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Report

drawn up on behalf of the Committee on Economic and
Monetary Affairs

on the proposal from the Commission of the European
Communities to the Council (Doc. 1-1232/83 - COM(83)
658 final) for a Decision amending Council Decision
79/783/EEC in respect of general measures in the field
of data processing

Rapporteur: Mrs M-J DESOUCHES

PE 88.882/fin.

On 16 January 1984 the Commission's proposal was referred to the Committee on Economic and Monetary Affairs as the committee responsible, and to the Committees on Budgets, Energy, Research and Technology, Legal Affairs and Youth, Culture, Education, Information and Sport for their opinion.

On 21 December 1983 Mrs Desouches was appointed rapporteur on the forthcoming proposal from the Commission. The Committee considered the Commission's proposal and the draft report at its meetings of 21-22 February 1984 and adopted them unanimously.

The following took part in the vote: Mr Moreau, chairman; Mrs Desouches, rapporteur; Mr Beazley, Mr von Bismarck, Mr Bonaccini, Mr Delorozoy, Mr I. Friedrich, Mr Herman, Mr Leonardi, Mrs Nielsen (deputizing for Mr De Gucht), Mr Nordmann, Mr Nyborg, Mr Rogalla (deputizing for Mr Schinzel), Mr Van Rompuy, Mrs Théobald-Paoli, Mr Welsh and Mr Von Wogau.

The opinions of the Committees on Budgets, Energy, Research and Technology, Legal Affairs and Youth, Culture, Education, Information and Sport will be published separately.

The report was tabled on 23 February 1984.

The deadline for tabling amendments to this report will appear in the draft agenda for the part-session during which it will be considered.

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The Committee on Economic and Monetary Affairs hereby submits to the European Parliament the following motion for a resolution together with explanatory statement:

MOTION FOR A RESOLUTION

closing the procedure for consultation of the European Parliament on the proposal from the Commission of the European Communities to the Council for a Decision amending Council Decision 79/783/EEC in respect of general measures in the field of data processing

The European Parliament,

- having regard to the proposal from the Commission to the Council (COM(83) 658 final)¹,
- having been consulted by the Council (Doc. 1-1232/82),
- having regard to its own previous resolutions (OJ C 239/16 of 20.10.1975, OJ C 28/6 of 9.2.1976, OJ C 241/41 of 10.10.1977, OJ C 128/101 of 15.4.1983);
- having regard to the report of the Committee on Economic and Monetary Affairs and to the opinions of the Committees on Budgets, Energy, Research and Technology, Legal Affairs, and Youth, Culture, Education, Information and Sport (Doc. 1-1472/83),
- having regard to the result of the vote on the Commission's proposal,

1. Welcomes the fact that the Commission has finally presented its proposals for the extension and reinforcement of the first part of its multi-annual data-processing programme;
2. Expresses its regrets that the Commission had previously done so little to pursue this first half of the programme, dealing with such vital areas as standardization and public procurement activities on which Parliament has always put such strong emphasis, and had put more priority on the second part instead;
3. Supports the proposed activities on standardization, and the technical priority areas identified by the standardization subcommittee (inter-connection and intercommunication, programming languages, data-protection and ergonomics), but puts particular emphasis on the need for action in the field of data protection, where common standards should be adopted throughout the Community;

¹OJ No. C 334, 10.12.1983, p.11

Requests the Commission to report regularly to the Parliament on progress on standardization in these fields, so that Parliament may then be able to lend its political support when necessary;

4. Regrets that the Community is still not taking full advantage of the Council Directive in the field of public supply contracts that has been applicable to the data-processing sector since January 1981, and that action on this part of the data processing programme did not begin until December 1982. Insists that real progress now be made;
5. Recognizes the legitimate fears about the employment effects of the new technologies and considers it vital that studies be made to assess the long-term consequences on society of the fundamental change in life-styles and working methods brought about by data-processing; this technological change must be directed and controlled; also recognizes the possible dangers to the individual of abuse of computerized data of a personal nature, and therefore calls for a proposal for a directive on the protection of personal data and the rights of the individual in the field of data-processing;
6. Calls for Community action to provide legal protection for computer programmes, in view of the fact that at present they are excluded from the legislation protecting patents, which results in great legal uncertainty;
7. Considers it important not just that the Commission should carry out studies of the competitive position of the different parts of the data processing sector, but also that their results be publicised as widely as possible, in order to help mobilize public opinion in the member States to the competitive threat that is increasingly being posed to the Community in these spheres, and to the need for Community measures to redress the situation;
8. Supports the Commission's proposals to help the dissemination of basic research results, and to facilitate contact between researchers. Points out, in addition, the need to encourage the development of centres of excellence at Community level so that researchers are more likely to remain within the Community than go elsewhere, and also the need to ensure a much greater mobility of researchers from one Community country to another;

9. Supports the Commission's proposals subject to the above comments, urges that they be adopted by the Council as rapidly as possible, and asks to be kept regularly informed of any problems that have arisen;

10. Instructs its President to forward to the Council and Commission as Parliament's opinion, the Commission's proposal as voted by Parliament and the accompanying resolution.

EXPLANATORY STATEMENT

INTRODUCTION

1. The Commission's present proposal calls for the extension of the first part of the multi-annual data processing programme (1979 to 1983), adopted by the Council in September 1979. This first half covers activities designed to create or maintain conditions favourable to the development of data processing within the Community.
2. The Commission had already put forward, in July 1982, a proposal⁽¹⁾ for the continuation and expansion of the second part of the programme, that dealing with Community support for the development of software and applications. Parliament's resolution on this proposal was adopted on 1983⁽²⁾, on the basis of a report by Mr Herman⁽³⁾.

The Commission's proposals concerning extension of the first half of the programme

3. The Commission's proposals seek to improve the environment for the further development of data processing within the Community. They cover four sets of activities in particular:
 - (i) the promotion of international standards and their implementation in the Community context (including defining of priority sectors, providing the infrastructure for the better cooperation of experts and activities within the Community, ensuring that Member States actually apply standards approved at Community level, ensuring better dissemination of Community information on standardizing and providing Community support for international standardization). 11,800,000 ECU are requested;

(1) COM (82) 356 fin

(2) OJ

(3) Doc. 1-1312/82

- (ii) activities concerning public procurement (including the possibility of laying down principles to be applied in the evaluation of tenders, establishing standard contracts conditions, examining progress already made, etc.). 850,000 ECU are requested;
- (iii) measures to promote knowledge of the sector, and work on the protection of data persons (including more systematic analysis of the situation of the sector, the effects of data processing on employment and on society in general, confidentiality and data security, legal protection for computer programmes, and on the information society and its environment) 3,350,000 ECU are requested;
- (iv) support for cooperation in basic research (including establishing procedures for joint consultation between research centres, the discussion and possible definition of research projects under the Community data-processing policy, and projects in such fields as artificial intelligence and data communication) 8,000,000 ECU are requested;

5. In all the Commission is requesting 24 million ECUs in order to permit the extension of the programme for a further 3 years from 1984 to 1986 (10 million ECUs had been allocated for the year 1979 to 1983).

Evaluation of the proposals

6. Parliament has consistently supported the Commission's proposals for multiannual data-processing programmes, and their extension. It has, however, been extremely critical of the slowness of implementation of these programmes, and of the way in which resources for them have constantly been pruned back. The inevitable result has been that the initially ambitious objectives of ensuring "by the early 1980s a fully viable and competitive European-based industry in all the fields concerned" (1) has not only not been achieved, but the Community's competitive position has actually deteriorated.

(1) Council resolution of 15 July 1974 OJ C 86/1 of 20.7.74

7. While almost all its members would like the Community to support the development of data processing some of the ways in which it could do this are controversial.

Implementation, however, of measures to improve the background environment, in such fields as standardization and public procurement, are supported by most groups in the Parliament, which has emphasised their importance on numerous occasions. These are just the fields covered in the Commission's present proposal.

Parliament emphasized this point strongly when approving the extension of the second part of the programme⁽¹⁾ when it wondered whether it was "strategically appropriate to call for the extension and reinforcement of the second part of the multiannual programme without having implemented and completed the first part or without at least implementing it concurrently". It also made a firm request⁽²⁾ for "the Commission to submit as soon as possible its proposals for completion of the first half of the programme and report on the obstacles it encountered".

8. The Committee on Economic and Monetary Affairs strongly welcomes, therefore, the fact that the Commission has finally put forward these proposals, but regrets that they were not put forward before. The Committee is also very critical that the Commission had previously done so little to pursue this first half of the programme, and had put more priority on the second part instead.
9. The Committee on Economic and Monetary Affairs has the following comments on specific aspects of the programme.

¹ Resolution of

² OP CIT, paragraph 8

- 9a. The proposed activities on standardization are worthy of strong support, and have always been emphasised by the Parliament. The actual technical priority areas identified by the standardization subcommittee (interconnection and intercommunication, programming languages, data protection and ergonomics) all seem important areas for standardization action. The Committee would place particular emphasis, however, on the need for action in the field of data protection, where common standards should be adopted throughout the Community, both to protect Community citizens and to prevent competitive distortions.

Standards are a technical field and Parliament can clearly not get too closely involved in the details. Nevertheless the Commission is asked to report regularly to the Parliament on progress on standardization in these fields, and on political and other problems that have arisen, in which Parliament may then be able to lend the Commission its support.

- 9b. The public procurement activities that are proposed are also of great significance, in that the Community is still not taking proper advantage of the Council Directive in the field of public supply contracts that has been applicable to the data-processing sector since January 1981. Harmonizing national procedures in this field will be vital if Community industries are to benefit from the scale of the Community market, in which, as the Commission points out in the background part of its document (COM (83) 658 fin, page 13) public contracts exceed the volume of Federal contracts in the U.S.A.

The Committee regrets that action on this part of the data processing programme did not begin until December 1982, and insists that real progress now be made.

- 9c. The Committee on Economic and Monetary Affairs places particular importance on the section of the proposals dedicated to improving knowledge of the sector, training and protection of data and persons.

Five ideas should be considered:

- 1 - knowledge of the sector and medium and long-term prospects;
- 2 - effect of technological changes on society;
- 3 - changes in employment;
- 4 - data protection and individual rights in relation to data processing;
- 5 - legal protection and efforts to combat the vulnerability of computerized systems.

(i) Firstly it is important that the data processing indicators be continued, and indeed extended to cover new areas as is proposed by the Commission. In this context, however, it is vital not just that these studies be carried out, in particular long-term forward studies outlining future trends but also that their results are publicized as widely as possible. Such publicity will help mobilize public opinion in the Member States, so that objectives can be defined and decisions made about the type of society we wish to live in.

(ii) Any assessment of medium and long-term prospects should make it possible to come to terms with the technological changes, taking account of world economic, social and cultural trends and changes in lifestyle (effects of information technology on transport, planning, regional planning, leisure etc.).

The Committee on Economic and Monetary Affairs suggests that such an assessment should be submitted half-way through the multi-annual programme to Members of the European Parliament so that they can deliberate on what objectives should be set for coping with technological changes.

(iii) The quantitative aspects of the effect of information technology on employment (number of jobs lost or created) and its qualitative aspects (nature of new duties, how the worker relates to his work) should be studied. Training should take all these factors into account.

(iv) Data security (also its reliability and the need to ensure that software meets quality standards) is the most important aspect of data protection. It is vital that it should be supplemented by a European directive to ensure that the private individual, as opposed to those keeping the files, can readily understand data that concerns him personally and that such data remains confidential. In this field of data protection it is important to adopt common standards for the whole Community.

However, the Committee on Economic and Monetary Affairs feels that we should go beyond the simple notion of data protection and, as a matter of urgency, introduce the concept of individual rights in relation to data processing, covering the right to know what is done in one's own name and to have a say in technological developments (e.g. through computer 'consumer' associations, along the lines of other consumer associations). It is extremely important to define such rights with a view to obtaining

public support for Community measures for the development of information technology.

- (v) The legal protection of computer programmes is also vital, in view of the fact that they account for such a large proportion of investment (80% of expenditure). Active steps must be taken to harmonize legislation of copyright and to standardize the relevant legal concepts and definitions in this field.

However since the computerized society is so vulnerable all procedures for the protection (or replacement) of computerized systems should be considered.

Lastly, the Committee on Economic and Monetary Affairs calls for special attention to be paid to this third point in the multi-annual programme.

- d. Finally the Commission's proposals would include support for the dissemination of basic research results, and to facilitate contact between researchers. This too is a valid objective, but one might add in this context the need for centres of excellence at Community level so that researchers are more likely to remain within the Community than go elsewhere, and also the need to ensure a greater mobility of researchers from one Community country to another. This latter was strongly supported by the current president of the Council of Industry Ministers, Mr Fabius, when he recently appeared before the Committee on Economic and Monetary Affairs.

