

Europe's digital progress report 2016

Introduction

Europe's Digital Progress Report provides an overview of the progress made by Member States in digitisation. It also details the policy responses by Member States to address the specific challenges that face them.

The Commission adopted the Digital Single Market Strategy for Europe¹ in May 2015, which identified that Europe has the potential to lead in the global digital economy, but that fragmentation and barriers that do not exist in the single market are holding back the EU. It estimated that bringing down these barriers could contribute an additional EUR 415 billion to European GDP. The digital economy could expand markets and provide better services at better prices, offer more choice and create employment. The Digital Single Market could create opportunities for new start-ups and provide an environment for businesses to grow and benefit from a market of over 500 million consumers.

The Commission therefore announced a series of measures to be taken at EU level to:

- improve access for consumers and businesses to online goods and services across Europe;
- create the right conditions for digital networks and services to flourish; and
- maximise the growth potential of the European digital economy.

The delivery rhythm of the announced measures has been brisk.

Already on 6 May 2015, the Commission launched a competition sector inquiry into eCommerce relating to the online trade of goods and the online provision of services. More than 1300 companies responded before the end of 2015. A first set of very preliminary results has been published on 18 March 2016, showing that geo-blocking is widespread in the EU. This is partly due to unilateral decisions by companies not to sell abroad but also contractual barriers set up by companies preventing consumers from shopping online across EU borders.

On 9 December 2015, the Commission presented a proposal for Directive on contracts for the supply of digital content² as well as a proposal for a Directive on certain aspects concerning contracts for the online and other distance sales of goods³. The aim of these proposals is to remove barriers due to contract law differences. In addition, for the supply of digital content, once adopted, the Directive should set out clear and specific rights for consumers. Indeed, there is currently a clear gap in EU legislation in the area of defective digital content, as most Member States do not have any legislation in place to protect consumers in the case of defective digital content.

On the same day, the Commission proposed a Regulation on the cross-border portability of online content services in the internal market⁴ to allow people to travel with their online content. In other words, this Regulation should ensure that Europeans who have purchased films, series, sports broadcasts, games or e-books online can access them when they travel within the EU.

¹ COM(2015) 192.

² COM(2015) 634.

³ COM(2015) 635.

⁴ COM(2015) 627.

At the same time, the Commission published an action plan to modernise EU copyright rules,⁵ which should make EU copyright rules fit for the digital age. This ‘political preview’ will be translated into legislative proposals and policy initiatives that take into account responses to several public consultations.

An initiative on Digitising European Industry was adopted by the Commission on 19 April 2016.⁶ It comprises a set of measures to support and link up national initiatives for the digitisation of industry and related services across all sectors and to boost investment through strategic partnerships and networks. This initiative also contains concrete measures to speed up the standard setting process for ICT and an updated e-government action plan to modernise digital public services.

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In addition to action at the European level, the Digital Single Market strategy recognised that such action needs to be complemented by actions taken at Member State level, since a major part of policies which are essential for the development of the digital economy are formulated at a national level. Moreover, Member States are at very different stages in the development of the digital economy; some, for example, the Nordic countries, are among the most advanced in the world, while others still have a lot of catching up to do. Therefore, both policy priorities and the impact of the Digital Single Market will differ significantly from Member State to Member State.

This report combines the quantitative evidence from the Digital Economy and Society index (DESI) with country-specific policy insights. It keeps track of the progress made in digitalisation in the Member States and provides important feedback for policy-making at EU level. To enable a better comparison between Member States, this report also develops a cross-country analysis for the main dimensions of DESI. This report will feed into the analysis of Member States’ economic and social challenges and the monitoring of national reform efforts carried out under the European Semester.

The report is structured in thematic chapters that examine one issue across all Member States. The first section starts with connectivity, followed by human capital, before moving on to internet usage, the digitisation of industry and digital public service and finally R&D in ICT. This is followed by country chapters, each of which looks in the same order at the same issues, except for R&D, which is not covered at the level of Member States.

⁵ COM(2015) 626.

⁶ COM(2016) 176, (COM(2016) 178, COM(2016) 179, COM(2016) 180.