DEBATE

Lucia Sinapi-Thomas, Executive Director of Capgemini Ventures

I see that we have some time left so maybe we can take a few questions from the audience.

Peter Handley, Head of the Energy-Intensive Industries and Raw Materials Unit in the European Commission's Directorate-General for Growth

Thank you very much. I work for the European Commission for Thierry Breton and I heard the criticisms that the European Commission has not got its approach right. If there is anybody in the European Commission who understands digital and the value of data, the importance of ecosystems, it is Thierry Breton. I have a suggestion rather than a question. I suggest you put together your recommendations in the area of GovTech and address them to the Commissioner responsible. Thank you very much.

Lucia Sinapi-Thomas

It is a nice invitation.

Mehdi Benchoufi, Faruk Tuncer, Clément Tonon

Yes, we will.

Jean Kramarz, Director of the Healthcare activities of the AXA Partners Group

I would like to know what you would change in the GDPR regulation to help create a European leader in data quicker?

Mehdi Benchoufi, Co-Founder and Chief Executive Officer of EchOpen

I think GDPR is okay, but we have a tendency to put complicated rules everywhere. For example, our company is experiencing changes in the regulations on medical devices based on issues, which were real issues and all this regulation had to evolve. However, today it is so strict that even French companies are saying they should move to the US because the market is huge, investment is huge and FDA approval is strict but in the right way. From the data point of view, I think GDPR has done a good job, it is just the fact that health data is defined in it but in my mind, in the age of artificial intelligence anything can be health data. However, for medical devices it is very tough, and I think we should be balancing risks against benefits. It is all about the risk but let us take the benefits into account.

Alice Pannier, Research Fellow and Head of Geopolitics of Technologies program at Ifri

Thank you very much for such an interesting and lively debate. I like your discussion between yourselves on the French and German visions of digital sovereignty. I just have a question for Faruk on whether you can give us a concrete example of how your company is helping local, regional or national government. For many people data is a bit of a buzzword and it is harder to see how it can actually help improve public policies so I would like a practical example of something your company has achieved.

Frank Tuncer, Co-Founder and Chief Executive Officer of Polyteia

I can give you one example. In Germany, all cities collect citizen registry data where your information is stored. It is usually just done to check something like addresses, but we can integrate this data and combine it with other data sources, like kindergarten data, and make a demographic dashboard out of it. We can extrapolate the population over time showing births, the number of three-year-olds, and then we can either build or close down kindergartens because of an aging population. This is something that is done manually but that we can do automatically without civil servants who can then just use the information.

Another example is the disgraceful use of fax devices in Germany to send Covid case information through the layers of government. In one state, we digitized this whole process from generation of the data point in the school to the minister on a mobile phone dashboard where she can see where hotspots are popping up. I think that is also a benefit if you think of this data.

Daniel Andler, Emeritus Professor at Sorbonne University, member of the French Academy of Moral and Political Sciences

I do not know what you do about your passwords, but I have found that eventually writing them down on a small piece of paper and hiding them somewhere in a cupboard is the best protection against losing them and accidents. Starting from this example, I would like to ask if you think that an important part of the digital transformation has to do with the way the digital world and the digital processes are articulated with concrete, physical processes, habits, ways of doing? For example, Clément said that there are going to be cyberattacks on hospital systems and that will lead to casualties. He did not actually say it, but the suggestion was that we would have to live with this. How about having a plan B, a low-tech alternative so that when the system is cyberattacked we can suddenly go back to pen and pencil and whatever low-tech alternative there might be? I also think this connects with the European thing. It is always very nice to say we want a European Google, but after all a European Google might be just as bad fundamentally as a US or Chinese one. To the extent that a European Google would be more virtuous or aligned with our values, it seems to me that it would be such that, and that is the case for the entire digital movement, to articulate this numerical and real-life interface in a European way that respects European values. There I think that there is a lot in common between the Spaniards, Germans, French, Italians, etc., we have a certain way of living every day, of thinking of government and government interference, etc., and of privacy. That could and should be implemented in this way of articulating the digital and non-digital world. What do you think of that?

Mehdi Benchoufi

This is very interesting and let me take a couple of examples from the Covid-19 crisis. We lacked a lot of tools, like masks, and this kind of community got mobilized to do 3D printing and use whatever was available to produce those kinds of devices. Now at APHP there is a long-term trend to provide some kind of security where if something really bad happened we can rely on other things, which have to be common and again we come back here to open-source.

Maybe another thing on the ethical point of view, the principal that is quite popular in France and maybe spreading in Europe, which is called the principle of human guarantee. In the AI space, it is where you want to build a device with an AI embedded and you guarantee that there will be oversight by humans. I think this is a very important direction and hopefully it is really now spreading in all this AI ethical space.

Lucia Sinapi-Thomas

Of course, increased digitization is also leading to more systemic risk to some extent so the plan B you referred to should be native in anything we do, from the architecture to the functional aspects. You are absolutely right. We can take one last question.

Randy Kotti, Engineering student of the French Corps des mines

Thank you very much for a very insightful debate. I come from an engineering and data science background and I see that most of the brightest students in my cohort go to the US to create their startups and study tech. From your experience, do you think we have the culture and ecosystem in Europe to create and retain entrepreneurs?

Mehdi Benchoufi

Do you already want to go to the US?

Randy Kotti

I am actually in the US at the moment, but I will come back later. I have a 10-year commitment to the French government. The question is, how can we create those talents in Europe but also imitate the US in attracting the best talents from all over the world and making sure that they create value within Europe?

Frank Tuncer

I think the reason is because there is a lot of money for all stages in the United States. I cannot speak for France, but in Germany the problem is the seed stage and even more at A and B series funding and then we lack funding for the big stages and then companies go to the US. I think that is a big problem and that even our companies with headquarters in Europe get funding from the US. We actually see a lot of talent going to the US because we do not have big enough ecosystems and again, that is a money question that should be solved in the next five years and we probably do not pay the right salaries either. You get the experience there and probably a different salary and then it is difficult to decide to go to Berlin, Paris or Silicon Valley. That can be changed if we get rid of our thinking about national startups, we

really have to be European in that sense and concentrate the capital on European ventures, rather than just German or French, etc., ones.

Mehdi Benchoufi

If I can just build on what you said and maybe it is the second thing we can send to Thierry Breton. In France we often say that we are risk adverse unlike the US, but as you said, our funding is small compared to the huge levels in the US.

Frank Tuncer

Even in Germany.

Mehdi Benchoufi

It is the same thing in Germany and other European countries and to improve our position, we have to build something at a European scale. For example, our company got a few millions in the seed round while our American counterparts raised USD 200 million. It is not about the fact that we cannot do it, we should be building something at European level. We actually raised this money because an American company wanted to acquire us, which made us realize it was a good company, which is not rational anymore. Certainly, we need to advocate for something at a more European level.

Lucia Sinapi-Thomas

I will just conclude by saying that the European VC industry has really improved, and I would say it has been catching up over the last five to seven years. Of course, the US is still in the lead, but it is not only about money. The US ecosystem is very rich starting from business angel networks and teams of experts who coach startuppers. I can see that improving in Europe with a lot of mobilization, but we have not yet reached that level and I would say that the US remains essential for access to markets, deeper funding as well as time to market. Funding is a guarantee of quicker time to market and if you get that then you can expand your market share compared to your competition. We can and need to improve.

Thank you all. It was a very energizing session.