

## **OpenForum Europe Response to Consultation on EU2020**

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### **1. Summary**

OpenForum Europe welcomes the opportunity to respond to this consultation on EU2020. We strongly support the recognition of the need to highlight the role of the knowledge economy and the inevitable even greater acceptance of ICT and web based technologies over the next decade. OFE would welcome the opportunity to clarify any point made in this document and to participate in follow up discussions.

The Commission is right to recognise that Europe can not assume leadership in, what will be by definition increasingly and relentlessly, a global market, and that Europe must satisfy the needs of its citizens, businesses and government – alongside its responsibilities to act itself as a global champion.

*« ...you had better be good at the touchy-feely service stuff, because anything that can be digitised can be outsourced to either the smartest or the cheapest producer, or both »<sup>1</sup>*

So it is essential that Europe does focus on its sustainable strengths, and we support the three key drivers identified in the Consultation,

- *Creating value by basing growth on knowledge*
- *Empowering people in inclusive societies*
- *Creating a competitive, connected and greener economy*

The identification of a *5th Freedom* created by a genuine European Knowledge Area is an ambitious objective, particularly as it can only be perceived as a differentiator if it surpasses its competitors in other regions. Yet it is exactly the right focus and ambition – the question is whether Europe has the determination (as well as the investment) to make it succeed? There can be no question of looking back on past practice, no question of making 'easy' decisions because of existing vendor pressures, but instead making decisions which are clearly made because of current and future benefit.

Knowledge is at the centre of the strategy, and the document makes note of the need to develop clear and attractive frameworks and conditions in the areas of education and research, innovation and creativity. A well functioning system of intellectual property rights is spoken of, yet we know that past attempts have been tarnished with protection of past practice, rather than the needs of the future. In the area of ICT and software in particular, such decisions will be crucial if we are to move forward with a truly open digital agenda.

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<sup>1</sup> The World is Flat, Thomas L. Friedman, ISBN-13:978-0-374-29288-1

The Internet has had a pivotal impact on the past decade, both in the delivery of governmental services, and to the empowerment of the citizen. It has also raised a level of expectation of what is possible, questioning core decisions on why something was not possible? Web based technologies and access to information can be expected to maintain the development we have seen in the past. The capability will be there but will we be ready to develop the opportunity? To turn information into knowledge, to build the skills necessary at all levels, and to support the develop of the virtual pan European infrastructure necessary to maximise the single market?

OpenForum Europe (OFE) is a not-for-profit member organisation based in both Brussels and the UK, established to support an open and competitive IT market in Europe. It is an influencing and campaigning organisation which engages in promoting the principles of real openness in ICT solutions. In doing so OFE is an active supporter of Open Standards, of wider, but careful use of the Open Source /Free Software business model, and the avoidance of lock-in through 'Openness'. OFE has naturally focussed its input solely on those areas where it has greatest knowledge.

OFE believes that in the broadest area of the Digital Agenda that EU2020 should focus its attention in three areas:

- **A focus on 'openness' as the basis for all strategies and initiatives.**
- **A proactive and coordinated approach to ICT skills across society**
- **Endorsing procurement practices that put the strategy into fact, and alienating those that don't.**

## 2. Openness

«**Openness**» is a frequently used term. Whereas openness is rarely defined in a succinct and measurable way, for most people it is intrinsically linked to open standards based interoperability.

OpenForum Europe (which has championed the phrase since its inception) has recognised the pivotal importance of «openness» as an enabler to attributes such as *competitive choice, freedom from lock-in, ability to freely move to new innovative solutions, protection of data portability, interoperability of solutions, as well as few restrictions on access.*

Openness has formed the backbone of many new developments in IT, notably the Internet itself. At a recent OFE Summit Vint Cerf used the expression «*If its not open, its not the Internet*»<sup>2</sup>. This simple statement (widely repeated since) underlines the success of the Internet in ensuring that innovation could occur where it mattered without recourse to expensive and complex IPR searches on the use of underlying technology or protocols.

The new paradigm that is 'Cloud Computing', offering as it does the potential for increased convenience and flexibility, builds on the success of the Internet with the promise of private, Internet like, web hosted ICT environments. But we can not assume that they will play by the established openness of the Internet. If unchecked, clouds may also lead to unhealthy competitive pressure upon trust, relations and business models in the existing vendor community. The issue of openness will occur not only regarding the accessibility and interoperability between clouds, but also regarding the ease by which a user can move data and services between clouds. Government's role should be to ensure that cloud based offerings truly become services of long term benefit, given the opportunity to move beyond software or hardware as mere products.

Two of the tools most commonly associated with «openness» - **Open Standards** and **Open Source Software**, have clear (but possibly controversial) definitions:

**Open Standards** are always an explicit and essential contribution to «openness» and interoperability. They apply equally to proprietary and open source based solutions without bias. OFE supports the definition contained in the European Interoperability Framework V1.0<sup>3</sup>, which reflects the importance of (1)

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2 OFE Summit 2009, [www.openforumeurope.org](http://www.openforumeurope.org)

3 European Interoperability Framework V1.0, [www.ec.europa.eu/idabc](http://www.ec.europa.eu/idabc)

accountable and transparent processes for creating and maintaining a standard, and (2) ensuring wide use of a standard, without bias to any business model, and without sustained competitive advantage for those who took part in developing the standard. In software, royalty free licensing remains a fundamental way of delivering that lack of bias.

**Open Source Software**, is an additional tool that, provided it is based on open standards (the norm), encourages reuse of software and solutions, and encourages multi-actor development without leading to lock-in. For those reasons it has formed an important component of many Government strategies when they have declared support for «openness». Open Source Software without open standards could lock you into a relationship with a particular systems integrator, in essence just shifting the lock-in to another part of the software chain.

### **So is a formal definition of Openness available?**

In practice, OFE has found it more effective to concentrate on defining its reverse – being *closed*. So instead of focussing questions which ask the positive, it is found to be easier when evaluating openness to seek evidence of the opposite, ie what restrictions are being made. Lock-in can occur in many ways - technical issues for example, such as :

- Dependence on undocumented or proprietary protocols
- Dependence on undocumented or proprietary data formats
- Licensing terms that preclude the use of alternative products
- Reliance on extensions to standards whereby users are obliged to use those extensions to obtain good performance
- The development of standards that are based on patents or other forms of restrictions that constrain others from providing compatible competing implementations without providing explicit ex ante declarations that could provide certainty about the cost or value of using certain standards.

However, lock-in can also occur as a result of commercial practices such as licensing or marketing agreements, to the extent where they may result in reduced substitutability as far as the user is concerned.

### **How Should Openness be Reflected in Government Legislation and Strategy?**

The attributes associated with « Openness » in the first paragraph of this brief should not be controversial (unless you are a vendor trying to protect a monopoly),

- *competitive choice,*
- *freedom from proprietary lock-in,*
- *ability to freely move to new innovative solutions,*
- *protection of data portability,*
- *interoperability of solutions,*
- *no restriction on access*

The mandating of Open Standards for interoperability and data portability will be an explicit aspect of any government strategy. Preference or not for use of Open Source may well be present, primarily in support of reuse, but « openness » will always be equally relevant when selecting between proprietary solutions which may be open standards compliant.

Focus, therefore, will be on the selection criteria for procurement of both products and services, taking into account as much the non-technical issues raised, as those of technical interoperability. Updated, simple Procurement Guidelines will be at the centre of any Government policy.

The rapid adoption of Cloud Computing will challenge many past practices and impose new areas of focus, but does not change the underlying principles of « openness ».

## **3. Skills**

For many the digitally empowered citizen and employee is already a fact of life, yet our observance is that

ICT skills and education are singly deficient by focussing on past product knowledge rather than the new skills of the future. For many educational establishments it remains a financial uncertainty other than to develop and run courses based on current middle of the road proprietary solutions - rather than develop new thinking, new approaches, and a new way of working.

OFE believes that current EC and national government investment should be reevaluated to determine the level at which investment focuses on new multimedia and web based skills, and solutions based on a variety of business models.

OFE also draws attention to the significant dangers of core ICT architectural and planning skills being placed outside public sector organisations. The inevitable financial pressure on the public sector have continued to result in amalgamation or outsourcing of services. In some situations this has resulted not only in outsourcing of delivery of a service but the core skills necessary to develop new or upgraded services, with innovation losing out as a result. How will Government retain and develop those core skills?

## 4. Procurement

A year ago OFE published the results of a survey into ICT Procurement practice in the EU<sup>4</sup>. OFE monitored public procurement notices for computer software published on Tenders Electronic Daily. 136 contact notices were scanned for trademarks in the period from February 1 to April 25, 2008. OFE's monitoring exercise showed that in 34 tender notices out of 136 (25 percent), company brand names were mentioned in procurement documents effectively preventing competition from alternative products. EU and Member State procurement authorities were warned that our data was likely to show only the tip of the iceberg. The OFE study was limited in time and scope, and encountered significant linguistic barriers. That survey is currently being repeated but early indications show only a minimal variation in result.

So even in the most basic of matches between legislation and procurement practice the latter is found to be wanting. If you now extrapolate that match between ICT strategy and procurement practice we would suggest an even greater disparity. For example if OFE had distributed this document in the ISO approved document format « odt » just how many Commission officials receiving it would have been able to read and comment on it natively on their PC, rather than have it translated (back to a proprietary format) from a central DIGIT service?

At a OFE Briefing in 2008, Neelie Kroes, European Competition Commissioner reminded governments, *“As purchasers, we need to be smart when we buy technology. We need to be aware of the long term costs of lock-in; you are often locked-in to subsequent generations of that technology. There can also be spill-over effects where you get locked in to other products and services provided by that supplier..... That is just bad purchasing”*

Government is by far the largest purchaser of ICT, yet as a way of providing leadership it is grossly underutilised. OFE believes there needs to be a direct link between strategy and procurement practice. Some member states e.g. Netherlands have taken the first steps in this, but the vast majority have not.

## Notes

OpenForum Europe (OFE) is a not-for-profit member organisation based in both Brussels and the UK, established to support an 'open' and competitive IT market in Europe. OFE is supported by some of the most influential ICT companies including Deloitte, Google, IBM, Oracle, Red Hat and SUN but also particularly works in strong partnership with a long list of both national and European partners.

OpenForum Europe acknowledges all the input received from its members and partners in the compilation of this document. However, OpenForum Europe does not seek to represent any specific community nor present their opinions as being unanimously supported by their full membership. References given are fully attributed and every effort made to ensure they have been taken in true context.

[www.openforumeurope.org](http://www.openforumeurope.org)

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4 [www.openforumeurope.org/press-room/press-releases/procurement-study-release.pdf/view](http://www.openforumeurope.org/press-room/press-releases/procurement-study-release.pdf/view)