

PromethEUs EU CONFERENCE

The Multisided Path to European Digital Sovereignty and the future of EU-US Relations

30 November 2021, 14:30 – 17:00

SPEAKERS AND AUDIENCE

On **November 30**, PromethEUs hosted its fourth conference of the year, entitled “**The multi-sided path to European digital sovereignty and the future of EU-US relations**”. The event was held in the European Quarter in Brussels, close to the EU Parliament, taking place in hybrid format in order to allow participants to attend remotely as well.

The conference’s aim was to discuss the concept of digital sovereignty and the evolution of the EU-US relations within the digital field. During the event, a paper by the PromethEUs network, entitled “The multi-sided path to European digital sovereignty and the future of EU-US relations”, was also presented. The latter focuses on the concept of European digital sovereignty while comparing current policy initiatives in the field. The paper recalls the background of the major undergoing regulatory actions in the EU (e.g. DSA, DMA, AI Act and Data Strategy) and assesses the EU international relations in the digital field, particularly regarding the EU-US.

Because of their increasing importance in the public debate, the PromethEUs network wanted to provide a forum where high-level representatives from the EU, the US and national institutions, research and business organisations, trade and consumer associations and other relevant stakeholders from both sides of the Atlantic, could address such topics.

The event was opened by **Stefano da Empoli**, President, Institute for Competitiveness (I-Com), who welcomed the participants on behalf of the PromethEUs network and made some introductory remarks on the event and the new PromethEUs study.

The conference was structured in three different panels, respectively dealing with: EU digital and tech competitiveness, EU regulation in the digital field and, particularly, the current proposals by the EU Commission (DSA, DMA, AI and Data) and, finally, EU-US relations and the Trade and Technology Council. Each discussant was given 5 minutes to deliver a keynote speech.

Following Mr. da Empoli’s introduction, the floor was given to the moderator of the first panel, **Raquel Jorge**, Policy Analyst, Elcano Royal Institute, who introduced the topics of EU digital and tech competitiveness and opened the discussion. The first speaker was **Ricardo Castanheira**, Counsellor, Permanent Representation of

Portugal to the EU, who was then followed by **Enzo Maria Le Fevre Cervini**, Project Leader, DG DIGIT, European Commission, **Martynas Barysas**, Director, Internal Market, BusinessEurope, and **Christian Borggreen**, Vice-President and Head of Brussels Office, CCIA Europe.

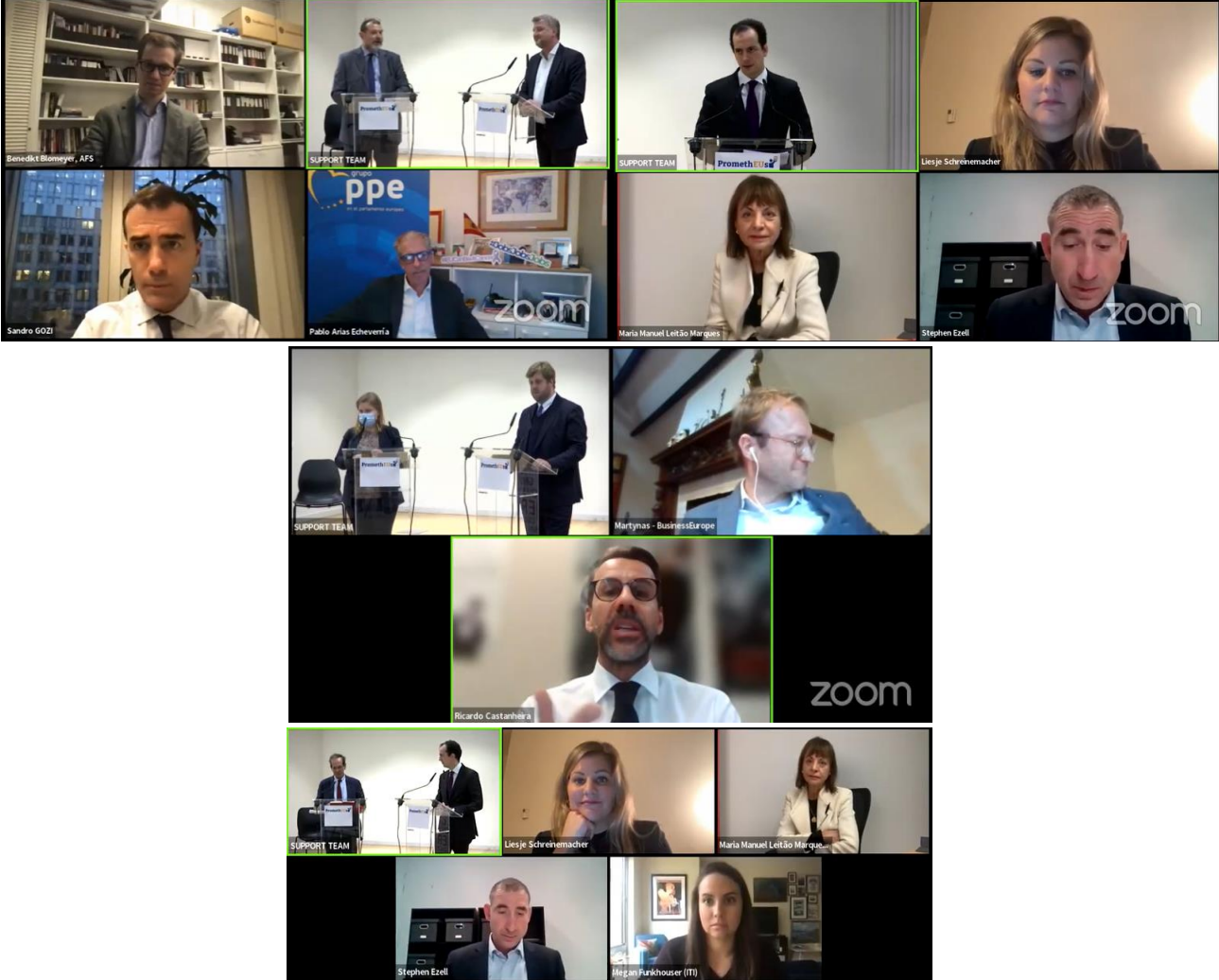
After the conclusion of the first panel, the floor was given to **Aggelos Tsakanikas**, Scientific Advisor of IOBE, who introduced and moderated the second panel on EU's digital regulations. In this panel several experts had the chance to express their views on the current regulatory proposals at EU level: **Pablo Arias Echeverría**, MEP, IMCO Committee; **Benedikt Blomeyer-Bartenstein**, EU Policy Director, Allied for Startups; **Stefan Moritz**, Managing Director, European Entrepreneurs CEA-PME; and, finally, **Sandro Gozi**, MEP, IMCO Committee.

Finally, the floor passed to **Paulo Trigo Cortez Pereira**, Chairman, Institute of Public Policy, who was the moderator of the third panel. This panel focused on the EU-US relations and renewed cooperation in the digital and technological sphere with the United States through the Trade and Technology Council (TTC).

After introducing the topics, Mr. Trigo Cortez Pereira gave the floor to three high-level representatives from EU institutions: **Alejandro Caínzos**, Member of the Cabinet of Executive Vice-President Vestager; **Maria-Manuel Leitão-Marques**, MEP, Vice-Chair IMCO Committee; and **Liesje Schreinemacher**, MEP, INTA Committee. Following, two representatives from the US spoke: **Megan Funkhouser**, Director of Policy, Tax and Trade, Information Technology Industry Council; and **Stephen Ezell**, Vice President, Global Innovation Policy, Information Technology and Innovation Foundation (ITIF). After a brief exchange of views among the keynote's speakers of the third panel, Mr. Trigo Cortez Pereira wrapped up the event in his concluding remarks.

PICTURES





MAIN TAKEAWAYS

PromethEUs view

The conference held in Brussels was the occasion for PromethEUs to present its paper on the EU's digital sovereignty and EU-US relations. Over the last years, the concept of European digital sovereignty, has become a key issue in the political debate, not only within the EU but also beyond, thus, the choice of the paper's topic. The PromethEUs network was represented in the debate by President **Stefano da Empoli** for the Institute for Competitiveness (I-Com), Policy analyst **Raquel Jorge** for the Real Instituto Elcano, Scientific advisor **Aggelos Tsakanikas** for IOBE - Foundation for Economic and Industrial Research, and President **Paulo Trigo Cortez Pereira** for the Institute of Public Policy.

As PromethEUs analysts pointed out, the EU may have lagged behind its main competitors in several aspects of the digital economy but has now an opportunity to strengthen the digital and technological capacity of the MSs, especially the Southern European. In order to achieve this result, two complementary factors are necessary - efficient and sound regulation at EU level able to prevent fragmentation, and adequate investments in digital technologies. Moreover, given its history and guiding principles, the EU is also trying to develop a set of rules able to protect consumers, citizens and fundamental rights.

Following, PromethEUs partners expressed the need for Europe to regain a central role on the global stage and enhance cooperation with other countries in the world, starting with the United States, with whom EU shares common democratic values and respect for human rights. As it was pointed out, a fundamental contribution to this cooperation could come from the development of new forums such as the Trade and Technology Council, which could strengthen transatlantic commercial ties.

Boosting EU's role in the tech-race

As the first speaker in Panel 1, Ricardo Castanheira, pointed out how the digital transition, together with the green transition, are two fundamental reforms on the path to EU economic recovery. After recalling the importance of having a European digital single market and reducing internal barriers, Mr. Castanheira argued in favour of digital empowerment of citizens and business, which he deemed as crucial if the EU wants to achieve a leading role in the digital field. Similar points also emerged in Enzo Maria Le Fevre Cervini's presentation, who recalled how the EU is way behind other players when it comes to digital skills, and stressed the need to raise the overall level of digitalisation, also through a more proactive MS engagement.

Adding to this, and given the limited number of top tech companies based in Europe today, Christian Borggreen argued that the EU institutions have not found the right way to help European companies to expand and compete globally, while still remaining based in the EU. According to Mr. Borggreen,

this could probably be traced back to the tendency of EU lawmakers to protect traditional businesses and industries, while being less prone to support new business models. Martynas Barysas also expressed his views on the current situation and confirmed that we, as the EU, are lagging behind in the digital race, underlining that policy makers should take this into account when designing policy instruments.

The right balance between regulation and investments

Another key topic that emerged during the PromethEUs event was the role of regulation in the digital field. On the one hand, several speakers underlined the importance of the European Commission's proactive approach in the field of digital regulation. Here, the MEP Pablo Arias Echeverría recalled the major proposals and their importance, and then pointed out that if we want to address the transition to the digital world following a "European way", focused on democratic values and human rights, a regulatory framework able to achieve this must be implemented.

On the other hand, during the discussion, the need for a more flexible regulatory framework also emerged in several speeches. Mr. Arias Echeverría expressed the hope that EU institutions will be able to create regulations that will help entrepreneurs, not placing more burdens and pressure on companies, especially the SMEs. Moreover, several panellists agreed with the findings of the PromethEUs paper and, especially, the fact that regulation alone cannot increase the EU's role, but should be combined with more investments in the digital field (both publically and privately). Others, such as Mr. Barysas, highlighted that regulation plays a pivotal role and, thus, the Commission's effort in presenting legislative proposals is definitely admirable, but the regulatory framework should not be too stringent and, thus, hindering innovation.

The effect of regulation on Startups and SMEs

Asking the audience to put themselves in the shoes of an entrepreneur wishing to launch a start-up in a European city, Benedikt Blomeyer-Bartenstein pointed out that, in order to be able to do so more easily, a unified set of rules would be necessary. Speaking on behalf of the European startups, Mr. Blomeyer-Bartenstein underlined the necessity to make sure that the digital regulations currently being discussed at EU level do not hinder the growth of such new and small realities.

Furthermore, Stefan Moritz argued that when talking about digital regulation we need to consider the competition between small players and big players in the digital markets, and stressed how a ban on targeted ads, for instance, could damage small or medium enterprises that need to target specific users in order to grow. Moreover, he recalled that it is in the European interest to protect small companies, not only because sooner or later they might become big realities, but also because SMEs and start-ups will always require more attention from the legislator.

Adding to this, the MEP Sandro Gozi reminded the public that the new regulatory proposals could provide a huge opportunity for SMEs, as the whole DSA-DMA package aims, amongst other things, to ensure a higher pluralism in the tech field. Moreover, in order to protect the interests of these smaller realities, some aspects and provisions of these regulations will have to be adaptable, taking into account SME needs and capacities.

Transatlantic Relations: different yet equivalent solutions

A key point when discussing the EU-US relations is that they share some core values which differentiate them from authoritarian, non-democratic situations, as pointed out by Paulo Trigo Cortez Pereira and Alejandro Caínzos. MEP Maria-Manuel Leitão-Marques began by recalling her trip to Pittsburgh for the launch of the TTC, referring to it as “a platform that could strengthen EU’s position as an innovator”. Mrs. Leitão-Marques remarked how the EU and the US share the same democratic values, but sometimes diverge in the instruments they use to promote them. However, she then stressed the need for both the EU and the US to act as soon as possible to ensure that both sides of the Atlantic find equivalent (even if different) ways to uphold these shared values and ideals and meet the challenges of the digital world. Adding to this, the MEP Liesje Schreinemacher pointed out how there is a new momentum in the trade relationships between EU and the US, and it could be interesting to see if, and how, these two big players will be able to cooperate and work together. According to Mrs. Schreinemacher, if we work consistently, the TTC could eventually influence global rules and standards as well.

Similar was also the perspective from the US speakers, Megan Funkhouser and Stephen Ezell, who explained that when talking about transatlantic engagement we are rarely referring to full harmonisation, but more about facilitating compatibility and operability. The former remarked that the sooner the EU and the US stop seeing each other as competitors and focus on the other major players in the digital field, the better it will be for both of them.