

Open, Collaborative, Competitive – A Digital Policy Agenda for Europe

September 2024





The world has changed considerably in the past five years - a global pandemic, growing security challenges and geopolitical tensions, and the accelerated rate of technological change have altered the EU's economic, social, and political landscape since 2019.

Over the next five years digital innovation will continue accelerating, creating new opportunities and disruption for policymakers to navigate. The choices the EU makes during the 2024-2029 political cycle related to how technology is developed, deployed, and governed will be critical to Europeans' continued security, prosperity, and well-being.

At IBM, we have always believed in the fundamental promise of technology – that when we apply innovation to real-world challenges, we can be the catalyst that drives progress for business and society.

We are also strong proponents of open innovation ecosystems, in which stakeholders recognise the value of community-built technology and the open exchange of information, ideas, and skills it cultivates. This is the best way to promote AI safety, foster healthy competition in the market, and protect security interests.

Below are six priorities that IBM believes EU leaders should focus on to advance Europe's global digital leadership and competitiveness through 2030 and beyond:

- 1. Make trusted AI a reality in Europe**
- 2. Enhance Europe's digital competitiveness**
- 3. Strengthen resilience through collaboration with trusted partners**
- 4. Restore the EU's open trade policy**
- 5. Promote green growth**
- 6. Reduce the digital talent gap**

For more than a century in Europe, we have sought to promote responsible and pragmatic public policy initiatives that strengthen trust in technology and help solve tomorrow's problems today. To this end, we look forward to continuing our close collaboration with European policymakers throughout the 2024-2029 political cycle.



Ana Paula Assis
Chair and General Manager, EMEA
IBM

1. Make trusted AI a reality in Europe

The next five years will be crucial to building trust in AI, encouraging responsible AI adoption, and unlocking its economic value creation and societal benefits across the EU.

After introducing the EU AI Act, hailed as the world's first comprehensive AI rulebook, there is a growing consensus that policymakers must focus on ensuring this legislation is a success and works in practice rather than introducing more regulation.

To achieve this, the European Commission and Member States' governments must:

Implement the AI Act successfully

This will depend on the successful implementation of the regulation by governing bodies, such as the AI Office and national authorities, as well as the drafting of codes of conduct and other guidelines. AI companies such as IBM should be closely associated with these efforts to ensure the implementation of the AI Act reflects and responds to ongoing technological changes.

Support compliance

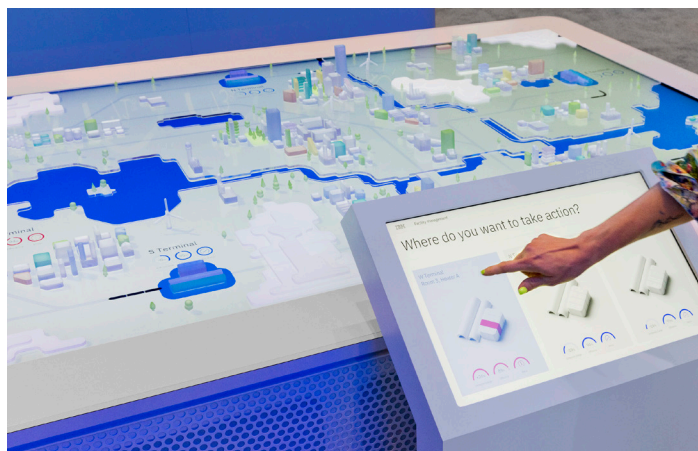
IBM is already helping businesses, governments, and organisations manage their AI responsibly and at scale. Last year, we released [watsonx.governance](https://www.ibm.com/watsonx/governance), a single integrated platform to help organisations get ready for AI regulations worldwide, including the AI Act. Over the next mandate, the European Commission and national authorities must not just enforce the AI Act but should actively support companies in their compliance efforts.

Encourage open AI innovation

Open communities accelerate innovation by empowering members to harness collective insights and build on a vast prior body of work. We believe open approaches will be essential to the future of AI, including AI safety. The EU should embrace open AI ecosystems and recognise they are key to developing and achieving responsible AI technologies that broadly benefit society rather than a few big market players.

Advance risk-based AI regulation globally

Multistakeholder groups like the [Global Partnership on AI](#) and the [AI Alliance](#), co-founded by IBM, can provide a platform for EU agencies and governments to work with trusted private-sector partners and help international communities innovate faster and more inclusively while working to ensure scientific rigour, trust, and safety. EU leaders should continue advocating for open, risk-based approaches to AI on the global stage – through organisations like the OECD, WTO, and G7 – to ensure standard setting and interoperability.



2. Enhance Europe's digital competitiveness

Technological advances from AI to quantum computing are leading to remarkable breakthroughs and scientific discoveries across all sectors of the economy. Yet this digital revolution is unfolding in an increasingly complicated and contested international marketplace, making it more important than ever for European leaders to demonstrate that responsible policymaking and innovation can go hand in hand.

To enhance Europe's digital competitiveness and complete the EU's 2030 Digital Decade policy programme, IBM encourages European leaders to:

Focus on implementing existing rules

There is an immediate need for governments and businesses in Europe to drive the implementation of digital technologies, particularly AI, to innovate and boost the performance of their products and services. To remain competitive, policymakers should avoid introducing unnecessary regulatory burdens, which will constrain digital adoption, create barriers to entry, and risk further entrenching the market power of a few large companies.

Deepen the Digital Single Market

EU policy frameworks should focus on the reduction of unnecessary internal market barriers and the further harmonisation of rules. The EU's 2018 free flow of non-personal data regulation is a good example of legislation that ended unnecessary data localisation within the EU – helping SMEs and startups, in particular, to scale activities and grow beyond national borders.

Differentiate between business models

Policy objectives should focus on fixing market failures, regulating negative behaviours, and addressing identified risks. This requires a nuanced understanding of the distinct differences between the business-to-business (B2B) and business-to-consumer markets (B2C) when considering how a technology should be governed and what use-case-specific rules should be applied. B2B service providers operate under well-functioning contractual agreements and do not have unfettered access to client data, which provides for important differences in the challenges and opportunities that arise relative to B2C markets.

Avoid policies that discriminate against trusted partners

The goal should be to encourage trusted companies, regardless of their headquarters' location, to engage in business activities within Europe – including developing capabilities in the EU, selling in the EU, hiring in the EU, and conducting research within the EU.

3. Strengthen resilience through collaboration with trusted partners

Strengthening resilience means sensibly de-risking by diversifying dependencies and investing in cybersecurity and industrial capacity, especially in critical technologies. This is best achieved through strategic cooperation with trusted partners who share Europe’s core values and adhere to international standards.

To sharpen its competitive edge and meet its 2030 digital goals, we believe the EU should:

Strengthen Europe’s cybersecurity posture to prepare for future shocks

Cyberattacks are on the rise in Europe. Critical cloud infrastructures have increasingly become targets at a time when geopolitical risks permeate almost every policy domain, especially following Russia’s war of aggression against Ukraine. Staying ahead of these largely transnational threats will require greater collaboration between the public and private sectors and aligning economic and security strategies among Europe’s global allies. EU policymakers should promote risk-based policy frameworks based on international best practices and standards and streamline reporting obligations to facilitate business compliance.

Get quantum-ready now

The quantum computing era will be as transformative as it is disruptive, leading to breakthroughs in strategic industries like healthcare, finance, and logistics on the one hand, and creating new cryptography challenges on the other. Policymakers should prepare by building quantum ecosystems and focusing on deploying quantum-centric supercomputers at scale. This includes funding basic R&D, promoting early-stage experimentation in industrial application and deployment, and incentivising private-sector investment in the EU.



The EU should also focus on preparing critical infrastructure for migration to quantum-safe standards as part of its cybersecurity policy planning. Post-quantum cryptography (PQC) is considered the most effective cryptography approach against the potential misuse of quantum computers and is already a top priority for several EU countries, including France, Germany, the Netherlands, and Sweden. International alignment will be critical, particularly with the standards issued by the U.S. National Institute of Standards and Technology.

Develop ambitious R&D frameworks

Emphasis should be placed on building strong capabilities in critical technologies such as AI, quantum, and semiconductors by increasing R&D support and workforce development. Drawing lessons from the EU Chips Act could provide valuable insights for crafting competitive investment and research frameworks. The success of world-class research in Europe will depend on fostering openness and promoting international cooperation; access to EU research funds should therefore remain open to trusted partners to build capacity in critical technologies at speed and scale.

4. Restore Europe's open trade policy

For decades, the EU Single Market and open approach to trade have been the main pillars of Europe's global competitiveness. Yet, with growing international uncertainty, the EU has been reverting to more inward-looking policies, believing a more autonomous approach will make Europe more resilient.

We recognise that strengthening and diversifying supply chains are part of plans for improved resilience within the EU. Those objectives can be achieved without the need for protectionist rules that are primarily designed to exclude certain players from domestic markets. In fact, such approaches will likely undermine those goals. EU policymakers should avoid conflating economic security with protectionism. Discriminatory digital policies and restricting participation in standard setting and research funding will weaken Europe's competitiveness in the global data economy, risking opportunities for economic growth and innovation.

The EU must resist growing protectionist trends and preserve what has made this continent a strong and competitive economy for decades: open trade and market access. To support this objective, IBM believes the EU should advance policies that:

Continue to support free trade principles and multilateral cooperation

The EU must remain a leading voice in the WTO in support of an effective rules-based trading system. As the world's largest exporter of digitally deliverable services, the EU should seize the opportunity to promote digital trade globally - notably, by encouraging other WTO members to support and join the Joint Statement Initiative on E-commerce, which includes a permanent ban on customs duties on electronic transmissions.

Safeguard the free flow of data

The EU can play a global leadership role by promoting more ambitious data flow provisions in international trade agreements, such as in its 2023 EU-Japan deal on cross-

border data flows, which provides a good basis to further establish high-standards for digital trade. In addition, the EU and the U.S. should conclude their Electronic Evidence Sharing Agreement to provide a reliable transatlantic framework for government access to data, reducing conflicts of laws, boost overall trust in international data flows, and reinforce the EU-U.S. Data Privacy Framework.

Closely align with allies on economic security

The EU should ensure that outbound investment and any new export control regimes receive strong multilateral support from like-minded partners. Such regimes should focus on technologies vital to the EU's security and avoid overly broad and cumbersome restrictions that may hinder innovation.

Promote an open and collaborative standardisation strategy

Global and international standards are essential for competitiveness and for addressing the challenges of the green and digital transformations. Rather than encouraging the development of new common technical specifications, the EU should take a more leading role in international standards organisations – in close collaboration with like-minded partners in the G7 and forums like the EU-U.S. Trade and Technology Council – to ensure such international standards are in line with the EU's values. The EU should also pursue an inclusive, transparent approach to standardisation and avoid excluding industry stakeholders from European standard-setting committees based on the location of their headquarters.

5. Promote green growth

IBM applauds Europe's leading role in driving global efforts to fight climate change and achieve net-zero greenhouse gas emissions by 2050. We share this ambition: IBM has been setting environmental goals and [disclosing our performance for decades](#). We first disclosed our annual CO2 emissions voluntarily in 1995. Since then, we have continuously reported on how we manage waste, conserve energy, use renewable electricity, and reduce carbon dioxide emissions every year. In 2021, we pledged to reach net-zero greenhouse gas emissions by 2030.

The green transition cannot and will not happen without leveraging technologies like AI, hybrid cloud, and quantum computing, and the data that underpins them. To help achieve its climate objectives, the EU should move beyond prescriptive lawmaking and focus on green growth policies that encourage companies to become more sustainable and competitive through digitalisation. That means:

Take a bolder and simpler approach to decarbonising industries

The EU's Net-Zero Industry Act is a first step towards accelerating the development and deployment of clean technologies in Europe, yet more should be done to accelerate decarbonisation. The EU should further incentivise net-zero research and innovation by adopting a broader, tech-neutral approach, ensuring geographic non-discrimination when providing opportunities to businesses, and adopting a more centralised and simplified system for access to EU funding.

Facilitate access to technology solutions across all industry sectors

EU policymakers can play a key role in maximising the sustainability benefits of digitalisation across industry sectors, addressing barriers to data sharing and facilitating the adoption of digital solutions and tools. IBM fully supports public-private EU initiatives that support those objectives, such as the [European Green Digital Coalition \(EGDC\)](#). In April 2024, the EGDC used

[IBM's Flex Platform](#) – created in partnership with Denmark's largest energy company Andel Energi – as a real-life use case, demonstrating the net positive environmental impact of the solution as deployed in Copenhagen.

Advance international green standards together with global partners

We support leveraging international cooperation mechanisms and transatlantic dialogue frameworks like the EU-U.S. Trade and Technology Council to promote common methodologies for carbon accounting and measurement so businesses and governments can rely on quality climate data and insights to meet their sustainability goals.



6. Reduce the digital talent gap

The talent gap is one of the biggest challenges facing businesses today. Companies operating within the EU, including IBM, are missing the highly skilled workers needed for the digital era. The skills shortage drives up the cost of tech-enabled investments in the EU, stalling innovation, competitiveness, and growth.

Tackling digital skills shortages is especially urgent in the context of growing cyber threats. The shortfall of cybersecurity professionals in the EU was nearly 500,000 in 2022. Simply put, we need more skilled people to protect us, our data, and our infrastructure.

What's more, with businesses' increasing use of AI, workers need to have the right skills to access job opportunities and adapt to workplace changes. This requires AI learning to be embedded in curricula across the education system. Workers must be part of this digital transformation, to build trust and thereby accelerate AI innovation, benefits and opportunity.

To increase the talent pool and ensure the digital transition leaves no one behind, we must also reach underrepresented groups in labour markets. Skills-based hiring – looking at people's skills and ability to learn – is a proven model for wider adoption. It expands opportunities for well-paying and rewarding jobs and creates a more diverse workforce, fueling innovation as people with different backgrounds bring different ideas to the company.

Given the urgent need to ensure skills measures are impactful, IBM calls for the following:

Set ambitious goals for digital skills programs

The EU should set relevant and ambitious metrics for national implementation of existing Council recommendations on digital skills and future EU skills strategies. This should include qualitative criteria for digital skills in curricula, investment in training and

learning pathways, and growing participation in digital skills training across Europe. The Commission should show publicly the progress member states have made and where more action is needed.

Ensure the EU Cyber Academy delivers

As part of the actions of the EU Cyber Academy, EU member states should leverage public-private partnerships to provide access to job-relevant cyber training. Decentralised national or regional cyber academies could also be set up by partnering with existing successful private sector academies and training offers.

Incentivise AI learning throughout education

Member states should embed AI learning across all levels and parts of the education system. To support this, the EU should encourage member states to partner with companies to scale up successful private-sector initiatives for training on AI.

Include employees in the EU's digital transformation

The EU should explore how to ensure workers are involved in the digital transformation, for example, by organising peer learning on successful examples of employee-driven innovation to integrate technology at the workplace.

Encourage skills-based hiring

The European Commission should explore ways to encourage skills-based hiring in Europe with employers, workers, and their representatives. This could include promotional campaigns, highlighting success factors of skills-first strategies, or devising a toolkit to support organisations in embedding this approach.

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New Orchard Road
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United States of America
August 2024

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