies used inside the EU are mostly developed outside the bloc. To remedy this, the EU will need to foster a massive scale-up of investments through the relevant EU funds and national spending, including leveraging significant private investments. Furthermore, there is a desperate need to develop and retain talent within Europe. Businesses and public administrations must transform and move with technological development in order to reap the rewards which these cutting-edge technologies can provide for society.

III/ Four Cardinal Points to Map the EU's Trajectory

The Commission identifies four primary areas to measure across the coming decade, skills, infrastructure, business transformation, and public administration uptake of technology. Encouragingly, in each of the areas the Commission is clear in the targets that it has set for itself and is specific in its focus.

A digitally skilled population and highly skilled digital professionals: by 2030, the EU will have at least 20 million employed ICT specialists in the EU, with convergence between women and men.

Secure and performant sustainable digital infrastructures: by 2030, (i) **a**ll European households will be covered by a Gigabit network, with all populated areas covered by 5G, (ii) at least 20% of world production in value of semiconductors and processes will be manufactured in the EU, (iii) 10,000 climate neutral highly secure edge nodes will be deployed. In the interim, by 2025 Europe will have its first quantum computer paving the way for Europe to be at the cutting edge of quantum capabilities by 2030

Digital transformation of businesses: by 2030, (i) 75% of European enterprises will take up cloud computing services, big data and artificial intelligence, (ii) more than 90% of European SMEs reach at least a basic level of digital intensity, and (iii) double the number of unicorns by growing the pipeline of its innovative scale ups and improve their access to finance.

Digitalisation of public services: by 2030, (i) 100% online provision of key public services available for European citizens and businesses, (ii) 100% of European citizens will have access to medical records (e-records), and (iii) 80% of citizens will use a digital ID solution.

IV/ Commentary

The European Commission will implement a number of initiatives to achieve these targets building on the work of previous administrations and working in conjunction with the Member States. Implications for private sector stakeholders will vary depending on the sector and scale of the business. Many firms

stand to gain if positioned well. Europe's Digital Decade is a strong indication of where the EU will choose to flex is regulatory muscle, either as means to provide a helping hand or to clamp down on practices it deems to not align with its goals.

Lighthouse Europe maintains a staff specialised in all areas of the digital economy who can help your business position itself in alignment with the Commission targets and can help your business navigate an oftentimes turbulent and convoluted regulatory environment.

For more information: info@lighthouseeurope.com
Latest news: LinkedIn, Twitter