Spoken column by Alan Cane

I am a journalist rather than a politician or policy maker and therefore I have no answers, only questions and observations. Let us hope these do not upset your digestion too much after that excellent lunch.

The transistor, the device which sparked off the modern information technology revolution, was invented in 1947. More than half a century later, European governments are still debating how best to exploit the potential that flows from that ground-breaking achievement. There have been numerous “wake-up” calls over the years of which the Lisbon accord is only one of the latest examples. To judge from the measurable results, however, Europe has largely pressed the snooze button, turned over and gone back to sleep. I won’t repeat the dismal figures here. To create, as the Lisbon accord would have it, the most competitive and dynamic knowledge based economy is a good and noble intention. Unfortunately, as we know only too well, the road to hell is paved with good intentions: today, Europe is closer to hell than to heaven. It leads in no area of the information technology universe with the single exception of second generation mobile telephony where the decision to mandate a single standard, GSM, across the Union has paid dividends for manufacturers, network operators and consumers. This, however, looks like being a temporary triumph. It is by no means certain - in fact it is highly unlikely - that Europe will be as successful in establishing its UMTS standard as the world standard for third generation mobile telephony and its successors: that is, for broadband services to mobile devices. There was a significant element of luck in the GSM triumph. The US had hardly wakened to the possibilities of mobile telephony. Japan took a different technological route. As a result there are now more than one billion GSM subscribers, all of whom could, in theory, be migrated to UMTS. But Japanese and Chinese manufacturers have taken the initiative in developing the technology and it will be hard for the Nokias, Ericssons and Siemens to reclaim it from the NECs, Samsungs and TCLs. China alone has 40 mobile phone manufacturers selling over 800 different models. One question, therefore, is can Europe discover an as yet uncommercialised yet disruptive technology or technologies in which it can set a world standard for the benefit of its manufacturers and consumers - and so steal a competitive advantage before the Americans, the Japanese, the Chinese and others catch on? One cannot rule out such a possibility but so far there is little on the technology radar screen and it may be asking too much to expect a second slice of luck. The bigger question is whether there is a real will to create what we might call “Europe Incorporated” which could take advantage of the economies of scale available to a population of almost half a billion citizens. (I use the American form, Incorporated, because of the diversity of ways of describing a public company across Europe - but more of that later.) We can take it as read that little benefit will come from trying to go head to head with the Americans and the Asians who are already well entrenched in key areas of information technology: the mass manufacturer of semiconductors, computers and computer software. The day of the European national computer champion is over. Europe has its successes - ARM Group in the UK and SAP in Germany come to mind - but where is the strength in depth? You can argue that a better approach is to make use of ICT to improve the competitiveness of Europe's industries. The US economy, for example, is believed to have managed sustained growth through the 1990s and to have survived the crash of the dot.com boom because of, on balance, its superior use of ICT Now, simply to keep up with rivals, let alone take a competitive advantage, a company has to invest in at least a basic level of information technology. It has to equip its workforce with up-to-date computers and computer networks. It has to use the best software to improve efficiency. And it has to have common standards and ways of describing its business processes across all its workers and geographic regions. I am not convinced that, on these terms, Europe is even close to basic fitness for competition. Look at the example of developments in China. Its "Golden Projects" plan, initiated in 1997, will eventually see a broadband network established across the country together with electronic payments systems, paperless foreign trade and electronic tax collection. Some systems like these are already in place across Europe, but few of them have been established by agreements like the Lisbon Accord. There is, essentially, a void between what politicians and officials would like to happen and what actually happens - since 2000 reforms have not taken place and competitors have sped ahead. There is a void between officialdom and the ICT community - witness the row over the patentability of computer software. And there is a void between member states' individual ambitions and the ambitions of the union as a whole. To me, this seems to be the root of the problem. Each individual country in the union has its own agenda, its own plans - well, perhaps wish-list is more accurate - to use ICT to become the most competitive, knowledge-based economy. Europe as Europe Incorporated is supposed to implement the 10 ICT breakthroughs listed in the PricewaterhouseCoopers if the Lisbon goals are to be reached. But can the cultural, political, linguistic and business differences between Europe's states be overcome to allow for such an ambitious undertaking? After all, some countries, mentioning no names, have yet to adopt the Euro. We know Europeans can work together: the success of Airbus Industries proves that in business. The success of the golfers who retained the Ryder Cup proves in leisure. But these are isolated examples. Working in partnership with companies from other parts of the world may also present a route forward. I would point as an example to Fujitsu-Siemens, a five year old relationship which, after tough restructuring, seems to be benefiting from hybrid vigour.

I said at the beginning that I had no answers, only questions. So my final question to you is: how can Europe Incorporated be made to work? Otherwise, we may as well tuck the PricewaterhouseCoopers proposals on the shelf with the rest of grand schemes and leave it to individual countries to sink or swim as they may.