Opinion of the European Economic and Social Committee on 'Improving "participative public — private partnership" models in deploying "e-services" for all in the EU 27' (own-initiative opinion)

(2011/C 48/13)

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On 16 July 2009 the European Economic and Social Committee, acting under Rule 29(2) of its Rules of Procedure, decided to draw up an own-initiative opinion on

'Improving "participative public – private partnership" models in deploying "e-services" for all in the EU 27'.

The Section for Transport, Energy, Infrastructure and the Information Society, which was responsible for preparing the Committee's work on the subject, adopted its opinion on 6 September 2010.

At its 465th plenary session, held on 15 and 16 September 2010 (meeting of 16 September 2010), the European Economic and Social Committee adopted the following opinion by 102 votes to one with five abstentions.

1. **Conclusions and recommendations**

1.1 The EESC welcomes the European Commission's (EC) Digital Agenda and the proposals of the Internal Market Report to deliver sustainable economic and social benefits from a digital single market and ultra-fast internet connections that will bring applications to citizens and SMEs in rural and remote areas. Furthermore, the EESC agrees with the EC, European Parliament (EP) and the Committee of the Regions (CoR) that more monitoring activities are needed to ensure that everyone benefits from fixed line and wireless broadband by 2013. More investments are needed at all levels and Public Private Partnerships (PPPs) should also be explored for rural and remote areas and for updating networks.

1.2 The EESC supports the EU and national common policy framework to meet Europe 2020 targets and therefore asks the EC to establish an ad hoc advisory group able to help Member States, Candidate Countries and interested private operators in better monitoring rural and remote areas' access to broadband coverage.

1.3 There are important markets failures in the provision of affordable high speed broadband networks to remote areas. The EC must therefore promote a full spectrum of policies that will facilitate the development of open networks by state and public sector initiatives. The EU must fully exploit the development of e-services in the public and private sectors to help improve local and regional services in healthcare, education, emergency services of general interest, security and social services. The adoption of PPPs by all authorities may offer strategic support to SMEs specialising in public Information and Communication Technologies (ICT) services as well as the ICT skills of young entrepreneurs.

1.4 Private investment and PPPs in remote, rural and low income areas should be promoted through structural funds, together with EIB (European Investment Bank) and EIF instruments in order to deliver internet connections at a fair price for vulnerable citizens and SMEs. Dedicated EC programmes and measures should be directed to promote and multiply local PPPs in cross regional and cross border pilot projects and a 'European Day on e-services for all' should be promoted.

1.5 The EESC assigns great importance to the building of stronger partnerships between public and private providers of public e-services delivering a better and more efficient service. More transparency and active citizen participation is needed, whilst retaining ownership of the public infrastructure investment and oversight of performance. Public services are often provided at regional and local levels where SMEs and their associations could take part in partnerships with the public sector, either as direct providers or, if significant financial resources or more global expertise are required, in a consortium. This already happens in some regions in France (Auvergne), Italy (Trentino A.A., Lombardia) and other EU Member States.

1.6 Access to high-quality wireless broadband at reasonable prices can increase the accessibility and quality of services provided by authorities, and enable SMEs to be more competitive on the market. Remote regions and communities will benefit most from access to faster broadband services.

1.7 The EESC stresses the need for extraordinary investments to develop universal and high-speed access to fixed and mobile broadband for all citizens and consumers. A more supportive state aid framework from the EU level that is compliant with EU competition provisions would help in this as would better coordination among the different EU policies and programmes so that consumer choice helps to deliver the planned targets to access e-services to all citizens and locations.

1.8 The EESC agrees that every household should have access to broadband Internet at a competitive price by 2013. The digital dividend should be promoted and used to extend mobile broadband coverage and services quality. Member States must update national targets for broadband and high-speed coverage to push regional authorities and private actors in their coherent support of a European high-speed broadband strategy. In particular, regional authorities, EU and/or national consultative institutions, SMEs, organisations and other private actors, should be involved from the very beginning in the EC 'Future of Internet' Initiative.

1.9 The EESC supports PPP solutions whose financing models can provide cost effective and timely broadband to citizens in rural and cross borders regions. To this extent the EESC underlines that digital skills, in particular for SMEs and young entrepreneurs in rural and remote areas, are crucial for an inclusive digital society especially where access to e-services creates a digital divide for elderly people, disadvantaged groups and those on low incomes. Existing access problems must also be addressed.

1.10 The EU institutions should fully exploit the development of e-services in the public and private sectors to help improve local and regional services in healthcare, education, emergency and security and wider services of general interest and social services.

2. **Background/General context**

2.1 The internet has become one of the most strategically important infrastructures of the 21st century and is a central obligation to the EU's enforcement of universal service foreseen in the Lisbon Treaty. Nevertheless, the situation in rural and remote areas has barely improved and we can hardly speak of a European e-services market ([1]). Since the private sector does not seem interested in satisfying the demand for services and as governments alone are unable to meet this challenge, a suitable solution would be to involve both parties (public and private) in sharing benefits and risks through PPPs in this domain. The active involvement and role of organised civil society in PPPs in deploying e-services could play a key function in this process.

2.2 This own-initiative opinion aims to explore this issue and bring to the fore the debate on identifying sustainable solutions for deploying e-services everywhere and for everybody in Europe, notably in its least accessible areas and for its most vulnerable groups.

2.3 In this context, the general objectives of this opinion are the following:

— to analyse with the assistance of the EESC and public and private interest organizations, how PPPs could be adopted in promoting e-services for all, be they individuals, businesses, or regional/local governments in particular;

— to highlight the potential for greater social inclusion of vulnerable groups and for the economic integration of remote areas by adopting sustainable and efficient application of PPPs for the deployment of e-services in Europe ([2]);

— to assist EU Institutions and policy makers, as well as interested public and private actors wishing to engage in PPPs in the field of e-services, by identifying problems and possible solutions, by undertaking impact analysis of the e-service demand and supply in relation to civil society needs, to explore the relevant employment and skills requirements, as well as good policy and programme practices at EU level that could be transferred to the national/regional level.

2.4 ICT are affecting most aspects of our society. As the boundaries between telephone, internet, television broadcast and mobile phone and other communication services become blurred, so does the boundary between industrial and public sectors and between EU and national policies. In fact, national and regional policies were not able to deliver effectively access to these services for all.

([1]) COM(2009) 479 final, 'A public-private partnership on the Future Internet'.

([2]) The main problem of e-services in the EU is that there is no common definition of the term. Usually, e-services are understood in the narrow meaning of ICTs, including services such as e-government, e-business, e-health, public sector information, e-learning, e-inclusion and e-procurement.

2.5 In this context, Neelie Kroes, the new Commissioner for the Digital Agenda launched a debate for public consultations to *'check if we need to update the rules to ensure that all EU citizens and businesses have access to essential communication services, including fast internet. We have to make sure that nobody is excluded from the digital society'*. Moreover, the recent 'Europe 2020' Communication confirms the aim of delivering sustainable economic and social benefits from a Digital Single Market based on fast and ultra fast internet and interoperable applications, with broadband access for all by 2013.

2.6 The Lisbon Strategy had already identified the fact that we need access to modern digital facilities (e.g. internet, GPS) and so-called e-services. With this in mind, the modernisation of public services must include:

— providing better-quality and more secure services to the public;

— responding to the requests of businesses, particularly SMEs, which require less bureaucracy and more efficiency;

— ensuring the cross-border continuity of services of general interest (including civil protection), which is crucial for sustaining mobility in Europe and social cohesion in Member States.

2.7 The current EU regulatory framework (under the Universal Service Directive [3] of 2002) requires Member States to ensure that all citizens are able to connect to the public phone network at a fixed location and to access public phone services for voice and data communications that have functional access to the internet. Consumers must have access to directory of enquiry services and directories, public payphones and special measures if they are disabled.

2.8 Furthermore, a recent EC communication has identified PPPs as one of the options when dealing with the 'acceleration' of internet usage in Europe and in delivering e-services to EU citizens. PPPs are seen as a way of enabling Europe's citizens to make better use of known and emerging technologies in a more holistic approach. Moreover, PPPs could also help in identifying barriers created by non-technical issues and instigate a strategy to address them [4]. The term PPP covers a wide range of situations and, consequently, various definitions exist in the literature such as in the UN Guidelines [5] as well as in the EIB practices.

2.9 The EC has conducted a range of public consultations involving the EESC on topics including:

— Next Generation Access Networks (NGA);

— Transforming the digital dividend opportunity into social benefits and economic growth in Europe;

— Universal Service principles in e-communications.

2.10 EC Communication COM (2009) 479 final, on 'A Public Private Partnership on the Future Internet', seeks to provide a framework within which to prepare for a 'smart' society and to increase the competitiveness of the European ICT industry. Preparing for the launch of a PPP initiative on the Future Internet, as encouraged by some Member States and industry actors will require more involvement of civil society and regional authorities.

3. **General comments: PPPs and e-services deployment**

3.1 In the same way that the provision of, and access to, food, water, education, healthcare, movement and public authorities is guaranteed in our society, it's important to identify and adopt the most sustainable solutions and the most effective policies to guarantee equal treatment for EU citizens and businesses in the information society, notably in the rural and remote areas of the EU.

3.2 Thus far, however, this has not been achieved everywhere in the EU and there are still geographic areas and social groups in danger of 'digital exclusion'. Digital exclusion could be related to demographic (age, gender, type of household, etc.), socio-economic (education, employment, status, income, etc.) and geographic factors (such as housing, location, specific regional or local features, geopolitical factors, etc.). The reasons for market failure in e-services will be case dependent and could include unfavourable landscape, low population rate, high taxation system or all of these. Since there is often insufficient demand and transactions in such areas, private operators may often decide not to invest.

[3] OJ L 108, 24.4.2002, p. 51-77.
[4] White paper on the Future Internet PPP definition, January 2010.
[5] Guide book on promoting good governance in Public-Private Partnership – United Nations, New York and Geneva, 2008.

3.3 Nevertheless, the focus should not be placed solely on geographic exclusion, but also on the social exclusion that accompanies the lack of purchasing power or limited skills of certain user groups ([6]). E-services should, therefore, be expanded to ensure access for all users regardless of their geographic, financial or social situation.

3.4 Extraordinary policy efforts and measures are needed to deliver results to vulnerable groups and, above all, to non-urban areas.

3.5 The EESC has dedicated several opinions and key recommendations to various topics related to e-services, their interoperability and ICT infrastructures ([7]).

3.6 The EESC believes that PPPs could be a means for the deployment of e-services in the EU, which is a promising new field with critical areas of operation.

3.7 Analysis has shown that the main arguments in favour of such an approach include:

— improvements in the quality of e-services to vulnerable groups;

— improvement in cost-effectiveness, by taking advantage of the private sector's innovation, experience and flexibility;

— increased investment in public infrastructure to extend the delivery of e-services;

— sustainability of private partners' increased flexibility and access to resources;

— improvements in the quality of public expenditure;

— efficiency gains and convergence of services of general interest.

([6]) OJ C 139, 11.5.2001, p. 15; OJ C 123, 25.4.2001, p. 53; OJ C 108, 30.4.2004, p. 86.

([7]) OJ C 77, 31.3.2009, p. 60; OJ C 175, 28.7.2009, p. 92; OJ C 175, 28.7.2009, p. 8; OJ C 317, 23.12.2009, p. 84; OJ C 218, 11.9.2009, p. 36; OJ C 224, 30.8.2008, p. 50; EESC opinion on Transforming the digital dividend into social benefits and economic growth, rap. Mrs Darmanin (TEN/417).

3.8 Moreover, investment in urgent infrastructure projects is an important means to maintain economic activity, particularly during this period of crisis, and might help to support a rapid return to sustained economic growth. In this context, PPPs could provide effective ways to deliver infrastructure projects, services of general interest and business support services that would guarantee local development and economic recovery in some EU regions ([8]).

3.9 There are also risks with PPP for e-services. One of these is the risk of not covering remote areas as these often involve losses for a private service provider. Therefore, all PPP should include an obligation to provide these services also for such remote areas.

4. **Critical issues in deploying e-services**

4.1 In this opinion we are also addressing the deployment of e-services, by which we mean the spreading of facilities and provision of equal access to them across the EU. This includes either the creation of a new, 'smart' infrastructures where needed or the improvement of the existing one. This issue raises some critical points concerning:

— **Efficiency**. Just because an infrastructure exists does not always mean that it is functioning efficiently or that it is equally accessible to all the appropriate social groups. The most recent example is provided by the EuroBarometer survey on knowledge of the 112 emergency number. Although the service already exists and functions in twenty EU countries, the percentage of people who know of it is very low, at just 32 % of those questioned ([9]). Improvements can be achieved by better informing and involving citizens and by better applying e-learning technologies.

— **Rural Areas**. Disparities remain across the EU with regard to e-services access ([10]). Rural areas still suffer from a lack of access to ICTs, with 23 % of people in such areas lacking access to fixed broadband networks ([11]).

([8]) COM(2009) 615 final, 'Mobilising private and public investment for recovery and long term structural change: developing Public Private Partnerships'.

([9]) Flash Eurobarometer 285 – The European Emergency Number 112, Analytic Report, Wave 3, February 2010.

([10]) Telecoms: consultation on future universal service in digital era, IP/10/218, Brussels, 2 March 2010 (see http://ec.europa.eu/information_society/policy/ecomm/doc/library/public_consult/universal_service2010/index_en.htm).

([11]) COM(2009) 103 final, 'Communication from the Commission to the Council and the European Parliament - Better access for rural areas to modern Information and Communication Technologies (ICTs)'.

4.2 In a truly 'open market' approach PPP should be engaged, from the very beginning with the effective involvement at all levels of EU/national/regional authorities, social partners, organised civil society actors, SME organisations, consumer associations and wider stakeholders (operators, vendors, IT providers, vertical and application markets etc.).

4.3 An appropriate start could be the existing EU Structural Funds, EIB/EIF and some specific programmes such as the Framework Programme mechanisms in future ICT Work Programmes (for 2011-2013), with a budget of about EUR 300 million.

4.4 In this context, PPPs could capitalise on the work of five European Technology Platforms (ETPs), with cross-fertilisation of the internet-related issues and their respective Strategic Research. An essential characteristic of such a PPP would be to develop open, standardised, cross-sector service platforms.

4.5 From a European policy perspective, sectors such as healthcare, mobility, environment and energy management are prime candidates to benefit from novel 'smart' – internet-empowered – infrastructures, which will facilitate the rapid take-up and adoption of services by millions of users and consumers.

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The President
of the European Economic and Social Committee
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