



THE INSTITUTE
OF CHARTERED
ACCOUNTANTS
IN ENGLAND AND WALES

6 October 2009

Our ref: ICAEW Rep 122/09

Your ref: 173505315241727409

Unit C1: Lisbon strategy and i2010
Directorate-General Information Society and Media
European Commission

[Sent via email as requested]

Dear Sir or Madam

Post i2010 – Additional position paper

The Institute of Chartered Accountants in England and Wales is pleased to respond to your request for comments on *Post-i2010: priorities for new strategy for European information society*.

The ICAEW has completed and submitted the online consultation through the Interactive Policy Making Online Consultations website (the case number is 173505315241727409). This additional position paper includes a few more details on the ICAEW, authors of the response.

For the answers in Section 8, *Making modern and efficient public services available and accessible to all*, we have consulted with colleagues at CIPFA, the Chartered Institute of Public Finance and Accountancy, the professional body for people in public finance in the UK.

Please contact me should you wish to discuss any of the points raised in the attached response.

Yours sincerely

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ICAEW REPRESENTATION

ICAEW REP 122/09

Post-i2010: priorities for new strategy for European information society

Memorandum of comment submitted in October 2009 by The Institute of Chartered Accountants in England and Wales, in response to European Commission consultation paper Post-i2010: priorities for new strategy for European information society published in October 2009

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INTRODUCTION

1. The Institute of Chartered Accountants in England and Wales welcomes the opportunity to comment on the consultation paper *Post-i2010: priorities for new strategy for European information society* published by the European Commission.

WHO WE ARE

2. The Institute operates under a Royal Charter, working in the public interest. Its regulation of its members, in particular its responsibilities in respect of auditors, is overseen by the Financial Reporting Council. As a world leading professional accountancy body, the Institute provides leadership and practical support to over 132,000 members in more than 160 countries, working with governments, regulators and industry in order to ensure the highest standards are maintained. The Institute is a founding member of the Global Accounting Alliance with over 775,000 members worldwide.
3. Our members provide financial knowledge and guidance based on the highest technical and ethical standards. They are trained to challenge people and organisations to think and act differently, to provide clarity and rigour, and so help create and sustain prosperity. The Institute ensures these skills are constantly developed, recognised and valued.
4. We are listed on the Register of Interest Representatives. Our registration number is 7719382720-34.

RESPONSES TO SPECIFIC QUESTIONS/POINTS

Please see the answers to these questions outlined in Appendix 1 below (these are as submitted via the website, with additional clarification in some answers).

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APPENDIX 1 – ANSWERS TO QUESTIONS SUBMITTED ELECTRONICALLY

Post-i2010: priorities for new strategy for European information society (2010-2015)

Introduction

0.1. Are you replying: On behalf of an organisation

0.1.1. Please provide the name of your Organisation and, if applicable, your Interest
Representative Register ID number
ICAEW (Institute of Chartered Accountants in England and Wales)
Our Representative Register ID number is 7719382720-34

0.1.2. Please indicate which type of stakeholder you are: Industry association

0.2. Please provide your Name and Surname:

Richard Anning

0.3. Please provide your email address:

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0.4. Your country of residence:

United Kingdom

1) ICT for a growth and jobs agenda

Overall priorities

1.1. Should ICT be a key area in the next European strategy for growth and employment?

Yes

1.2. What could be the overall visionary focus for the post-i2010 strategy? A vision where the desired end results are broken down into more concrete and measurable targets such as targets on broadband coverage, investments in infrastructure and so forth.

1.3. What do you consider to be the 3 most important ICT policy priorities for the next 5 to 10 years? Sustainable low-carbon economy

ICT research and innovation

High-speed and open internet for all

1.4. How should Europe's ICT and media policies be formulated in relation to other policy challenges facing Europe, such as ageing, energy efficiency and climate change?

The policies should be tightly integrated based on the priorities outlined in 1.3 above

1.5. Which instruments do you consider most useful for building up a knowledge base on ICT policies and their effectiveness? (Choose maximum 3)

Benchmarking

Exchange of best practices

Consultations

2) ICT for a sustainable 'low carbon' economy

A - Identifying the barriers

2.1. What are the main barriers to making the transition to an "ICT enabled" low carbon economy? (Choose maximum 3)

EU inaction

Member State inaction
Market failure

2.1.1. Please explain why you consider your choices to be the main barriers:
Member organisations need to set realistic targets and legislate to achieve these

2.2. In order to move to a low carbon economy, the sustainable outcome needs to be the profitable outcome, for both businesses and consumers. What can help new, sustainable business models emerge?
Regulation to encourage the use and adoption of new technologies - until the economic benefits outweigh the costs

2.3. What factors today cause people to continue with unsustainable consumption patterns?
Economic realities and inertia. People need reasons to change (economic or regulatory)

B - Immediate actions - quick improvements

2.4. As regards the ICT sector, what are the most important measures through which policymakers can help speed up the transition to low carbon economy in the next 2-3 years? (Choose maximum 3)
Lead through green public procurement
Set fiscal incentives
Change regulatory environment

2.4.1. Please explain your choices:
Provide fiscal and regulatory incentives for people to move and help the economic realities by changing public procurement

2.5. ICT companies lead the rankings of the most energy-efficient industrial sectors. How can the ICT sector best lead by example? (Choose maximum 3)
By committing to reporting all direct greenhouse gas (GHG) emissions and indirect emissions from consumption of purchased energy (GHG Protocol scope 1 and 2 reporting)
By committing to reporting other indirect emissions, such as production of purchased materials and fuels, outsourced activities, waste disposal, etc. (GHG Protocol scope 3 reporting)
Through partnerships (cities, regions, other sectors)

2.6. In which areas can the ICT industry contribute most rapidly and usefully to reduction in energy use in the short term, i.e. next 2-5 years? (Choose maximum 3)
Electrical power grid (including smart metering)
Transport/Logistics
Process and behavioural change

C - Long term paths to low carbon economy

2.7. What regulatory changes would promote transition to a low carbon economy most effectively?
Easier production of green energy (nuclear, wind farms). Easier planning of green developments.
Setting financial tariffs for poor or inefficient behaviour

2.8. How can investments in infrastructure for the low carbon economy be best stimulated?
(Choose maximum 3)
EU funding
Member State funding
Regulatory changes

2.9. "Smart city" strategies: in which areas can ICT help most to reduce energy use in cities?
(Choose maximum 3)
Making alternatives to cars more attractive

'Green' housing developments
More efficient delivery of public services

2.10. Where can ICT best contribute to reducing transport emissions? Combining various modes of transport ('multimodality')

D - Best practice

2.11. The potential downside of greater efficiency is that it may encourage more of the unsustainable activity (e.g. more efficient/cheaper laundry may mean that you do more of it), eventually cancelling out the overall saving ('rebound effect'). Can you point to any evidence of measurable ICT enabled gains in energy efficiency that have managed to avoid this kind of rebound effect (i.e. increase in unsustainable patterns) and have produced net reductions in energy/resource use?

Use of electronic trading and paperless office has taken out massive amounts of paper, transport and time from the process

2.12. Can you point at any relevant projects at regional/city/local level which are examples of successful transition to low carbon economy?

Congestion charge in London has forced more people onto public transport and greener forms of transport (cycling/walking)

2.13. What are the broader transformations needed to decouple economic growth from the use of material resources? What practical steps can we take to move in that direction?

Making the use of material resources more expensive (by forcing the market)

3) Improving Europe's performance in ICT research and innovation

A. Channel more resources into ICT research and innovation

3.1. Among the following sources of this increased funding, which are the 3 you consider most important?

Increased European research budget for ICT

Diverting other community funds, such as cohesion funds into R&D

Incentives to increase private research expenditure (such as new public-private partnerships or tax breaks for R&D)

3.2. What would be the most important measures to reduce the fragmentation of ICT research and innovation efforts in Europe? (Choose maximum 3)

Political commitment to a fully integrated European innovation ecosystem

Policy coordination to share visions, strategies and policies

Setting EU-wide ICT priorities for key technology sectors

3.3. What measures would be most important for promoting more innovation? (Choose maximum 3)

Stimulating market forces through open competition

Public procurement of research and innovation

Targeted innovation infrastructures (e.g. specialised training, business expertise support, risk capital)

B - Make Europe the home for a number of ICT world-class poles of excellence

3.4. Of the current ICT research priorities, what are the 3 areas in which you think Europe excels most today?

Software products and services

Media technologies

3.5. Of the current ICT research priorities, what are the 3 most important areas that Europe is in risk of losing its comparative advantage?

Software products and services

Media technologies

Web-based services

3.6. Of the current ICT research priorities, what are the 3 most important strategic areas of ICT research for Europe's future?

Network equipment and services

Systems for energy and the environment

Systems for security

3.7. What is the main barrier to world class clusters emerging in Europe? Other

please specify:

Over-regulation and the need for all to agree

3.8. What are the 3 key policy steps to create the conditions for new poles of excellence to emerge?

Unlocking the talents of people and attracting talented researchers/entrepreneurs, identification of skill gaps and concerted actions to address them

Inward investment incentives (grants, logistical support, training, tax incentives, stable macro economic regime)

Increased efforts to reinforce Europe's place in the global research & innovation system

3.9. Do you see the need for more actively supporting open and disruptive research structures and models in Europe? How can bottom-up innovation be better encouraged?

Schemes for engaging users in the innovation process

Support for development of promising early stage ideas from research to deployment (hothouses/incubators)

Other

please specify:

May require financial support

C - Trigger the take-off of new markets for innovative ICT products and services

3.10. Among the factors below, which 3 (maximum) are most needed before such take-off can take place?

Pro-innovation public policy backed by real spending commitments (inter alia projects that cut across the innovation chain and use of pre-commercial public procurement)

A pro-innovation legal and regulatory framework (IPR, streamlined adoption of EU standards, pro-innovation state aid rules, consumer policy)

Steps to encourage more effective commercialisation of research results

4) Creating a 100% connected society and economy through a high-speed and open internet for all

A - Upgrading to future-proof infrastructures:

4.1. How can the EU best maintain incentives to invest in fixed and wireless networks? (Choose maximum 3)

By relaxing access obligations

By emphasizing the opening of markets to competition

By limiting the technological neutrality principle and privilege technologies or architectures that may create higher overall welfare benefits, e.g. being more pro-competitive, more future proof or with a greener profile

4.2. Building high-speed broadband infrastructure ('Next Generation Access'): should public authorities routinely invest in passive infrastructure in synergy with other facility deployment (transport, energy, water etc.) when deploying new infrastructures? Yes

4.3. Which other European policy measures could promote the deployment of high speed broadband infrastructure?

Anything that makes it easier for organisations to benefit quicker from installing new technologies.
Regulation to speed up planning applications where required.

4.4. As regards a potential need for a European right of access to the internet, which type of targets would you consider most useful? (Choose maximum 3) Targets on:

Speed

Latency

Transparency

4.5. Should targets rather be on desired end-results which may appear less concrete such as promoting usage, innovation, new business models, productivity in companies etc? No

4.6. Should targets be differentiated between Member States? Yes

B - The future of the sustained internet services growth - internet to drive innovation

4.7. Should the principle of openness be the key policy priority for the EU in the field of internet? Yes

4.8. Which areas should policy makers emphasise most to promote growth of internet services? (Choose maximum 3):

Net neutrality

Interoperability/portability of services

Open standards

4.9. European industry should gain more momentum in innovation in products and services for future networks and internet, when competing with other regions of the world (see section 7 on the international dimension): can stronger harmonisation at the EU level promote this goal? No

4.10. To promote their take-up and active usage of internet based services, which is the most important group of stakeholders? Consumers

C - Promoting an internet for users

4.11. As regards a potential adaptation of user rights as a means of safeguarding the end-user, should the EU provide the citizens with rights regarding (choose most important 3):

Managing online privacy

Managing online identity

Universal access to the internet

4.12. What is the most important way to enforce user rights, in general? EU regulation

4.13. Today, some services are offered for "free" but subject to consent to process personal data for profiling and advertising purposes. Should consumers be provided with options other than simply to "take it or leave it"? No

4.14. Should the principle of "users' informed consent" to disclosure and use of personal data: Meet higher requirements (more transparency, simpler and more understandable privacy notice)

Have clearer guidelines on how to apply this concept to new services

4.15. Should the EU develop differentiated policies based on the different needs of users (e.g.: SMEs, large businesses, individual users etc.)?

Yes - individual users need to understand what they are signing up for, but generally will be more risky than businesses which should be made to be much more risk averse to protect personal data

5) Consolidating the online Single Market

A - Creating a level playing field in the European online market

5.1. Do you think further harmonisation of national regulations would be a way towards an easier access of consumers and businesses to a barrier-free European digital single market? Yes, in the field of consumer protection

yes, in the field of VAT

yes, in the field of waste of electrical and electronic equipment

5.2. Do you think businesses, in particular SMEs, should be provided with more practical support to take advantage of the European digital single market? Yes, by harmonising access conditions

B - Improving consumers' trust and confidence in online services

5.3. How do you think transparency for consumers can be increased?

Further standardisation of terms and conditions

Easily understandable information summing-up legal information

5.3.1. Please give examples of how transparency for consumers can be increased.

If consumers understand there is a single digital market in Europe, their trust will be increased.

However, it should be born in mind that traders from outside the EU can easily sell into the EU and pass themselves off as EU traders. This would necessitate regulation to stop such passing off

5.4. How do you think consumer trust and confidence in the digital single market can be increased?

Through trustmarks aimed at disclosing the commercial practices of the online service provider

Through new regulatory measures

5.5. If you believe trustmarks would increase consumers' trust and confidence, do you think they should: Be established EU-wide

Be controlled by a third party

Be subject to sanctions

Compliance with rules should be checked regularly

5.6. Do you see other ways to increase consumers' trust and confidence?

Simple communication concerning measures that have/are being taken

5.7. What are the main other challenges faced by online service providers to develop a digital single market?

National legislation and practices; people and organisations outside the EU passing themselves off as being in the EU

6) Promoting access to creativity at all levels

A - Affirming users' rights in the participative web

6.1. How can users be empowered through transparent information?

Warrant new forms of transparency obligations for standard terms and conditions imposed by web 2.0 services to ensure that end-users are aware and understand their rights and obligations

Reshape privacy rules to guarantee that users have access and can effectively control over their personal data stored online
Adopt stricter measures aimed at protecting minors in the social networking web
Others

please specify:

We have to bear in mind users are lazy and not concerned about loss of data - at least, until it is lost!

6.2. How can creativity be stimulated by building EU-wide easily accessible mechanism to allow users to clear rights and be free to work on existing content for non-commercial purposes?

Make copyright law more flexible as regards non-commercial uses

Promote alternative open licensing schemes

6.2.1. Please give examples:

Open source software works well - maybe this approach can be adopted with open licensing schemes

6.3. A "fair" non-commercial use of licensed content should be free of technological restrictions in terms of interoperability. Should interoperability of content be left to the market or should users have a clear statutory right to play the content they paid for anytime, anywhere and on any platform? Statutory right

B - Ensuring sustainable copyright

6.4. How could the EU assist the creative industries in shifting towards more sustainable business models?

The EU should help creative industries by enforcing copyright and ensuring income goes to creators where it is due and expected

C - Making digital content overcome borders across the EU

6.5. What would facilitate the emergence of business models not based on territorial copyrights? Territorial copyright would have to be global unless there was a technology that could stop content being used globally. Development of such technological barriers would help creative industries

D - Development of ICT sector and of European content industry to reinforce each other

6.6. How can we contribute to ensuring that the European content industry is able to meet the demands of audiences for a diverse digital content offering?

By ensuring that they get economic consideration for their efforts (else they will stop creating content)

6.7. Considering that a growing number of countries worldwide share Europe's approach regarding the need to actively promote online creative content and digital creative industries, how can we initiate or reinforce synergies with these like-minded countries in order to improve our competitiveness in this sector?

By holding open dialogues with them on the development of regulation and enabling technologies

E - Digitisation of cultural resources

6.8. Which of the following issues are the most important to improve the digitisation of cultural resources and their enjoyment by users? (Choose maximum 3)

Improving access to content, by encouraging digitisation at national and local level

Facilitating rights clearance for in-copyright material, orphan works and works out of print or distribution

Providing multilingual search and retrieval

F - Steps to open access to content to people with disabilities

6.9. For persons with disabilities, accessing cultural resources is not always possible as their right of access is often in conflict with copyrights. What can be done to ensure equal access to content for persons with disabilities? The exception foreseen in the Copyright Directive for ensuring access by persons with disabilities should be stronger

7) Strengthening EU's role in the international ICT arena

A - Openness as a global issue

7.1. Which are the most important issues for future European policy on the global scene? (Choose maximum 3)

Internet free of censorship

Security and protection of critical infrastructure

International protection of children

B - European dimension in international research

7.2. What are the most important areas where Europe's international role should be strengthened? (Choose maximum 3)

Internet governance

ICT competitiveness

Stronger European representation in international ICT fora

C - European voice in international fora

7.3. How can Europe's voice and presence be best strengthened? Establish clearer European representation in international ICT and internet fora

D - New models for internet governance

7.4. What could be the most important initiative Europe should take to modernise the international governance of the internet? Support the reform of international governance bodies

E - Other global challenges

7.5. Should the EU be a leader in developing ICT solutions for global challenges such as: (choose up to 3 most important areas)

Environmental issues

Fight against poverty

Cybersecurity

7.6. How should the international dimension and global challenges be addressed in a future information society strategy?

Europe needs to understand it is in a global marketplace with new countries set to rise up and take a leadership position. The EU needs to build its own world class infrastructure and development resource and engage at a global level in the issues that will matter in 20 years time - sustainability, security and poverty

8) Making modern and efficient public services available and accessible to all

(Please note, we consulted colleagues at CIPFA, the Chartered Institute of Public Finance and Accountancy, for these responses)

A - Avoiding new digital divides

8.1. What are the key ways to increase take up of eGovernment services by citizens? (choose maximum 3) Others

Please specify:

Experience in the UK has shown that you need to do all these things. Services need to be designed around the service user and not the provider

8.2. Do you think there is a need for a common European understanding on quality delivery of ICT-enabled public services, in view to improve access and participation for everyone? Other

Please specify:

There is no need for a common European understanding on quality delivery of ICT-enabled public services. The web has grown by innovation and without excessive regulation. E-government services should adopt a similar approach. In UK best practice has been spread within Government bodies by use of competitions and surveys by external organisations. Excessive regulation and standard setting has been avoided. This is the approach the EU should adopt.

As an example – within UK Local Government SOCITM has been running an annual review of Local Government websites that has been instrumental in driving up the quality of e-services. The audit bodies NAO and Audit Commission have reviewed e-services and produced reports on best practice. Similar EU wide reviews of Government e-services may help in spreading best practice.

B - Challenges of participatory web

8.3. In the delivery of public services, including education and health, do you think that web 2.0 presents: More opportunities than threats

8.4. What should Europe's role be in the transition to Gov 2.0?
Europe's role should be to act as a catalyst

8.5. In what aspects can web 2.0 improve public service delivery and governance? (Choose maximum 3 most important) Others

Please specify:

All these options are important. We are only just beginning to see the potential of Web 2.0 to shape public service delivery and to understand its possible impact on governance. Members states need to act as catalysts in supporting the development of Web 2.0 by actively sharing non personal data; experimenting with new media and new forms of communication; dealing with unduly restrictive copyright arrangements; and engaging with Web 2.0 communities.

8.6. What are the main possible risks of web 2.0 in the delivery of public services (if any)? (Choose maximum 3) Other

Please specify:

It is possible that failure to engage effectively with Web 2.0 communities and processes will result in small pressure groups being able to distort public opinion and resource allocation.

8.7. What kind of ICT-enabled solutions are needed to engage citizens in the policy formulation and decision making processes, and how can governments stimulate their use?

Modern technology now makes it relatively easy to conduct online surveys and to consult on major policy issues. In the UK, for example, we are experimenting with participatory budgeting - encouraging citizens to comment on and influence the allocation of budgets in local government and public bodies. The role of government is to create an environment where local authorities,

government departments, public bodies and local communities are encouraged to consult and engage with their constituents on significant policy issues. They will then experiment with and adapt the ICT tools that are available to meet their own specific requirements.

The private sector has experimented with a concept called the wisdom of crowds. By using innovation management tools they are using users to help them make business critical decisions. For examples see www.salesforce.com/ideas or www.imaginatik.com. The public sector could use these tools for widespread consultation and engagement strategies.

C - Electronic procurement and electronic identity management

8.8. In addition to the large scale pilots already launched in this area, what other challenges relating to the single market should be addressed?

Based on our knowledge of the UK public sector, we believe that electronic procurement is already well-established and is developing in ways that will not create new barriers to the internal market. However, electronic identity management remains more problematic and fragmented. We would like to see better systems in place to ensure robust and secure identity management across member states, between public and private sectors, and between individuals and their public services.

D - eHealth

8.9. In your opinion, what would be the most useful action to overcome privacy and security concerns in the field of eHealth? Information and awareness campaigns on rights and duties at national level

8.10. As a potential user, what ICT-enabled medical service would you be most willing to use? (choose 1) Telemonitoring

8.11. In your opinion, what should be the focus of efforts on interoperability and standardisation in the field of eHealth? (Choose 1) Electronic Health Records systems

E - Impact of ICT on teaching and learning

8.12. In your opinion, what are the barriers faced by education systems to complete the transition from pure ICT skills development to the use of ICT across different learning disciplines?

8.13. In your opinion, which actions and instruments would be most useful for achieving this goal? (Choose maximum 3)
Supporting research on the impact of ICT for learning

9) Using ICT to improve the quality of life of EU citizens

A - Bridging the gaps

9.1. What are the three most effective ways to meet the Riga targets?
Providing more deployment
Adopting hard-law making the "Riga targets" compulsory

B - Improving digital skills

9.2. How could formal training and certification schemes (e.g. training on-the-job) take into account new ways of learning and get a greater recognition in the labour market?
This would need buy-in from organisations and possible funding centrally to ensure roll-out. Disadvantaged groups should be helped and targeted first (on the basis there is a desire to be better informed)

9.3. What actions should be pursued at European level to encourage recognition and validation of informal learning? Please choose the most important one
Adopting common principles and guidelines

C - Enhancing the economic dimension of eInclusion

9.4. What is the most effective way to get more investments in inclusive ICT services and goods?
Tax incentives

D - Enforcing rights of people to go online

9.5. What is the most important way to guarantee rights of people to go online? Through tailored actions for specific users (e.g. the elderly, the migrants, the minors, the children from a poor background and people with disabilities)

E - Coping with an ageing society

9.6. How can ICT better address the challenges associated with ageing and how can ageing populations be enabled, through ICT and e-accessibility solutions, to benefit from independent living and personalised care, and continue to participate actively in the society and to generate wealth?

By engaging with organisations that deal specifically with the elderly to understand the needs, requirements and desires of this group and then understand how this can be achieved. We should realise that many elderly people simply do not care - and have a sufficient quality of life for that not to matter

F - Promoting a holistic approach

9.7. What would be the most important steps to guarantee a better integration of digital inclusion into social inclusion policies and a clearer division of responsibilities? (Choose maximum 3)

Restructuring and redistributing of competences within public authorities at European level
Restructuring and redistributing of competences within public authorities at national and local levels

Meta Information

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