

EMF Position Paper on A Digital Agenda for Europe

EMF welcomes the European Commission's Communication on "A Digital Agenda for Europe". Overall the quality of the document is excellent and EMF is particularly in agreement with the proposed performance assessment and scoreboard mechanism proposed by the Commission for its implementation. In the past, the Commission's ICT policy declarations have too often led to average if not poor results. The EU cannot afford to squander further credit on overhyped but poorly implemented initiatives. To avoid this, the Commission should use state-of-the-art project management techniques to implement its Digital Agenda and aim at creating a dynamic similar to its 1992 Single Market Programme, which was widely perceived as successful. Moreover, the Commission should pay increased attention to addressing the public at large in its communication effort, beyond the Member States, the European Parliament and the narrow stakeholder communities immediately concerned by this policy area. Commissioner Geoghegan-Quinn's statement "we are doing wonderful things in DG Research, but we don't communicate what we're doing¹" is the bare truth and can be extended to many if not all Commission DGs. A better cross-stakeholders communication effort ought to be the absolute priority in the next years. Unfortunately, the Digital Agenda does not identify this as a main objective.

EMF has a few specific comments with regard to the proposed "seven pillars" of the Digital Agenda.

A vibrant Digital Single Market

Regulation on its own is not sufficient to bring about the Digital Single Market, as history demonstrates. Railways would not have been built in the 19th and motorways in the 20th century, if our governments had merely called for them by regulation and left their building solely in the hands of market players. A European e-invoicing system or copyright licensing system, for example, will not result from the pure interaction of market forces or from a few "research" projects. They will only come about if the Commission channels a substantial part of its R&D resources through a tender-based approach towards the collaborative procurement of key building blocks of the electronic service infrastructure. EMF, for its part, has been calling for an EU-wide one-stop-shop licensing mechanism for digital content for more than 15 years. No progress has been achieved so far. Strong leadership will be necessary to placate the various lobbies and counteract systemic inertia if progress is to be made in this area.

Interoperability and standards

In the past few years, the European Commission has taken a hands-off approach with regard to developing European standards on the basis of which a Digital Single Market could have become reality. Years of "research" projects have not delivered the expected results. Too many research projects have neglected standardisation as an important component to achieve European value. To the extent an embryo of a Digital Single Market exists today, it is mostly due to the efforts of global players of US origin such as Amazon, eBay, Apple, Google etc, which are all committed to developing global de facto standards. While this is a valid strategy for US players, who dispose of a gigantic home market, European players can be successful only if their approach is based on a European standard that is accepted throughout the Single Digital Market. From the Commission's point of view, the solution should not reside in a return to the old standardisation policies, but in developing a modern tender-based innovation programme that gives itself the means to deliver

standardised core infrastructures, methodologies and processes for the Digital Single Market. Instead of competing in these core elements, market players would have to get together to achieve common solutions on the basis of which competing technologies, applications, services could be developed in turn. The Digital Agenda seems to endorse this on page 24 "Engage in large scale pilots to test and develop innovative and interoperable solutions in areas of public interest". EMF wholeheartedly supports this approach, but would not restrict it to the CIP Programme as proposed in the Digital Agenda. There is no reason why the same approach should not be given priority throughout the Framework Programme for R&D. Moreover, the involvement of third country partners in such strategic pilot projects would appear to be of major importance to create international consensus.

Trust and security

Spam is clogging the networks to an unprecedented degree. Stronger enforcement of anti-spam rules against industrial-scale spammers is necessary on a scale comparable to the anti-piracy and anti-counterfeiting activities which have been deployed for many years. Action against pharmaceutical spam, which accounts for approx. 30% of all spam, may require the proactive collaboration of the pharmaceutical industry and its representative organisations. Key industries should step up their anti-spam campaigns to levels comparable to their anti-piracy and anti-counterfeiting campaigns. The European Commission may have to "invite" them to take action to this effect.

Online operators that are collecting private data of whichever sort and in whichever manner on their users should be required to adhere to strict transparency rules (i.e. to publish the precise use they are making of the said data) and should, in all cases, be required to grant the "right to delete" to their users.

Fast and ultra fast internet access

"Fastness" of access to the networks seems to be less of an issue to us than reaping the full benefits of access. While rolling out broadband networks and guaranteeing universal access is a priority, the main emphasis should, however, remain on the quality of content, services and applications at affordable prices. EMF is concerned that a large investment is committed to broadband networks without a commensurate effort on the development of content, services and applications of European origin and value.

It is a well known fact, for example, that mobile network operators are charging premium rates for mobile data communications. This is one of the reasons that have held back the development of a thriving eContent economy in Europe. As the entire European population owns a mobile telephone, Internet usage would become truly pervasive in one quantum leap, if mobile data transmission rates were to become more reasonable. EMF welcomes the Commission's efforts to enforce the EU competition rules in this market segment as well as the recent Court of Justice decision on roaming rules. However, if there is to be a true Single Digital Market, the Commission needs to ensure that all national tariffication schemes that are incompatible with the spirit - if not the letter - of EU law are abolished. Furthermore, the Commission should not hesitate to use the entire arsenal of legislation at its disposal to ensure that mobile data markets become truly competitive. There appears to be no reason anymore for a fixed or mobile telephony operator licensed to operate in one national market not to be allowed to offer services across the entire Single Digital Market.

Research and innovation

The Commission disposes of a powerful policy tool in the form of the R&D Framework Programme and particularly the ICT Programme which allows it to steer ICT research and development in Europe into key strategic directions. However, if this tool is not in adequate synch with the business cycle as a whole, the strategic impulse given at research level may peter out and the investment may remain ineffective.

EMF therefore fully agrees with Commissioner Kroes' statement of 4 May 2010: "Europe continues to under-invest and *fails to convert intellectual advantage of research into the competitive advantage of market-based innovations*. Our priority has to be not only attracting more investment, but *building bridges between the ideas and their potential markets*"². EMF also supports Commissioner Geoghegan-Quinn's declaration in a recent interview: "On the 3% R&D target, a lot of people are concerned that this is only an input target, so we really need a way to *measure the output*" [*emphasis added*].

EMF welcomes the inclusion into the Digital Agenda of the Virtuous Cycle of the Digital Economy diagram (page 4). This diagram can be read in parallel with EMF's own Virtuous Circle of e-Excellence diagram.



These diagrams show clearly that the different stages in the cycle have to be taken into account holistically to achieve impact. For example, increasing the research budgets without putting a major emphasis on the transfer of research results to the market, would obviously not achieve the expected results.

In this respect, FP7 projects and ICT projects in particular appear currently as too heavily "research" slanted. EMF would like to recall that the Framework Programme has been conceived as a Research & *Development* initiative. In too many R&D projects, "development", "dissemination" and "exploitation" activities are carried out by research teams whose expertise lays elsewhere. In order to ensure "an improved uptake and dissemination of research results" it appears to be of critical importance not only to include partners with appropriate expertise in development, dissemination and exploitation, but to ensure that their role and influence in R&D projects is not secondary. If this rebalancing is properly addressed, R&D projects will generate stronger technical prototypes, ready for exploitation in the global markets, particularly in the promising export markets.

Additionally, too many European-funded projects are not able to demonstrate in which way they add value *to Europe*, either because they add none or because they are bad at communicating it³. The "European value-added" criterion should be given a much higher importance whenever Europe spends money. If the tax payers (and their political representatives) are to agree to an increase in R&D spending up to 3% of GDP, the European *output* of R&D needs to be much better built in as an *ex ante* objective, pursued, monitored and communicated throughout.

EMF fully supports the "light and fast" access to research funds envisaged on page 24 of the Digital Agenda and welcomes the Commission's Communication on Simplifying the Implementation of the Research Framework Programmes⁴. Overall, less attention to procedures and, in exchange, (a lot) more attention to results (or output) is strongly recommended. In short, yes to a "trust-based approach", if there is a stronger emphasis on results.

Finally, the EU is not in need of more fundamental research, or research *per se*. In view of the current economic situation, there is an urgent need to show to the citizen what the return on the investment of public money is. A greater emphasis on applied research does not imply that low-risk research will be prioritised, as nobody suggests that high risk research is to be dropped altogether. A rebalancing is what is called for.

Enhancing digital literacy, skills and inclusion

The eSkills gap becomes ever larger, as recent studies reveal. The educational systems do not seem to be able to cope, in part because the trainers themselves appear to be insufficiently skilled. The solution appears to be a comprehensive train-the-trainer effort, at least in the short term. EMF would like to see more emphasis on the latter in the Commission's policy documents. Moreover, the "ring-fencing" of the education and research investment, which is proclaimed by many axe-wielding politicians, is not the right approach on its own. Europe's educational systems are not delivering the highly skilled ICT labour force in sufficient quantity to ensure our long-term global competitiveness as knowledge-based societies. They should be drastically overhauled and output targets ought to be introduced in education, as much as in research. Furthermore, the real challenge appears not merely to lie in churning out more highly skilled technicians, but in drastically increasing the digital (ICT & media) literacy of the average population. Most specialists agree that the real opportunities for the creation of "new jobs" reside in human resources able to combine more than one skills set (e.g. health and ICT, tourism and ICT, transport management and ICT, languages and ICT,...). Training the European populations in basic / medium level digital skills (not just passive media-use, but active & creative media-usage⁵) appears therefore as important nowadays as training them in languages.

Language education is still a luxury when it should be a commodity. Language is still not seriously considered as a business obstacle⁶ and language training is still not taken seriously in many national education curricula. Moreover, investment in language technologies is still not considered as an absolute European priority, despite various efforts in the ICT and CIP Programmes. Language training (at all levels) and investment in language technologies should become a major European asset/challenge. Europe must overcome the fragmentation of its own markets and arm its workforce for the penetration of foreign markets by making multilingualism a top priority.

ICT-enabled benefits for EU society

The overall challenge for the next decades will be to establish green and energy-friendly technologies as a “new frontier” which could give Europe the unique opportunity to serve a “new technology deal” to the world. This will require not only massive investment into a fourth industrial revolution to bring about clean technologies, but a consistent effort to bring the results of the R&D in this field to the market (taking, at the outset, a global view and focusing on exports as an absolute priority). With this objective in mind, the call for a 3% target for R&D spending will be entirely justified. EMF therefore fully supports the Commission’s Recommendation on mobilising the Information and Communications Technologies to facilitate the transition to an energy-efficient, low-carbon economy⁷ as well as the mobilisation of ICT Programme R&D funds in favour of ICT for a Lower Carbon Economy⁸. These efforts should be stepped up and considered as an absolute strategic priority for Europe.

However, there are many more opportunities for Europe to make competitive gains in implementing ICT-driven solutions throughout its economy and society. Unfortunately, despite of all policy declarations to this effect, there have been numerous missed opportunities in addressing societal challenges in the past. We will just cite a few examples:

- electronic traffic management is a far too distant objective in most traffic congested cities – if it remains a goal at all!
- electronic banking is making very slow progress in certain Member States and seems to be on the regress in certain parts of the EU – eBanking is not just about outsourcing most tasks to the end customer, but about offering new functionalities.
- the introduction of electronic process management in the public health systems is progressing too slowly! Due to the aging of our population, our health systems will be exposed to enormous stress in the coming years. ICT can contribute a lot to relieve the stress, if the investments are made in time!
- Europe-wide integrated transport and logistics systems involving the rail freight infrastructures as a major component are still a distant wish...

The examples could be easily multiplied. All these opportunities have been identified years ago and resounding declarations have abounded⁹. An abundance of activities has been deployed. Concrete results, however, have been scarce and slow to reach the population. The Digital Agenda must be different in as much as it achieves its objectives and is perceived as such by the European citizens!

eGovernment and true online “public services” are a further cornerstone of the new, forward-looking Europe. Currently, public services – offline and online – have unfortunately often very poor track records with regards to “usability”, i.e. user relevance and user friendliness. The Commission should initiate a major benchmarking exercise of eGovernment usability, submitting the websites of all major public services (at European and Member State level) to professional usability scrutiny.

International aspects of the Digital Agenda

EMF agrees that “the seven pillars in the Digital Agenda all have international dimensions” (page 34). These international dimensions ought to be examined in further detail and a comprehensive strategy should be developed for each of them. EMF calls upon the Commission to further investigate these aspects and address them in a separate document.

For example, the international strategic objectives of the European Research Area still appear rather vague. The mere inter-connection of research networks and collaboration between researchers at international level cannot be the sole aim. More R&D projects with international partners should, for example, include market *research* [our emphasis] and knowledge and technology transfer as an important module. Technology transfer and marketing partners from third country markets should be brought into projects on a broader basis and from the outset to ensure a smooth transition between research, development and global marketing. This would set the pace for Europe's re-conquest of its industrial potential, which will hopefully be the object of the (still expected) Industrial Policy for the Globalisation Era Flagship Initiative of Europe 2020¹⁰, closely related to the Digital Agenda!

Securing the involvement and buy-in of international partners in standardisation activities relating to core infrastructures, methodologies and processes for the Digital Single Market should be another priority. In the past, Europe has been successful in the global markets when it managed to agree on standards (mobile telephone, digital TV, etc.). The standardisation effort is often resisted by players who expect to establish their technologies as de facto standards in large, non-fragmented markets from which they may conquer the world. However, as long as Europe is not a single market, standardisation is essential to overcome fragmentation. Moreover, "standardisation is an important factor in disseminating the fruits of research and innovation"¹¹. For all these reasons, an international standardisation policy should become a strong component of the Digital Agenda.

As a matter of priority, Europe should also reinforce its relationship with Latin America. The two regions have common cultural interests and are economically compatible. The Latin American markets are currently expanding very strongly. Europe should support this expansion and help making it sustainable. Long-term partnerships should be developed in science, education, training, research, marketing and sales. The EU has taken many steps in the right direction through the EU-LAC Summits¹² and the Science & Technology Agreements. EMF suggests additional steps in a separate position paper¹³ on ICT cooperation with Latin America with detailed and concrete recommendations.

¹ [Interview](#) to EurActiv, 5 May 2010

² [Speech](#) by Commissioner Kroes, 4 May 2010

³ Conf. Commissioner Geoghegan-Quinn in [interview](#) op. cit.: "I don't want to say that scientists are not good communicators but it's just not their forte. They want to do the science and leave somebody else to communicate it. And when we talk about FPs, we need something that communicates to the public what all of this is about".

⁴ COM(2010)187

⁵ As excellently defined in a recent [study](#) on Media Literacy.

⁶ Despite of the findings of the 2006 ELAN study on EU business language skills which reported losses of contracts – for a total value of approx. 13 MEUR among the 135 SMEs that provided figures - due to lack of linguistic provisions/skills.

⁷ C(2009)7604 final

⁸ Challenge 6 in the draft ICT Work Programme for 2011-12

⁹ Cf. for example the priorities identified in the Bangemann Report of 1994... and the overall mitigated results achieved in their implementation.

¹⁰ COM(2010)2020

¹¹ John Ketchell, Innovation Director of CEN-CENELEC, speaking at EFI2010, Trento, 23 June 2010

¹² See [Declaration](#) of the latest EU-LAC Summit in Madrid.

¹³ See EMF [Position Paper](#) "Towards an Inter-Regional Digital Agenda between Latin-America and Europe", 29 June 2010.