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COMMISSION OF THE EUROPEAN COMMUNITIES

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Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

**amending Regulation (EC) No 808/2004 concerning Community statistics on the
information society**

(presented by the Commission)

EXPLANATORY MEMORANDUM

1. CONTEXT OF THE PROPOSAL

- **Grounds for and objectives of the proposal**

Information and Communication Technologies (ICT) account for a significant part of European Union (EU) productivity and Gross Domestic Product (GDP) growth and are transforming our societies and economies in a profound and unprecedented way. ICT continues to be a major driver of economic and social modernisation. Community policy has taken a pro-active approach with the aim of building a fully inclusive information society, based on widespread use of information and communication technologies in public services, small and medium-sized enterprises (SME) and in households. Benchmarking is playing a central role in monitoring Community policy and its progress towards the renewed Lisbon aims. This benchmarking requires harmonised, reliable, high quality and timely Community statistics on the information society.

- **General context**

In its communication "i2010 - A European Information Society for growth and employment"¹, the Commission promotes an open and competitive digital economy, emphasises ICT as a driver of inclusion and quality of life and provides a comprehensive strategy for the ICT and media sector. Allied to this strategy, benchmarking is seen as playing a central role in monitoring progress towards the renewed Lisbon objectives. The Commission drew up the i2010 benchmarking framework² in close collaboration with the Member States, which sets out a list of key indicators for the related monitoring process. These indicators are grouped according to the main goals of the i2010 strategy, i.e. monitoring of the European Information Space, research and innovation in ICT by businesses, social inclusion, public services and quality of life.

There is a continuing need for statistical data provision in this domain, as ICT is still having a major impact on European businesses and societies. The development of the participative web, the worldwide computing grid, the "Internet of Things", ubiquitous connectivity and the next generation networks underline the need for statistical information on the information society. In addition, ICT and ICT related innovation are being considered as fundamental input for the development of a knowledge-based economy.

The internet is changing from an information source to an increasingly participative worldwide web. Citizens are contributing more and more to the web and using it for the purposes of blogging, media sharing and social networking.

¹ COM(2005) 229 final

² http://ec.europa.eu/information_society/europe/i2010/benchmarking/index_en.htm

Indications are evident that the internet will develop into a worldwide computing grid permitting remote access to secure computer resources on a just-in-time basis. This development in particular is important for European businesses as significant gains in productivity are expected through better allocation of resources.

In future, more and more devices, sensors and objects will be connected through fixed or wireless networks. They will be able to interact with the environment and send information to other devices autonomously. This development of the "Internet of Things" will have relevance for transport, the environment, health care, sustainability and security systems and it will generate large efficiency gains in the economy. Mobile devices are becoming more intelligent and integrating several functions in one device. People are increasingly using these mobile devices that connect wirelessly to the internet for retrieving and sending information. This will reinforce the development of the participative web and trigger location-based services. One consequence of these trends is the increase in data traffic which will stimulate the transition to a second-generation broadband based on the Internet Protocol and offering significantly higher speeds. The move towards next-generation networks is one of the most significant challenges characterising electronic communications in the coming years.

The Commission, in consultation with Member States, has developed a Broadband Performance Index to benchmark overall performance of Member States on a range of factors which include various socio-economic dimensions as well as the take-up of advanced services. The statistical data are of great importance to continue monitoring performance in this area.

The structural indicators used in the annual Spring Report to the European Council require indicators based on coherent statistical information from the information society domain.

- **Existing provisions in the area of the proposal**

Regulation (EC) No 808/2004 of 21 April 2004 concerning Community statistics on the information society³ defines an annual statistical data provision for the two modules of "enterprises and the information society" and "households/individuals and the information society". The Regulation contains a maximum time limit of 5 years after its entry into force. It is recognised among major stakeholders that the key objectives of the current Regulation have been achieved to a great extent. The related process of harmonisation throughout the European Union has strongly influenced the development of ICT statistics worldwide, putting the Statistical Office of the European Communities (Eurostat) and the European Statistical System in a leading position. The proposal to amend Regulation (EC) No 808/2004 will ensure the provision of statistical data on ICT usage in households, by individuals and in enterprises for the purpose of the benchmarking framework and its further developments under the Lisbon strategy. At the same time, this amendment aims to update the subjects of statistical data provision to cater for the new developments in the area of ICT. Additionally, means for data analysis would be improved with the objective of a better use of the statistical data and a reduction of burden on respondents. This will be achieved by introducing new

³ OJ L 143, 30.4.2004, p. 49

methods of data analysis as part of the proposed Programme for the Modernisation of European Enterprise and Trade Statistics (MEETS)⁴.

The proposed Regulation is in accordance with the Commission's new policy approach to the simplification of legislation and better regulation, as referred to in the Communications of 14 November 2006 on "a strategic review of better regulation in the European Union"⁵ and on "reduction of the response burden, simplification and priority-setting in the field of Community statistics"⁶. It is one of the fast track actions identified in Annex III to the Communication of 24 January 2007 on an "Action programme for reducing administrative burdens in the European Union"⁷.

- **Consistency with other policies and objectives of the Union**

Information society services are seen as being vital to the development of the European Internal Market⁸. Electronic commerce in particular offers significant employment opportunities; it stimulates growth and investment in innovation by businesses and can contribute to enhanced competitiveness. In this respect, it is important to monitor the development of e-commerce within the internal market with statistical indicators.

Coherent statistical information is useful for defining and reporting on ICT skills indicators and thus setting up a coherent framework of indicators and benchmarks for monitoring progress towards the Lisbon objectives in education and training⁹.

The proposal is consistent with the Commission priorities and the initiative focusing on better regulation, simplification and reduction of the burden on respondents.

2. CONSULTATION OF INTERESTED PARTIES AND IMPACT ASSESSMENT

- **Consultation of interested parties**

Consultation methods, main sectors targeted and general profile of respondents

The proposal has been discussed with data producers in the European Statistical System, in the relevant working group, and with the heads of statistical offices and directors for business and social statistics. Secondly, the respective Commission DGs and services (DG INFSO, DG ENTR, DG MARKT, DG SANCO, DG REGIO, DG EAC, DG EMPL and DG JRC) have been consulted. Thirdly, the proposal has been discussed with international organisations (OECD - Organisation for Economic Cooperation and Development).

Summary of responses and how they have been taken into account

⁴ COM(2007) 433 final

⁵ COM(2006) 689 final

⁶ COM(2006) 693 final

⁷ COM(2007) 23 final

⁸ OJ L 178, 17.7.2000, p. 1: Directive 2000/31/EC of the European Parliament and of the Council of 8 June 2000 on certain legal aspects of information society services, in particular electronic commerce, in the Internal Market (Directive on electronic commerce)

⁹ COM(2007) 61 final

The current proposal is the result of intensive negotiations between all interested parties. Given the rapidly changing nature of ICT, it is considered important to maintain flexibility in the proposal as regards the subjects for which statistical data should be provided. In that connection, there is a need for fast provision of statistical data. The subjects have been updated in order to ensure consistency with the expected development of information society technologies. Provisions have been made to ensure harmonisation with other social statistics. Finally, there will be greater potential for statistical data analysis through the provision of individual data records.

- **Collection and use of expertise**

Scientific/expertise domains concerned

The national and Commission (DG JRC, DG INFSO, DG ENTR, DG MARKT, DG SANCO) representatives at the meetings of DG Eurostat's task force and the working group on "Information Society Statistics" were all experts with knowledge of the existing legislation, the national systems for collecting and compiling information society statistics and new trends in the development of ICT.

Methodology used

The experts contributed to task force and working group meetings and written consultations during the preparation process.

Main organisations/experts consulted

The main experts were from the National Statistical Offices and from DG JRC, DG INFSO, DG ENTR, DG MARKT, DG SANCO, DG REGIO, DG EAC and DG EMPL.

Summary of advice received and used

The existence of potentially serious risks with irreversible consequences was not mentioned.

The experts contributed to the definition of new subjects related to the use of computers and the internet for which statistical data should be collected in the future.

Means used to make the expert advice publicly available

The working documents and minutes of the meetings of the task force and working group are available via CIRCA.

- **Analysis of effects and consequences**

Two options have been identified:

Option 1: (The current Regulation will expire in 2009) – It would not be possible to carry out the surveys on ICT usage in enterprises and in households and to receive harmonised data at European level enforced by European law. The consequence would be a gradual return to the situation prior to 2005. Statistical indicators were not

harmonised between countries and thus not comparable. The set of indicators were not tuned to policy needs at European level. As there are still significant differences in the use of ICT between Member States, Member States would very likely focus on different indicators related to ICT. There was a significant time lag between collection of statistical data at national level and publication at European level. The quality standards applied would differ from country to country. This would lead to a situation where separate statistical data collections, most likely from the private sector, would replace official statistical data at European level, resulting in a loss of credibility of statistical data at European and at Member States level. A concerted approach between European policy institutions and the Member States would be increasingly difficult.

Option 2: (The current Regulation will be amended) – Amendment of the current Regulation would secure the continuous provision of statistical data on the information society. The definition of statistical indicators would be harmonised within the European Union. Further harmonisation would be achieved through the definition of a common model questionnaire and the updating of the methodological manual, which would also define common quality principles. The set of indicators would be tuned to relevant policy needs at European level. The data collection period would be harmonised within the Member States, which is important to balance seasonal effects. Rapid publication of statistical data at European level would be guaranteed. Acceptance and credibility of statistical data at European and Member States level would be higher than in option 1. Benchmarking of European and national policies would be considerably facilitated. Expiry of the current Regulation would not significantly reduce the burden on respondents, as Member States would continue to collect statistical data on the information society at national level.

3. LEGAL ELEMENTS OF THE PROPOSAL

- **Summary of the proposed action**

The objective of the amended Regulation is to ensure the continuation of the existing common framework for the systematic production of reliable, harmonised, timely and high quality Community statistics on the information society and the provision of annual statistical data on ICT usage in enterprises and in households. In addition, the proposal aims to update the Regulation according to the needs of a rapidly evolving statistical domain.

- **Legal basis**

Article 285 of the Treaty establishing the European Community provides the legal basis for Community statistics. Acting in accordance with the codecision procedure, the Council adopts measures for the production of statistics, where necessary, on the performance of the activities of the Community. This Article sets out the requirements relating to the production of Community statistics, stating that they must conform to standards of impartiality, reliability, objectivity, scientific independence, cost-effectiveness and statistical confidentiality.

- **Subsidiarity principle**

The subsidiarity principle applies insofar as the proposal does not fall under the exclusive competence of the Community.

The objectives of the proposal cannot be sufficiently achieved by the Member States for the following reason(s).

The objectives of this proposal, namely the establishment of a common framework for the systematic production of Community statistics on the information society, cannot be sufficiently achieved by the Member States.

Community action is more suited to achieving the objectives of the proposal for the following reason(s).

The objectives can be achieved more readily at Community level on the basis of a Community legal act, because only the Commission can coordinate the necessary harmonisation of statistical information at Community level, whereas the collection of data and compilation of comparable statistics on the information society can be organised by the Member States. The Community may therefore take action to this end in accordance with the principle of subsidiary as enshrined in Article 5 of the Treaty.

The formulation of policies at European level and the benchmarking of these European policies will be considerably facilitated. It will be easier to make comparisons between Member States using benchmarking exercises.

The objective of the Regulation is the establishment of a common framework for the systematic production of Community statistics on the information society at European level. This can best be achieved by coordination at European level.

The proposal therefore complies with the subsidiarity principle.

- **Proportionality principle**

The proposal complies with the proportionality principle for the following reason(s).

In line with the principle of proportionality, this Regulation confines itself to the minimum required to achieve its objective and does not go beyond what is necessary for that purpose. This Regulation does not specify the data collection mechanisms for each Member State, but merely defines the data to be supplied so as to ensure a harmonised structure and timing.

The proposed amendment to Regulation (EC) 808/2004 of the European Parliament and of the Council does not oblige Member States to change the system of production of statistics on the information society. The proposal contains an adaptation to other social statistics concerning a common set of socio-economic background variables. At the same time, the provision of individual data records would mean fewer burdens on the National Statistical Offices. The burden on enterprises is kept stable following a significant decrease in the 2007 implementing measures programme¹⁰.

¹⁰ COM(2008) 35 final: Commission Working Document of 30 January 2008 "Reducing administrative burdens in the European Union 2007 progress report and 2008 outlook"

- **Choice of instruments**

Proposed instruments: Regulation

Other means would not be adequate for the following reason(s).

Selection of the appropriate instrument depends on the legislative goal. Given the information needs at European level, the trend for Community statistics has been to use Regulations rather than directives for basic acts. A Regulation is preferable because it lays down the same law throughout the Community, assuring its accurate and comprehensive application by the Member States. It is directly applicable, which means that it does not need to be transposed into national law. In contrast, directives, which aim to harmonise national laws, are binding on Member States as regards their objectives, but leave the national authorities the choice of form and methods used to achieve these objectives. They also have to be transposed into national law. The use of a Regulation is in line with other statistical legal acts adopted since 1997.

4. BUDGETARY IMPLICATION

The data collection has no new implication for the Community budget.

5. ADDITIONAL INFORMATION

- **Simplification**

The proposal provides for simplification of administrative procedures for both public authorities (EU or national) and private parties.

The proposal specifies subjects for which data on the information society should be collected and defines breakdowns or socio-economic background characteristics for data provision. It is explicitly stated that the annual data provision would only cover a subset of subjects and breakdowns. The provision of individual data records for the module on individuals/households rather than aggregate data lessens the burden on national Statistical Offices, as they do not have to produce aggregates.

This proposal is one of the fast track actions identified in Annex III of the Communication on an "Action programme for reducing administrative burdens in the European Union". The Commission working document (COM(2008) 35) reports considerable progress in reducing the burden on enterprises through simplification and a shorter statistical indicators list in the 2007 implementing regulation.

Proposal for a

REGULATION OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL

amending Regulation (EC) No 808/2004 concerning Community statistics on the information society

(Text with EEA relevance)

THE EUROPEAN PARLIAMENT AND THE COUNCIL OF THE EUROPEAN UNION,

Having regard to the Treaty establishing the European Community, and in particular Article 285 (1) thereof,

Having regard to the proposal from the Commission¹¹,

Having regard to the opinion of the Statistical Programme Committee, established by Council Decision 89/382/EEC, Euratom¹²,

Acting in accordance with the procedure laid down in Article 251 of the Treaty¹³,

Whereas:

- (1) The annual provision of statistics on the Information society as laid down in Regulation (EC) 808/2004 of the European Parliament and of the Council of 21 April 2004¹⁴ is restricted to up to five reference years after the date of entry into force of the Regulation and will end in 2009. However, there is a continuing need at European level for the annual provision of coherent statistical information from the information society domain.
- (2) The Spring European Council in March 2005 stressed the importance of building a fully inclusive information society, based on widespread use of information and communication technologies (ICTs) in public services, small and medium sized enterprises (SME) and households.
- (3) The Spring European Council in March 2006 recognised the crucial importance of more productive use of information and communication technologies in businesses and administrative organisations and called on the Commission and the Member States to implement the i2010 strategy vigorously. It promotes an open and competitive

¹¹ OJ C , , p. .

¹² OJ L 181, 28.6.1989, p. 47.

¹³ OJ C , , p. .

¹⁴ OJ L 143, 30.4.2004, p.49. Regulation as amended by Regulation (EC No 1893/2006 (OJ L 393, 30.12.2006, p. 1)

digital economy and highlights ICT as a driver of inclusion and quality of life. It is seen as a key factor in the renewed Lisbon partnership for growth and jobs.

- (4) In April 2006 the i2010 high level group endorsed the i2010 benchmarking framework, which sets out a list of key indicators to benchmark the development of the European Information Society as laid out in the i2010 strategy.
- (5) Decision 1639/2006/EC of the European Parliament and the Council of 24 October 2006 establishing a Competitiveness and Innovation Framework Programme (2007 to 2013)¹⁵ helps to enhance competitiveness and innovation capacity in the Community, to promote the advancement of the knowledge society, and to foster sustainable development based on balanced economic growth. The decision requires the Community to equip itself with sound analytical basis in the respective areas to support policy making. The programme supports actions for policy analyses based on official statistics.
- (6) At the ministerial debate on e-inclusion in December 2007, the Communication of the Commission on a European Initiative on e-inclusion – “To be part of the Information Society”¹⁶ was welcomed in the conclusions of the presidency. The importance of promoting e-inclusion as major European objective was recognised. The Commission and ministers were in particular called upon to integrate e-inclusion as new dimension of social policies. e-Inclusion policies should address e-accessibility barriers, bridge digital competence gaps and encourage effective participation of individuals lagging behind in the information society.
- (7) The indicators for benchmarking the development of the information society as expressed in the political strategies of the Community, such as the i2010 benchmarking framework of the i2010 strategy and its further developments under the Lisbon strategy have to be based on coherent statistical information.
- (8) Regulation (EC) No 808/2004 should therefore be amended accordingly,

HAVE ADOPTED THIS REGULATION:

Article 1

Regulation (EC) No 808/2004 is amended as follows:

1. In Article 3, paragraph 1 is replaced by the following:

"1. The statistics to be compiled shall include information required to benchmark political strategies of the Community on the development of the European Information Space, business innovation and the European Information Society, such as the i2010 benchmarking framework and its developments under the Lisbon strategy, and useful to the structural indicators, and other information necessary to provide a uniform basis on which to analyse the information society."

¹⁵ OJ L 310, 9.11.2006, p. 15.

¹⁶ COM(2007) 694 final.

2. In Article 6, paragraph 1 is replaced by the following:

"1. Member States shall transmit the data and the metadata required by this Regulation and its implementing measures, including confidential data, to the Commission (Eurostat) in accordance with the existing Community provisions on the transmission of data subject to statistical confidentiality. Those Community provisions shall apply to the treatment of the results, in so far as they include confidential data."

3. In Article 7, paragraph 2 is replaced by the following:

"2. For the purpose of this Regulation, the following quality assessment dimensions shall apply to the data transmitted:

- (a) 'Relevance', which refers to the degree to which statistics meet current and potential needs of the users;
- (b) 'Accuracy', which refers to the closeness of estimates to the unknown true values;
- (c) 'Timeliness', which refers to the time lag between the availability of the information and the event or phenomenon it describes;
- (d) 'Punctuality', which refers to the time lag between the date of the release of the data and the target date when it should have been delivered;
- (e) 'Accessibility' and 'Clarity', which refer to the conditions and modalities by which users can obtain, use and interpret data;
- (f) 'Comparability', which refers to the measurement of the impact of differences in applied statistical concepts and measurement tools and procedures when statistics are compared between geographical areas, sectoral domains or over time;
- (g) 'Coherence', which refers to the adequacy to be reliably combined in different ways and for various uses.

In applying the quality assessment dimensions, the Commission (Eurostat), in close cooperation with Member States, shall develop detailed quality assessment criteria and common standards designed to ensure the quality of the data provided. These standards shall be published in the methodological manual."

4. Annexes I and II are replaced by Annexes I and II to this Regulation.

Article 2

This Regulation shall enter into force on the twentieth day following that of its publication in the *Official Journal of the European Union*.

This Regulation shall be binding in its entirety and directly applicable in all Member States.

Done at Brussels,

For the European Parliament
The President

For the Council
The President

"ANNEX I

MODULE 1: ENTERPRISES AND THE INFORMATION SOCIETY

(1) Aims

The aim of this module is the timely provision of statistics on enterprises and the information society. It provides a framework for the requirements in terms of coverage and periodicity, subjects covered, breakdowns of data provision, type of data provision and any necessary pilot studies.

(2) Coverage

This module covers business activities within Sections C to N and R and Division 95 of the statistical classification of economic activities in the European Community (NACE REV. 2).

Statistics will be compiled for enterprise units.

(3) Periodicity of data provision

Statistics will be provided annually following the date of entry into force of this Regulation. Not all characteristics will necessarily be provided each year; the periodicity of provision for each characteristic will be specified and agreed upon as part of the implementing measures referred to in Article 8.

(4) Subjects covered

The characteristics to be provided will be drawn from the following list of subjects:

- ICT systems and their usage in enterprises,
- use of the internet and other electronic networks by enterprises,
- e-commerce,
- e-business processes and organisational aspects,
- use of ICT by enterprises to exchange information and services with governments and public administrations (e-government),
- ICT competence in the enterprise unit and the need for ICT skills,
- barriers to the use of ICT, the internet and other electronic networks, e-commerce and e-business processes,
- ICT expenditure and investment,
- ICT security and trust,
- ICT and sustainable development

- impact of ICT on productivity, economic growth, employment, business organisation and the environment,
- use of ICT to facilitate national and international economic integration,
- access to and use of the internet and other network technologies for connecting objects and devices (Internet of Things),
- access to and use of technologies providing the ability to connect to the internet or other networks from anywhere at any time (ubiquitous connectivity)

Not all subjects will necessarily be covered each year.

(5) Breakdowns of data provision

Not all breakdowns will necessarily be provided each year; the breakdowns required will be drawn from the following list and agreed upon as part of the implementing measures:

- by size class,
- by NACE heading,
- by region: regional breakdowns will be limited to no more than three groupings.

(6) Type of data provision

Member States will transmit aggregate data to the Commission (Eurostat).

(7) Pilot studies

Whenever significant new data requirements are identified, insufficient quality of data is to be expected or new indicators of a complex nature are required, the Commission will institute pilot studies or testing measures to be completed on a voluntary basis by the Member States before any data collection. These pilot studies will assess the feasibility of the respective data collection, taking into consideration the benefits of the availability of the data in relation to the collection costs and the burden on respondents. The results of the pilot studies or testing measures shall contribute to the definition of new indicators.

ANNEX II

MODULE 2: INDIVIDUALS, HOUSEHOLDS AND THE INFORMATION SOCIETY

(1) Aims

The aim of this module is the timely provision of statistics on individuals, households and the information society. It provides a framework for the requirements in terms of coverage and periodicity, subjects covered, breakdowns of data provision, type of data provision and any necessary pilot studies.

(2) Coverage

This module covers statistics about individuals and households.

(3) Periodicity of data provision

Statistics will be provided annually following the date of entry into force of this Regulation. Not all characteristics will necessarily be provided each year; the periodicity of provision for each characteristic will be specified and agreed upon as part of the implementing measures referred to in Article 8.

(4) Subjects covered

The characteristics to be provided will be drawn from the following list of subjects:

- access to and use of ICTs by individuals and/or in households,
- use of the internet and other electronic networks for different purposes by individuals and/or in households,
- ICT security and trust,
- ICT competence and skills,
- barriers to the use of ICT and the internet,
- perceived effects of ICT usage on individuals and/or on households,
- use of ICT by individuals to exchange information and services with governments and public administrations (e-government),
- access to and use of technologies providing the ability to connect to the internet or other networks from anywhere at any time (ubiquitous connectivity)

Not all subjects will necessarily be covered each year.

(5) Socio-economic background characteristics of data provision

Not all background characteristics will necessarily be provided each year; the background characteristics required will be drawn from the following list and agreed upon as part of the implementing measures:

(a) for statistics supplied for households:

- by household type,
- by income group,
- by region.

(b) for statistics supplied for individuals:

- by age group,
- by sex,
- by education level,
- by employment situation,
- by de facto marital status,
- by country of birth, citizenship,
- by region.

(6) Type of data provision

Member States will transmit individual data records, which will not allow direct identification of statistical units concerned, to the Commission (Eurostat).

(7) Pilot studies

Whenever significant new data requirements are identified, insufficient quality of data is to be expected or new indicators of a complex nature are required, the Commission will institute pilot studies or testing measures to be completed on a voluntary basis by the Member States before any data collection. These pilot studies will assess the feasibility of the respective data collection, taking into consideration the benefits of the availability of the data in relation to the collection costs and the burden on respondents. The results of the pilot studies or testing measures shall contribute to the definition of new indicators."
