No Data, No Digital Economy

Are we experiencing the paradigm shift? Is our economy broadly using the development of digital technologies as means of value creation? Are we already leading the way to advanced manufacturing and robotics or Artificial Intelligence and the Internet of Things?[1]

"Digital economy" is a term commonly used to illustrate an economy that works more and more on tech-based economic interactions and activities – the fuel for this tech-based economy being data and the value of industrial data becoming a new production factor. Therefore, data flows are vital to the digitalisation of our economy and society. The EU has to do its very best for the digital transformation of industry to succeed. Preparing for 5G, strengthening cybersecurity, allowing data flows and developing as much as deploying AI should be on top of the European industrial strategy. We must make sure that the opportunities of digitalisation can be used to improve different goods, processes and services. Finally, this would unleash the potential of the digital economy in Europe.

In 2019, the Digital Economy & Society Index[2] ranked Luxembourg on 6th place within the EU, naming connectivity as the country's major asset. In line with its data-driven innovation strategy[3] published in May 2019, the Grand-Duchy also scored in its share of enterprises analysing big data (16%), which is above the EU average (12%). Regrettably, the integration of digital technologies by businesses and public services still being its weakness.

In different ways and at moving paces, data has already and will continue to become essential for public services, innovation and competitiveness. The game-changing breakthroughs however, lie in our capacity to share data within sectors and eventually, cross-sectoral. In this context, the EU should empower companies to utilise the full potential of the single market and always improve the framework for a free flow of data.

Despite data becoming increasingly easier to collect and exchange, one should enquire how business-to-business data sharing should be realised. The private sector has created various models of B2B data sharing: from bilateral agreements and contracts, to the institution of a central platform for several companies, thrust schemes, along with the combination of different models and agreements. Nevertheless, these initiatives remain under-exploited. On one hand, some don't want to give up their economic power and fear they would lose their competitiveness. On the other hand, some are restricted by contracts[4]. Indeed, businesses commonly agree that data sharing is essential for new technologies as for instance AI and IoT. But truly, they often face challenges to do so because of the risk of reverse engineering, the loss of a competitive advantage and the very question of the actual value of the data once shared. This all comes down to the lack of trust. Therefore, one should clearly distinguish two types of non-personal data: business sensitive data and less critical data. For the ladder only, generating trust through transparency measures would encourage data sharing between companies. This could for example be achieved by requiring companies to communicate exactly what they plan to do with and how they will further use or employ the specific date acquired.

Although Luxembourg is deeply committed to the digital economy and society and becoming an internationally recognised hub for ICT, cybersecurity or High-Performance Computing, it is its data-driven innovation strategy that will show if we are ready for the paradigm shift.

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1 *The Digital Economy: Promise and Peril In The Age of Networked Intelligence, Don Tapscott, 1997*

2 *https://ec.europa.eu/digital-single-market/en/desi*

3 *The Data-Driven Innovation Strategy for the Development of a Trusted and Sustainable Economy in Luxembourg {en ligne: https://gouvernement. lu/en/publications/rapport-etude-analyse/minist-economie/intelligence-artificielle/data-driven-innovation.html }*

4 *Dutch Vision on data sharing between business {en linge: https://www. government.nl/documents/reports/2019/02/01/dutch-vision-on-data-sharing-between-businesses }*

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