

Intervention Hector de Rivoire – Foresight Center

We are pleased to invite you to seminar on digital platforms and artificial intelligence. Large Chinese and US digital platforms are shaping the technological frontiers. The American technological hegemony is increasingly challenged by China. Subsequently, technology issues have taken a central role in the trade disputes between China and the United States.

What are global implications of these developments? Will US private platforms continue to dominate in the world? Will a two-bloc world emerge with scrambled geopolitics and splinternet where government platforms take the lead? How should European policy-makers and businesses respond to these developments.

Few numbers and figures:

United States:

- Long term American strategy on China, with various measures implemented.
- Undergoing sectorial reforms, particularly regarding Huawei
 - US Dpt of Justice: charges against Huawei and it's CFO
 - Additional customs fees: 200 billion on Chinese products
 - 2018: Peak year in terms of trade between US/China: 500/130 billions
 - Chinese reactions: promises of US importations, new IP measures (less forced technology transfers, less tariff barriers: 5000 lines of products in 2018)
 - In the same time, various Chinese medias are starting to talk about the "winter of Internet", with a downward revision of growth perspective for Didi Chuxing (Chinese taxify), Alibaba and Tencent, due to a set of reasons: more regulations, less venture capital investments, and the consequences of a macroeconomic slowdown in China.
 - What is the role of France and the EU in the middle of that?

Main arguments on France and the EU:

EU and Platforms:

Regulation reaction

- It's impossible to consider the platform without taking into account one important event: the Snowden's revelations. His revelations led throw in questions the existing systems.
- This cooperation led to a strong political will on the other side of the Atlantic, to promote EU instruments to frame the development of technologies in Europe.
- The major changes and push have to come from the EU: the GDPR is a way to promote both our ethical standards and protect the privacy of people. The Digital Services Tax project (which wasn't accepted at the EU level), is also a way to reestablish a balance. The DG Competition seem to be in the same logic, and used the resources offered by the EU Competition law (articles 101 and 102), to counter the abuses of dominant positions of companies like Google and Microsoft.
- The agenda of the current Commission was large in its attempt to tackle issues as diverse as data protection, geo-blocking and technological innovation. However, the EU haven't reached a common response yet to other major digital challenges such as digitalization of industry et cybercrime.

France:

- Historically, the US had a “state as a facilitator” strategy, favoring public-private partnerships through the triple-helix, and create synergies to favor technological innovation.
- In France, model of a state as an entrepreneur until 1983, a change of economic policy which brought some positive outputs on the technology scene.
- Recent results and surveys tend to confirm that France is indeed on the track: establish a hybrid model, relatively centralized, which draws upon both public and private assets.
- We have also considerably increased funding in innovation between 2000 and 2015, in terms of tax exemptions, loans, subsidies, and shareholding: an increase from 3.53 billion in 2000 to 8.5 billion euros in 2015. This investment is expected to reach 12.8 billion by 2020, mostly due to an essential increase in tax exemptions.
- In 2014, France invested 10 times less in venture capital than the United States, and 40% of these funds were raised through public institutions and agencies, compared to just a corresponding 6% in the United States.
- Commissioner for Internal market and Industry Elżbieta Bieńkowska, who stated that “the pool of venture capital in Europe is too small. We are losing potential unicorns”.
- Currently implementation of a French AI strategy : 10 billion for the Public Investment Bank (BPI) to support disruptive innovation, creation of 5 AI centers, creation of the super calculator “Jean Zay”
- Common franco-german manifesto to reform the European industrial strategy: support to AI, R&D, etc.