



The Institute of
International &
European Affairs

The D9+ and the Future of the Single Market

An IIEA series supported by Amazon



In 2023, the IIEA and Amazon co-organised an event series on the topic of the D9+ and the Future of the European Single Market. This series of three events sought to explore Ireland's role in the D9+, with particular emphasis on the priorities and opportunities arising from its chairmanship of the group in the first half of 2024; the future development of the D9+ group; and the role that the D9+ may play in some key areas of European digital policy, and in particular the Single Market. This note aims to serve as a record of the series, as well as to highlight the key points that emerged across the three events.



Ireland and the D9+: 2024 and Beyond

Friday, 6 October 2023 at 10.00a.m.

The first event in this series took the form of a private roundtable discussion at the IIEA, on the topic of European digital policy and the role of the D9+. The roundtable brought together a diverse range of stakeholders active in Ireland's digital economy. Three main themes emerged: Ireland and the D9+; Regulation and Competitiveness; and Artificial Intelligence. Some of these themes were also to feature prominently and be developed further in subsequent events.

Ireland and the D9+

Ireland's chairmanship of the D9+ in April 2024 was seen as an opportunity to position itself as a leader in the digital space. Some said that Ireland should use the opportunity to help shape the next European Commission's agenda, positioning both Ireland and the D9+ as a voice for more joined up thinking, more cohesive regulation, and ensuring that regulation was balanced with innovation and trust.

It was argued that the D9+ should advocate for comprehensive impact assessments on new regulatory initiatives. Some also expressed the view that the D9+ should make the case for the importance of the transatlantic relationship and for the EU maintaining close ties with the US – perhaps including the possibility of a D9+ meeting taking place in the US.

Various other thematic areas, including competitiveness, artificial intelligence (AI), the digital single market, digital public services, and support for start-ups, were identified as potential focal points for the D9+. Additionally, the forum was acknowledged as a valuable platform for participating Member States to exchange knowledge and best practices.

Broadly, the group discussion underlined the D9+'s potential to foster collaborative approaches to digital governance, advance mutual learning and promote shared objectives in navigating the complexities of the digital landscape.

Regulation and Competitiveness

The discourse surrounding the Brussels Effect was a focal point of discussion, with speakers highlighting its significant implications beyond the EU's borders. Notably, EU regulations, such as the General Data Protection Regulation (GDPR), have been instrumental in setting global standards, a trend expected to continue with forthcoming legislation like the AI Act and the Digital Services Act (DSA).

However, despite the perceived influence of the Brussels Effect, some speakers raised concerns about its translation into economic success, particularly when comparing the EU to the US. Criticisms included a lack of comprehensive impact assessments accompanying regulatory initiatives and the rapid progression of regulatory files, particularly in the digital sphere. The proliferation of regulations in the digital realm also raised fears of potential incoherence among different regulatory proposals.

While some argued for a continuation of the EU's regulatory activities, others advocated for a temporary pause to allow the EU to "catch its breath" and focus on the implementation of what has already been agreed. Additionally, there were warnings against narrow debates focused solely on regulation. In contrast, emphasis should be placed on the need to prioritise competitiveness.

Furthermore, uncertainty regarding the practical implications of regulations and their potential deterrent effect on companies launching products in the EU was discussed. Some speakers suggested that the D9+ should advocate for more detailed impact assessments and urged greater coherence and harmonisation between EU regulations.

In addressing Europe's competitiveness, discussions centered on completing the European single market and harmonising regulations among member states. Additionally, there was emphasis on the promotion of digital skills as a means to bolster Europe's competitive edge in the global market.

Artificial Intelligence

There was significant discussion about the merits and risks involved with regulating AI. While some participants highlighted significant apprehensions regarding AI, emphasising the importance of avoiding "knee-jerk" regulation, others underscored the necessity of regulatory measures in order to address public concerns.

A survey was noted which showed that Irish people's main fears around AI related to job losses and surveillance. However, it is not yet clear whether these fears are well-founded, and some studies were cited showing there would not be significant job losses due to AI. Notably, Ireland's establishment of an AI Advisory Council and appointment of an AI Ambassador signified proactive steps towards addressing AI-related challenges.

Suggestions emerged regarding the importance of conducting case studies to assess AI's impact in Ireland and enhancing public awareness of AI-related issues. Participants emphasised the collective responsibility of stakeholders, including industry, in advocating for AI's constructive role and mitigating its potential negative consequences.

Furthermore, the discussion highlighted AI's positive contributions, particularly in fostering sustainability and advancements in healthcare. These insights underscored the multifaceted nature of the AI discourse, emphasising the need for informed policymaking and collaborative efforts to harness AI's potential while addressing associated concerns.

The Future Role of the D9+: Delivering an innovative economy fit for global leadership

Thursday, 23 November 2023 at 2.30p.m.



Dara Calleary TD, Minister of State for Trade Promotion, Digital and Company Regulation

Alberto Gago Fernandez, Advisor to the Secretary of State for Digital and AI of Spain **Lucinda Creighton**, CEO of Vulcan Consulting and former Minister of State for Europe **Alexander Hoefmans**, Deputy Chief of Staff to the Secretary of State for Digitization, Belgium

Chaired by **Dan O'Brien**, IIEA Chief Economist.

In the first half of 2024, Ireland assumes the rotating chair of the D9+ (or 'Digital Nine+') - a group of digitally advanced European states which are at the forefront of Europe's digital economy. In this event, an expert panel of speakers assessed what Ireland's presidency of the group could contribute to the D9+'s long-term development; how the D9+ can link in with the priorities of the Presidencies of the Council of the EU; and how this group of digital frontrunners can contribute positively to EU digital policymaking in the coming years.

The D9+: Current State of Play

Founded in 2016, in an initiative primarily spearheaded by Sweden, the D9+ has gained visibility in the EU, but speakers note that it sometimes lacks clarity in its objectives and there was room for greater coordination. For his part, Minister Calleary argued that the flexible format of the D9 allows for a constructive exchange of views and that this flexibility was required because D9+ Members don't always agree. He also noted that the D9+ members combined represented enough countries and population to have a blocking minority at the European Council, which showed the group's significance.

Speaking from the Belgian perspective, Alexander Hoefmans noted that the D9+ was often very informal, chair-driven and frankly not very dynamic in its approach. He also highlighted the diversity of the grouping, which formally stands at 12 members, and has in recent times also had other Member States in attendance at meetings. The idea of formalising elements of the grouping and solidifying its influence have been considered for some time - for example, Mr Fernandez noted that Spain had sought to formalise the process by which new members could join the group during its chairing of the D9+ in the second half of 2022.

The Future of the D9+

In the longer term, it has been argued that although the objectives of the D9+ are worthwhile, they need to be laid out in more detail to ensure clarity of purpose, especially with respect to the EU's goal of achieving open strategic autonomy. Lucinda Creighton suggested that a secretariat for the D9+ in Brussels would be a welcome addition, while Mr Hoefmans linked in with the earlier points made by his Spanish counterpart regarding membership. He urged that there be some consideration by the D9+ as to whether to align its membership criteria with first principles (on digital economy performance) or whether membership should be tied to the vision of the Member State with regards to digital policy. He also asked whether the D9+ should invest in central resources such as having a joint secretariat and whether the D9+ should align with key Council formats.

For the immediate future, better linkages with EU decision-making summits are seen as positive, and in this regard the example of the Belgian presidency in H2 2023 was seen as potentially instructive. Mr Hoefmans noted that Belgium would be hosting the next meeting of the D9+ on 4 December, the day before the Telecoms Council. The meeting would also feature a dynamic session between the D9+ and the B9 – a group representing the business sectors from the D9+ countries – where breakout sessions would be held under the four pillars of the EU Digital Compass.

Minister Calleary discussed Ireland's chairing of the D9+ group in the first half of 2024, which would feature a ministerial meeting in April. The priority themes for Ireland's presidency include AI and the digital policy priorities for the next European Commission.

Regulation and Innovation

In a continuation of a key theme from the preceding roundtable event, innovation emerged as a central issue again, with speakers emphasising the delicate balance required to foster a conducive environment for technological advancement and competitiveness while ensuring adequate regulations to address social risks. In his remarks, **Dara Calleary TD**, Minister of State for Trade Promotion, Digital and Company Regulation said that Ireland wants digital regulation that is proportionate and which does not harm innovation and competitiveness, and went on to say that that this will be a core message from Ireland to the new European Commission.

Echoing these sentiments, Lucinda Creighton, CEO of Vulcan Consulting, emphasized the importance of EU-level regulation that nurtures innovation and competitiveness without stifling progress. She underscored the necessity for greater cooperation between the EU and the US to ensure alignment on policies governing emerging technologies such as AI, advocating for platforms like the EU-US Trade and Technology Council to facilitate this collaboration.

Calleary further outlined Ireland's ongoing efforts to advance its National Digital Strategy, citing the 2023 Digital Economy and Society Index (DESI) as evidence of Ireland's robust performance in the digital realm. With ambitions to drive widespread adoption of cloud, AI, and big data technologies among businesses, Ireland is on the cusp of finalizing a Grow Digital Portal designed to assist in assessing digital maturity.

Alberto Gago Fernandez, Advisor to the Secretary of State for Digital and AI of Spain noted that Spain, in its presidency of the Council, has been focused on progressing key files like EIDAS, the Interoperable Europe Act, and are on the verge of closing the Cyber Resilience Act and the AI Act. Spain has also sought to influence the next EU mandate via four declarations: one on human-centric technologies; one calling for a European strategy on startups and scale-ups; another on trustworthy data for trustworthy AI; and one relating to the formation of an AI Alliance consisting of countries from both South America and the EU.



Reinventing the Single Market

Friday, 8 December 2023 at 1.00p.m.



Enrico Letta, former Prime Minister of Italy

Brigid Laffan, Chancellor of the University of Limerick

Russell Grandinetti, Senior Vice President for International Stores at Amazon

Chaired by **Dan O'Brien**, IIEA Chief Economist.

The Single Market is at the heart of the EU economy and is the foundation upon which many of the EU's economic objectives are built. Yet the EU's efforts to meaningfully deepen, reinvigorate and adapt the Single Market in recent years have, at times, fallen short of its lofty ambitions. Enrico Letta, the former Prime Minister of Italy, and recently tasked by the European Council with writing a report on the future of the Single Market, provided insights from his work and provided a perspective on what the future of the Single Market might look like ahead of the publication of his findings in 2024. He was joined in discussion by Russell Grandinetti and Brigid Laffan.

Mr Letta outlined the importance of the EU's Single Market, and argued that EU competition policies have resulted in fragmented markets. As an example, he noted that a Chinese telecoms operator has an average of 420 million customers, while in the US this is 110 million; in the EU, however, the average is 4.4 million. He also noted that intra-US State trade is four times greater than trade within the EU. Mr Letta made reference to reports on the costs of inadequate Single Market integration and he stressed the need to tackle fragmentation in the Single Market.

Russell Grandinetti also discussed some of the challenges of Single Market fragmentation. He provided examples of a Tuscan cashmere business having to file VAT differently in each Member State, as well as the significant compliance burden on a German seller of lighting products across just three Member States. Mr Grandinetti also spoke about Amazon's footprint in Europe, as a key enabler for over 125,000 SMEs in the Single Market.

Mr Letta argued that the example of Norway demonstrates the value of the Single Market, as Norway pays to be part of the market but has no political input into its operation and design. Mr Letta also noted that the Single Market is the EU's key strength at the global level, and that through it the EU can continue to be a standard setter. Mr Letta identified two other key issues for the Single Market: financing the Green Transition and the need to complete the Capital Markets Union, as currently 2% of EU GDP heads to the US financial markets.

Brigid Laffan, Chancellor of the University of Limerick, pointed out that the Single Market is the "workhorse" of the European Union; it influences the EU's international reputation, enables the EU to achieve trade agreements and underpins the existence of the Brussels effect. Professor Laffan also emphasised that the future of the Single Market is nothing less than the future of EU prosperity, and that there is a need for it to be backed by funding, with a comprehensive implementation plan, as was done in the 1980s. Professor Laffan also praised the fact that Letta's mandate comes from the European Council as opposed to the European Commission, as it demonstrates the political backing he has in his work.





Social media promotion

 **IIEA** @iiea · Nov 22, 2023

Tomorrow at 2.30pm, we welcome @LCreighton @daracalleary @ahoefmans and Alberto Gago Fernandez, for a discussion on the future role of the Digital Nine+.

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CEO of Vulkan Consulting

Alexander Hoefmans
Deputy Chief of Staff to the State Secretary of Digitisation, Belgium

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 **IIEA** @iiea · Dec 7, 2023

Tomorrow at 1pm we welcome @EnricoLetta @BrigidLaffan and Russell Grandinetti @amazon, to provide expert perspectives on the future of the EU Single Market.

The event is hybrid and you can sign up here: iiea.com/events/reinven...

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Reinventing the Single Market
Friday, 8 December 2023 at 1.00p.m.



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