## PUBLIC AFFAIRS



## EU Snapshot N.16 - March 2017

## "Rule 1 - A robot may not injure a human being"

On March 16<sup>th</sup>, Commissioner for Competition Margrethe Vestager <u>voiced</u> her concern about **algorithms** at the German Cartel Office. Whether they are used to search billions of web pages to find products that interest us or to automatically adjust prices according to rival products, they make decisions that impact us and may undermine competition. Although some artificial intelligence (AI) and robots have long been used in industries, their domestic and daily use is quite new but already widespread. Everyone agrees a (r)evolution is on its way but **should there be rules to unleash this emerging sector's potential**? And what happens if something goes wrong?

The European Parliament provides food for thought on these issues in its nonlegislative <u>resolution</u> on civil law rules for robotics, drafted by socialist Luxemburgish Member of the European Parliament



(MEP) Mady Delvaux, and adopted on February 16<sup>th</sup>.

In order to draft it, MEPs **set up in January 2015 a working group on robotics and AI**, which both showed their interest in this thought-provoking topic and enabled them to organise regular exchanges of views with legal, technical and political experts for a year and a half. The inclusiveness of the procedure also stands out: under the Legal Affairs committee's lead, members of the Industry, the Internal market and the Employment committees sat in the group, and three other ones provided opinions (Environment, Transport and Civil Liberties).

Unsurprisingly, the resolution asks the Commission to present a legislative proposal soon, in particular to define the different types of smart autonomous systems. These definitions could include characteristics such as the acquisition of autonomy and the adaptation of the robot's behaviour to the environment, as well as the presence of a physical support and the absence of biological life. MEPs also propose to establish a registration system for smart robots for traceability purposes.

The most innovative part of the resolution is the **Charter on robotics**. Citing Frankenstein and Asimov's laws, MEPs dread the "possibility that in the long-term, AI could surpass human intellectual capacity" and they argue for humans to control it at all times. Hence, they propose ethical principles which should be respected in the development and use of robots. For instance, engineers should ensure the reversibility of robots' actions, research ethics committees should be established, designers and users should guarantee human dignity and the lawful use of robots.

Another major issue relates to liability. Currently, the 1985 directive on liability for defective products only applies if a manufacturing defect can be proven. But who is responsible if, due to its autonomy, a smart robot causes or does not prevent damage? MEPs consider that "at the present stage, the responsibility must lie with a human and not a robot" (although the establishment of an electronic personality should be explored) and they ask the Commission to assess two options: strict liability, which does not require proof of a manufacturing defect and makes a person liable for - but not guilty of - the damage; or a **risk management** approach, whereby the person who is most able to minimise risks is liable. Anyhow, human liability should be finetuned to the robot's degree of autonomy. MEPs also support the creation of an obligatory insurance scheme, supplemented by a compensation fund in cases where the damage is not covered by insurance.

Many more issues are raised in this resolution: the impact of robotics on education and jobs (vice-president for Digital issues Andrus Ansip <u>insisted</u> automation will not cause mass unemployment), on data protection (the general data protection regulation provides some answers) or on intellectual property, to name a few. But now it is the Commission who is in the (autonomous car's) driver's seat...

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## Out of sight, out of mind? What strategy for the outermost regions of the EU?

The European Union's most remote regions, known as the outermost regions (OR), namely **Guadeloupe**, **French Guiana, Reunion, Martinique, Mayotte and Saint-Martin** (France), **the Azores and Madeira** (Portugal), and **the Canary Islands** (Spain) are entitled by the Treaty (article 349) to specific measures to compensate for their geographical remoteness. Special provisions range from state aids to customs, trade, taxation, agriculture, fisheries, etc.

Financially speaking, they benefit from a specific support: over the 2014-2020 period, the **cohesion policy** (the European Regional Development and the European Social Funds) will grant them €6.6 billion whereas the **Common Agricultural Policy** (through the Programmes of Options

Specifically Relating to Remoteness and Insularity) will earmark €650 million to agriculture and fisheries.



The coming months will be crucial to shape the OR's

future development. The 2012 Commission's <u>communica-</u> <u>tion</u> on the ways the OR could achieve the Europe 2020 objectives has to be reviewed in 2017 and a **communication to present a renewed strategy is expected this autumn**.

Simultaneously, the French and Portuguese OR's fiscal regimes, which were agreed on until 2020 after tough negotiations, should undergo a mid-term evaluation, especially regarding their effectiveness and their impact on the cost of living.

To contribute to the Commission's reflexion, the **European Parliament's Committee on Regional Development is preparing an own-initiative report.** In his <u>draft</u>, French member of the Radical Left Younous Omarjee, referring to a European Court of Justice's <u>ruling</u> of December 2015, deplores that the Treaty's provisions on OR have been implemented in a very restrictive manner and calls for establishing ad hoc programmes and new policies in several areas (agriculture, maritime, competition, transport, energy, telecommunications, etc.). In particular, he asks the Commission to maintain and extend the OR's exceptional tax regimes beyond



2020. No doubt the rapporteur will receive many proposals for amendments by April 14<sup>th</sup>, with a vote planned in May.

But the rapporteur can rely

on the support of the **Conference of the Presidents of the OR's who submitted on March 31<sup>st</sup> a memorandum to the Commission** which stresses the need for the EU to take the OR's specificities into account when it formulates policies.

At a time of serious political unrest in some OR and of increasing budgetary pressure, the Commission must walk a tightrope to take these demands into account without antagonising some Member States and stakeholders.

	EU public consultations*		
Cybersecurity	Evaluation of the EU Agency for Network and Information Security	12.04.2017	Bruxelles (EU) Square de Meeûs, 35
Culture	Evaluation of the Creative Europe programme	16.04.2017	Paris (FR)
Data	Building a European data economy	26.04.2017	260, Bd Saint-Germain
Justice	Whistleblowers' protection	29.05.2017	More information
FinTech	A more competitive and innovative European financial sector	15.06.2017	www.lysios.eu info@lysios.eu
Telecoms	Review of the significant market power guidelines	26.06.2017	Tel : +32 2 893 97 27

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\* For an exhaustive list : <u>http://ec.europa.eu/yourvoice/</u>

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