

European information society for growth and employment, i2010

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The Commission presents its first Annual Report on the i2010 initiative, which addresses the key challenges of a modern information society and promotes a partnership between the Commission, the Member States and all relevant stakeholders to harness the digital economy for Europe.

The report shows that, despite an improvement in economic growth in 2005 and predicted growth of 2% in 2006, annual GDP growth remains well below the 2.7% in the United States between 2000 and 2005. Europe is still poor in terms of productivity and investment in Research and Development is low, representing only 1.9% of GDP in 2004.

But the contribution of ICT is not enough to improve the EU's global position. Recent figures show EU investment in ICT research still lagging behind that of its competitors. The contribution of ICT to productivity has decreased significantly compared to the second half of the 1990s and is still about half that in the US. Overall no indicator points to a change in the trend or an acceleration in ICT developments which would put the EU onto a sustainable path of growth and competitiveness. However, there are some positive trends. Digital convergence is finally becoming a reality.

The report shows that the challenges identified in the i2010 initiative remain valid but need to be addressed more vigorously. Policy makers need not just to be more aware of the need to accelerate ICT developments; they should also build policies to enhance the positive trends in the ICT sector. Particular priorities are implementation of broadband strategies, coherent approaches to content and spectrum, integrated research and innovation strategies and more ambitious public services. Today there is a greater need than ever to get Europe's ICT policies right, in order to catch up with major global competitors.

Three messages will therefore continue to underpin i2010 in 2006-2007:

1. **Urgency:** the increasing recognition of the role of ICT in growth and jobs should be converted into action, through a strategic approach to the opportunities of digital convergence in National Reform Programmes that combines macro and micro policy levels.
2. **Partnership:** Joint action and responsibility between the Commission, the Member States and stakeholders under the Lisbon Agenda and i2010 not only to identify bottlenecks hampering innovation but also to take affirmative steps to coordinate policies across Europe in order to establish a single information space of 25 EU Member States.
3. **Action:** The EU must move from consensus on the importance of ICT for growth, jobs and the quality of life to action by vigorously implementing regulations and policies that assist competitiveness and by using the economic weight of public administrations in order to promote the emergence of innovative services for the benefits of citizens and for growth and jobs.