

## Manifesto of the digital sector for the future government of the Slovak Republic

(March 2020)

*Digitization opens up new possibilities to improve the life of citizens in many different areas. From automation of production and processes, especially in the automotive sector, through the wider-than-ever availability of digital products and services, to the provision of electronic public services. Digitization can pave the way for economic and social progress.*

**However, in order to realize this potential, it is essential that the public and private sector work together closely to ensure smooth implementation and operation.** The Slovak Alliance for Innovation Economy (SAPIE) is prepared to actively participate in this process. In doing so, we believe this requires a comprehensive and coordinated approach across various levels of the public sector. Only this can attract best practices from abroad, define new areas where Slovakia can offer added value and find out what position Slovakia should take in the European and global digital economy. Below, we outline 11 key areas that will be instrumental in the efforts to maximize the potential of digitization for Slovakia's future growth:

### 1. Educational reform

There is a critical need for a fundamental reform of the education system. In doing so, it is necessary to take into due account the changes in the most important sectors of the Slovak industry. **It is crucial to invite to the table not just the employers but also IT and labor market professionals in order to identify the main areas of digital skills that are needed for the largest sectors in Slovakia and to develop corresponding educational and training programs.** In line with this goal, the use of digital technologies and available platforms must be successfully integrated into the education system, based on the best practice from abroad. These would help increase students' direct experience with new technologies while being still in the classroom. Similarly, the government and the business sector should work together to integrate the development of critical thinking and entrepreneurial skills in school curricula as well as through life-long learning opportunities, so as to better support the growth of start-ups and SMEs and the innovative economy overall. It is necessary to change the processes and objectives of education to respond flexibly to the current and potential future needs of the economy.

### 2. Support for the startup ecosystem

A healthy and growing startup ecosystem can play an important role in how well Slovakia adapts to and benefits from the changes brought by digitization. Although startups have a huge innovation potential, currently Slovakia lags behind the average in the CEE region ([The rise of Digital Challengers, McKinsey, 2019](#)) in terms of the number of startups per capita as well as share of venture capital investments. In order to tap into this potential, the **new government should focus on facilitating the growth of this sector by supporting entrepreneurship in formal education and, in cooperation with the private sector, through life-long learning and training/retraining opportunities.** The government should also **actively support and work with the existing startup and/or startup-supporting initiatives**, as these have a direct view of the main opportunities and challenges and can provide invaluable input to policymakers on how to address them. The Slovak startup ecosystem would also benefit from **better access to early-stage funding.** The government should therefore work with local stakeholders to ensure that the regulatory framework enables and incentivizes investments into the startup system by business angels, venture capital funds as well as larger corporations. Finally, Slovak Government should not forget that **creating sufficient local scale is essential to compete on EU-wide market.** To achieve this goal, **regional startup and innovation cooperation within Vienna-Budapest-Prague/Brno triangle (the so-called Danube Valley concept), ideally based on government-backed public-private partnership,** could help Slovakia's innovative companies to grow exponentially.

### 3. Data policy

Digitization has brought a new information era where the vast amounts of data generated every day open up infinite opportunities. **Policymakers should strive to use readily available data to develop better policies. While upholding relevant privacy standards, they should also actively encourage their sharing** to make available as much data as possible for use in both the development of public policies and innovation and growth in the private sector. Slovak government should also focus on the oversight of the application of the GDPR norms and the enforcement of compliance so that an EU-wide data protection standard creates a common playing field and facilitates doing business for international companies in Slovakia.

### 4. Digital processes and public administration services for citizens

In the past, digitization of public administration at times resulted in transferring new burdens to citizens without really doing away with the bureaucratic processes. **Public administration should undergo a thorough internal audit to identify opportunities and ways to make the provision of digital services for citizens more efficient.** The reform of public administration processes and relevant public services should focus primarily on the business environment, education (including science and research) and healthcare (along with social services). The importance of these three areas will increase sharply due to demographic changes in the future.

### 5. Supporting research, development, and application of AI technologies

**Support for research, development and deployment of artificial intelligence (AI) should form a key part of the government's strategy to maximize the opportunities brought by digitization in the public as well as the private sector.** In forming its own approach to the technology, the government should bear in mind its innovation potential, avoid a one-size-fits-all framework, and adopt a pragmatic view of the associated risks and benefits. Part of increasing this potential is also creating effective links between educational institutions and industry to facilitate technology transfer. The government should map and highlight cooperation opportunities and define stable channels for communication between industry, innovation centers and educational institutions and accreditation committees. The new government should also work closely with the local AI ecosystem, as well as like-minded Member States in the region, to actively participate in the ongoing discussions at EU level, which will determine how the technology is used in Europe in the long-term.

### 6. Digital economy

The digital revolution is moving at an incredibly fast pace, with new business models and innovative goods and services often catching regulators by surprise. Remembering the recent examples with unclear and/or belatedly adopted rules for ride-sharing platforms or home-sharing platforms, this can at times result in an increasingly fragmented environment in Europe. Maximum benefits of digitization can be delivered with scale. In order to truly deliver on the promise of the Digital Single Market, the new government should work to ensure that businesses trying to tap into the digital economy face **clear and predictable conditions** that should be supported by a proactive approach by the public sector. In this respect, **Slovakia should actively participate in the discussions on the forthcoming Digital Services Act at the European level at an early stage and promote the most flexible approach to ensure that both public and private sectors can reap the full benefits of digitization.**

### 7. A comprehensive digital infrastructure to facilitate the deployment of the Internet of Things (IoT)

**Slovakia must make a significant investment into the development of digital infrastructure**, taking into account the benefits and application of high-speed connectivity in the areas of transport, production, public services or public (physical) infrastructure. A well-designed data policy, coupled

with high-quality and secure connection, will make it possible to create an environment across regions that develops competitiveness and use of the IoT in different industries and services. In this way, Slovakia will significantly leap forward towards higher resource efficiency and less waste of resources and energy.

#### **8. Legislative audit to accelerate digitization**

One of the long-term problems of Slovakia, which it has been fighting for more than ten years, is the continuous decline of Slovakia's competitiveness. In the latest [World Digital Competitiveness Ranking 2019](#), Slovakia is not only behind the neighboring Czech Republic, Poland but also other Member States in the region including the Baltic countries, Bulgaria and Romania. Therefore, it is essential that **the new government reviews the regulatory burden faced by businesses and removes obsolete regulations that impede the development of the digital economy. Equally, the government should ensure that the legislative framework, the public administration and the population are well prepared and equipped to adopt new technologies, use them in practice, and have a flexible and positive approach to the changing digital environment.**

#### **9. Creating an advisory platform for assessing the impact of new technologies on the existing business environment**

One way to support the approach of continuous legislative review in the long term is by **creating a platform that would allow different stakeholders in the fields of digital transformation** (large firms, business incubators, educational institutions, NGO representatives active in the field of digital security and the digital economy) **to actively shape Slovakia's positions on EU legislation for the digital sector as well as any national government initiatives.** This could be done, for example, by reviewing the activities or **redefining the mission of the Government Council for the Digitization of Public Administration and the Digital Single Market**, which predominantly focuses on e-Government issues and less on the digital economy as a whole. At the same time, this platform should strengthen its visibility and through its activities to a greater extent shape the public debate on current and future trends of digital transformation, which Slovakia must prepare for.

#### **10. Addressing cybersecurity**

The point that must go hand in hand with previous efforts is the **effective fight against cyber-crimes**, which have become more common with the increasing use of data in public space. To this end, it is essential to **ensure the application and enforcement of existing security standards as well as to increase the computer and cyber literacy of the population.** This should start with early education of children who are more likely to become victims of cyber-crime.

#### **11. Supporting Europe's competitiveness**

**Slovakia should actively support the development of local and European digital economy** in order to boost its competitiveness globally, including through strategic and comprehensive support in areas such as AI. Based on Slovakia's existing global and regional companies and their expertise, **the new Slovak government should identify the country's key strengths in areas with a high potential** and help prepare a rich base for homegrown approaches to the digital revolution **The new Slovak government should also ensure that the voice of multilateral cooperation is strengthened in Brussels discussions so as to ensure that Europe's competitiveness in the digital sector is boosted through measures that create a facilitative environment from the educational system through to the legislative framework.**