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EICTA EU Inclusive Society Industry Declaration

Introduction

EICTA[1] commends the approach taken by the Ministers responsible for 'ICT for an inclusive society' in Europe and supports the targets in the EU Ministerial Declaration:

➡ **Address the needs of older workers and elderly people**
➡ **Reduce geographical divides**
➡ **Enhance eAccessibility and usability**
➡ **Improve digital literacy and competences**
➡ **Promote inclusive eGovernment**

These are important and worthwhile goals for EU governments, and while EICTA does not consider them to be comprehensive, they reflect aspects of inclusion for which effective deployment and/or development of digital technologies can have a positive impact.

EICTA views the Ministerial Declaration as a step towards the effective and efficient use of new technologies and products in arriving at an inclusive society. Concrete strategic plans and programmes for action have to be established along these lines. At the same time, policy makers will need to be careful that their policy tools do not create market distortions in the case of commercially-viable markets. EICTA welcomes the invitation for action by industry as an important step towards deepened stakeholder dialogue on this topic. This is of particular importance in the run up to 2008 when the European Initiative on Inclusion will be proposed. This gives time for reflection by all parties on a clear and proactive strategy for further developing an inclusive information society.

Public, private and third sector actors all have a role to play in building a strategy for an inclusive information society and thus, EICTA welcomes deepened stakeholder dialogue.

Nonetheless, EICTA believes that the Ministerial Declaration fails to address several very important trends, problems and solutions within the realm of inclusion. In particular, the issue of affordability, the significance of favourable fiscal and regulatory policy, and the possibilities of leveraging EU development policy to overcome the global digital divide. With this declaration, the digital technology industry intends to help shape the approach for implementation of the targets of the Ministerial Declaration, as well as highlighting other areas of significance for achieving an inclusive society.

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[1] EICTA, founded in 1999 is the voice of the European digital technology industry, which includes large and small companies in the Information and Communications Technology and Consumer Electronics Industry sectors. It is composed of 57 major multinational companies and 36 national associations from 27 European countries. In all, EICTA represents more than 10,000 companies all over Europe with more than 2 million employees and over EUR 1,000 billion in revenues

Addressing the needs of older workers and elderly people

1. Our society is clearly undergoing a major demographical shift. The number of people aged over 65 will rise from 390 million now to 800 million by 2025 - reaching 10% of the total population.[2]

By 2025, increases of up to 300% of the older population are also expected in many developing countries, especially in Latin America and Asia.[3]

2. The market, however, increasingly has a natural incentive to address this situation. Ageing baby boomers have high disposable incomes and brand loyalty which is stimulating the ICT industry to invest in solutions for this fast growing market segment.

3. Modern information and communication technology (ICT), i.e. eHealth, is the key to optimise processes within the entire healthcare system and to provide higher quality care at less cost, thus helping Europe to meet the challenge of an ageing society.

eHealth will support *improvement of workflows*, will increase the patient safety and improve the treatment of the chronically ill. *Broadband connectivity* allows care to be given to people outside of the hospital, thus increasing the wellbeing of the patient while reducing overall healthcare costs. It also allows other forms of *well-being* services such as weight management and healthy meal ordering.

4. For accelerating the uptake and use of eHealth, EICTA recommends that EU governments take following actions:

➡ Recognise healthcare as an economic infrastructure component
➡ Incentivise the efficient use of healthcare IT via adequate reimbursement and funding schemes that have to become more result and performance oriented
➡ Support the active development and use of international standards (eg. DICOM, HL7, SNOWMED), especially for interoperability of healthcare IT in order to make eHealth a reality
➡ Streamline the regulatory approval/market access process in order to bring ICT-Health innovations to the patient more quickly
➡ Harmonise Europe's fragmented national markets for eHealth, in order to make investing in eHealth in Europe more rewarding for industry.

Reducing geographical digital divides

5. One of the key technologies for bridging the geographical divide is fixed and mobile broadband networks. It is not at all clear that the current copper assets are capable of delivering the services needed for i2010 to a sufficiently large percentage of the population and so additional arrangements and mixed-technology schemes are essential. National

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[2] World Health Organization 50 Facts: Global Health Situations and Trends 1955-2025
[3] Ibid.

broadband strategies in the Member States need to be updated to include ambitious national targets, both in terms of coverage and take up, but also minimum speed requirements;

National broadband plans should also move beyond today's first generation broadband networks and consider next generation networks with improved speed and reliability and the ways to achieve it. To fulfil a national broadband strategy, a number of instruments can be used:

6. In line with the Ministerial Declaration's call for co-operation between the private and public sector in this area, EICTA promotes wholly or partly publicly-funded infrastructure projects, usually done through a Public -Private Partnership. This has to be done in compliance with competition rules and in a way that does not distort the competition in the market.

7. EICTA also supports exchange of best practice, e.g. through a special website, as proposed by the Commission. This can be an important supporting activity to other actions.

8. Regulatory conditions can also be adjusted, allowing for some regulatory relief that improves the business case for the commercial entities. EICTA believes that the private sector can finance the deployment of broadband networks in most cases if the regulatory framework allows for adequate compensation of the investment risk.

9. Demand aggregation may trigger deployment in certain areas of Europe. Care must be taken so that it does not foreclose the market to other operators or lead to the deployment of technologies without scope for further development, to the detriment of consumers.

10. When designing which policy measures to use, it is in general important not to prescribe which technology should be applied. There is presently a broad palette to choose from, whether fixed, mobile, wireless and satellite. Those that build the network and take the commercial risks should make the technology choice, with the only restriction from government being that the quality of service should meet certain standards.

11. The Ministerial Declaration considers the geographical divide in relatively narrow terms. One of the biggest hindrances to take-up is personal income. A second way of looking at the issue is to consider the geographical divide not just within Europe but on a global scale. ICT is just as important in promoting growth and jobs in the economically less developed world. These issues are examined in more detail in the section 'Activities for an inclusive society' below.

Enhancing eAccessibility and usability

12. In parallel to the Ministerial Declaration, EICTA also supports self-declaration as the means of confirming conformance to accessibility guidelines and requirements; self-declaration, using a Supplier's Declaration, has been shown to encourage conformance while not stifling innovation.

13. Moreover, in order to avoid market fragmentation and increased consumer cost EICTA also opposes the development of specific national or regional requirements. We support the

adoption of globally-harmonised open standards[4] for the Internet provided that they are able to accommodate technological advances and that they efficiently place responsibilities on all the interested parties including the Web developer, the browser, Assistive Technology manufacturers, end users, and government. We believe that standards should be forward-looking and facilitate direct access to all technologies; we value the adoption of standards but do not support mandated ones.

14. However, EICTA believes that certification and accessibility labelling are not reasonable, have few advantages, and limits innovation as vendors concentrate on acquiring certifications as opposed to creating solutions. In light of this, care should be taken when considering new legal provisions at the EU or national level.

Improving digital literacy and competences

15. EICTA welcomes Member States' goal to put digital literacy and competence actions, in particular through formal or informal education systems into place by 2008, and to engage with partnerships with the private sector.

16. Increases in the level of ICT skills are very important. A recent study in the USA found out that 60% of working-age adults experience mild impairments or difficulties when using current technologies.[5] The digital technology industry is committed to fostering ICT skills to ensure Europe is well positioned to meet the challenges of a knowledge-based economy.

Promoting inclusive eGovernment

17. Developing compelling public services is a key factor in achieving eInclusion, and eGovernment is an important element of this, as recognised by the EU Ministeral Declaration on eGovernment[6]. EICTA supports the call for accessible public websites by 2010. In relation to the security objective we also believe trusted access to public services through mutually recognised electronic identifications is significant. Secure electronic means of identification for use by people accessing public services is essential for global citizen and business trust. Cooperation at the EU level is necessary to achieve this goal. Beyond these aspects, EICTA believes the following steps are necessary:

18. Winning trust and acceptance by citizens and business. The political direction of eGovernment must reinforce trust and acceptance for ICT solutions by citizens and business around Europe. The opportunity today is to develop trusted local solutions, for example, for electronic identification, and at the same time to advance interoperability so that public services can become much easier to use, more meaningful, and do away with unnecessary administrative burden across Europe.

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[4] Open standards are not synonymous with "open source" nor are open standards in contradiction with proprietary products. EICTA fully supports the importance of upholding vendors' ownership of their product designs
[5] The Wide Range of Abilities and Its Impact on Computer Technology – Forrester Research Inc. 2003
[6] Manchester eGovernment Ministerial Declaration, 24 November 2005

19. Best Practice & Professionalism. Industry's training and business development programmes play a key role in expanding the technical skills base. This is equally valid for public administrations. One area of concern is the ability and aptitude of existing administrative and operations staff within public administrations to use more advanced systems and to provide broader, joined-up services. To this end, EICTA believes attention should also be paid to non-IT professionals within the senior levels of public administrators. Their performance management programmes should include an awareness of ICT and ICT programme delivery.

20. Governments will benefit from making optimum use of existing market solutions, services, and technologies. Governments will benefit from making better use of the existing market. By adopting already developed solutions there can be major savings in cost, time and risk.

21. Moving away from departmental silo mentality to a more joined-up approach. A joined-up approach (between IT departments of public administration, between government organisations, and between EU Member States) will bring significant benefits for citizens, business and the competitiveness of the EU.

Other activities to achieve an inclusive society

22. Whilst EICTA welcomes the Ministerial Declaration and its objectives, it is also our view that Member States and EU institutions should be aware of other problems, solutions and trends relating to inclusion. In particular EICTA would like to highlight the hurdle of affordability, the context of competitive markets and good regulation, the need for good fiscal policy and leveraging EU development policy.

Affordability

23. The greatest barrier to access is personal income. In the field of mobile telephony, for example, research has shown that 80% of the differences in penetration rates can be attributed to differences in average personal income levels between countries.[7]

24. There are some positive market trends to alleviate this. With all IP core network convergence, more and more of the backbone infrastructure will carry information and communications irrespective if data originates from fixed or wireless access points. This trend will drive down the service costs over time as the need for multiple network infrastructures will diminish. Moreover, devices have become increasingly affordable due to innovation over the last 20 years. In 1984, for example, the lowest priced mobile phone model was 1 400 EUR.

25. However, EICTA believes that more work is needed to ensure that tariff rates are lowered such that low income consumers can be reached. For example, regulatory and fiscal policy tools can be used to ensure interconnection charges and service taxes are reasonable. Moreover, public authorities have a role to play in reducing total cost of ownership by lowering taxation on devices and on network services. Taxation accounts for a full 15% of the total cost of ownership.

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[7] Nokia, The Affordability Line, 2004

Open markets and good regulation

26. Europe success in deregulation of the sector coupled with pan-European standardization, harmonization of spectrum and increased investment in R&D provided a pro-innovation environment for the mobile industry. Furthermore, independent and strong regulators have been successful in ensuring a level, market-driven and competitive playing field in Europe and beyond. High penetration rates correlates with multiple market players.

27. EICTA encourages Europe to continue with a pro-active and long-term view to e-Communications policy. In this context, EICTA supports the Interinstitutional Agreement on Better Law-making (ACI/2003/2131), and believes that without evidence that there is a substantive risk new regulatory burdens should not be introduced. Moreover, in the course of the current review of the electronic communications framework, EICTA would like to highlight that it is critical that this review consider reducing or withdrawing regulation in cases where effective competition is achieved. A light touch legal framework is one of the main means for the EU to create an environment that fosters position evolution of ICT markets and to address inclusion. Finally, where possible the EU should strengthen skills among policy makers and regulators in countries which are lagging in ICT uptake in Europe and beyond.

Favourable fiscal policy

28. Whilst the Ministerial Declaration makes reference to structural funds in the context of the geographical digital divide, fiscal policy has a much broader role to play. In order to lower total cost of ownership and make technology more affordable, public authorities can reduce the tax burden places upon ICT services and devices. Sales taxes, tariffs on services and for non-EU countries high customs duties should be reduced to stimulate markets. EICTA strongly supports the reduction of unnecessarily high taxes on ICT equipment and services.

29. In addition, government investment is needed in R&D. EICTA strongly supports the EU targets of increasing R&D spending of up to 3% of GDP. Further to the funding allocation in the 7th Framework Programme, public procurement, grants and state aid can help foster this new growth knowledge society.[8]

Leveraging EU development policy

30. Europe is the world's largest development aid donor. However, there is a risk that Europe becomes increasingly digitally included whereas the gap with the Developing world is widening. Consequently, given that ICT is a driver for growth and job creation, EICTA believes that Europe should use its relative strength in e-Communication as a contingent policy instrument for development aid.

31. Concretely, the EU should put a focus on the following areas that, together, form a logical "ensemble": 1) ICT programmes that give the opportunities to people to get digitally included 2)ICT in Education programmes that make sure people know how to use digital technology in their day-to-day life 3) eGovernment measures that enhance and simplify the communication

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[8] For further information, please see EICTA's white paper on "Innovation and Investment in Research"

between government and citizens 4) Fixed and mobile broadband access programmes as the Internet is a major incentive to purchase a device and is a synonym for access to more information that is otherwise difficult to obtain in poor countries.

Investing in skills for employability

32. EICTA view ICT skills training as a key means for developing Europe's ICT *Readiness*. Europe's Growth and Jobs' partnership Strategy requires to build the competitiveness of the region, of countries, organisations and of people. Competitiveness depends, at the most basic level, upon the technology skills of those driving ICT innovation and ICT uptake is equally dependent on skill levels, particularly of the most disadvantaged people that today are not part of the social fabric of Europe like early retirees, people with disability and young unemployed.

33. How to create an environment that attracts and retains the highly-skilled in Europe ICT skills have become a key currency and competitive advantage in today's knowledge economy. In this context the ICT industry is investing in major IT skills training initiatives for the young unemployed, people with disabilities and older workers over 50 who need new skills to get new jobs in higher growth sectors or return to work after unemployment.

Conclusion

EICTA welcomes the Ministerial Declaration on "ICT for an inclusive society". It is important that ICT is recognised as key to achieving such a society, and this is a significant step towards putting that in practice. The Declaration outlines important objectives, and EICTA has attempted to reflect on these goals and develop proposals for implementation. Beyond the objectives in the Ministerial Declaration, however, EICTA also thought it necessary to draw out other problems, solutions and trends for inclusion.

In the spirit of partnership between industry and EU governments, EICTA hopes that we can continue to work together to achieve these goals.

About EICTA:

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The membership of EICTA:

Direct Company Members:
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