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EUROPEAN SOCIETY AND THE DATA TECHNOLOGIES: TOWARDS A COMMUNITY RESPONSE

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DRAFT TRANSLATION

EUROPEAN SOCIETY AND THE DATA TECHNOLOGIES: TOWARDS A COMMUNITY RESPONSE

I.1. In face of the radical changes which are rocking Europe, and are posing particularly thorny social, economic and political problems, it is essential to establish whether the European Community is taking all the opportunities afforded it to promote the smooth development and ongoing adjustment of our society.

The swift rise of informatics, data banks, telecommunications and micro-electronics and their convergence upon an integrated system already coming to be known as "telematics" is an eminently suitable subject for Community attention and Community action.

This complex of industries is a high-growth sector—over 15% a year. As such, it must contribute to the industrial and tertiary redeployment of a Community that has been in a state of crisis for five years.

The sector is one of strategic importance, since not only is it developing faster and faster but its development has a direct bearing on the competitive capacity of many other branches of activity concerned by data processing and automation.

This being so, the data technologies are a determining factor in the world position of European industry.

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And by their impact on everyday life their irruption is causing anxiety and is making it vital to adapt our data equipment. This is therefore very much a field where action by States and by industries will have its effectiveness enhanced if a Community strategy emerges—something that calls for a stimulus the European Council can impart.

I.2. Is it really possible to ensure that Community action can have a beneficial multiplier effect on the operations of States and companies?

In the first place the data technology market is a world market in which the Community has to meet both an American challenge based on the huge continent-wide United States market and a Japanese one based on the combined operation of the industrialists and the public authorities.*

Our responses to these challenges are national ones—good and competent responses certainly, but limited in their effectiveness by our small-scale markets and industrial structures—or else intercontinental cooperation arrangements which unless operated on an equal footing consign European industry to the role of mere sub-contractor or captive supplier.

In the second place market size is essential given the importance of economies of scale. Now in fact the EEC does have a continent-wide market matching the American one in size.

In the third place, since these technologies are all set to form an integrated system based moreover on micro-electronics, it is necessary to proceed in step in each of the system's components if there is not to develop either a dependence involving structural timelags or an assortment of bottlenecks. Now most of these components—infrastructure, satellites, network interconnection, standards, research and public orders for pilot installations—cannot reach European market scale unless the Community promotes a strategy for the whole sector.

In the fourth place the EEC market provides the European companies with a springboard for a vigorous drive on the world market. Thanks to its links with the ACP and Mediterranean countries, the Community can give valuable support to its industrialists' operations.

Detailed discussions the Commission has had in recent months direct with industrialists and Government departments, including more particularly the telecommunications services, have convinced it that the public and private operators on whom the development of new services and products is primarily incumbent are awaiting a clear sign from the Community before framing their own medium-term strategies.

II. A strategy of this kind, then, is highly desirable and needed as soon as possible: it remains to establish whether the Community can produce one. Obviously there can be no question of a common policy centrally managed by the Commission, but on the other hand a more pragmatic approach without a clearly-defined perspective would not do the job.

A policy focused wholly on research would not take account of the difficulty of conducting an effective low-cost operation necessarily involving all the industrialists and all the Government departments for every project.

Nor can there be any question of artificial standardisation whereby those who have already made a start would forfeit the benefits of what they have done. What is wanted is an overall strategy aimed at securing for the European industry a substantial slice of the world market, say one-third in 1990, by close, ongoing, restructured Community-level concertation between the

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States, the industry and the trade unions, each in so far as directly concerns it.

The strategy would set out to do six things:

(a) To get rid of resistances to innovation

- by making it clearer that employment can benefit if the necessary decisions are taken at the different levels in the Community, and will certainly suffer if they are not;
- by pursuing the education and training policies needed for innovation;
- by ensuring that there is no encroachment on private life and individual liberties.

(b) To create the market

To create a homogeneous European public market for the new data services and products, there should be Council decisions:

- requiring the telecommunications departments to develop the new services and overall network (spoken word, written word, data) on a harmonized basis;
- ensuring that public purchasers of hardware imposed common standards on their suppliers.

(c) To develop the basic micro-electronic technology that will enable the whole of European industry to be competitive in the 1980s—failing that, European industry will be dependent on outsiders for its "raw material."

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(d) To set up data banks capable of being competitive at world level.

(e) To turn to account the advantage of the Community as such as the first user of data techniques and first supplier of data to try out and perfect:

- an all-purposes interinstitutional network connecting the Community Institutions and the capitals of the Nine Member States;
- the extension of the existing Community Euronet-Diane project to other data banks and other users.

(f) To effect coordination of the Member States' positions so that Europe can play its proper part in the organizations dealing with telecommunications and space matters. Decisions of universal import must not be imposed on Europe without regard for Europe's own interests: to ensure this in the space field there must be European coordination of Europe's requirements (number, launchings, choice of orbits, determination of uses).

III. The European Council is asked to acknowledge that the Community can and should bring into being as speedily as possible an integrated corpus of telecommunications and data production, processing and transmission—a vital means to expansion and a framework for human progress.

So many sectors and so many disciplines being involved, the European Council requests the Commission to spell out more fully the main lines of this strategic approach, in order that it may

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act in 1980 and thus afford the European data technology industries the chance to achieve the aim of supplying one-third of the world market in 1990.

	'000 mn EUA in world market	World market growth rate	Market share 1977			Production share 1977		
			EEC	Japan	USA	EEC	Japan	USA
Telecommunications	26.6 (1977)	7%	29%*	12%	33%*	*c.27%	3%	30%
Computer systems	53.3 (1978)	17%	26%	15%	42%	c.25%	c.15%	44%
Integrated circuits	3.3 (1978)	25%	19%	23%	54%	10%	20%	70%
Data banks	2 (1978)	22%	25%			15%		

*Western Eu
***+ Canada