

PRESS RELEASE - NEW POLICY BRIEF

## The Next Steps for the Digital Single Market: From Where do We Start?

**Brussels, 12th October 2018** - Digitization has been a boon to the European economy. However, the Digital Single Market remains an aspiration rather than a reality, and European institutions and Member-State governments have to redouble their efforts in the next years to create better and larger space for the digital economy to grow. Even if there is a great deal of variation between the performance of different EU economies, the EU is trailing behind many other economies and could increase the economic outcome of digitization. In this paper, we have focused on defining economic concern about the digital performance of Europe and outlining conceptual problems in work to create a Digital Single Market.

There are especially three conceptual problems. First, many of the policy factors that hold Europe's digital performance back are not data or DSM specific. They are about the general conditions for entrepreneurs to do business across the border in Europe and build business models that include many national markets but don't run into high regulatory barriers and costs. In the past five years, reforms under the DSM label have much been focused at digital-specific regulations, and – unfortunately – several of these efforts have added new layers of regulatory complication to data-based commerce in Europe. For the future, a real ambition to improve the speed of digitization and its economic outcomes will have to be combined with general single-market policies that knock down barriers between EU countries. Second, many of the regulations on data should be changed to give clarity rather than confusion and add more opportunities for experimentation and innovation. Third, the EU is in need of greater coordination of various data-regulations and there should be a clearer taxonomy of the specific ambitions of one regulation to avoid clashes with other regulations.

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