

National Conference

The Action Plan for the Development of the Information Society. A Project for Italy

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Speech by Prime Minister the Rt. Hon. Massimo D'Alema

Introduction. Naturally, as Minister Antonio Maccanico has already said, it is not possible to draw conclusions from such a task, also because you yourselves will be the ones to draw conclusions, by delivering to us an Action Plan that will form an important foundation for the work that our Government has undertaken.

I would like to thank the President of the Republic for collaborating with this initiative and I would also like to express my pleasure at being able to attend a conference dedicated to issues of major importance to the Government. The choices made in this field are the cornerstone of Italy's modernisation, and although the transformation is complex, the final goal will see our country equipped with the institutional and economic structures to enable it to be a major player in the changing world order.

A main player in the transformation. It is a difficult project that encounters a lot of resistance, with past experience hindering, and rendering everything more complicated in our country. This difficulty can be quantified: among major European countries, ours is the one to put aside 100,000 billion lire from the primary surplus. This is a legacy of our past. If we did not have this enormous weight on our shoulders, we could use those resources as a launching pad.

Therefore, the battle for modernisation must be fought with a burden that makes each choice all the more difficult. Every lira that changes hands must be the fruit of courageous decision-making. This must be done with the peace of mind that every lire spent is an investment for the future of Italy, and without a single lire going to waste.

Our project is to modernise Italy. For years we have been dedicating all our energy to this end. Major steps have already been taken, however, we are in a difficult situation, a sort of 'eternal Italian transition'. In spite of this we have managed to maintain a course that has allowed us to move nearer to a more mature political system, based on the alternation of programmatic comparison between different governing classes, and no longer through ideology alone.

Economic recovery. In order to enter into the Euro, it was necessary to reassess our public accounts. Present with us today is one of the main players in this campaign [President of the Republic Carlo Azeglio Ciampi], which was conducted with the participation and consensus of the Italian people, who were conscious that the outcome would dictate the future of Italy. Social solidarity and particularly

inflation, as it is the most unfair of taxes because it hits the weakest the hardest, were major issues in this fight. We can say without a doubt that equality is a value held dear in every civilised country.

In a recent phase characterised by dramatic conflict, Italy proved itself capable of facing up to its responsibility with consistency and determination. Under those circumstances, the country demonstrated that it was able to meet its obligations towards economic recovery without neglecting its international commitments.

It is this regained credibility that raises our profile and allows us to be more respected abroad. I do not believe that we can "just make do for the time being", nor that there is a short cut, nor strategies with low impact. Although I respect these opinions, I do not share them, and I am convinced that those who are not up-to-date and instead are motivated by the attitude that was adopted twenty years ago, are destined for defeat.

That was a historic phase frozen in time, in which Italy enjoyed a geopolitical "situation rent" in the world, and many social and professional groups benefited from the "situation rent" in our country. There are those who maintain that those positions, and the complex system of inter-linked favours which have marked our country for so many years, can still be defended today. I do not share this belief. Blue skies are not always on the Italian horizon. The Euro is a challenge, to which we must respond with increased competition and the modernisation of our country. With the passing of each day, we become more aware of the difficulties in meeting this challenge, but we can do so by mustering all of our strength.

A project for Italy. The quality of our system. In order to respect this commitment, an alliance between the workforce, businesses and intellectuals needs to be created. Determination and moral strength need to be employed to pave the way, always taking into account that progress is not measured in minutes, nor in days but over a much longer period during which we are able to bide our time. We must take advantage of the plain sailing, and yet stand firm when rough seas are ahead, with the goal of achieving a strategic project for our country always at the forefront of our minds.

That is to say that we have no intention of going back on our word, and we realise that the completion of this project relies not only keeping a firm grip on public spending, but also on raising the overall quality of our system.

I thoroughly agree with Sergio Cofferati that the theme of quality regarding our system is critically important, as it is much clearer than the old method of competition, a method that was founded on the capacity of Italians to dominate in areas requiring inventiveness, taste and "made in Italy" quality. Nevertheless, in the world of globalisation in this sector, we are on the heels of countries in which the cost of labour is only comparable with advanced and civilised countries such as our own.

We cannot continue to compete on that level, we can no longer shrewdly devalue our currency. It has been important to us – to use a football metaphor – to continue playing in the premier league, trying to compete with countries with a high level of production and technology. It is on this level that Italy must take up the gauntlet.

Combine dynamism with solidarity: a real objective for Europe. This is why the theme of our conference is in this respect determined and decisive. Above all, in my opinion it is useful to take the data into account, even though most of you in this hall could present it to me.

Having realised that I should abandon my 'American dream', I would, however, like to talk about the United States. This is not because I have an "American dream", but because I believe that if Europe wants to measure up, it must do so by using the United States as a yardstick, trying to match the progress made in the there.

In truth, I have another dream, a dream that is shared by probably everyone, even the President of the United States: to unite the dynamism of American society with the solidarity of European models. This has not been achieved so far, but we should try to compete with the fact that over a third of the population in America has internet access, and that 200,000 billion lire worth of economic

transactions are projected for 1999, using the data transmission network.

Technological innovation, engines for development. The growth rate for the adoption of new technology is much higher in western countries. Although Italy was a late starter compared with its main partners, nevertheless, it is currently enjoying rapid development. Over the past year, 400,000 Italians have made a purchase using Internet. This is not an enormous amount, however, it must be taken into account that it is four times greater than the previous year. It is such a striking trend that allows us to understand the true value of this figure.

The economic impact of what is currently happening is clearly evident in the United States. Forty percent of new jobs are linked to new Information Technology. These statistics are not just mindlessly recited on certain social occasions, they are figures which are recalled to indicate the inescapable fact that the phenomena that make up the Information Society raise important questions on an economic and social level in the world today.

New opportunities for success. The Linux example. Having said this, it is not only the quantitative aspect of new technology that is of crucial importance, but also, and to a greater extent, its qualitative characteristics. New ground can be covered, new opportunities are created, and with the opening up of this world comes freedom. But it must not be forgotten that with the advent of freedom necessitates the creation of new rules, as freedom without rules rapidly generates new forms of power, this is inevitable.

If I can give you an emblematic example. At the beginning of the 90's, at the age of twenty, Linus Thorvald, a young Finn, invented a computer operative system called Linux. It is a system which is now giving Microsoft a run for its money.

I am amazed that a young man, without being tied to a contract, without the incentive of financial reward and without the support of a large company can create a system capable of competing with one devised by a multinational company that is one of the richest companies in the world.

This example illustrates the freedom and opportunity which the field offers – something which cannot be measured. It would be impossible to measure the company's turnover as it does not exist, neither would the operating system, nor that particular product if the network did not exist.

The moral of this story is that statistics alone do not demonstrate the importance of what is currently happening, above all because new technology represents a new era.

We could not even say where the operative system came from as it occurred on the network, which is by nature without territory. The realm of data transmission – as someone called it – is a new sphere of action where the old way of thinking is inadequate, and those called to govern it are subjected to solicitations and must confront problems without the instruments necessary [to tackle them].

How ICT has changed politics. The territorial dimension. The problem is that governing always takes on a territorial dimension and political parties are always organised on a territorial basis - as is state administration. We have always taken for granted the state of things; the way in which we interact and discuss, make decisions and govern always used to depend on the physical proximity of others. Territory expresses the proximity and distance of individuals.

This has all now changed, an example being the nightly meetings (at 11pm in order to respect the time differences) between the foreign ministers of the United States, Great Britain, Germany, France and Italy to collectively discuss the situation in Kosovo and what course of action to take. This was all made possible by video conference.

In my opinion, the use of technology in this case influenced the *political* course of this event and allowed Europe to be more *Europe*, more so than when each foreign minister communicated individually by telephone with the US Secretary of State. This is an example of how to change policy, as we are only at the beginning, it can change rapidly and impressively due to the impetus of employing new technology – such as the virtual production of the Linux operative system which

shows that distance is nullified. We must try to manage interaction between local and global. Traditionally, local infers territorial, however, the new global spaces do not rely on territorial reference.

Nowadays, we have to deal with virtual spaces, such as in the sphere of world-wide financial transactions and international exchange. I may have told this story more than once, not because I am repetitive due to age, but because it was something that impressed me. I paid a visit to the control room of a major American company where I found a group of experts at their computer terminals deciding whether to buy or sell treasury bills in real time. What struck me the most was the reaction of three American boys at the terminal that dealt exclusively in Italian public debt investment. When they saw me they had the same look that my son has when he sees Supermario. I was like a character from a video game for them, not a real person, but a gentleman whose declarations via Reuters, either in favour or against the next Budget, immediately affect their video game. The emotion was overwhelming. Naturally, I arrived and said "Buy! Buy!" – to what effect I do not know.

All of this demonstrates not only how the economy is changing, but also how *politics* are changing. Today, politicians – at least the leaders of advanced countries - must know that they are not only responding to their electors, but also to the here and now on the virtual scene, in this enormous multimedia theatre. In such an arena, a gesture, a certain mode of behaviour, a declaration may have incalculable consequences when using a traditional criteria of reasoning.

European integration. As a result, states become less governable and experience a loss of sovereignty. This is one of the effects of the new world, it is inevitable. [Individual States] try to co-ordinate themselves in order to bring back social and economic processes within a certain sphere of influence that in a certain way becomes international. Giving this sphere a part of national sovereignty is a way of maintaining democratic sovereignty, yet there is always the risk of losing it completely.

This is also why it was important to join the Euro. It is true that outside the Euro, we would have had less ties, we would have had no stability agreements. On the other hand, we would have counted for less because others would have been the decision-makers. We would have been hanging onto their coat tails. At least now we are a part of the club and we can decide the limits to our ties.

Integration is only possible if we have something to say, a position to defend, the strength to carry it out, credibility and reliability, reputation, consistency and respect for agreements. How could we enjoy profit-making participation in a new attempt to manage governable spaces in this new world? How could we raise the value of our convictions and interests on a global scale if we are known abroad as the ones who start an enterprise without the certainty that it will be completed? The answer is: we could not.

A cloud of bits above us. A scenario of virtual spaces is in the process of opening up, a strange cloud of bits is appearing on the horizon, a cloud which brings uncertainty to our society. We do not yet know if this cloud will bring fine weather or will provoke the storm clouds of competition between economies who steal each others resources, jobs and possibilities of growth in a situation where geographical borders no longer defend the markets. Even in the service sector, which in the past has always been characterised by a local market, today, due to tele-working the market has been transferred onto a global scale.

Globalisation requires new rules. Rules are needed, and in this respect I think the last G7-G8 summit in Cologne was very important. The decision was taken to construct a new international financial architecture. President Ciampi, during his presidency of the interim committee (from which we stole him to give him another job) made a considerable contribution to this process. This preparative work has allowed us to take the first step towards giving the monetary fund committee a *political* function. This includes anticipating crises and creating a forum for financial stability.

No one can prevent the people I mentioned above from buying and selling treasury bills by tapping computer keys. However, I do believe that politics can foresee and avert crisis, shocks, and begin to target the movement of capital which is purely speculative because they want stable returns. This raises the interest of even private groups – the more serious of which do not have interests in movements which are purely speculative because they want stable returns and certainty for their

savers.

All in all, as I have already said, the world is developing a set of rules. This is the most important challenge. Rules do not resolve the problem of competition and not taking up this challenge entails a high price for our country. Let me reiterate that the challenge of competition does not exclusively and obsessively rely on cost, but also on quality. Costs must be such that we are competing on the same level as other countries. However quality is the crux of the matter.

Intangible production, an opportunity for Italy. Ours is a strong country, a country with a long tradition of vitality and inventiveness. In a world of intangible production and competition that depends on human intelligence – for that is the Information Society – Italy will not let the side down, because we possess resources on a global scale, such as Italian ingenuity that the State has not yet succeeded in putting on the network to exploit it to its full advantage.

Yet there is a gap between the abilities of Italians and the capacity of Italy [to value these abilities]. Whilst participating in a recent European-Latin American summit, it struck me how the President of Brazil – whilst speaking about the role of Europe and European civilisation in the creation of Latin America - spoke of the role of Spain, Portugal, Great Britain and France and then of "the Italians". It was not a gaffe, Italy as a concept is [actually] difficult to define. Having said this Italians are an extraordinary reality, above all because they started to build South America when Italy did not exist, therefore from a chronological point of view it is right to say "Italians". I felt proud, but also a little humiliated. Italy needs to reach the greatness of the people who inhabit it – otherwise why are we here?

We must tackle this challenge and consider it an opportunity for civil and economic growth, an opportunity to enrich our democracy and forms of participation because technology of the world-wide network means interaction and participation, the enrichment and improvement of the efficiency of public administration, and also of business organisation. It is also a challenge which involves organisation and quality of labour.

Managing flexibility together. I agree with those who are wary of demanding flexibility, also because flexibility has already begun due a drive by various governments - even composed by parties that represent the workers movement. And yet we have not stood back: we have courageously introduced the regulation of temporary work agencies, part-time jobs, short-term job contracts. Even in a year of low growth, 282,000 jobs were created. It is not an "ideological" figure, on the contrary it is part of the statistics. In fact, today 10.6 [percent] of jobs in Italy are bound by contracts that are considered innovative regarding the traditional relationship long-term work.

Therefore innovation has already begun. We need to plough ahead and without doubt computer technology will encourage us to explore new ground. The main problem is the position expressed by the trade union leader Cofferati: either this flexibility must be negotiated recognising the basic rights of the *person* in employment, or must only be decided by the employer. The second option is unacceptable.

Therefore, it seems to be a good idea to me to make a contract for this sector. In my opinion it should be such as to recognise the most advanced forms of diversification, but at the same time offer a less rigid framework of rules for the individual to which we have already referred.

Now is the time to help all young – and not so young - Italians who are experiencing difficulties in navigating the Net, and in using new technology. We must open up contact (this being the function of our - your - Information Society Forum) between the Government and that part of society which is more advanced and aware, in such a way as to extract ideas and proposals.

New businesses have sprung up, small businesses possessing innovative ideas (for example, the Italian Association of Internet Providers), which are a very active reality that did not exist five years ago. We are aware of the problems that can arise in this world and we will try to overcome them with you.

Things are now changing, the transition is already underway, and in some parts already complete. The telecommunication system in Italy has been revolutionised, the liberalisation process of this area took place in a relatively short time - also because we were late starters – and now there are around 50 public telephony operators. The process is not yet finished and there are certain deadlines that lie in front of us that we intend to respect.

I'd also like to say that in such a dynamic sector, opening it up to the market has led to ownership assets that a few years ago would have been considered science fiction. The Government was under fire for not having intervened like a gendarme to redress and preserve the balance that previously existed. On top of this we were accused of exerting government control by those who would have preferred that we intervened in favour of certain interests and to the detriment of others. No matter how hard you try, you can do no right – this is one of the good things about our country.

Transparency and efficiency in public administration. I believe that it is important to make progress. After the *AIPA*, (Authority for IT in the Public Administration), the *Autorità per le Garanzie nelle Comunicazioni* (Authority for equal protection of communications) has been set up and is now operational. The computerisation of public administration and the introduction of the use of Information Technology have been inserted in the general reform process set in motion in the beginning of the 1990's, and already represent in the recent regulation framework the instruments necessary to improve the effectiveness and efficiency of administrative action.

I have heard it been said: "We do not want new laws, we want [the existing initiatives] to fulfil their function: *RUPA* (Public administration single network), digital signatures, computer protocols and electronic identity cards". These have already been established, they just need to be implemented. To proceed is not that easy, it is necessary to issue regulations, but [we are at a good point]. Moreover the use of such technology stimulates the economy, encouraging a public demand which is quantitatively substantial and qualitatively advanced.

As a direct result of the implementation of the *RUPA*, efficiency should increase, organisational costs be reduced, services be improved for citizens as well as businesses, thus contributing to the development of Internet in our country.

Other important initiatives already underway include protocols for digital signatures. Computer protocol transforms an enormous amount of paperwork – an integral part of public administration - into documents under a single name and a fixed point of reference, allowing the citizen to exercise his right of access to the data.

Through the *RUPA*, this forms a basis for the rationalisation, reorganisation and the redistribution – according to the criteria of major efficiency and the reduction of costs increasing its transparency – of the immense human and material resources which are currently used in managing the flow of documentation. All of this increases the transparency of public administration.

It is essential that in bringing about these changes the authenticity of these documents in their electronic form is guaranteed, meaning that author identification and document authenticity must be ensured. Only in this way can documents be freely transferred electronically. In Italy, with Act 59, we have created – amongst the first in the world to do so - the conditions for a cutting edge solution to this problem. In this context, I would like to reaffirm that electronic commerce is an efficient instrument to aid the rationalisation and facilitation of administrative procedures. For this reason it is important to give support to the experimental initiatives which are being carried out by various local bodies. It is also one of the Government's current commitments.

Economic measures for the development of the Information Society. For the first time ever, the Government's EFPD (Economics and Finance Programme Document) pays specific attention to the Information Society.

Allow me to outline the basic element of the direction and objectives of the work being currently carried out by the Working Groups. Firstly, information and digital culture will be diffused through a campaign to raise public awareness as well as promoting new forms of teaching. This, via the

network, will stimulate long distance learning and the promotion of training and re-qualification courses. Secondly, the development of the use of information and communication technology will be conducted through measures aimed at drawing young people into using computers and the network, promoting a connection with Tim and with the network of small and medium-sized businesses, accelerating the diffusion of digital technology and broad-band infrastructures. Thirdly, the promotion of services, contents and research through the growth of research, electronic commerce, on-line services centres, the multimedia industry and support to tele-working.

As you already know, the EFDP does not have to contain specific financial indications. The EFDP is not the budget law, for this reason I am astounded that the Government is accused of doubling back. We are always required to be two steps ahead. The EFDP indicates the direction of political economics, the choices. However, the moment we arrive at specific measures, we will attach figures to honour our commitment to the EFDP, to solidify proposals into concrete action, to promote and give support to growth in this market. I am convinced that the Action Plan for the Development of the Information Society, that will be presented in autumn, will offer detailed stimulus for reference purposes. The initiative that the Government intends to maintain with its wholehearted commitment has had consistency and continuity since the moment we issued the decree that instituted the Forum. Moreover, a task force has been created that is based at the Prime Minister's Office and has the responsibility of following the growth of the project. Working Groups co-ordinated by the professors that we have just heard speak have also been set up. Recently, contact has been set up with enterprises, trade unions, universities, associations and private citizens. In addition to this, a bi-monthly newsletter is sent out to thousands of subscribers. We know that this is not enough, and we feel the burden of our responsibility and everyone's expectations; however, we intend to forge ahead.

Government and new on-line entrepreneurs: a necessary collaboration. I would like to bring to your attention that the Forum has strengthened collaboration between the Government and productive and social partners that deal with new technology. The other day we received a letter from Paolo Cassiano, administrator of a new business that deals in digital media in the music field. He wrote: "We are working towards the realisation of a digital medium that is capable of providing information in an original way and is aimed towards the creation of the personal medium that is often spoken about. We target young people who are 'inspired and enlightened' and from whom society expects progress. We are the first to air music 24 hours a day, music directed at emerging and culturally valid sectors which are often neglected by the 'market'. The problem of copyright was something we faced alone, pushing SIAE (Italian Authors' and Publishers' Association) to launch the first experimental licence for Internet transmission. Newspapers all over the world were talking about it. A small Italian miracle that came from the idea and work of people whose main aim is to communicate. In our own small way, we have created work opportunities that are really needed. Will we be able to continue alone? We do not deny that we also expect help from institutions, because it is from such projects as ours that the Information Society can find tools for training, work opportunities and suggestions." I am not sure if Mr. Cassiano is present here today... I would like to take the opportunity anyway to give a live response, not making particular promises but underlining the stance of the Government and the direction it will take in this collaboration with you, the representatives of such an important and innovative part of Italian society. We are convinced that the future of Italy lies in the technological revolution. This revolution, this "telematic sphere" is not just a mass of cables and computers, but more importantly, an indispensable means of interpreting the current state of our society.

The development of the Information Society. A strategic project for the Government.

In that sphere lies an important part of our future. We cannot easily predict what is on the cards, we are not clairvoyants, however we can already see the potential opportunities for our society. Often, the predictions of the experts are proven wrong after the lapse of a few years, but we know that today we can see the new opportunities offered to society, to the worlds of production and research. Courage, character and strength are needed to make these new opportunities serve our society. These are opportunities that we will be able to take advantage of to increase growth and prosperity. Opportunities that we must embrace in order to carefully guide our country into this new world.

The modernisation of Italy lies in the development of the Information Society. We know - and we will

not change our minds – that this is our project for the future, a project which captures the imagination. All of you are invited to share in this project with us because it is the only one to meet the requirements of our age, of our traditions and of a governing class that wants to be considered as such. Without doubt, our country possesses the backbone and intelligence to seize this opportunity and bring it to fruition. Thank you.