

Building the digital single market

Neelie Kroes dialogue with IMCO committee, 8 May 2012

These days, no political discussion can ignore the economy. Amid austerity, we must focus on growth and jobs.

Here's one sector that delivers both: ICT.

They call it the virtual world – but the benefits are very real. The European Internet economy is already growing faster than the Chinese; within a few years, it could be over 5% of GDP.

Meanwhile the Internet creates 5 jobs for every 2 it displaces. And such is the demand for ICT skills, we could soon be short of 700,000 ICT professionals.

20 years from its birth, President Barroso rightly described the single market as the EU's crown jewel.

Now the digital sector, too, needs the single market payoff.

The digital world should in theory make it easier to connect up Europe.

And yet sometimes I see new digital barriers where, offline, we tore them down long ago.

Let's get rid of those restrictions, and build a vibrant digital single market.

We've shown we can do this on our **roaming** proposal. We've cut the outrageous charges that irritate and obstruct so many.

And thank you all for your help on that deal.

Now let's find all the other digital barriers and bring them down too. To give our economy a boost — and bring new opportunities to all.

Let's start with a single market for **telecoms**.

Because still we have not completed the e-communications internal market. If we did, it could boost GDP by up to 110 billion euros a year: 200 euros in the pocket of every European.

How do we get our hands on that jackpot? One of the main obstacles is the lack of open EU standards: for broadband access products, managed IP access and end-to-end quality of service.

Without those, many operators and content providers find it harder to get a uniform service offer across Europe; the result is inefficiencies and duplicated costs.

This year we will engage with European standardisation bodies and the industry to find the best way to boost take-up.

Plus, I want to make it cheaper and easier to give every European access to **fast broadband**.

Because broadband investment pays off: 10 percentage points more broadband penetration can mean 1 to 1.5% more GDP growth. While broadband-driven innovation could deliver 2 million jobs by 2020.

The market alone can't always deliver here; particularly in more remote areas.

I don't want some cut off in "broadband blackspots".

With measures to boost confidence and cut costs, we could build the networks for a connected and competitive continent.

That's where our **Connecting Europe Facility** comes in.

If agreed, innovative financing could leverage and "crowd in" significant private sector finance. A big step towards getting every European digital. But this proposal really needs your active support.

And another aspect: we should make broadband projects cheaper and easier.

There is a high potential to save costs and make efficiencies.

Operators could profit much more from re-using existing infrastructure and from coordinated **civil engineering** across utilities; meanwhile permit processes should eat up less time and money.

We could cut costs by up to 30%. That's why the Spring European Council asked us to look at this issue; that's why we launched a consultation two weeks ago.

Broadband networks aren't enough though. We need fuel for the digital single market.

So let's harness the amazing potential for online innovation. Help our entrepreneurs generate **vibrant content**. And let the people of Europe benefit from those great ideas.

Europe's **web innovators** are the key to our future growth. The young face horrific unemployment – even those who are highly skilled for 21st-century jobs are finding it hard.

Here's a great way to provide some hope — and benefit from young people's digital talents.

So we're launching competitions to ensure recognition for web entrepreneurs at the highest levels.

And a new partnership to give young start-ups access to resources, connections and expertise. We'll be focusing on the Member States with the highest youth unemployment.

But to really help them create jobs, we should give entrepreneurs the right legal framework.

One that means bright online ideas don't get stuck in unprofitable national markets – but can easily be spread to hundreds of millions.

By giving people the confidence to transact across the EU, we could make it easier to buy, sell and innovate – wherever you are.

So we will shortly propose laws on **electronic identification, authentication and signatures**.

To boost mutual recognition, acceptance, interoperability and usability.

Plus, we've all seen how much the people of Europe care about online content and the rules that govern it. They've come onto the streets to make their voices heard.

We need a new mindset. A mindset against restrictions – and towards openness.

My colleague Michel Barnier is working on proposals on the **copyright** regime.

In the meantime, our proposal on **orphan works** was a way to start some of this change.

Hundreds of thousands of orphan works are waiting to be digitised and used to enrich the catalogues of public organisations.

That would improve access to digital content, including across borders, and boost Europe's culture.

The Council and Parliament's amendments to broaden the scope of works covered are helpful.

But I regret that ambition is being cut back in other areas.

In particular by excluding options for commercial use of orphan works; and by obliging compensation for past public-interest use, for rights-owners who re-appear after the conduct of a diligent search.

A weak directive would be a big missed opportunity. At a minimum, we need to support public-private partnerships for public interest use, and to limit hurdles for public organisations.

And here's another way we could really show our commitment to change: by opening up our own public administrations!

The market based on **open data** is already worth tens of billions of euros.

Our legal proposals on public sector information would stimulate new apps, improve democratic scrutiny, and support evidence-based policy making.

Overall it's a great way to provide fuel for the digital single market – and show Europe that we can adapt to a new, more open era. I hope can count on your support.

What's more we must make sure that our single market rules are ripe for new developments. Like **cloud computing**.

Our strategy due out in summer will make Europe not just cloud-friendly but cloud-active.

With clear rules on how to protect data, how to move it between jurisdictions, and on product and service liability. And without 27 national fortresses.

Plus, our European Cloud Computing Partnership will overcome public sector demand that's too often fragmented and unexplored.

We also need trust in our digital single market. It must be safe and secure, supporting and accessible to every European.

For example, 15% of Europeans have disabilities or minor impairments. We can't shut them off from digital opportunity. Consistent standards for **web accessibility** will make life easier.

And for those of us who aren't getting any younger: ICT tools can help people stay **active and healthy** for longer, and can ensure sustainable, successful healthcare systems.

Our European Innovation Partnership will help us share and cooperate to unlock these opportunities.

Meanwhile, we must make the Internet a safe place for the most vulnerable.

These days, 75% of **children** use the Internet.

On the one hand, the Internet can be such a great place for kids: to learn and play, interact and create, explore and discover.

On the other hand, children and adults need to be aware of online risks: like cyber-bullying, or grooming.

Online content for kids could blossom – once children and adults can trust it.

Of course, in the real, "offline" world, you can't completely isolate children from harm. You can't prevent kids 100% from catching germs or from falling off their bike.

Offline, we don't eradicate those risks, but we reduce them – by educating and empowering adults and children. And that's true of the online world too.

Our Communication last week sets out a coherent strategy for our single market.

First, by stimulating high quality content and services for children. Second, by empowering and raising awareness. Third, by creating a safer online environment for children. And fourth, by fighting against child sexual abuse material online.

We are also working with the industry here. In general, I will give priority to self-regulation; if that doesn't work, we are ready to intervene.

Safety and security online don't just affect children though: they affect all users, and the internet as a whole.

As the use of the Internet grows, so does network vulnerability. We've made progress, but the EU currently isn't prepared enough.

The **European Strategy for Internet Security**, due in the next quarter, will show a vision beyond 2012.

In some areas it will move from the current voluntary to a binding approach, and bring the single market to bear.

We will show how to share and join forces: between countries, between sectors, and internationally. Because Internet security is everyone's responsibility.

And finally, to really build trust and confidence online, people need to know and understand their rights.

Our **Code of EU online rights** will be ready by the end of this year.

It will explain the many digital rights we have already given EU citizens: precisely and simply, in clear everyday language.

All these measures could stimulate the online world, and promote e-commerce in a single market.

In that context, I congratulate this committee for extending the mandate of the working group on e-commerce.

My services already follow that attentively; we are keen to continue contributing to future meetings.

A last word on international issues. **ICANN** does not work flawlessly. But we must defend the credibility of the multi-stakeholder model for Internet governance.

We will be monitoring ICANN's work closely: for example on conflict of interest issues, and on transparent processes for new generic top level domains.

Meanwhile, later this year, the Dubai **World Conference on International Telecommunications** will see regulations reviewed for the first time since 1988.

We will be actively engaged in our role as observer, using both soft and hard coordination, and in the medium term will seek to change our status in the ITU to something akin to what we now have in the UN GA.

Ladies and Gentlemen,

Across Europe, in all countries and at all levels of government, Member States are implementing competitiveness strategies.

We must show them that the EU is playing its part: to boost growth, deliver jobs, and find public sector savings.

These days, every company is looking at online possibilities: companies of every size in every sector.

When they're looking to expand, or deciding where to locate, they'll ask these questions.

Do they have fast broadband everywhere? Do I get easy access to a large digital market? Do consumers feel confident enough to surf and buy freely?

When they ask these questions about Europe, let's make sure they get the right answer.

As every company goes digital – let's make sure our single market goes digital too.

Thank you.

[ENDS]