

## General info

### What is the exact title of the session?

Digital Agenda: connecting Europe

### What is the timing?

Thursday 1 July from 9:30 – 10:45

### What is the framework of the session?

The Digital Agenda for Europe is a flagship initiative presented by the Barroso II Commission under the Europe 2020 strategy to develop an economy based on knowledge and innovation. The EU aims at reaching 100% broadband coverage by 2013, but at the same time low broadband take-up needs to be addressed, with only 56% of EU households having broadband connections in 2009, dropping to 25% in some Member States. The European online single market is still suffering from artificial barriers, consumers are hesitant to buy online and e-government is still underdeveloped. Europe is missing out on the digital knowledge economy and its opportunities for growth. How can the EU help companies making the necessary investments in high speed fibre optic networks? How can the EU keep the internet open, innovative, decentralised and safe? What are the sustainability issues? Innovation and research in ICT are key: Will Europe also be able to develop the Google and Facebook of the future?

## Introduction: the topic

In March 2010 the European Commission adopted the Europe 2020 Strategy. One of its key initiatives is the European Digital Agenda, aimed at delivering sustainable economic and social benefits from a Digital Single Market based on ultra fast internet. Capitalising on the potential of Information and Communication Technologies (ICTs) as crucial drivers of job creation, sustainability and social inclusion will contribute to the economic growth of the EU countries while fulfilling the overall goals of the Europe 2020 strategy.

ICT in Europe represents 4.5% of EU GDP and accounts for about 4% of EU jobs, with more than 5 million workers and is an essential driver for competitiveness, job creation and growth in Europe. The ICT sector contributes 20% and ICT investment drives 30% of EU productivity growth. More ICT industry growth and wider ICT take-up can boost economic recovery and long-term competitiveness.

The Digital Agenda aims at developing a coordinated and future oriented approach for fully translating the potential of ICT into growth and innovation. It outlines a set of policy actions clustered in six main areas: very fast internet access, digital Single Market, sustainable digital society, trust and security, research and innovation, open standards and interoperability.

## Main issues at European level

A number of obstacles prevent the EU from taking full advantage of the potential of the digital economy: low investment in network roll-out, a fragmented European online market, ill-adapted copyright legislation, lack of trust and interoperability, and shortage of digital skills. The Digital Single Market is also struggling in terms of innovation: EU's ICT business is one of the most innovative and research-intensive economic sectors, yet Europe invests on R&D less than half as much as its major trading partners.

To allow consumers and businesses to reap the full potential of the Digital Single Market, decision makers will have to address a number of challenges:

- **Infrastructural needs:** there is a need to promote next generation infrastructure networks, as a prerequisite for efficient functioning of the digital economy and the development of innovative e-services.
- **R&D investment:** the future policy should foster research and innovation in ICT, taking advantage of the contribution that ICT can make to Europe's competitiveness, both within the Single Market and globally.
- **A fragmented Digital Single Market:** a genuine Digital Single Market is essential to drive demand, attract investments and deliver the benefits of the European dimension to citizens and businesses. The existing barriers that prevent the EU from fully exploiting the online cross-border opportunities must be overcome.
- **A more sustainable digital society:** ICT is a tool to promote a sustainable and inclusive growth. Actions to enhance social inclusion through the Internet and empower Europeans in the digital environment must be undertaken.
- **Trust and security:** Strengthening trust and security in the information society, raising awareness among users and closer cooperation at international and governmental level in implementing security principles should be a priority.
- **Spectrum management:** Ensuring effective and efficient coordination at European (and global) level for the allocation of radio spectrum, an essential but finite resource underpinning wireless communications. The total volume of services depending on it is estimated to be worth at least €200 billion annually in Europe.

Other fundamental issues that need to be addressed are the importance of accelerating interoperability and standardisation, tackling the fragmentation of copyright licensing regimes and fully exploiting the potential of innovative ICT solutions to enhance energy and carbon efficiency.

## Challenges in the short and long term

### Challenges in the short term

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- **Lack of investment in networks:** facilitate current investment in the new fast internet networks that will be the centre of a competitive and inclusive future economy.
- **Fragmented digital markets:** boost confidence in the online environment, remove existing barriers and drive up demand for the next generation of ICT infrastructures and services;
- **Insufficient research and innovation efforts:** better exploit ICT's potential to contribute to energy and carbon efficiency in the EU and globally as part of the EU climate and energy commitments.
- **fragmentation of copyright licensing regimes:** promote easier and more uniform processes for digital licensing to stimulate creativity and facilitate access to content across the EU, to the benefit of European consumers and the content industry;

### Challenges in the long term

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The EU needs to strengthen its knowledge economy, as a driver of future wealth, growth and employment, further promote knowledge society as a way to improve digital inclusion and increasingly expand the use of new services and the benefits for users. Other specific long term challenges are:

- **Lack of skills:** Europe is suffering from a growing professional ICT skills shortage and a digital literacy deficit. These failings are excluding many citizens from the digital society and economy and are holding back the contribution ICT use can make to productivity and growth;

- lack of interoperability: addressing the current shortcomings related to lack of interoperability, weaknesses in standard-setting, public procurement and coordination that prevent digital services and devices used by Europeans from working together as well as they should.
- Fragmented answers to societal challenges: Europe misses out on much of the potential of ICT because it does not give common answers to challenges facing society such as the ageing population, rising healthcare costs and climate change.
- legal certainty: ensuring a stable and consistent regulatory framework within which investment decisions can take place.

## Possible questions to be discussed during the session



### 5 Most relevant questions to be discussed during this session

Question 1:

How can Europe best promote the development of the high-speed network infrastructure it needs to compete on a global level?

Question 2:

What are the main barriers to the creation of a true Digital Single Market and how can they be removed?

Question 3:

Can the objective of broadband for all better be reached by action at EU or national level, or a combination of the two? What are the best instruments to achieve not only full broadband development, but also higher take-up from households?

Question 4:

Investment in research and innovation are key. How can Europe fill in the huge gap that separates it from the US and Japan?

Question 5:

What do you consider being the most urgent priority upon which the EU should concentrate in this area?

## Further reading

### Provide 3 interesting weblinks for further reading

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1. European Commission:  
[http://ec.europa.eu/information\\_society/index\\_en.htm](http://ec.europa.eu/information_society/index_en.htm)
2. International Telecommunication Union, United Nations agency for information and communication technology:  
<http://www.itu.int>
3. Organisation for economic cooperation and development (OECD) – Information and Communication technologies: [http://www.oecd.org/topic/0,3373,en\\_2649\\_37441\\_1\\_1\\_1\\_1\\_37441,00.html](http://www.oecd.org/topic/0,3373,en_2649_37441_1_1_1_1_37441,00.html)

### Provide 3 articles/books for further reading

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1. Information Society on Wikipedia:  
[http://en.wikipedia.org/wiki/Information\\_society](http://en.wikipedia.org/wiki/Information_society)
2. “Why the EU needs a Digital Single Market now?”, European Policy Centre (EPC), 2010.
3. “Memo to the new Digital Agenda Commissioner”, Bruegel, 2010.

