Presentation of the Digitising European Industry initiative and the methodological approach to the country reports

July 2019

1   Context of the country reports

1.1   Objectives

The 28 country reports have been prepared in the framework of the "Study on monitoring progress in national initiatives on digitising industry" commissioned by the Commission (DG CONNECT) and conducted by VVA (lead) and WIK-Consult. The overall aim of the study is to develop and build a well-structured information collection and monitoring instrument on the national initiatives taken to digitise the industry covering all EU Member States.

Specifically, the goal of the study and of the country reports is to:

- Increase the awareness of different policies having an impact on the digitalisation of EU industry and the economy;
- Allow the evaluation and assessment of the impact of policies aiming to support the digitalisation of the economy across all sectors in Europe;
- Enable policy makers at European, national and regional level to learn from each other and adapt their strategies;
- Raise awareness of stakeholders, notably companies and especially SMEs, of the national and European opportunities to adopt new and emerging technologies and to reap the full benefits of digital transformation.

1.2   Scope

The study includes all 28 EU Member States. In 2017, the Commission published a first analysis of digitising initiatives for 14 Member States.[1]

The country reports focus on national initiatives (and in federal countries, regional initiatives where relevant) to digitise the industry and foster the digital transformation of businesses. The study and the country reports cover all sectors of the economy, including both digitised sectors and more traditional sectors.

1.3   Digitising European Industry initiative

The European Commission launched the Digitising European Industry initiative (DEI) in April 2016. As part of the Digital Single Market strategy, the DEI initiative aims to reinforce the EU's competitiveness in digital technologies and ensure that every business in Europe can draw the full benefits from digital innovation. Building on and complementing the various national initiatives for digitising industry, the DEI actions are structured around five main pillars.

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[1] Austria, Belgium, the Czech Republic, Germany, Spain, France, Hungary, Italy, Lithuania, Luxembourg, the Netherlands, Poland, Portugal, Sweden. The 2017 reports are available at: https://ec.europa.eu/futurium/en/implementing-digitising-european-industry-actions/national-initiatives-digitising-industry

Figure 1: Overview of the DEI pillars

Source: European Commission

- **Pillar 1: European platform of national initiatives on digitising industry**

This EU coordination forum brings together all Member States to ensure coherence and share experience with regular meetings and collaboration. The goal is to build a critical mass of initiatives and investments for digitising industry, and to ensure the commitment of Member States, regions and private sector to achieve the DEI goals.

- **Pillars 2 and 3: Boosting innovation capacity**
  - **Pillar 2: Digital innovations for all: Digital Innovation Hubs**

    Digital Innovation Hubs (DIHs) are one-stop-shops where companies –especially small- and medium-sized enterprises (SMEs), and start-ups– can get help to improve their business, production processes, products and services by means of digital technology. One of the key DEI priorities is to support a strong network of DIHs to ensure that every company in Europe can take advantage of digital opportunities.

  - **Pillar 3: Strengthening leadership through partnerships and industrial platforms**

    To reinforce the EU's competitiveness in digital technologies, the DEI initiative supports both the development of digital industrial platforms and large-scale piloting and Public-Private Partnerships (PPPs) that provide the digital technology building blocks of the future.

- **Pillar 4: A regulatory framework fit for the digital age**

A digital-friendly regulatory framework is important to foster digitalisation and includes regulations on cybersecurity and free flow of data, in line with the Digital Single Market strategy.

- **Pillar 5: Preparing Europeans for the digital future**

To make the most of the digital transformation, adapting the workforce, education and learning systems is needed, together with major investments in reskilling citizens. European initiatives such as the digital skill and jobs coalition and the digital opportunity scheme can help to bridge the gap.

2 Methodological approach to the country reports

The country reports were prepared according to a harmonised methodology, involving desk research, consultation with national stakeholders, and a common country report structure. The data collection for the country reports was conducted between October 2018 and January 2019.

2.1 National desk research

The aim of the national desk research was to map the national initiatives and measures to digitise the industry and to gather information on their outcomes. Desk research was carried out in the country national languages, using a harmonised research tool, in order to ensure coherence in the reports and allow for comparative analysis. The results of the desk research were then validated and completed by consultation with national stakeholders.

2.2 Consultation with national stakeholders

To provide a deeper insight into the state of play in the Member States, national authorities and representatives from business associations were consulted, using a harmonised questionnaire across countries. The consultation provided both factual information as well as perceptions about the impacts of the initiatives. To ensure coherence across countries, stakeholders were asked to provide their perception on a 1-5 scale, where 1 is low and 5 is high.

2.3 Country reports

The country reports aim to provide an overview of the initiatives for digitising the industry in the EU Member States. The country reports focus on national, horizontal initiatives and related measures and on assessing their impacts or outcomes. The list of initiatives presented in each country report is therefore not exhaustive. The selection of most relevant measures was based both on the desk research and on the consultation with national stakeholders. The identified measures were categorised along the Pillars of the DEI and presented by order of importance and/or budget, with information on their funding and outcomes, where available. The common structure of the country reports is presented below.

Box 1: Outline of the country reports

Summary
1. General context
1.1 Economic context and status on digitisation
1.2 National strategies on digitising industry
1.3 EU cooperation in the field of digitising industry
2. Other policy support to digitising industry
2.1 Boosting innovation capacity
2.2 Regulatory framework for digital age
2.3 Skills development
2.4 Support mechanisms
3. Conclusions
Annex 1: List of stakeholders consulted
Endnotes

The summary presents an overview of the DESI performance of the country, its economic development, the government approach to digitalisation and overall investment in digitising initiatives, a summary of actions and investments across DEI pillars and future outlook. The summary also includes an overview table with all strategies, initiatives and support mechanisms described in the report, as well as a short SWOT analysis on digitisation.

The report then presents the national economic context and status on digitisation and introduces the national strategies and initiatives across DEI pillars, with an overview of measures presented in tables, followed by additional details and information on impacts and stakeholder perception.

The section on support mechanisms presents financial instruments supporting the national strategy and measures, including innovation vouchers, amortisation schemes, FDI measures, tax relief, guarantee/loan fund, national innovation fund, venture capital start-ups support, patent and IPR incentives. When some support mechanisms are clearly embedded within an initiative in a specific pillar (e.g. on digital skills), they may be described in the relevant pillar section, with a clear cross-reference in the section on support mechanisms.

The conclusions provide an overall assessment of the status of the national strategies and initiatives, together with an overview table of funding per initiative, a table summarising the main inputs and outputs of the initiatives, and a box on good practices. The good practice box presents a brief description and main outcomes of initiatives that can be considered as good practices due to their relevance or impact, and that could be worth exploring in other countries.

2.4 Challenges

Many national strategies and initiatives on digitising have been launched recently in the wake of the DEI, therefore, it is sometimes still early to determine the results and outcomes of these measures. When limited information was available, researchers provided indications of the evolution of digitising indicators of the country in recent years, together with feedback from stakeholders.

The perception of stakeholders is based on a small sample of consulted representatives from national authorities and business associations. The stakeholder feedback therefore does not mean to be exhaustive and fully representative but presents an overview of the perception of stakeholders on the usefulness, strengths and weaknesses of initiatives. Stakeholder feedback is also completed by information collected by desk research on the outcomes and progress of digitisation.