



Shaping Europe's Digital Future by Investing in Companies' Digitalisation Now

Triggered by the lockdowns of the COVID-19 outbreak in spring 2020, millions of companies in Europe have had to shift their economic activity to cyberspace within just a few weeks.

Never before in history, have so many companies so profoundly digitalised their businesses in such a short period of time. While companies will suffer the financial consequences of the COVID-19 lockdowns for years to come, the European Union should seize this opportunity and support companies in their digital transformation without delay, especially through:

- hands on technical support and advice for SMEs that went online due the lockdowns,
- vocational training for the staff of SMEs and self-employed persons and
- comprehensive reduction of red tape through digitalisation of administrative processes.

Just days before the digitalisation wave triggered by the COVID-19 outbreak, in February 2020, the European Commission presented three strategy papers in the digital field:

- [Shaping Europe's Digital Future](#),
- [European Strategy for Data](#), and
- [White Paper on Artificial Intelligence](#).

EUROCHAMBRES believes that now is the best time to invest in the future of European companies by providing direct aid in the short term, accompanied by a long term strategy, such as through the Strategic Investment Facility. Therefore, while we welcome the comprehensive strategy in the digital field that the European Commission has outlined in these papers, we also believe that more has to be done, precisely at this point in time and especially for SMEs, in order to enable them to capitalise upon digitalisation and prosper in the coming years.

Now is the right moment to invest!

Companies have proven their flexibility in finding ways to keep their businesses going during the recent lockdowns. However, as we have seen during previous crises, risk capital did not compensate for the significant financial losses of companies in Europe. European SMEs and start-ups have been more vulnerable to economic downturns than their Asian or American counterparts. Consequently, Europe has lost both innovative capacity and young talents.

This time, we must do better. The COVID-19 outbreak has forced us to embrace the future. Investing in companies' digitalisation is the best way for the European Union and its Member States to support economic recovery and create new jobs.

What needs to be done?

Most urgently, companies that are less experienced with digital tools and were forced, due to COVID-19, to digitalise quickly, need **hands on technical support and advice** right now in order to ensure a smooth transition that complies with relevant laws, such as GDPR, and respects cybersecurity requirements. Many Chambers of Commerce and Industry provide such support or have recently launched emergency programmes to support the digitalisation of SMEs.

However, this can only be a start. **Vocational training for SME employees and self-employed persons** and sharing knowledge on how to digitalise business processes is also necessary. Digital transformation has become not only a means of saving money and time, but the prerequisite of growth and a factor for survival in challenging times. In the coming decade, the ability of businesses to grow and prosper will largely depend on how quickly and successfully they can adapt themselves to the digital age and manage to reap its benefits. SMEs are often not sufficiently aware of the support and training opportunities that exist. Digital skills and data literacy play an important role in the “European Strategy for Data”, but a better involvement of the active workforce and SMEs is needed. Here, Chambers of Commerce and Industry can play a crucial role in providing high quality vocational training for SME employees and self-employed persons.

Another area where we should build upon the measures taken to limit the spread of the COVID-19 virus is the **digitalisation of administrative procedures**. Public administrative bodies have proved to be creative in finding ways to reduce physical contact, for example by using online solutions or other electronic means of exchanging information. The Corona Crisis has revealed the advantages of electronic documents, such as e-CMR documents for international freight transport, which present information about the shipped goods and the sending and receiving parties.

In the medium term, **Digital Innovation Hubs (DIHs)** will play a key role in shaping tomorrow’s economy and creating the companies of the future. Often, the fragmentation of companies is one of the main reasons why European companies are less successful than their counterparts in other parts of the world. Therefore, we welcome the idea to establish at least one DIH per Member State focusing on Artificial Intelligence (AI). DIHs for local and regional ecosystems, often established by local or regional Chambers of Commerce and Industry, can enable companies to better exploit their digital potential. We consider these structures essential for creating an ecosystem of innovative companies that could, through pooling resources and sharing development costs, be more successful on the world market. It will be vital to make DIHs truly accessible for small companies and start-ups by building upon existing structures and ensuring the timely provision of support for new ideas.

An important precondition to realise the full potential of DIHs focusing on Artificial Intelligence is the availability of high quality data, especially through **European Data Spaces**. In the race for the best AI solution, the quality of data matters even more than the quantity of free data accessible. The COVID-19 crisis has highlighted the importance of reliable, high quality data, but it has also shown how difficult it is - both technically and legally - to make such data available within a limited time frame. As mentioned in the first pillar of the European Data Strategy, a cross-sectoral governance framework for data access and use, which will enhance the economic value of public sector data sets, is crucial for the development of new technologies. Strict compliance to high quality standards such as timely updates, data security, data integrity, data source verification and data validation require significant investments. The Member States that are already providing, through designated authorities and institutions, high quality access to public data, should serve as financial and organisational models for the governance of the envisaged data spaces.

Over the long term, one of the keys to developing a thriving digital industry in Europe is to inspire young people and increase awareness of career opportunities in the field of digital technologies and services. Developing and applying educational technology in schools and vocational training centres can significantly contribute to this goal. Combining high quality education with upskilling for staff and self-employed through vocational training are pivotal for a “Digital Education Action Plan” that meets the needs of tomorrow’s economy. In fact, for addressing many of the societal and environmental challenges that especially interest young people, from decarbonisation to resource efficiency and the circular economy, digital solutions and AI have a vital role to play. Therefore, we count on an inspiring “**Digital Education Action Plan**” that motivates young people to become digital innovators and bring their visions to life.

EUROCHAMBRES urges the Member States and the European Institutions to implement bold and coordinated measures reflecting the points outlined above, in order to support the digitalisation of Europe’s economy and provide an essential boost for the post-Corona recovery. The European Chambers of Commerce and Industry welcome the above-mentioned strategies of the European Commission, which will contribute to making Europe a leading global centre for digital innovation in the coming decades. We are ready to actively participate in and support the implementation of these strategies.

EUROCHAMBRES – The Association of European Chambers of Commerce and Industry represents over 20 million enterprises in Europe – 98% of which are SMEs – through 45 members and a European network of 1700 regional and local Chambers.

Further information: Christoph Riedmann, Tel +32 2 282 08 60, riedmann@eurochambres.eu
Press contact: Karen Albuquerque, Tel +32 2 282 08 62, albuquerque@eurochambres.eu
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