A ‘big bang’ has taken place in Europe. The enthusiasm of European citizens towards the euro has exceeded every expectation. All Europeans have been part of history in the making. Monetary union is one culmination of the European unification process that started 50 years ago. At the same time, it is a new start. The impact of the euro will be both practical and psychological, internal and external. The euro will contribute to the emergence of a common sense of purpose and destiny.

At an economic level, the euro will be an adrenaline shot for e-business. With a single currency, the Single Market will give its full: at last we will have full price transparency. Consumers will be empowered through the internet. Many will buy through the net – but everyone will be more informed when they go to their department stores. With the euro, e-commerce spells instant Europe-wide competition. That’s all benefit for buyers and suppliers.

E-commerce is an important part of Europe’s drive to become dynamic and competitive knowledge-based economy. This is the new strategic goal set by the Lisbon Summit in 2000. A key component of the Lisbon strategy is the eEurope Action Plan. It aims to speed things up and make sure that they happen in the best possible conditions.

We have already achieved a lot:
- We have speeded up the decision making process in key areas: telecoms and e-commerce regulation, high-speed pan-European research networks, information and network security, etc
- We are closely monitoring Member State progress towards the knowledge-based economy on the basis of benchmark indicators
- Above all, we have created a powerful dynamic: the internet is now on top of the political agenda in all Member States

Of course, conditions have changed since eEurope’s inception, almost two years ago. It was the time of the dot.com boom. It was a time of euphoria. Most people had not realised that hi-tech stocks had already reached their height. Reality caught up with us, ruthlessly.

This being said, the eEurope strategy is more valid than ever. And here’s why:
- First, the new economy is here to stay. This is because it is not a business sector. It is a new economic model, which rests on the spread of digital technologies and the internet into all human activities. This is best illustrated by the evolution of internet penetration in European homes: about 38% were connected to the internet in November 2001, up 10% over a year. The number of regular users in the population has passed 40%
- Second, the internet is being taken up by a growing number of companies of all sizes and all sectors, public administrations and individuals. It continues to grow, regardless of the market’s mood
- Third, the main benefits of the digital revolution are still to come. But investment in digital technologies will not suffice. They must be complemented by organisational change, from the back to the front office, and even by investment in skills

So what are our priorities today?
- First, we have to promote broadband internet access. The internet will not give its full before broadband becomes a mass market
- Second, we have to promote content, including new services and applications. This is a key to the take up of broadband and next generation mobiles. e-government plays a major role here
- Third, we have to cater for the need for security and confidence in cyberspace. That concerns both consumers and businesses
- Fourth, we have to bridge the digital divide by giving skills to all
Promoting broadband communications
In December, the EU approved a new regulatory framework for electronic communications, which will enter into force in about a year.

First, this new set of regulations will be a consolidated version of the existing one, simpler, lighter and providing greater regulatory stability and transparency. It will cut through all the red tape imposed at national level regarding market entry rules, replacing individual licenses by general authorisations to provide services. Second, the new rules will apply to all transmission networks in the same way. This technological neutrality meets the requirements of the internet-driven convergence between telecoms, information technology and the media. Third, regulation will be more flexible. It will roll-back as competition becomes effective in specific markets, hence relying more heavily on Community competition rules. Fourth, we need to avoid incoherence in the way telecoms rules are implemented. In the future, the Commission will have powers to require national regulatory authorities to withdraw proposed national measures which could disrupt the good functioning of the Internal Market.

Today, we see increased competition in flat-rate, high-speed internet access. Between October 2000 and November 2001, the amount of internet homes that have broadband access has doubled. About 6% of EU homes now have broadband internet access of an internet penetration level of 38%. The progress is strong for ADSL, which is catching up with cable modem. Europe will not become a full-fledge knowledge-based economy, and reap its full benefits in terms of competitiveness, growth, jobs and quality of life, until the generalisation of broadband. For that, Europe needs an ambitious strategy to quickly bring broadband to all European citizens. This will be one of our top priorities this year.

The next generation of mobile communications, with full multimedia capability, will also play an important role in broadband development.

The success of mobile phones in Europe is impressive. In less than a decade, mobiles have conquered close to 75% of the EU population (compared to less than 50% in the USA), and the penetration rate keeps growing. Mobiles have really become part of our daily life and culture. Particularly striking is that the take-up of mobiles is high all over the Union. Internet access over mobile networks – or 3G mobiles - is both a major opportunity for an inclusive information society.

Promoting content
The average end-user is not interested in the delivery method, but in ‘what’ is delivered. There will of course be some competition between terminals and delivery platforms. But more important is their complementary nature, allowing users to be online anywhere, anytime, in the most appropriate fashion. At the end of the day, the real challenge is to attract consumers to these different access platforms. This depends on the contents on offer. When I say content, I have in mind anything that can be carried by the networks: text, video and sound, but also software and

continued to p.44...
games, e-commerce and any other commercial applications, as well as public services such as education, health, administrative forms, etc.

Consumers will not buy speed for the sake of it, even if it is cheap. What they are interested in, is what is ‘in’ the box. Conversely, operators will not invest in networks if they are uncertain about consumers’ interest. A viable business model depends on it. Developing content for broadband networks is primarily up to the market. But government can make a difference.

**e-government**

Generally speaking, government can and will be a major driver of internet and broadband uptake through the supply of high-quality online services and public information. The case for e-government is strong:

- First, the take-up of digital technologies in public administrations offers a real opportunity to increase the efficiency, quality and cost-effectiveness of public services.

- Second, digital technologies allow for user-friendlier public services, in particular by replacing old and expensive service delivery methods with more carefully tailored and targeted services.

E-government is a huge win-win opportunity. But for it to come true, it is necessary for governments to invest in digital technologies in front offices. Even more important is the reorganisation of the administration, and investing in skills and human resources. Here political commitment is essential. The re-organisation of the back-office often implies breaking down barriers between departments in administrations and engaging in government process redesign. A necessary but sometimes painful process, that can only be sustained by commitment from the top.

There are hardly any off-the-shelf solutions in e-government. Successful approaches combine vision with a readiness to start small and to grow by learning from the users.

An important priority in order to make e-government a success is inclusiveness. Governments cannot choose their customers. They have to equally serve every citizen. Special attention is therefore needed by governments to give access to all, and certainly to avoid creating a digital divide in e-government. I will come back to how this should be achieved.

Equally important is reinforced co-ordination across Europe to ensure trust and security.

Finally, e-government is indeed a powerful way to implement good governance, which means public services that respect principles such as openness, participation, accountability, effectiveness, and coherence.

So where do we stand today in e-government in Europe? The European Commission just presented a benchmarking survey of basic online public services in Europe. This survey confirmed that e-government is a strong priority in all Member States. But, substantial differences remain.

The survey showed that electronic services for businesses tend to be more developed than services for citizens. That is no surprise. The best scores by far went to services related to income-generating activities of governments, such as income tax, VAT and social contributions. At the other end of the spectrum came document delivery services such as driving licenses, passports, building permits, etc.

What is largely missing is real interactivity, which is the essence of the net. Interactivity is the key to responsiveness, user-friendliness and quality to become new standards for public services. This is why e-government projects have more to do with organisational change than with technology. The challenge for governments is to be able to meet clients’ expectations by changing organisational structures and cultures accordingly. The back-offices need to be reorganised to provide consistent customer interaction at the front-office.

E-government teams need to Think Big, Start Small, Scale Fast. In other words: they need to have a vision, identify the right customers and services, start small, and be prepared to learn and adjust as they go, then roll out further services to ever larger user groups.

It is crucial that governments go into projects with a sound business case, coupled with realistic expectations and underpinned by milestones, metrics, benchmarking and progress reporting.

Governments should learn that the same mantra holds as in business: know your customer. Governments should take a customer service orientation, focussing on life events as guideline. Customer Relationship Management needs to be at the heart of the solution.

Governments should also invest in encouraging usage. It does not come automatically. It is also essential to focus on connection across governments. Only in this way can a consistent interaction and single credible image be presented to citizens and business.

And, finally as said before, top-level commitment is required. There is much opposition to change in public administrations. Therefore senior sponsorship and leadership is critical.

**Security and confidence building**

Another major factor influencing internet take-up — and also the successful take-up of e-government - is security. Today, many users do not feel safe. A growing number experiences security and privacy problems. In the last year, spamming has tripled and virus attacks more then doubled. This withholds the growth of e-commerce.
The EU has taken several key measures to ensure a high level of security and privacy on the internet:

- It has adopted legislation to protect personal data and to promote the use of encryption and electronic signatures, which are key to securing the confidentiality, integrity and authentication of electronic data.

- It has also launched initiatives to combat cybercrime and harmful and legal content on the internet, particularly child pornography.

Yet more needs to be done. Networks have become critical to the proper functioning of our societies and economies. Member States have agreed to implement the following measures in 2002 to increase network and information security:

- Launch public information and education campaigns to raise awareness and promote best security practices.

- Review the effectiveness of national arrangements regarding computer emergency response, including virus alert systems.

- Reinforce security in e-government and e-procurement, and introduce electronic signatures in online public services.

- Exchange information amongst Member States and the Commission.

The Commission will make a proposal for the creation of a cyber-security task force that would to enhance Member States’ capacity to respond to network and information security problems.

Digital inclusion

A major requirement of government – and a prerequisite for the success of e-government - is to ensure social inclusiveness in the digital age. Ultimately, everybody must be given the ability and opportunity to draw the benefits of the knowledge-based society.

It all starts at school. Schools must provide all young Europeans with the essential digital skills they need to live and work in the digital age. Today, almost all schools are connected to the internet. Yet a lot remains to be done. More emphasis must be placed on the level and quality of equipment and internet connections: pupils must be able to get online in all schools and in good conditions; teachers must be trained and curricula adapted; and discrepancies amongst Member States must be reduced.

From schools we must move upwards, and ensure the employability of people already on the job market. Many of them need to adapt their skills or acquire new ones. We also need targeted measures in direction of groups which are, or risk being, excluded from the digital age. Social inclusion is not only a duty of the welfare state: it is also an economic and business imperative:

- First, we have to mend the social gap. There is a risk of perpetuating, even reinforcing existing social discrepancies. The multiplication of public internet access points will help achieving access for all.

- Second, we must help people with special needs, in particular sick, elderly and disabled people. Modern technology provides them with new opportunities to be better integrated in society. This, however, requires that we invest in developing adequate technologies.

The digital divide must also be bridged between Member States, and inside each EU country.

Conclusion

The key components of the Lisbon agenda have been adopted. The eEurope approach, holistic and ambitious, has proven its worth. At the same time, the context has changed and new challenges have arisen. So we should not rest on our laurels. We must maintain the sense of urgency in Europe. I therefore expect the Barcelona Summit in March to give fresh impetus to eEurope so that the Information Society and how we can spur Europe forward remains high on the political agenda.