

# Who Else, If Not Europe?

The EU, especially Germany, can lead the way forward in defining ‘digital sovereignty’ – Big Tech should see this as opportunity

BY CASPER KLYNGE AND RALPH HAUPTER

**A**s difficult as life has been under COVID-19, it would have been much worse without the digital solutions that helped frontline health workers provide care, businesses keep their doors open and kids go to school. But the remarkable digital transformation in response to the pandemic has also raised at least two important questions. First, how can nations benefit from the data and innovation of their citizens and businesses? Second, how to address concerns that a small number of technology companies are amassing too much power through their control of the world’s digital platforms?

At the heart of these questions lie discussions around digital sovereignty. It is a complicated issue that spans everything from the role of technology and data in local and national economic development to the right to privacy and the security of critical infrastructure. For Europe it is fundamentally about wanting to be in control and having the opportunity to define rules independently. This is a valid desire.

Europe is in an ideal position to lead the way in defining sovereignty for the digital age. One way to understand the European project, dating back to the Treaties of Rome, is through Europe’s quest to create a balanced and collaborative approach to sovereignty based on shared values. But also, more importantly, to adapt the concept of sovereignty to challenges during particular moments in European history.

This approach is even more essential in today’s digital world where data flows across territorial borders and the majority of successful businesses operate globally. And, with Europe’s particular history as well as global norm-setting role in mind, who else would be better suited to make sovereignty ‘Fit for the Digital Age’, as the EU Commission calls its digital strategy?

## Europe has a positive influence worldwide

In many ways, Europe is already exerting a strong positive influence on how the world is managing the accelerated digital transformation through the power of its values-based regulatory frameworks. Examples – such as the General Data Protection Regulation (GDPR) as the global standard for protecting personal information – the Digital Services Act and the Digital Markets Act, have sparked worldwide discussions about how to build safer, more resilient and more competitive digital spaces. Similarly, the Fit for 55 package and the EU’s proposed Artificial Intelligence Act have a chance to do for sustainability and artificial intelligence what GDPR has done for privacy.

The question now is how do we help build a framework for digital sovereignty that secures Europe’s unique position in a world increasingly

driven by technology and digitalization? It starts by acknowledging that Europe's openness is a strength, making it an inspiring global rule-maker, rather than a rule-taker. For several reasons.

## From rule-taker to rule-maker

First, there can be no digital sovereignty without economic opportunity and competitiveness. For European values and institutions to prevail, we need to create the jobs and the economy of tomorrow. Thus, free trade, access to cutting-edge technology and enabling the use of data are crucial. In every industry, successful companies collect and process industrial data from around the world. Businesses of every size are engaging with customers in distant markets.

In Germany, for example, Microsoft has joined forces with car manufacturers and suppliers, as well as technology providers, to form the Open Manufacturing Platform, a global alliance accelerating innovation through open data collaboration. Scaling these models across sectors throughout Germany and Europe will be a powerful step in securing digital sovereignty and in building technology that aligns with Europe's digital agenda. With its strong industrial base and political weight, Germany plays an important role in this regard.

Second, there can be no digital sovereignty without cybersecurity. Today's weapons of cyberwarfare threaten the future of our societies and the stability of our governments, industries and infrastructure. Digital sovereignty demands an approach to cybersecurity built on multilateral cooperation among like-minded governments collaborating with the private sector. And it also requires the tech industry to constantly invest in protecting consumers and the public sector.

## Clear framework for responsible technology

And, third, there can be no digital sovereignty without the rule of law ensuring that technology is trustworthy and compatible with democratic values and institutions. Governments and international

institutions must establish clear legal frameworks that define the responsible use of technology and establish appropriate mechanisms for accountability if companies fail to meet their obligations. Germany's new federal government should draw on the foundational work that has already been done in the country, including in the context of the Data Ethics Commission and the Bundestag's AI Study Commission. The tech industry should see the approaching regulatory framework, driven forward by the EU and member states such as Germany, as a much-needed opportunity to create a common set of 'traffic rules' for the technology we develop and deploy. Resisting regulation is not a strategy.

Europe is uniquely positioned to get all this right. Joining forces with like-minded partners, including across the Atlantic, will help promote European values also against the backdrop of an ongoing digital transformation. The recent launch of the EU-US Trade and Technology Council illustrates the opportunity to strengthen transatlantic collaboration. Germany can set important impulses by pushing for strengthened transatlantic research and development efforts and regulatory cooperation, by advocating for clean tech and sustainability, and by promoting better access to and use of digital technologies by small and medium-sized enterprises. 

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