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A European Narrative for a digital world

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We currently see a digitization of economies, states, societies, cultures, companies, social traditions and legal frameworks. This change is mainly driven by American and Chinese companies. In order for Europe to remain a relevant player in this new economy, it needs a European approach to digitization and the digital economy. Technology and society should be viewed holistically and in their dynamic interplay, since digitization will profoundly transform the economy in the context of the introduction of new technologies and in the development of new digital business models. With the change of working conditions, qualification requirements and forms of cooperation, new potentials arise, but also dangers of the loss of competences and jobs. The European economy, and in particular the economies of Germany and France, which traditionally have their strengths in traditional industrial sectors, are thus facing greater challenges than young emerging economies.

The digital revolution is affecting productivity across all sectors and industries. The emerging "data-driven economy" is both an opportunity and a challenge. Opportunities arise above all for those countries that are prepared and equipped to compete digitally. Digital data, digital infrastructure and digital knowledge will be the strategic economic and competitive advantage of the leading economies of the future. We currently see a market dominance of American, but increasingly also of Chinese companies, especially in the context of the platform and data economy. This is due, among other things, to the much larger size of the American and Chinese markets compared to individual EU countries, but also to less regulatory market and legal conditions and much higher sums of private and public money spent on technology promotion. If Europe and European companies want to have a chance in the globalized competition, they must think in terms of joint value creation and joint approaches. Furthermore, if we want to build a digital world where European standards of ethics, free speech, privacy, and fairness reign, we need a European narrative.

A joint European approach for creating, funding, building and maintaining digital ventures and platforms would help to create a shared European data economy and policy. We propose three main strategic initiatives that should be supported in order to create a European narrative for the digital world.

- (1) **Funding big challenges:** Europe needs to demonstrate its ambitions to become a global digital innovation lab by providing large, matching funds compared to the US and China for digital startups. This could be done by setting up large venture funds from private and public sources. These funds should support the growth of research-oriented startups that tackle grand challenges like climate change, mobility, pollution, etc. Taking an agile approach, the funds are not only reactive in funding endeavors but also proactive by setting own challenges and providing guidelines for creating digital solutions. They take a more inclusive approach than privately managed funds and also consider different technologies and approaches coming from an interdisciplinary set of actors and disciplines. The setup could be 50% based on government / policy stakeholders, and 50% from private / business stakeholders. The design of the funding process is bottom-up. Possible first projects could come from joint

German-French initiatives, e.g. the Rhine Valley as the prototype of the German-French Silicon Valley.

- (2) **Open innovation platform(s)**: Another big challenge for European small, medium-sized and large companies is that they do not know where to find suitable research and action partners. Therefore, the European Union or France and Germany at first should aim at establishing one or more platforms for digital innovation collaboration for public and private players. These platforms would help the communication and exchange, the co-creation and know-how exchange, and serve as a think tank for digital endeavors. They could help to collect successful digital examples from around Europe, e.g. digital solutions for cities or transport. Furthermore, politics should build protected spaces (experimental spaces and innovation laboratories) where disruptive innovations can be thought up and tested in crowd-based approaches.
- (3) Last but not least, **we need an own narrative for Europe in a digital world**. Here, we should build on existing strengths and the European DNA to build a European concept for patrimony in the digital age. National challenges, e.g. healthcare, could be tackled jointly and mutual understanding and learning would be supported. This way, solidarity, citizen involvement and co-creation for innovation would have a framework upon which the two previously mentioned initiatives could build.

However, research and technology do not automatically generate innovations, but innovative business models are equally needed that focus on value for customers through value creation networks. Especially with regard to digital products and markets, the recombination of technologies, competencies and resources is of particular importance. In addition to the framework conditions described above, this also requires a different way of thinking and cognitive skills in order to think and act innovatively both inside and outside companies. Digital strategies, digital business models and a new type of corporate culture that responds openly and flexibly to the challenges of the platform economy require a new economic philosophy.