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Is the EU policy on Cloud and Data up to the digital challenges?

Since 2016, the European Union (EU) has taken steps to develop a regulatory framework on data with the GDPR, the EU Cybersecurity Act, and the Regulation on the free flow of non-personal data, among others. Against this background, the Commission now aims to make of Europe a trusted digital leader. However, will the new Digital Strategy be adequate to change EU's image of that of a regulatory superpower to an innovation powerhouse? Does this approach have the potential to expand worldwide? How to ensure that EU calls for technological sovereignty do not result in a protectionist approach?

The EU is taking a more assertive approach to digital challenges to differentiate itself on the global stage by reflecting about digital sovereignty, as a mean of promoting Europe's leadership and strategic autonomy. This translates into ambitions to develop data governance rules and sovereign digital infrastructures.

A data governance framework facilitating data collection, processing and sharing should enable the EU to further translate its values and principles into the digital domain and share globally its experience in data protection. Nevertheless, to design a comprehensive digital approach, these key considerations must be balanced with competitive stakes so that EU stakeholders can take full economic advantage of the data economy. For instance, the creation of common data spaces dedicated to financial services or health, should help EU actors to benefit from the raw material of the digital economy that is non-personal data. However, some grey areas regarding the exact scope of these initiatives (e.g. the types of data involved, modalities of access, security safeguards) may act as a brake to a supportive contribution.

Moreover, there is no question that Europe lags far behind Chinese and US firms on several technological and industrial capacities fronts. To date, the EU focus has often been on data protection and security matters but going forward, ramping up capacities of the EU tech industry would be beneficial. One angle would be to boost some competitive edge, among which leveraging industrial data and taking advantage of a more decentralized digital ecosystem, with the rise of the Internet of Things, 5G and edge computing. In this sense the EU aims to develop a secure cloud infrastructure. However, while a European actor could indeed diversify the cloud market and bring the flow and storage of data under greater European control, it is unlikely that it would be able to compete with other cloud providers on the whole supply chain, in the short term.

These ambitions demonstrate that the geography of the cloud matters to the EU. More globally, the reflection on the need for sovereign digital technologies has gained momentum in the past few years. Some EU companies operating globally, and non-European observers are concerned that this approach could result into protectionist measures. Therefore, while Europe's ability to act independently in the digital world should be encouraged to avoid overreliance on non-EU firms and to feed into recovery effort from the covid-19 crisis, it is critical that the EU remains open for businesses operating with foreign technologies as well as for foreign participation in the EU digital market. ●