**BVDW**

## Position paper of the German Association for the Digital Economy (BVDW) e.V. on the EU-Commission´s Feedback Period for the Roadmap "Data sharing in the EU – common European data spaces (new rules)"

31. July 2020

### Introduction

The German Association for the Digital Economy (BVDW) e.V. has been representing digital business models since 1995. It incorporates the experience of its founding members from the online industry as well as the global perspective from tech players from all over the world. More than 700 companies are now organized within BVDW which means that we cover the entire spectrum of the diverse digital economy. Our positions represent the interests of the industry as a whole which makes BVDW a reliable partner for decision makers in Germany, Europe, and the world.

We thank the European Commission for its Feedback Period on "Data Sharing in the EU - common European data spaces". BVDW will gladly provide input on the envisaged Roadmap of the European Commission and is at the same time at the Commission's disposal for further in-depth discussions.

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### General Elements

**From data economy to algorithm economy**
A Single Market for data should have in mind the current shift from a data economy towards a broader algorithmic economy and should therefore be designed in a way that a law framework is also expendable for a possible **European Algorithm Space for critical infrastructures**. Algorithms are the first level derivative from this data space as well as arbitrary in its context and value. Of course, one would need to find a clear, transparent and safe framework that is voluntary for companies, as a lot of the algorithms fall within the boundaries of Trade Secrets. We do see however a clear benefit for critical infrastructure (e.g. vaccines) to have a better cooperation.

**From algorithm economy to intellectual property competition**
Moreover, **intangible assets** such as intellectual property can be created from this shared data space. Therefore, not only the data should be thought in but also IP resulting from usage of the data, with application of machine learning techniques that are trained with this data as well as the knowledge from its contextualized usage.

**BVDW agrees that this initiative has the potential to tackle problems with a cross-sector relevance:**

- **A sector-specific data infrastructure is a valuable goal** from our point of view. A strong cooperation with the German Gaia-X project would be beneficial.
- **Voluntary** data sharing **is key**: Access to open data has a positive impact on the economy and society at large. This could be further encouraged, but we stress the need to make participation in the data spaces for companies voluntary, the access open to all players, and non-discriminating.
- We see the need to specify that the use of the shared data should be coupled to the **European value set and fundamental rights**.
- We see the need to focus on **data held by public sector bodies first**.
- We agree that **standardization** is a good way to respond to interoperability challenges around data sharing and data reuse. The work should take as a basis existing standard on data formats, models, etc.
- We suggest adding the element of **data quality** which is crucial and depending on multidimensional aspects such as time, context, refinement to just name some. As it is suggested to engage data reuse it is highly important to **add quality control not just of the data but also of the contextualization.**
- Moreover, it is crucial to check the data quality through **an independent perspective** because as soon as an error is part of a database which is then reused can lead to exponential error amplification effects. Therefore, we suggest the development of an **independent body that serves as a data quality test engine** that is responsible for adequate usage of the data for specific and defined purposes. This should not limit any data-driven explorative or innovative approach. Instead it should help to increase data quality as well as determine error amplification effects that are data-driven as early as possible. **There should be no data collection for the sole purpose of data collection.**
- To ensure that the voluntary scheme for companies works, one could think of specific **Data sharing incentive schemes** such as a trust certificates for companies.
- **Full coherence with the GDPR** needs to be ensured.


## Objectives and Policy options

- We agree that **data held by the public sector should be usable for research and innovative uses**, for common good research and data use for the society and economy at large by lowering transaction costs resulting from technical barriers.
- We generally **support the suggestion of structural enablers for data-sharing for these purposes.** We suggest however to specify competence profiles of these possible enablers as well as to clarify questions of transparency, data protection and objectivity as well as independence of them.

### Likely Economic impacts

- **Mandating access to data takes away the very incentives of innovation** that the data producer right was meant to create. Requiring a company to share the fruits of their labor can deter investment and economic growth. Forced access rights would also represent a conflict with data protection obligations. Given the broad definition of personal data under GDPR, it will be difficult to separate "data" not only from other types of data protected by the various IP rights, but also from "personal data". Therefore, as stated above, we **stress the voluntary character of data sharing for companies**.
- We agree with the Commission that more public data should be available for the common good. However, **we note that data itself is not the sole enabler of innovation.** The skills (to be able to make the most of data by using a given computational tool or technology) and the awareness around digital technologies play a critical role in digital transformation.
- **The European Data Space will help to build a strong counterpart to US and China with an own societal and economical profile.** It might lead from data economy to algorithmic economy leading to new intellectual property portfolios in Europe. We therefore suggest to think about a generic IP-pooling legislative framework for critical societal infrastructures (e.g. vaccines) that are using data from the European Data Space up from the beginning. To illustrate this aspect we can refer to an example of COVID 19: In the COVID-crisis the competition on IP e.g. for a vaccine can be altered strongly by established intellectual property competitions whilst the development is based on a shared data set.

### Likely social impacts

- We fully support the view that **data literacy** should be at the center of European efforts on digital transformation. Organizations need to truly upskill their talent in critical areas such as AI, ML, data analytics, and cloud computing. Such tools and technologies already exist in the market. Still, they're not achieving their full potential within EU organizations due to skills and awareness gaps, among others.
- Generally, we support the idea to reuse data when taking account for data quality and data contextualization check units to **lower a) data-driven error amplification, b) bias effects.**
- Moreover, the availability of data spaces can be used in education which fosters an **increased ability of data-driven decision making in participatory political concepts.**

### Likely environmental impacts

- To lower energy consumption **targeted data usage/ storage** needs to be taken into account as digitization can also increase the consumption of energy and raw materials. It is therefore important to make the use of digital technologies as energy-efficient as possible and at the same time to organize the entire consumption of energy and resources in a circular economy.
- **Cloud solutions** can help to significantly reduce the IT-related energy consumption of companies.