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NOAM

11 June 1997

A4-0208/97

## REPORT

on the communications from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on

- 'The Information Society: From Corfu To Dublin, The New Priorities', and 'The Implications of the Information Society for European Union Policies' (COM(96)0395) - C4-0521/96) and
- 'Europe at the Forefront of the Global Information Society: Rolling Action Plan' (COM(96)0607 - C4-0648/96)

Committee on Economic and Monetary Affairs and Industrial Policy

Rapporteur: Mrs Johanna Boogerd-Quaak

PE 221.848/fin.

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By letters of 2 August and 29 November 1996 the Commission forwarded to the European Parliament the communications from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on 'The Information Society: From Corfu To Dublin, The New Priorities', 'The Implications of the Information Society for European Union Policies' and 'Europe at the Forefront of the Global Information Society: Rolling Action Plan'.

At the sittings of 23 October, 10 and 12 December 1996 the President of Parliament announced that he had referred these communications to the Committee on Economic and Monetary Affairs and Industrial Policy as the committee responsible and to the Committee on Research, Technological Development and Energy, the Committee on Culture, Youth, Education and the Media and the Committee on Legal Affairs and Citizens' Rights for their opinions.

At its meeting of 21 November 1996 the Committee on Economic and Monetary Affairs and Industrial Policy had appointed Mrs Boogerd-Quaak rapporteur.

The Committee on Economic and Monetary Affairs and Industrial policy considered the communications and the draft report at its meetings of 23 January, 17 April, 12 May and 9 June 1997.

At the last meeting it adopted the motion for a resolution unanimously.

The following took part in the vote: von Wogau, chairman; Katiforis and Secchi, vice-chairmen; Boogerd-Quaak, rapporteur; Beres, Billingham, Carlsson, Caudron, Christodoulou, Cox, de Brémond d'Ars, de Rose, Donnelly, Ettl (for Fayot), Ewing, Fourçans, García-Margallo, Gasoliba I Böhm, Harrison, Hendrick, Herman, Ilaskivi, Kuhne (for García Arias), Larive, Lindqvist (for Watson), Murphy, Peijs, Pérez Royo, Porto (for Lulling), Randzio-Plath, Rapkay, Read, Riis-Jørgensen, Thyssen, Wibe and Wolf (for Hautala).

The opinions of the Committee on Research, Technological Development and Energy, the Committee on Culture, Youth, Education and the Media and the Committee on Legal Affairs and Citizens' Rights are attached.

The report was tabled on 11 June 1997.

The deadline for tabling amendments will appear on the draft agenda for the part-session at which the report is to be considered.

A  
MOTION FOR A RESOLUTION

Resolution on the communications from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on 'The Information Society: From Corfu To Dublin, The New Priorities' and 'The Implications of the Information Society for European Union Policies' (COM(96)0395 - C4-0521/96) and 'Europe at the Forefront of the Global Information Society: Rolling Action Plan' (COM(96)0607 - C4-0648/96)

The European Parliament,

- having regard to the communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on 'The Information Society: From Corfu To Dublin, The New Priorities' , and 'The Implications of the Information Society for European Union Policies' (COM(96)0395 - C4-521-96),
- having regard to the communication from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions on 'Europe at the Forefront of the Global Information Society: Rolling Action Plan' (COM(96)0607 - C4-0648/96),
- having regard to its resolution of 13 March 1997 on the Commission White Paper on Education and Training - Teaching and Learning - Towards the Learning Society<sup>1</sup> ,
- having regard to the communication from the Commission, 'Learning in the information society - Action plan for a European education initiative' (COM(96)0471),
- having regard to its resolution of 11 March 1997 on the Green Paper on living and working in the information society: people first (COM(96)0389 - C4-0522/96)<sup>2</sup>,
- having regard to its resolution of 11 June 1997 on 'the development and application of new information technologies (ICT) in the next decade'<sup>3</sup>,
- having regard to the report of the Committee on Economic and Monetary Affairs and Industrial Policy and the opinions of the Committee on Legal Affairs and Citizens' Rights, the Committee on Research, Technological Development and Energy and the Committee on Culture, Youth, Education and the Media (A4-0208/97).

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<sup>1</sup> A4-0325/96, see minutes of 13.3.1997

<sup>2</sup> A4-0045/97, see minutes of 11.3.1997

<sup>3</sup> A4-0153/97, see minutes of 11.6.1997.

- A. whereas information and communications technologies (ICT) are of very great importance to Europe because of their catalytic function in relation to new businesses and industries, because they can do much to render Europe more competitive with other parts of the world and because they occupy a significant position in the European economy as a whole,
- B. concerned that, despite the rapid growth of the world ICT market, European producers are losing market share to the USA and Japan, and that ICT producers in the USA achieved five times the growth rate of their European counterparts between 1990 and 1995, because of persistently inadequate harmonization of regulation, inadequate research and product development efforts and the absence of a large homogeneous market, leading to significantly poorer efficiency and a longer time-to-market for European enterprises, and drawing attention to the significance of the market in Eastern Europe and the importance of early integration of the candidates for accession into the Union's regulatory process,
- C. whereas, of the twenty largest software houses in the world, only two are based in Europe, so that Europe's competitive position on the important software development market may be described as extremely weak, partly due to the lack of new enterprises and because of protectionism,
- D. whereas the market for public network switching equipment is the only one on which Europe is a market leader, while other countries have taken the lead in the market for private networks, which is of strategic importance for the development of the information society,
- E. whereas, in order for European enterprises to compete more effectively on world markets, the European Union must pursue a policy to create the right preconditions by eliminating obstructive legislation and adopting incentives,
- F. whereas, when using ICT, distances and language barriers no longer hamper the dissemination and communication of information and can therefore have a positive impact on regional economic and social conditions,
- G. regretting that discrepancies between Member States, for example as regards regulation and telecommunications and education policy, have contributed to the highly fragmented character of European ICT policy,
- H. whereas loss of tax revenue will be a serious problem for national governments because such ICT as the Internet and satellite communications, as well as globalization, make it possible for enterprises in the information society in large measure to operate establishments on a decentralized and geographically dispersed model,
- I. whereas teleworking leads to organizations operating in untraditional ways, which will mean that different arrangements need to be made with regard to the rights and obligations of employees and employers,

- J. whereas the accumulation of know-how, capital and information networks could result in new power structures and a transfer of power from national governments, where it is currently concentrated, to other sectors,
1. Regards the Rolling Action Plan and the Commission's communication 'From Corfu to Dublin, The New Priorities' as valuable contributions to the debate on the future of the European Union and its Member States in the information society, as it presents opportunities for the consultative, decision-making and legislative bodies and institutions to participate proactively in this process;
  2. Welcomes particularly the proposed measures designed to improve legal certainty and access to public services and calls on the Commission to put these rapidly and fully into effect;
  3. Welcomes the Commission's continuing attempts to co-ordinate policy measures in the area of the Information Society, but insists that social and cultural concerns be fully integrated in its overall approach and reiterates the demand contained in Article 128 (4) of the Treaty of European Union which states that the Community shall take cultural aspects into account under other provisions of the Treaty, and reminds the Commission that this includes actions in the area of the Information Society, in particular awareness of cultural and linguistic diversity;
  4. Welcomes the efforts which the Commission has made since the 1994 action plan 'Europe's way to the information society' to establish a free telecommunications market, but calls on the Commission and Council to lose no time in dealing with unfinished business such as universal service and encrypted services and to do everything in their power to complete the decision-making on them as soon as possible, preferably by 1 January 1998;
  5. Calls on the Commission and Council to assign high priority to the many convergence aspects of the information society, as there is increasingly no longer any legal basis for the differences in telecommunications, electronic information services and broadcasting (especially public) between the Member States, which hinder cross-border activities and integration; refers, therefore, also to its resolutions on the establishment of a European regulatory authority for telecommunications; and calls on the Commission to continue its reflections on the setting up of such a European regulatory authority; believes that special attention should also be devoted to this aspect in the enlargement negotiations;
  6. Considers that, in order to pursue a vigorous policy on ICT, it is necessary to attain greater integration among the four fields referred to in the Rolling Action Plan and the policies of the Member States by means of coordination among the various Community policies, instruments and financing schemes;
  7. Calls on the Commission and Council to improve the coordination of national regulatory bodies with regard to the information society, to define the role of these bodies clearly and establish a broadband network among them which can be used to exchange information electronically on a large scale so as to avoid duplication of efforts and

overlapping, and proposes that the existing European test centres be expanded so that enterprises can test their ICT-related products or services there using the latest systems;

8. Considers that, now that the European Union has missed the opportunity to set up a worldwide communications infrastructure, it should concentrate on the second generation of satellites in order to maintain a strong position and secure its future in the information society, and with this in mind welcomes the communication in the Rolling Action Plan concerning the development of applications of space-related activities in the European Union in the field of telecommunications;
9. Considers that the European Union institutions should set an example in the democratic and multilingual development of the information society and should accordingly play a pioneering role in using ICT in their everyday work and in training, and that in order to achieve this, inter alia, a communication and information strategy should be drawn up within the institutions comprising the whole field of internal and external communication and including arrangements to afford access to the institutions for members of the public and organizations;
10. Welcomes the Commission's Action Plan on Education and the Information Society, but stresses that education must not be reduced to employability; and insists that the introduction of new technologies in schools must be implemented in such a way as to reduce inequalities, and address the needs of disadvantaged groups;
11. Is gratified that the education programmes proposed by the Commission in the Rolling Action Plan are mainly targeted at young people and the working population, but calls on the Commission to make use of different methods of teaching in the measures it has announced, based on lifelong learning using ICT and taking account of declining birth-rates and the considerable aging of the population of Europe, since, in the information society, lifelong education is a key factor in Europe's competitive position, and in this connection draws attention to the possibilities afforded by Articles 127 and 128 of the EC Treaty;
12. Calls on the Commission to provide incentives for investment in the infrastructure of the information society and to promote easy-access information services by permitting access to databases via the Internet, promote market initiatives for pan-European information services and promote information service programmes run by national Member States;
13. Proposes linking all primary and secondary schools by means of a broadband network with, at the minimum, a programme for pupils and a programme to instruct teachers in the use of ICT and assist the introduction of the network, incorporating incentives in the career development of teachers relating to its use, and making this a specific element in the 'Essen' procedure; considers it important, furthermore, that the number of teachers should not be reduced as a result of the use of IT, as skilled teachers will remain indispensable;
14. Notes the importance of media education, including learning how to interpret, analyse and use information, given the abundance of information which is available via new technologies;

15. Urges the Member States to link universities and higher and senior vocational education institutions even more closely by means of a broadband satellite channel to exchange and encourage innovative applications of ICT;
16. Calls on the European Centre for the Development of Vocational Training (CEDEFOP), in the context of its Medium-Term Priorities (1997-2000), to help determine the form taken by changes in training and particularly encourage instructors and teachers to innovate;
17. Urges the Member States to concern themselves more systematically with the electronic use of art and culture (picture, text, speech and translation technology), as Europe possesses a wealth of cultural diversity and the modern information and tourism industries could base new information products and services on it which would exert a worldwide attraction, and that European enterprises should receive greater encouragement to develop generic software, a field which in any case requires extra impetus;
18. Calls on the Member States to devote more attention to newly established enterprises which employ new technologies and market new products, as they often require a long start-up period and are compelled to make strenuous efforts in order to make the new product a commercial proposition; believes that a climate should therefore be fostered in which innovative businesses can thrive, for example by creating greater opportunities for venture capital in the initial period by means of tax incentives;
19. Welcomes the Commission's initiative regarding the Memorandum of Understanding on Open Access to Electronic Commerce for European SMEs, but also calls on the Commission and Council actively to promote crossborder services and trade by creating open systems in which electronic commerce can be integrated, such as a European open electronic payment system based on the euro, and to draft legislation on this so as to guarantee legal certainty;
20. Urges the Commission and Council to assign priority to analyzing the impact of the information society on tax systems and employment within the European Union and to initiate a debate on the consequences of loss of tax revenue on the revenue of national governments;
21. Calls on the Commission to make rapid progress with the inquiry announced in the Rolling Action Plan concerning the extent to which existing competition legislation is adequate in the information society, taking into account possible abuses of power by large conglomerates operating worldwide, and to require such large enterprises to render their organizational structures transparent worldwide by means of WTO, OECD and G7 agreements, inter alia with regard to the rules laid down in Articles 85 and 86 of the EC Treaty;
22. Supports the extension proposed by the Commission of its international negotiating mandate with a view to representing European interests in the worldwide information society, provided that the prerogatives of the European Parliament are respected in so doing;



23. Urges the Commission and Council to devote special attention to access to ICTs for women, the elderly, the untrained and groups who are liable to be excluded from the information society on account of their geographical position or social background, for example by cooperating with market participants responsible for infrastructure and basic services in peripheral and disadvantaged regions to facilitate voluntary upgrading of the potential of their networks in order to ensure that the information society does not lead to new forms of inequality;
24. Calls on the Commission, the Council and the two sides of industry to engage in a debate as to how, in the light of the information society, social security systems can be reformed, taking into account demographic trends, flexible working arrangements such as teleworking and opportunities for vocational training, so that people who have been dismissed or are in danger of dismissal can resort to retraining in order to improve their employment prospects;
25. Calls on the Commission and Member States, within the ambit of their respective competences, to secure Europe's interests in the field of employment in the international arena and to champion minimum standards appropriate to the new forms of law on working conditions in the information society pursuant to Articles 118 and 118a of the EC Treaty;
26. Calls on the Commission and Council to continue to formulate measures to protect citizens against illegal and damaging material conveyed by various media in the information society, and also to take worldwide action to prevent the dissemination of material glorifying violence, racist texts and pornography;
27. Urges the Commission to design decision-making processes relating to ICT in such a way that the public and enterprises are informed and consulted both at Union and at Member State level and so as to assign them a coherent and cooperative role therein, for example by means of an annual European 'ICT week' analogous to the 'employment week';
28. Is gratified to learn from the Rolling Action Plan that the Commission is carrying out measures in a very broad field through its telematics projects together with authorities, institutions and enterprises, particularly because the knowledge gained from these projects constitutes the basis for the development of the interactive services sector, but regrets that many initiatives do not proceed beyond the research stage but founder because of their small scale, commercialization or budgetary problems, and that there is precious little evaluation;
29. Stresses that it is very important for the development of know-how and technology that, in the framework programmes, greater emphasis should be placed on the commercialization of the knowledge gained and on rendering the projects more transparent by organizing a large ICT fair at least once per annum (perhaps in cooperation with CeBit in Hanover), at which all the project groups would present the latest developments and technologies together with other European organizations;

30. Proposes, furthermore, that greater use be made of European and national technology funds to carry out large-scale, innovative and risky ICT projects which explore the ultimate limits of technology, in order to encourage enterprises and the public and to show that the information society is a challenge, for example by strengthening the links between universities and industry and supporting ICT-related courses and work experience placements in the USA and Japan, and to constantly exchange the knowledge gained;
31. Welcomes the Commission's emphasis on the importance of research and development and the assertion that Information Society related research will play a central role in the 5th Framework Programme, but is concerned that content should not be neglected in favour of infrastructure, and that moreover, research relating to the social implications of technological developments should also attract Community support;
32. Calls on the Commission and Council to continue the dialogue referred to in the Rolling Action Plan between the industrialized and developing countries concerning the principles and strategies which should be applied to ensure that modern ICT do not create inequalities but on the contrary contribute to social, economic, ecological and cultural development;
33. Takes the view that applications for developing countries should be geared to the development of integrated systems to meet basic human needs, particularly in rural areas, and concentrate on universal access and local content, with equal attention being devoted to the development of the physical infrastructure and of human resources;
34. Calls on the Council, in particular, to assume responsibility for continuing the process which began in The Hague with regard to 'Supporting Market-Led Developments' in order to accelerate access to the information society, and extending it to include new initiatives which support the Rolling Action Plan, as the Council has so far contributed little to the fleshing-out and synergy of ICT programmes;
35. Calls on the Commission to coordinate better, concentrate and improve the coherence of future measures based on the Rolling Action Plan in order to attain higher quality with less quantity and to include in future action plans an evaluation of past measures of this kind;
36. Instructs its President to forward this resolution to the Commission, the Council, the Member States, the national parliaments of the Member States, the Economic and Social Committee and the Committee of the Regions.

## **B** **EXPLANATORY STATEMENT**

### Introduction

Information and communication technologies are increasingly becoming part of our lives. They have enormous potential for creating wealth, a higher standard of living and better services. The question, therefore, is not **whether** something should happen but **how** it should happen. New developments should be seen not as a threat but as a challenge. The Commission's communication 'From Corfu to Dublin, the New Priorities' (COM(96)0395) concerns the implications of the information society for the policies of the European Union and the preparation of new measures. The communication is of particular political significance because it paves the way for the revision of the Action Plan 'Europe's Way to the Information Society' (the 'Bangemann report' of 1994). The revised action plan, entitled 'Europe at the Forefront of the Global Information Society: Rolling Action Plan' (COM(96)0607) takes account of the new strategic priorities, while the communication 'The Information Society: From Corfu to Dublin, the New Priorities' is being considered in conjunction with it.

The nature of the above communication is such that there is no need to write a completely new report: rather, it is appropriate to take up themes from previous reports on the information society. This will avoid duplicating the work of other parliamentary committees. This report is intended to polish up the existing plans and draw attention to a number of other points. The Rolling Action Plan distinguishes between forthcoming actions, pending and on-going actions and accomplished actions in the following four sectors: improving the business environment, investing in the future, people at the centre and meeting the global challenge. Parliament is glad to learn that the focus of the Rolling Action Plan is shifting to the social and societal aspects of the information society. The Green Paper 'Living and Working in the Information Society: People First' (COM(96)0389) and the debate on it (the Van Velzen report) have played an important part in this. In addition, learning - and particularly lifelong learning - is very important in an information society. The White Paper on 'Teaching and Learning - Towards the Learning Society' (COM(95)0590) and the debate on it (the Waddington report) provide a sound basis for this.

This change of focus towards the more social and societal aspects of the information society is very important with a view to developing a well organized information society based on the assumption that people should be placed at centre stage. Your rapporteur does stress, however, that in order to ensure that policy is effective, the four sectors in the Rolling Action Plan need to be integrated and coordinated, as do the policies of the various Member States. It is important that national governments, members of the public, enterprises and the European Union institutions should work together and complement one another in formulating policy on the information society.

### The position of Europe

The development of Information and Communication Technologies (ICT) is very important to Europe, because they bulk increasingly large in the European economy. Moreover, ICT serve as catalysts for new businesses and help to render European businesses more competitive with those in other parts of the world. The fact is that different regions are carving out their own

niches as far as ICT is concerned. The USA leads the field in on-line services, India and the USA dominate software development. However, the European ICT policy formulated in the Rolling Action Plan covers the whole field of the transition to the information society. If Europe hopes to be globally strong in ICT in the future, it must not try to excel in all aspects but will have to set priorities, determining what it intends to concentrate on.

A look at software development shows that in Europe most of the jobs are with large enterprises, whereas in the USA there are numerous small software houses which co-exist with a few large software developers. The European Member States will have to create a competitive environment in which smaller businesses can be set up and can grow in the shadow of larger ones. In particular, an environment must be created in which small multimedia and software businesses can easily enter the market and cooperation between small businesses is encouraged.

For the time being, Europe still has a technology to rival the best: the setting of the GSM standard enabled European businesses to focus entirely on mobile communications and the very important field of mobile on-line services based on existing knowledge of such technologies as GSM, DAB and DVB, which are in the hands of leading European companies. Now that the EU has missed the opportunity to set up a worldwide mobile communications infrastructure, because seven consortiums in the USA are already operating 'low orbit' telephony, the EU must specifically concentrate on the second generation of satellites in order to maintain a strong position and secure its future in the information society. Central to this will be the question of whether it proves possible to establish a climate for enterprise in Europe similar to that in the USA, in which innovative developments are encouraged. Above all, enterprises must think about products and services which might be commercial propositions based on all the new ICT, and must look beyond what is currently already feasible: in other words, they must not be based exclusively on GSM.

Along similar lines to the broad national computer and communications policy of the Clinton administration in the USA, which is designed to establish a national information infrastructure, the EU should likewise seek to create a 'European information infrastructure' (EII) which would enable everybody in Europe to communicate with one another at any time and in any place, using speech, data interchange, pictures or video. Although this network would not solve all the problems, it is realistic to assume that not only scientists and engineers would use it, but also entrepreneurs, workers, doctors, teachers, civil servants and members of the public. In general, such a network could be expected to result in:

- \* more jobs, growth and a pioneering role in technology for the EU,
- \* lower costs and better service in health care,
- \* better preparation of students and workers for their careers in the 21st century,
- \* an open democracy, where more people would participate at all levels of government.

On-going support is needed from the EU and the Member States in order to develop a modern telecommunications system for the 21st century. By supporting the public sector, the European institutions and national governments will not only serve the public but also lay the foundations for a commercial communications network. The funding will therefore have to be channelled mainly to projects in the public sector. Industry must be closely involved in these projects because in many cases it provides the technology, infrastructure and management. At the same time, industry will be encouraged to use the technology developed with public funding to work on the commercial feasibility of the EII.

It is particularly the Council and the governments of the Member States which should adopt further measures to draw the attention of the public to the potential of ICT by creating optimum conditions and initiating projects themselves in cooperation with universities and enterprises.

As for the European institutions themselves, they produce many reports and plans on the information society. Your rapporteur appreciates their efforts, but believes that, with greater coordination, inter alia among the various parliamentary committees, a measure of concentration could be achieved. This would lead to fewer plans with greater impact. Your rapporteur also considers that the European Union institutions ought themselves to make more use of the potential of ICT, setting an example in the process. This would not only make a strong impression on the public but also significantly reduce the costs of communicating and disseminating information. In order to ensure that a sound ICT policy is pursued, staff must be able to cope with ICT. A communication and information strategy needs to be formulated within the EU institutions, dealing with the whole field of internal and external communication. The European Parliament should also consider how it could reach out to the public, by analogy with the Citizens First project. The various think-tanks which need to be established should consider this matter and the scope for digital democracy.

Finally, Europe consists of a large number of Member States which differ from one another in language and culture. Economically, this is a weakness, which European cooperation is designed to combat. However, this diversity also has an advantage: Europe's cultural diversity is an asset. The modern information industry could base new information products and services on this fact. The organizations which concern themselves with cultural affairs are not yet giving this sufficient thought. The Union could encourage the Member States and organizations to make more systematic electronic use of art and culture.

#### Education

The fragmented policy on ICT education in Europe should be integrated, taking due account of the various languages and cultures of the Member States. Efforts to open up the educational content market should be undertaken from within the EU by creating a platform in cooperation with market participants (telecom operators) by means of which information can be exchanged. In the first instance, what is needed for this purpose is a broad-band network linking all the educational establishments in Europe and supplementary computer systems to ensure that (free) links to the Internet are among the minimum facilities. A degree of penetration of 1:10 for computers to pupils in 2001 could be adopted as a target figure. Younger people find it less difficult to accept new technologies: it is with the teachers that the bottleneck lies. In order to ensure rapid introduction, a coordinated approach is needed between the Commission, Council and Member States, and the necessary facilities must be available both for pupils and for teachers. The latter in particular require systems and training in their use in the classroom by incorporating incentives in their career development.

Lifelong learning will become an important aspect of the information society. The role of teaching staff is very important in this respect. They will have to train people in all age groups, from children to adults, in the use of the new ICT and teach them what the new technologies can and cannot do. However, it would be an illusion to suppose that lifelong learning and permanent training/refresher training will do away with flexible employment. This flexibility is an

inevitable consequence of the information society. What is important, in the interests of those who may suffer as a result of such developments, is to design a social security system which eliminates the adverse consequences of this flexibility for workers.

### Enterprises

Under the influence of information technology, society is becoming geared to information rather than products. Such sectors as agriculture and industry will continue to decline in importance as far as employment is concerned. In the information society the best opportunities will be enjoyed by the services sector, knowledge-based enterprises (software development) and carriers of information and materials. There will be particularly good openings for the transport industry and the (geographically tied) services sector. This means that, in the information society, EU policy on enterprise must also concentrate on this sector.

New services are, therefore, central to the information society. Hitherto, services have often been territorially limited for organizational and cultural reasons. Cross-border electronic services should be a major priority for Europe. This will firstly necessitate the elimination of government-created obstacles such as local rules designed to control the form and content of information. Secondly, regulations must be harmonized so that electronic services originating in a particular Member State can also be used in another Member State. Internet technology provides means of achieving this. In recent years various business functions have acquired an electronic counterpart, such as EDI (Electronic Data Interchange). In the future, the transition must be made to a new form of business management incorporating all those components to create electronic commerce. An important requirement is that open systems should be established - not closed user groups; Internet standards should be used. Open systems will ensure stronger competition. In order to move rapidly towards the information society, electronic payment systems are essential. They will promote the growth of electronic services to the public and hence trade. A European open electronic payment system based on the ECU (and, in the future, on the Euro) therefore needs to be set up as quickly as possible. Transaction costs must be reduced to the level which currently applies to domestic payment transactions in the various Member States. The rapporteur welcomes the Commission's initiative regarding the Memorandum of Understanding concerning open access to electronic commerce for European SMEs, and stresses the vital importance of the electronic signature.

The impact of global competition and an ever shorter time-to-market and product life cycle can be coped with if Europe develops its own climate of innovation. A first step which should be taken at Member State level is to encourage the provision of venture capital by creating tax incentives. Extra attention particularly needs to be devoted to SMEs here. The electronic services and software development markets are particularly attractive to SMEs in Europe. The disadvantaged position of SMEs with regard to knowledge must be overcome by promoting electronic commerce and on-line marketing, for example by providing more information.

A point which still needs to be debated is how tax should be levied in future. In the information society, enterprises will be more decentralized and geographically dispersed, thanks inter alia to the opportunities afforded by satellite communications, the Internet and teleworking. As enterprises will no longer by definition be tied to any location, tax avoidance will become easier for them. Taxation of enterprises could become a serious problem for the governments of the Member States. Such ideas as imposing a bit tax have been proposed, but this could possibly

hamper the development and application of ICT products and services. Be that as it may, measures will have to be taken to reduce taxation of labour, particularly because capital is increasingly mobile. In the future this will also have an impact on consumer policy. The Council, the Commission, the Information Society Forum of Commissioner Bangemann and Parliament should engage in dialogue to identify possible financial instruments to prevent loss of tax revenue, but they must not create any obstacles to the development and application of ICT products and services. Here too, there is an evident need for minimum harmonization of taxation at European level.

#### Concentrations of power

Increases of scale result in markets becoming dominated by certain parties, which is likely to lead to a shake-out in the telecoms and ICT sector. This will come about because of: standardization of digital IT components, which will make ICT usable in multiple forms in all service sectors, from the telecom operator through the service provider and the hardware and software industries to broadcasting; alterations to the infrastructure, which can likewise be used in multiple forms for a wide range of purposes, from narrow-band to broad-band transmission.

The ensuing competition in all the various fields will be enormous, and only those who can add some value in one of the two above-mentioned areas will survive. This is a phenomenon which will be primarily set in motion by private capital, with the proviso that:

no multinational (not even Microsoft) will be able to manage by itself any longer, so businesses will try to join forces with as many partners and allies as possible. This means that they will not so much be monopolists as participants in cooperation/joint ventures and package-deals (clustering),

government pursues a policy of its own to control this, or at least shows itself capable of playing its own role - which will certainly be the case in the USA, but may also be in the EU. A number of fields are involved here (security, taxation, auctioning of frequencies, licencing, IPR and data protection) in which there is growing tension in relation to the public. The EU must investigate to what extent existing competition legislation is equal to the task of coping with the impact of the information society. It is extremely important that enough strong players should remain on the market and that good market access should continue to be guaranteed. At global level (WTO, OECD, G7) attention will particularly need to be devoted to monitoring such developments. It should be borne in mind here that, as a general rule, private monopolies are less desirable than public ones.

What is happening in the USA and Israel is de facto simply that a climate is being created which is conducive to new developments, i.e. an appropriate mix of capital, entrepreneurial spirit (provided by young entrepreneurs) and university cooperation.

#### The social dimension and the public

In a society driven by innovation, in which both the development period and the life cycle of products are becoming ever shorter, labour becomes a brake on competitiveness. In order to respond to the market rapidly, enterprises must make greater use of more flexible labour. A conflict will therefore arise between the interests of enterprises and those of a large group of

workers, most of them in the lower reaches of the labour market. In order to make enterprises responsive to demand in the information society, and keep them that way, the labour market needs to become even more flexible than it already is. On the other hand, social security systems must adapt to take account of the resultant growing insecurity, without abandoning the principle of solidarity on which the European social model is based. The information society (and also demographic trends) call for a reformulation of arrangements with regard to the rights and obligations of employees and employers. Sweden is one country where account is taken of more flexible employment in the accumulation of pension entitlements. Lifelong learning and training and retraining of workers could ensure that they are qualified for knowledge-based jobs at an earlier stage, which would at the same time reduce insecurity for many workers. There is an important task for the EU to carry out in supporting and promoting cheap, high-quality computer-related courses. There is no shortage of new ideas, therefore, but the rigidity of the existing systems often prevents such plans from being carried out to any extent.

In order to promote knowledge of ICT in enterprises and enlarge the European market for the development and take-up of services, the use of teleworking should be promoted, inter alia by establishing fiscal neutrality on the computer systems which workers and employers receive.

#### Research

Through its telematics projects, the Commission, in conjunction with the governments of the Member States, institutions and enterprises, is pursuing desirable initiatives in a very wide field, including education and transport. However, much knowledge and many good measures do not proceed beyond the research stage because they are on too small a scale or the budget is too limited. The knowledge gained is then wasted because of inadequate marketing. With a view to developing knowledge and technology, it is therefore very important that the Commission should make more budget funds available for the framework programmes and place greater stress on commercializing the knowledge gained. In order to make projects more transparent, your rapporteur proposes that a large ICT fair should be organized at least once a year, at which all the project groups would present the latest developments and technologies together with other European organizations. Greater use should also be made of the technology funds for market research and to carry out large, innovative and risky ICT projects which explore the ultimate limits of technology, to encourage enterprises and the public and to show that the information society is a challenge, for example by strengthening the links between universities and industry, by means of inter-university links and by supporting ICT-related courses and work experience placements in the USA and Japan.

#### Conclusion

The plans and initiatives so far developed in Europe are welcomed. Many results have already been achieved, particularly with regard to liberalization of the telecommunications market. The Rolling Action Plan provides a good overview of all the activities already under way or in preparation, and gives Parliament a basis for urging the Council and Commission to continue to implement the plans and ideas. The Council will have to assume prime responsibility for the



process initiated in The Hague with regard to 'Supporting Market-Led Developments' in order to accelerate and maintain access to the information society and extend it to include new initiatives which support the Rolling Action Plan, as the Council has so far contributed little to the fleshing-out and synergy of ICT programmes. In addition, Parliament must assert a role of its own in generating debate. It can also set an example by the way it uses ICT itself.

People must become increasingly central to the information society. They will have to live in a society which is more flexible and where developments proceed more rapidly than at present. Many people are digitally 'illiterate': they must be taught to work with ICT and cope with the new information flows, and not just by making the technology available to them. The information society has consequences for social policy in the EU Member States. Training, retraining and lifelong learning will become even more important than they already are. Teaching staff will have an important role to play in this. Admittedly, decisions on social policy are more difficult to take than those on technical and economic measures relating to ICT. The social impact of the information society is a difficult subject in the public arena. But fundamental choices must not be evaded, in order, inter alia, not to allow society to become divided into two.

13 May 1997

## **OPINION**

(Rule 147)

for the Committee on Economic and Monetary Affairs and Industrial Policy

on the Commission communications on 'The Information Society: from Corfu to Dublin - the new emerging priorities' (COM(96)395 - COS464 - C4-0521/96) and 'Europe at the Forefront of the Global Information Society: Rolling Action Plan' (COM(96)0607 - C4-0648/96)

Committee on Research, Technological Development and Energy

Draftsman: Bertel Haarder

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## **PROCEDURE**

At its meeting of 26 February 1996 the Committee on Research, Technological Development and Energy appointed Bertel Haarder draftsman.

It considered the draft opinion at its meetings of 16 April and 12 May 1997.

At the last meeting it adopted the following conclusions unanimously.

The following took part in the vote: Quisthoudt-Rowohl, acting chairman; Lange, vice-chairman; Haarder, draftsman; Ahern, Argyros, Bloch von Blottnitz, Chichester, Elchlepp (for Desama pursuant to Rule 138(2)) Estevan Bolea, Graenitz (for Stockmann), Haug (for West), Heinisch (for Ferber), Izquierdo Collado, Linkohr, Malerba, Marset Campos, Matikainen-Kallström, McNally, Mohamed Ali (for Elmalan pursuant to Rule 138(2)), Mombaur, Robles Piquer (for Rovsing), Rothe, Soulier, W.G. van Velzen, Weber.

## **BACKGROUND**

Both communications are part of the review of the 1994 Action plan "Europe's way to the information society".

The communication "The Implications of the Information Society for European Union Policies - Preparing the next steps" outlines the actual political priorities in the relevant fields namely:

- "improving the business environment" (liberalisation of telecom, transparent regulatory framework, security of ICT, improving take up of ICT, SME-policy,...)
- "investing in the future" (R&D-policy, Education and Training, Sustainable Development,...)
- "people at the centre" (ICT tool to reinforce basis of European social model, consumer protection, improving universal service, ensuring cultural diversity,...)
- "meeting the global challenge" (global harmonised regulatory framework, integration developing countries,...)

The communication "Europe at the forefront of the Global Information Society: Rolling Action Plan" contains a synthetic overview of forthcoming, pending and accomplished measures and initiatives by the Commission in order to implement the above mentioned political priorities.

Three other documents intend to complete the review: a Green Paper on "Living and working in the Information society", a communication on "Standardisation in the Information Society" and a draft directive on "Regulatory Transparency in the Internal Market for Information Society Services".

## **II RESEARCH AND TECHNOLOGICAL DEVELOPMENT**

The R&D-aspects of the information society are dealt with in all four priorities. Moreover, under the item "Investing in the Future" the priorities of the R&D-policy are explained referring to the 5th Framework Programme.

The Commission stresses inter alia the need to match the time scales of the programmes to the new realities and to focus ICT R&D-efforts on addressing specific user needs -hopefully also in order to tackle the "time to market"-problem- by improving the convergence of industries and technologies. The Commission also puts forward the vision of the "global research village" which means that European research is to be fully integrated into the international research world.

In the "Rolling Action Plan" not only forthcoming actions concerning the 5th Framework Programme are announced, but also a communication on GI2000: "Towards a European Policy Framework, a communication and directive on an Action Plan for the development of road transport telematics in Europe" and a directive on "Harmonisation measures for Vessel traffic management and information services".

Furthermore, the Commission announces that the "Rolling action Plan" Web page will be linked to other relevant Web pages and that the chosen server will also provide information on sources of financing, forthcoming calls for proposals, relevant conferences and studies.

In general the European Institutions should focus more on their own ICT policies by setting a good example in how to use ICT as a modern information tool. The European Institutions in co-ordination with other public authorities have a responsibility to join the Information Society. This is also true for the European Parliament which has been seriously falling behind in spite of the wide perspectives offered by the new technologies for a multinational Parliament.

## **III COMMENTS**

In general, the strategic options put forward by the Commission outline well the concerns of the European Parliament as they were expressed in its recent resolutions.

The 1994 Action Plan has successfully established a first framework for the European Union's Information Society policy. However, in the light of the pervasive nature of the Information Society and recent global developments, it is constantly necessary to up-date, reinforce and re-adjust actions in order to meet new demands. It must always be ensured that the Information Society will benefit all parts of the Union and all citizens. The Communications put forward by the Commission concentrate on the subjects of improving the business environment, especially for

SME's, investing in the future, i.e. in research, education and innovation and application of new information and communication technologies.

The Information Society is rapidly and radically changing the business environment and putting additional competitive pressure on European industry. New products and services require the scale of the Internal Market to develop to their full potential. As Community watchdog the Commission shall reinforce its efforts in safeguarding and improving the proper functioning of the Internal Market. Remaining or new created barriers should be removed by directly applying the proper instruments laid down in the Treaty.

In response to pressure, Member States are updating their legislative framework. In this regard it is of the out-most importance, to ensure that the result is not leading to inconsistent national rules. Therefore the rapporteur welcomes the Commission proposal on a directive concerning a regulatory transparency mechanism to cover Information Society services. It is of extreme importance to ensure the coherence and flexibility of national regulatory measures while at the same time minimising the risk of over-regulation at EU-level.

The emerging technological convergence between telecommunications, electronic information services and broadcasting constitutes a new challenge for the regulatory framework. And an eventual lack of relevant consistency with respect to the existing legal framework has to be solved without any delay.

The information sector is being fundamentally re-shaped by the convergence of the telecoms sector with information technology and the "content industries" of television broadcasting and publishing. This poses decisive and unprecedented challenges for public policy at both national and EU-level, as we run up to the full telecommunications liberalisation by 1998.

Making a success of 1998 depends not only on the legal framework, but more of its implementation. In regard to the competition law the Commission shall monitor closely the behaviour of the dominant telecommunications operators in order to prevent cartel-like alliances and agreements. All kind of discriminatory practises will in the long term affect research and innovation in a negative direction.

In this relation and with respect to the 5th Framework Programme of R&D, the draftsman would like to emphasize the vital role of SMEs for innovation and scientific and technological research. The EU should in co-ordination with Member States ensure the appropriate environment for SME's. For example, by ensuring equal opportunities vis-à-vis public procurement and access to public R&D programmes, including those of the EU.

The Information Society is world-wide and needs a global approach. The rapporteur wishes to note his strong support for a free global trade in telecommunications services, and underlines the importance of an intensified co-ordination between all relevant regulatory authorities, including the WTO e.g. licensing. In this regard the rapporteur welcomes the recent Information Technology Agreement concluded by the WTO.

As proposed in the HERMAN report A4-0402/96, the rapporteur wishes to point out that a number of issues facing the EU call for the existence of a European Regulatory Authority as the best way to resolve pan-European issues. As a consequence of the principle of subsidiarity the Commission is asked to consider a proposal for the establishment of such an Authority, and to

define the scope of its activities both in relation to the economic actors in the EU directly, and in relation to the National Regulatory Agencies of the Member States and the WTO.

The rapporteur agrees with the Commission that we have to strengthen investment in our knowledge based economy and in improving education and training. Investing in the future is the keyword if Europe shall fulfil its role as a global leader in the Information Society. In this respect the EU's R&D policy will constitute a key factor. Therefore must Information Society related to research have a central place in the 5th Framework Programme of R&D. Research projects in general and research carried out by SME's should be encouraged in order to meet the increasing demands of industry and society as such. Flexibility should be the guiding principle given the speed of technological changes. Emphasis must be placed on the establishment and management of inter-disciplinary, inter-programme coordinated efforts which will reflect the convergence of industries and technologies. The idea of a "global research village" should be supported.

In the Rolling Action Programme the Commission underlines that the Information Society starts in the classroom and that life-long learning enable citizens to adapt to the emerging information society. The rapporteur agrees in this principle. Information society should be available for everybody, but specific actions focusing on the younger generation should be encouraged.

The rapporteur welcomes that the Commission in its draft proposal for the 5th Framework Programme introduces a new specific programme devoted to promoting the development of a user-friendly Information Society.

#### **IV CONCLUSIONS**

The Committee on Research, Technological Development and Energy calls on the Committee on Economic and Monetary Affairs and Industrial Policy to incorporate the following conclusions in its report:

1. supports the priorities set out by the Commission with regard to the Information Society and asks the Commission to continuously up-date, re-adjust, and reinforce actions;
2. calls on the Commission to give higher priority in the Rolling Action Plan to SME's especially in regard to innovation and technological research; asks the Commission in co-ordination with Member States to ensure the appropriate environment for SME's;
3. calls on the Commission to reinforce its efforts in safeguarding and improving the functioning of the Internal Market in the field of Information Technology services; calls on the Member States' governments to carry out and to ensure a complete, non-divergent and in-time implementation of the telecoms liberalisation by 1998;
4. calls on the Commission to examine the technological convergence and consistency between telecommunications, electronic information services and broadcasting and eventual propose EU-legislation on the establishment of a consolidated regulatory framework for the Information Society and for telecommunications sector;

5. calls on the Commission to consider the establishment of an European Regulatory Authority for telecommunications and to define its scope of activities, as well as to keep the European Parliament informed thereof;

6. acknowledges that the Information Society starts in the classroom and that life-long access to information and learning is necessary to make all citizens active participants in a democratic Information Society;

7. calls on the European Institutions to concentrate much more closely on their own IT policy and to serve as a model of how IT can be used as a modern information tool; in this connection, calls on all the European Institutions to introduce, in coordination with the Member States, a coherent integrated system for the management of interinstitutional communication. This also applies to the European Parliament and the European schools which have fallen behind despite the boundless prospects offered by the new technologies to a multinational parliament or a multinational educational establishment;

8. emphasises the need to encourage the development of the global research village, by establishing, for instance, a Euro-Asian 'superhighway';

9. stresses that appropriate measures must be taken at a European level to prevent the dissemination of material glorifying violence, racist texts and pornography;

27 February 1997

## **OPINION**

(Rule 147 of the Rules of Procedure)

of the Committee on Culture, Youth, Education and the Media  
for the Committee on Economic and Monetary Affairs and Industrial Policy

Draftsman: Mr. Carlo Ripa di Meana

At its meeting of 10 December 1996 the Committee on Culture, Youth, Education and the Media appointed Mr. Ripa di Meana draftsman.

At its meetings of 18 November 1996, 21 January 1997 and 27 February 1997 it considered the draft opinion.

At the last meeting, it adopted the conclusions unanimously.

The following took part in the vote: Pex, chairman; Ahlqvist and Hawlicek, vice-chairmen; Ripa di Meana, draftsman; Anoveros Trias de Bes, Augias, Barzanti (for Kerr), de Coene, Evans, Ewing (for Leperre-Verrier), Fontana, Gröner, Guinebertière, Günther (for Banotti), Heinisch, Kuhne, Manisco, Mohamed Ali (for Pailler), Monfils, Mouskouri, Pack, Perry, Sanz Fernandez, Stenzel (for Vaz da Silva) and Tongue.

### 1. Background to the Commission's Communication

The present Communication, "Implications of the Information Society for EU Policies - Preparing the Next Steps" follows the Commission's 1994 Action Plan "Europe's Way to the Information Society", which the Commission views as having "successfully established" a first framework for the development of European Union policy in the area of the Information Society. The starting point of the "Next Steps" Communication is that it is time to review the Action Plan after 2 years of implementation, using experience gained-to-date, and in the light of new questions and issues which have emerged.

Four main policy lines are identified as priorities in the Communication:

- (i) improving the business environment
- (ii) investing in the future
- (iii) people at the centre
- (iv) meeting the global challenge

The Commission intends to submit a series of documents in order to respond to these new political priorities. The present Communication is one such document and aims to lay the foundation for adapting the Action Plan for the coming years. Thus this Communication is of considerable political importance in that it seeks to establish the overall framework and direction for the future development of Information Society policy at European Union level. In the light of the responses which the Commission receives regarding this Communication, it will table an adapted and updated Action Plan, in addition to bringing forward proposals for specific measures referred to in this Communication.

## 2. Contents of the Communication

The Communication is organised in terms of the four political priorities listed above, with each priority discussed in terms of a number of themes, so that the following subjects are included: making a success of 1998 ( the liberalisation of telecommunications); making the Internal Market real (the regulatory framework); facilitating industrial change; enhancing our knowledge base (R+D); improving education and training; addressing sustainable development; enhancing European integration (cohesion); protecting consumer interests; improving public sector services; ensuring cultural diversity; defining global rules; collaborating with our neighbours; improving the integration of developing countries.

## 3. General Comments on the Communication

Your rapporteur's general comments fall into two categories: (i) the nature and structure of the Communication; (ii) the Commission's priorities and policy approach.

(i) Although this Communication relates to the 1994 Action Plan, it is of a completely different nature and structure. Whereas the Action Plan talked of principles, but also concrete proposals for actions/measures, the present document deals with political priorities and it is not made clear how these priorities will be "superimposed" on the existing Action Plan, in order to produce a revised and updated Action Plan.

This problem arises partly from the fact that no account is provided of progress-to-date in the implementation of the Action Plan except in the most general terms. The 1994 Action Plan contained detailed annexes with timetables for the implementation of certain measures. It would have been extremely useful to have an up-dated version of these Annexes attached to the present Communication, showing achievements so far. Without this detailed information, we are in the position of having to review the Action Plan and establish priorities for the future without the benefit of actually knowing what has been achieved, and by what means; and also, equally importantly, those areas where things have not gone according to plan, and the reasons for this. It is vital that this detailed information is included in the revised Action Plan which the Commission is due to table in the coming months.

(ii) The Communication does not explain how the four priorities identified by the Commission have emerged. This is a key issue, as it is intended that these priorities will shape future policy. Moreover, the approach of the Commission as expressed in this document, does not, on



particular issues, reflect that of the European Parliament, as expressed in both its intermediate and final Resolutions adopted on the 1994 Action Plan, and on other occasions. Although there are some common areas of approach, one can identify differences of emphasis between the institutions.

The tone of the Commission's document is extremely optimistic, and in some instances there are confident assertions about future developments which are not substantiated and would seem to be little more than wishful thinking. The approach of the European Parliament has tended to be more nuanced as regards the potential benefits of the Information Society and insisted that the potential risks and threats also be acknowledged and reflected in policy development. Such potential risks include the creation of new social divisions; the deepening of existing divisions; threats to individual privacy and civil liberties; and issues relating to the control of information. While the Commission tends to emphasise the benefits of liberalisation, it is important to insist that this process is accompanied both by a firm commitment to the principle of economic and social cohesion, and clear and concrete assurances regarding universal service.

Parliament has previously criticised the Commission for being overly economic and technology-led in its approach, calling for more attention to be paid to social and cultural issues.

For this reason the Parliament welcomed the establishment of the Information Society Forum and the High Level Group of Experts in order to stimulate debate on the social and societal aspects of the Information Society. It is therefore a great pity that the Commission does not seem to have taken very much account of the reports of these bodies in the drawing up of this Communication. Some reference is made to their reports but their concerns are not adequately addressed in the document.

#### 4. Specific Comments

##### (i) Education

The fundamental subject of education is dealt with very briefly in this Communication. Admittedly, this is because the Commission has issued a separate document in the form of an Action Plan dealing with education and the Information Society. Nevertheless, such an important subject deserves fuller treatment in a strategic document of this nature. Moreover, it is vital that we insist that an emphasis on the importance of education is integrated into the overall approach of the Commission.

The small space devoted to education displays a tendency to view education in terms of employability and the needs of industry. It is important that education is viewed in a broader way, and that the introduction and use of new technologies in schools is in pursuit of broader objectives. There is a broader educational issue which this Communication does not mention although it has wide-ranging political significance. That is the issue of learning how to interpret, analyse and use information which is received. This is a fundamental question and is related to the distinction which ought to be made between information and knowledge. Such education is necessary as part of a general media education, which should be an essential part of learning in the Information Society, since it is at the basis of democracy, participation, citizenship.

##### (ii) Culture

The Communication does not give adequate consideration to the cultural aspects and implications of the Information Society. These implications are not restricted to the question of cultural diversity, important though this is. Although Article 128 (4) demands that cultural aspects are taken into account in all policy areas, your rapporteur feels that the Communication is lacking in this respect.

For example, the regulatory framework is discussed with no reference at all to cultural considerations, as is the issue of "the emerging technological convergence between telecommunications, electronic information services and broadcasting." The complex issue of convergence is one that needs to be looked at with a clear perspective of the essentially cultural nature of certain goods and services which makes them unlike others.

While the importance of cultural diversity and pluralism is asserted, the Communication says little on the sorts of policies which are required to support this objective. More than lip service is needed. It is confidently asserted that "the development of new services and specialised channels will contribute significantly to pluralism and cultural diversity." While one may hope that this is the case, it is not certain that this will be the scenario.

There is no reference to the threat posed to linguistic diversity by the predominance of one language in the realm of information and communication technologies. While the Multi-Lingual Information Society Programme is an important one that needs to be supported and developed given its ambitious objectives, a concern for the protection and support of linguistic diversity needs to be integrated into all Community measures.

The Communication does acknowledge the need for regulation in the area of media concentration and this is welcome. However, a firm commitment to a Directive should be included in the Action Plan, given the structural changes in the sector, the continuing growth of cross-ownership and the influence of the mass media on public opinion.

## CONCLUSIONS

The Committee on Culture, Youth, Education and the Media calls on the Committee on Economic and Monetary Affairs and Industrial Policy, as the Committee responsible, to incorporate in its report the following conclusions, presented in the form of amendments:

1. Welcomes the Commission's continuing attempts to co-ordinate policy measures in the area of the Information Society, but insists that social and cultural concerns be fully integrated in its overall approach;
2. Regards the further Commission communication of 27 November 1996 as an action plan which deserves to be debated but takes too little account of the substantial impact of the information society on social relations and people's everyday life;
3. Regrets that having established two consultative bodies to look at social issues and the Information Society, that the Commission has not taken adequate account of the views expressed in their reports;

4. Welcomes the Commission's Action Plan on Education and the Information Society, but stresses that education must not be reduced to employability; and insists that the introduction of new technologies in schools must be implemented in such a way as to reduce inequalities, and address the needs of disadvantaged groups;
5. Calls on the Commission to take into account the risk which the development of teleworking presents to women, as, under cover of apparent progress, it may entail an actual regression with regard to the position and rights of women, who will find themselves compelled to reconcile employment with family duties at home and hence obliged to return to hearth and home after several decades of emancipation thanks to access to the labour market;
6. Notes the importance of media education, including learning how to interpret, analyse and use information, given the abundance of information which is available via new technologies;
7. Reiterates the demand contained in Article 128 (4) of the Treaty of European Union which states that the Community shall take cultural aspects into account under other provisions of the Treaty, and reminds the Commission that this includes actions in the area of the Information Society;
8. In light of the above, requests that the Commission table a Communication on the cultural implications of the Information Society, including policy proposals in support of cultural diversity;
9. Stresses the importance of the electronic media, particularly those which are publicly operated, for democratic opinion forming and the formulation of democratic objectives, which, especially in the context of "emerging technological convergence between telecommunications, electronic information services and broadcasting", need to be strengthened in competition with a growing number of new services in order to ensure diversity of opinion and pluralism, and calls therefore for cultural and media policy aspects to be taken fully into account on an equal footing in the political debate on the development of the information society;
10. Observes that there are no arrangements for countering the adverse consequences of the concentration and restructuring processes which are occurring in the media and telecommunications industries, which endanger transparency and pluralism of information, and therefore repeats its call on the Commission to submit without delay a proposal for a Directive to limit media concentration, and for the effective application of this future Directive.
11. Notes the importance of linguistic diversity as an essential element of cultural diversity, and insists that awareness of linguistic diversity is incorporated in all Community Information Society programmes and initiatives, in line with Article 128(4);
12. Welcomes the Commission's emphasis on the importance of research and development and the assertion that Information Society related research will play a central role in the

5th Framework Programme, but is concerned that content should not be neglected in favour of infrastructure, and that moreover, research relating to the social implications of technological developments should also attract Community support

21 April 1997

## **OPINION**

(Rule 147)

of the Committee on Legal Affairs and Citizens' Rights

for the Committee on Economic and Monetary Affairs and Industrial Policy

on the Communications from the Commission to the Council, the European Parliament, the Economic and Social Committee and the Committee of the Regions entitled:

'Europe at the forefront of the global information society: rolling action plan' (COM(96)0607 - C4-0648/96) and 'The implications of the information society for European Union policies - preparing the next steps (COM(96)0395 - C4-0521/96)

Draftsman: Mrs Maria Berger

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## **PROCEDURE**

At its meeting of 17-19 December 1996 the Committee on Legal Affairs and Citizens' Rights appointed Mrs Maria Berger draftsman.

It considered the draft opinion at its meetings of 24-26 February and 15-17 April 1997.

At the latter meeting it adopted the following conclusions unanimously.

The following were present for the vote: De Clercq, chairman; Berger, draftsman; Alber, Añoveros Trias de Bes, C. Casini, Ferri, Nassauer, Sierra González and Thors.

### **1. Introduction**

The Communication of 24 July 1996 entitled 'The Information Society - from Corfu to Dublin. The new emerging priorities' contains an initial assessment of the objectives and measures set out in the 1994 Action Plan<sup>4</sup> and establishes additional priorities in the light of recent developments and the discussions in the Council. The following are identified as priorities of equal importance: improving the business environment, investing in the future, people at the centre and meeting the global challenge. These four priorities are taken up again in the second Communication of the same date and developed further. The opinions on these Communications requested from the European Parliament and the other bodies of the Union should have been taken into account in the Commission's revised Action Plan. This Action

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<sup>4</sup>'Europe's way to the Information Society', 19 July 1994.

Plan, however, has already been presented and, together with the first two Communications, is the subject of this parliamentary procedure. The present opinion therefore concentrates mainly on the more recent document, 'Europe at the forefront of the global information society: rolling action plan', hereafter referred to simply as the 1996 Action Plan.

## 2. The 1996 Action Plan

With exemplary clarity the new Action Plan categorizes each measure under one of the four priorities and divides the measures into accomplished, pending and ongoing and forthcoming actions. A timetable is given for each action. In addition, updated versions can be accessed through the dedicated World Wide Web (WWW) server set up by the Commission's Information Society Prospect Office (ISPO). Both of these presentations, in addition to their other advantages, give the European Parliament an overview of its powers in this area. From the plethora of proposed future actions, the following are of particular interest to the Committee on Legal Affairs and Citizens' Rights:

- communication and directive on electronic commerce
- communication on an internal market framework for new on-line commercial communications
- communication on the application of the competition rules to access agreements in the telecommunications sector
- communication on universal service
- directive on access to media ownership
- directives on harmonization of certain authors' rights and related rights
- directive on the legal protection of encrypted services
- Green Paper on the regulatory framework for telecommunications, audiovisual and publishing
- communication on the consumer dimension of the information society
- decision on guidelines for Trans-European data communication networks (TENS) in the field of IDA
- follow-up to the Green Paper on the protection of minors and of human dignity
- Green Paper on access to public-sector information
- Green Paper on work organization
- Green Paper on public procurement
- international conference on standardization aspects
- WTO negotiations on basic telecommunications services
- negotiations in WIPO on the conclusion of three new international agreements.

These proposals are to be welcomed in principle and largely reflect the measures to increase legal safety in the information society and improve access to public information called for by the Committee on Legal Affairs and Citizens' Rights in its opinion on the Green Paper 'Living and working in the information society: people first'. However, in view of the already urgent need for regulation in some areas, stricter timetables are to be recommended.

## 3. Matters outstanding

### 3.1 Access to the law

Under the heading 'people at the centre' specific mention is made of 'improving the public service supply'. The action proposed is a Green Paper on access to public-sector information. In the interests of transparency and closeness to the citizen, the first priorities must be to ensure access to the law, to improve people's knowledge of the law and to speed up national and international procedures. Measures and objectives reflecting these concerns - which are not yet explicitly mentioned - still need to be added to the Action Plan.

### 3.2 Implementation of telecommunications liberalization at national level

In its future additions to the Action Plan, the Commission intends to give an overview of the measures taken to implement it at national level, and particularly of the countdown to January 1998. In the Communication 'The implications of the information society' mention is also made of the fact that the Commission will take a decision, after a public hearing, on the applications from some Member States to extend the deadline for implementing measures to liberalize the telecommunications sector. In view of the importance of these implementing measures for all the parties involved, the European Parliament should be informed at an early stage of measures taken to date at national level and any deadline extensions which have been granted.

### 3.3 European regulatory authority for telecommunications

In its resolution of 30 November 1994 (OJ C 363, 19 December 1994, pages 11 and 33; committee report A4-0073/94) on the 1994 Action Plan, Parliament explicitly welcomed the Commission's idea of setting up a European regulatory authority for telecommunications. The 1996 Action Plan contains no suggestion that any further moves have been made towards establishing such an authority.

### 3.4 Convergence

The Commission also fails in its Communication to give any further consideration to the legal consequences of the increasing convergence of information and communications technologies and media.

### 3.5 The Commission's international negotiating mandate

The Commission calls for its negotiating mandate to be extended, to enable it to represent more effectively Europe's interests in the global information society in the ongoing and forthcoming multilateral negotiations. This is to be welcomed in principle, but the prerogatives of the European Parliament in this context must be respected.

### 3.6 Overview of existing promotion programmes and evaluation of past measures

In view of the ever-wider variety of EU programmes to promote the information society, a general overview with the clarity of the Action Programme would be extremely helpful to all participants and interested parties. It would also be helpful if up-to-date assessments of current development programmes were attached to future action programmes. These assessments should concentrate in particular on the extent to which resources are being used specifically to improve access to the new technologies for previously disadvantaged groups.

#### 4. Conclusions

The Committee on Legal Affairs and Citizens' Rights calls on the Committee on Economic and Monetary Affairs and Industrial Policy, as the committee responsible, to incorporate the following conclusions in its report:

1. supports the priorities set out by the Commission with regard to the information society;
2. welcomes the number and variety of the proposed measures and the clarity of their presentation in the 1996 Action Plan;
3. welcomes particularly the proposed measures designed to improve legal certainty and access to public services and calls on the Commission to put these rapidly and fully into effect;
4. calls further on the Commission to give higher priority in the objectives and measures contained in the Action Plan to access to the law and improving citizens' knowledge of the law;
5. welcomes the Commission's intention of informing the European Parliament of national measures to implement the Action Plan and calls on it to present information at an early stage on progress in the implementation at national level of measures to liberalize telecommunications and any extensions of deadlines which have been granted;
6. calls on the Commission to continue its reflections on the setting up of a European regulatory authority for telecommunications and on the legal implications of the increasing convergence of information and communications technologies and media, and to keep the European Parliament informed thereof;
7. supports the extension proposed by the Commission of its international negotiating mandate with a view to representing European interests in the worldwide information society, provided that the prerogatives of the European Parliament are respected in so doing;
8. calls on the Commission to publish a comprehensive overview of the existing programmes to promote the information society and to include in future action plans an evaluation of past measures of this kind.