

Brussels, 29 November 2000

OPINION

of the

Economic and Social Committee

on the

**Proposal for a Council Decision adopting a Multiannual Community programme
to stimulate the development and use of European digital content on the global networks
and to promote the linguistic diversity in the Information Society**

COM(2000) 323 final - 2000/0128 (CNS)

On 7 September 2000 the Council decided to consult the Economic and Social Committee, under Article 262 of the Treaty establishing the European Community, on the

Proposal for a Council Decision adopting a Multiannual Community programme to stimulate the development and use of European digital content on the global networks and to promote the linguistic diversity in the Information Society
(COM(2000) 323 final - 2000/0128 (CNS)).

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 9 November 2000. The rapporteur was **Mr Morgan**.

At its 377th plenary session on 29 and 30 November 2000 (meeting of 29 November 2000) the Economic and Social Committee adopted the following opinion with 100 votes in favour and 2 abstentions.

1. Introduction

1.1 The ESC welcomes the Commission's proposal for a Multiannual Community programme to stimulate the development and use of European digital content on the global networks and to promote the linguistic diversity in the Information Society.

1.2 This programme is a component part of the eEurope 2002 Action Plan: "An Information society for All". The eEurope initiative was initiated by the Lisbon Council and is itself the subject of a separate ESC Opinion.¹ There are three priority areas within the eEurope initiative:

- a) a cheaper, faster, secure Internet;
- b) investing in people and skills;
- c) stimulate the use of the Internet.

Within this last priority, the component programmes include:

- Government on-line: electronic access to public services;
- European digital content on global networks.

Hence this opinion deals with two of the component action programmes of the eEurope objective. However, in the view of the ESC, these actions are also very important in their own right.

1.3 The strategic objectives of the programme are defined as follows:

¹ eEurope 2002 - An Information society for all - Draft Action Plan (COM(2000) 330 final); Opinion in elaboration.

- a) creating favourable conditions for the commercialisation, distribution and use of European digital content on the global networks, thus stimulating economic activity and enhancing employment prospects;
- b) stimulating the use of Europe's content potential, and in particular public sector information;
- c) promoting multilingualism in digital content on the global networks and increasing the export opportunities of European content firms and in particular SMEs through linguistic customisation;
- d) contributing to the professional, social and cultural development of the citizens of the EU and facilitating the economic and social integration of citizens in the candidate countries in the Information Society.

1.4 The programme is to last for five years – 2001-2005 inclusive with a total investment of EUR 150m. For 15 countries over five years this means two million euros per annum, i.e. one million euros per annum for each of the two main action lines on average.

1.5 In view of the budget, and in the context of the larger eEurope programme, the strategic objectives outlined at 1.3 above could be over-ambitious. Nevertheless the ESC believes that the programme will make an important contribution to the broader eEurope initiative and so calls on the Council to ensure that adequate funding is made available.

2. Synopsis of the programme - main action lines

2.1 The funds are to be allocated to three principal action lines. Each programme is to have objectives attached.

2.2 Stimulating the exploitation of public sector information - EUR 75m.

2.2.1 The replies to the Green Paper on Public Sector Information have stressed the importance of experiments with concrete public/private sector partnerships. In the first place experimental projects will be stimulated, bringing together public and private parties to exploit public sector information with a European interest and scope. In addition to the experimental projects, the establishment of Europe-wide data collections will be stimulated. Interest and commitment of private parties will be decisive for selecting the type of data and areas to be covered.

2.2.2 The objectives defined in the work programme could cover:

- the number and quality of the actual products and services based on public sector information that become available;
- the economic activity and the number of jobs that are involved in the new products and services based on public sector information;

- the quality and quantity of the links that are forged between public sector organisations and private content firms;
- improvement of transnational co-operation in the field of public sector information (take-up of best practices throughout Europe);
- improvement of the access to public sector information for citizens throughout Europe;
- improvement of the public sector information infrastructure in the accession countries.

2.3 Enhancing linguistic and cultural customisation - EUR 60m.

2.3.1 Supporting linguistic customisation of digital products and services will add to the export potential of European content firms. At the same time it facilitates the participation of all European citizens in the Information Society. Adequate support for multilingual and cross-cultural information access and exchange is a key enabler for the development of a European mass market for information products and services. The programme will sustain actions aiming at the establishment of closer collaboration between the European content and language industries, thus overcoming the linguistic fragmentation of European markets and enhancing the global competitiveness of both sectors. Special attention will be given to SMEs and start-ups, and to less widely spoken EU languages and the languages of potential new Member States.

2.3.2 The objectives defined in the work programme could relate to:

- success and expanded markets for European content firms (and in particular SMEs) through linguistic and cultural customisation;
- increase of content in the languages of the different Member States on the global networks;
- development of the language infrastructure (perception of language industries and digital content industries), and in particular the infrastructure related to languages from the candidate countries;
- economic activity and number of jobs created through the linguistic customisation activities.

2.4 Supporting market enablers - EUR 10m.

2.4.1 It is proposed to take action to provide a bridge between companies in the digital content area and potential investors. In addition, it is intended to focus on the effectiveness and efficiency of multi-media rights trading and rights clearance procedures.

2.4.2 The quantified objectives could cover:

- the number of starting and fast-growing content firms that are helped in their contacts with venture capitalists;

- the number and quality of the links that are established between the financial institutions and the content firms;
- the economic activity and the number of new jobs created through these links;
- the contribution of the pilot projects in the field of multimedia rights clearing to the development of a European multimedia rights clearing system. The economic activity and the number of jobs involved.

2.4.3 The target population will consist principally of suppliers of content and language-related activities in the value chain. Within the programme, particular attention will be paid to SMEs and to companies and institutions in the candidate countries.

3. **What is at stake**

3.1 In the view of the ESC, EU linguistic and cultural diversity is an asset.

3.2 The goal of this programme is to help create an environment favourable to business initiatives where European creativity, culture diversity and technological strengths can be commercially exploited. The relationship of this programme to related EU programmes is shown at the Appendix.

3.3 The threat to this goal, which the Commission identifies and with which the ESC agrees, is the lead established by American firms in digital applications. Internet traffic currently originates disproportionately from the United States, where the large majority of web-sites are currently based. Most web pages are in English and most of them are located in the United States. Of the hundred most visited web sites, 94 are located physically in the United States.

3.4 The window of opportunity for European content industries is seen by the Commission to still be open. Hence the urgent need to push this programme through now, with which the ESC concurs.

4. **Digital content**

4.1 The Commission has offered the following definition of “content industries”, which is obviously all-embracing:

"The content industry is composed of those enterprises involved in the creation, development, packaging and distribution of content: data, text, sound, images or multimedia combination thereof, represented in analogue or digital format on a variety of carriers such as paper, microfilm, magnetic or optical storage. The content industry comprises the different segments of print publishing (newspapers, books, magazines, corporate publishing) and electronic publishing (on-line databases, audio and video text services, fax and CD-based services, Digital

Versatile Disc (DVD), Internet World Wide Web, edutainment) as well as the audiovisual industries (television, video, radio, audio and cinema)."

4.2 For the purpose of this Opinion the ESC has highlighted some of the many categories of Internet content:

- *ISP services*, including basic facilities such as e-mail and advanced facilities based on search engines, leading to full commercial portals;
- *E-Commerce* involving business-to-business and business-to-consumer links, including business exchanges;
- *E-Government* involving government-to-government (G:G) (inter-departmental), government-to-business (e-procurement) (G:B) and government-to-citizen (licences, taxes, social security, etc.) (G:C). In addition, online voting and consultation opens up the potential of e-democracy;
- *Government information sources* – legislation, regulation, public records, national libraries, museums, geographical information, population and census data, company registers etc. A key dimension here will be the accessibility of archives;
- *Non-governmental information sources* – companies, NGOs, sports clubs, universities, media, news organisations, stock exchanges, professional associations and societies, professional knowledge, e.g. medical knowledge, etc.;
- *Entertainment* - development of broadband platforms for audio-visual entertainment delivery: television, films, music, games, etc.;
- *Education* delivered over networks, especially broadband networks, has considerable potential for both children and adults. One particular opportunity is to reinforce numeracy and literacy and disseminate widely the new skills and knowledge needed in the information society.
- *Content targeted at children* must be seen as a special class of Internet content. Specific protection programmes are needed for children in the Internet environment. Children have the characteristic of being potentially the most competent users of the Internet. They are potential users of all the adult services described, but represent a distinct sector in such fields as education, entertainment and shopping. Their information needs are also likely to be greater than those of most adults.

4.3 This indicative list allows us to consider how far the present programme goes towards its goal to stimulate the development and use of European digital content on global networks.

4.4 From this analysis, it is clear that the action line to stimulate the exploitation of Public Sector Information is useful. Indeed, in a recent Opinion the ESC has already endorsed the exploitation

of Public Sector Information². Transforming public sector information into digital format, addressable by the general public, is a very large undertaking. It will certainly contribute significantly to the goal of making national language digital content available on the Internet. It is one of the two main strands of the e-Content programme. Even so, it is just one component of the complete digital content picture given in 4.2 above.

4.5 Funding the packaging and conversion of government data for Internet access should be the responsibility of government and paid by government unless a commercial arrangement is possible. A commercial arrangement could involve a third party bearing the costs of conversion for the profits of exploitation. In any case, a distinction would have to be made between essential information in favour of the exercise of democratic rights - which should be provided free of charge or, where appropriate, at a greatly reduced price - and information for commercial purposes, the price of which, as it must be readily available, should be based on the costs of printing, updating, retrieval and transmission of data, for which invoices could be issued; or it should be a reasonable market price. The Committee awaits the Commission's proposal on this subject. The Programme Proposal for governments to share experience could be valuable.

4.6 The ESC would encourage the Commission to undertake projects aimed at maintaining the currency and constant improvement of government data available on line.

5. **Enhancing the customisation of linguistic and cultural content**

5.1 The Commission's Programme has two main elements:

- fostering new partnerships and the adoption of multi-language strategies by promoting new forms of partnerships between the digital content and language industries;
- strengthening the linguistic infrastructure which implies establishing an open framework comprising standardised and interoperable multilingual resources encompassing e.g. electronic lexicons, corpora, translation memories and terminology collections.

5.2 The following is an assessment of the scope for linguistic customisation of some aspects of digital content on the Internet.

5.2.1 **ISP services**

- a) At the national language level, it would be surprising if national language ISPs did not already exist to promote national language dialogue. Portals similarly need to offer customised services in national languages. There is now evidence that national language ISPs and Portals are already overtaking English language web-sites in EU-countries.

² ESC opinion "Public sector information: a key resource for Europe - Green Paper on public sector information in the information society" (COM(1998) 585 final); OJ C 169 of 16 June 1999.

- b) The potential for new interest groups of every type will help accelerate the acceptance of the Internet amongst private individuals.
- c) International dialogue will naturally take place in languages both parties understand. Such dialogue will take place between users, irrespective of the language of the service provider (ISP).

5.2.2 E-Commerce

- a) National companies which set out to establish an e-commerce presence, whether domestic or foreign, will do so in the language of business partners or consumers. This will be equally true of business exchanges.
- b) For international business, global business-to-business exchange will take place in the language of the global industry. For business-to-consumer transactions, the activity will be in the language of the customer in each country.
- c) Both a) and b) above provide opportunities for the linguistic customisation action line.

5.2.3 E-Government

- a) Just within the context of existing government activities, the opportunity for G:G, G:B and G:C Internet transactions is the biggest single opportunity for national language development of the Internet. G:G will improve the communications within government; G:B will reduce procurement costs while encouraging all players in the supply chain to use the Internet, and use it in the national language of the government. G:C will reduce the cost of government service, improve its quality and give nationals of the country increased incentive to be Internet-connected.
- b) At the international level, companies planning to transact with national governments may be obliged to do so in the national language.
- c) Governments which wish to operate or transact on the global stage may choose to do so in many languages. In this context it will be interesting to see how the language strategy of the EU develops for communications between Member States and between the Institutions and Member States.
- d) E-democracy requires widespread Internet penetration. It will be a potentially positive side effect of the range of programmes advocated here.

5.2.4 Government Information Sources

- a) This is one of the action lines of the Commission's Programme. It is an essential element in the development of national languages on the Internet, but it is certainly not the only element.

- b) Generally speaking, any non-national seeking to search national government data sources should be prepared to do so in the national language. Translation would not seem to be a priority, although key word searches in global languages would be helpful.
- c) Language customisation will have its greatest impact on Europe-wide data bases.

5.2.5 **Non-government Information Sources**

- a) Organisations with data of general interest will advance their own organisational objectives by making their information available on line. This is true, for example, of sport clubs, companies, NGOs, professional organizations, etc.
- b) Where these organisations have international audiences, they will presumably provide translation into these audiences. The action line could support these activities.

5.2.6 **Entertainment**

- a) There is a natural audience for entertainment in national languages. Hence the success of national TV.
- b) There is an opportunity for multi-national exploitation of national TV and film output in major EU languages. Second language preferences amongst EU citizens may be changed significantly by the accession of the applicant states.
- c) There are significant export audiences for entertainment. Language is an important factor in entertainment success abroad.

5.2.7 **Education**

The Internet can be readily exploited inter alia for language teaching to students of all ages.

5.2.8 **Content targeted at children**

- a) The importance of national language web-sites of an exemplary type cannot be over-emphasised. There is a major opportunity for translation of successful EU children's web-sites for markets in all Member States. The linguistic and cultural dimensions are relevant.
- b) It is particularly important for children that national information sources are available on line - dictionaries, libraries, encyclopaedias etc. By definition, these would be in the national language.
- c) We should not underestimate children's interest in the international dimension of the Internet, nor their language skills. They will be irresistibly drawn to communicate in many languages, and they should be encouraged to do so.

5.3 From the above analysis, the main issues are:

- the preservation of linguistic and cultural diversity in Member States,
- the removal of linguistic barriers to commerce and human intercourse, so promoting an EU-wide appreciation and enjoyment of Europe's diverse cultural and linguistic heritage and
- the promotion of European digital content on global networks.

5.4 Addressing these issues depends first on the presence of rich national linguistic "islands" where all dimensions of national life are accessible in the languages of each Member State. In the world of digital content, this means a full complement of national language digital content with appropriate coverage of regional languages as well. Such content should also be accessible by the global Diaspora of European nationals.

5.5 Between these islands it is necessary to build bridges. These exist today outside the Internet. Many citizens are multilingual and enjoy literature, drama and opera in many European languages. The Internet does not create barriers to this existing dialogue. The challenge for the EU is to use the Internet to create even better bridges.

5.6 An important aspect of linguistic customisation is the preparedness of business and other organisations aiming to use the Internet to reach customers or clients. Clearly, to build a web-site conceived for multilingual access will be cheaper to build than one which has to have multilingualism retro-fitted. The ESC welcomes pilot projects in this context.

5.7 As far as linguistic customisation is concerned, there are a number of objectives:

- a) availability of "digital content" in national languages;
- b) availability of national language "digital content" on global networks;
- c) both a) and b) above, with a special focus on applicant States.

In addition, the exploitation of the output of the 5th Framework Programme for RTD³ will be an important part of the action line. Again, looking at the scope of this action line, we have to be concerned about the paucity of the resources applied.

6. Achieving the strategic objectives of the programme

6.1 The strategic objectives of the Programme are given in point 1.3.

³ See ESC opinion on the specific programmes of the 5th framework programme for RTD (1998-2002); OJ C 407 of 28 December 1998, pp.123-159.

6.1.1 Creating favourable conditions for the commercialisation, distribution and use of European Digital Content in Global Networks

In the judgement of the ESC, the programme is likely to start to create favourable conditions but, given the few resources available, may not go far enough.

6.1.2 Stimulating the use of Europe's content potential and, in particular, public sector information

The programme will specifically address public sector information. Given the huge potential of public sector information, the ESC is excited by the ambition of these developments.

6.1.3 Promoting multilingualism in digital content on global networks

To the extent that this involves national languages for national audiences, the programme will undoubtedly make an impact. Reaching international audiences in international languages may be more difficult to achieve.

Increasing the export opportunities of European content firms, in particular SMEs, through linguistic customisation.

This is a very important initiative for SMEs. It should lead to innovation and job creation.

6.1.3.1 Contributing to the professional, social and cultural development of the citizens of the EU

Facilitating the economic and social integration of citizens in the candidate countries in Information Society

- a) To meet both these strategic goals, all the content described in Section 5.2 needs to be available. This requires, in particular, national language ISPs and the full scale digitalisation of professional, social and cultural content onto the relevant web-sites.
- b) The Programme proposed by the Commission can help to kick-start the development of national web-sites in both Member States and candidate countries. In this respect it can be a valuable initiative and has ESC support. However, the scale of EU finance available means that Member States will have to provide most of the resources needed.

7. Conclusions

7.1 We have already shown that the funding allows expenditure of 1 million euros per annum on average in each of the 15 Member States in each of the five years of the programme. To have any impact at all, this support will need to be highly effective and focused.

7.2 The funding can only support preparatory work in applicant countries. Further sources of revenue will then be needed.

7.3 The digital content action line, with its focus on public sector information, provides the opportunity to open up a storehouse of treasure for EU governments, commercial interest and citizens.

7.4 Enhancing linguistic and cultural customisation provides the content industry with welcome stimulus to exploiting the cultural strengths derived from our national diversity. It also facilitates the participation of European citizens in the information society.

7.5 The ESC is very supportive of the main action lines of the programme. It believes that they are well conceived and targeted and have an importance for the European family of nations which cannot be overstated. However, more funds will inevitably be needed.

7.6 On its own, this programme cannot fulfil the strategic objectives set for it. However, it can contribute to the development of these strategies as part of the eEurope 2002 initiative.

Brussels, 29 November 2000.

The President
of the
Economic and Social Committee

The Secretary-General
of the
Economic and Social Committee

Göke Frerichs

Patrick Venturini

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N.B.: Appendix overleaf

eContent

RELATION WITH eEUROPE INITIATIVE

The eContent programme is part of the eEurope action-plan that was endorsed by the European Council in Feira. Action line 3d of the Action plan deals with "European digital content for global networks".

The action plan foresees to "Launch a programme to stimulate the development and use of European digital content on the global networks and to promote the linguistic diversity in the information society, including action to support exploitation of public sector information and establish European digital collections of key datasets". The deadline set by the European Council (and confirmed by the French Presidency) for achieving this goal (the adoption of the eContent programme) is the end of the year 2000.

The importance of digital content was already stressed by the Lisbon European Council that concluded that:

"Content industries create added value by exploiting and networking European cultural diversity",

and that

"Member States and the Commission should ensure the availability of content for high speed networks".

RELATION WITH OTHER EU PROGRAMMES

5th FP	The 5th FP-Information Society Technologies (IST) Programme aims at building a global knowledge, media and computing space which is universally and seemingly accessible to all through interoperable, dependable and affordable products and services. eContent is market and language-oriented. It concentrates on the use of both existing and emerging technologies to narrow the gap between research and market. The IST programme stimulates the required research for providing an information structure of the future while eContent is concerned with digital content production of the public sector and its exploitation and the promotion of the linguistic diversity in the Information Society. eContent builds on the results of the IST programme as when they emerge.
CULTURE 2000	Culture 2000 promotes cultural dialogue , creativity and the transnational distribution of culture. This programme puts emphasis on non-commercial aspects whereas the eContent centres on the business community and the exploitation of public sector information and the promotion of the linguistic diversity in the Information Society.
MEDIA PLUS	MEDIA PLUS addresses the specific needs of the audiovisual segment (television, video, radio, audio and cinema) of the content industry. eContent will contribute to the establishment of a comprehensive European digital content policy in complement to the measures for the audiovisual sector. Both programmes address different content segments, and propose actions adapted to each segment's specific needs. There is no overlap between the action lines of the two programmes.
VENTURE CAPITAL	The proposed actions in the field of venture capital within the proposed eContent programme are complementary to existing initiatives (EIF, DG Enterprise). The aim is not to create new financing-sources, but to make sure that SMEs in the content industries have an easier access to and make a better use of the existing financing possibilities. The EIF-funding is, for example, in principle open for financing SMEs in the digital content sector, but in practice this dynamic sector is at present not well served. Linking the national networks of venture capitalists and interested SMEs in particular start up companies on a European scale will provide one added value to the interested parties.
INNOVATION AND SMEs	Innovation is a key factor in industrial competitiveness, sustainable economic and social development and job creation. Small and medium-sized enterprises (SMEs) are important innovation vectors and players. eContent addresses the digital content and language industries which are, apart from a limited number of international and global players, composed of mainly SMEs and Internet related start-up companies. The eContent programme aims at stimulating these companies and their customers. In short, the innovation and SME programme and eContent are fully complementary in improving the competitiveness of SMEs for the new economy.

ENTERPRISE POLICY	Enterprise policy needs to address the entire business environment to enable enterprises, whatever their size, their legal form, sector or location, to grow and develop in a way that is compatible with the overall EU goal of sustainable development. In Enterprise Europe, anyone with a commercially feasible idea should be able to realise it in the best business conditions, with access to the best research and technology, and then deliver it, by the best possible means, to the appropriate market. eContent and its digital content and language industries will be driving one of the emerging champions namely the e-Commerce.
IDA	Interchange of data between Administrations (IDA) is a programme supporting the realisation of Community Policies through the use of the Trans-European Telematics Networks. It is based on projects of common interest in the different sectors such as health, social policy, agriculture, fishing, the internal market and the consumer protection. eContent is content and language oriented and mainly targets private sector companies or aims at stimulating public-private partnerships, with a view to exploit commercially the untapped potential of public sector information.
TEN-TELECOM	<p>TEN-Telecom has promoted the launch of trans-European and global telecommunications applications and services. It was launched in June 1997 by a European Parliament and Council Decision, and will run until the end of 2001. The programme funds the validation and the initial phases in the roll-out of an operational service.</p> <p>The thematic focus of eContent, addressing market barriers limiting the exploitation of public sector information, linguistic customisation and two specific market-enablers (access to capital and Multimedia rights clearance) clearly sets it apart from TEN-Telecom. The mechanisms used are also different: eContent is moving away from the classical project support for straightforward market development (addressing structural issues with an importance for the market and society as a whole).</p>