

Digital innovation is, at least on paper, one of the pillars of Europe's economic policy programme; however, statistics show how large the gap is between ambition and delivery. Let's take infrastructure: the goal is to ensure that all households and business can access a 30 Mbps broadband network and at least 50% subscribe to internet connections above 100 Mbps by 2020. The Digital Agenda Annual Progress Report presented in June by the European Commission showed that fast broadband (i.e., at speeds greater than 30 Mbps) could be accessed by 54% of European citizens, while the figure in Italy was a very poor 14%. Although these figures should set alarm bells ringing, the pace in the EU still hasn't changed.

This was the situation at the European Council in October, as Stefano Parisi rightly points out. Many people thought the session was going to be a turning point, from the paradigm of austerity to the courage of growth. The Council conclusions shattered this hope; the best the EU could do was to focus on fighting the erosion of the tax base.

Who knows whether President Letta, a staunch pro-Europe supporter, had this in mind when he recently complained that the EU institutions were unable to formulate a vision of long-term economic growth in Europe, let alone put it into practice. EU Member States, and Italy in particular, will be able to achieve the goals of the Agenda only if investments in digital infrastructures are freed from sovereign debt constraints. So far Italy has not prevailed in this battle: will this change when Italy holds the European Presidency?

However Europe isn't the only focus. The laudable task of public spending rationalisation and requalification could be a unique opportunity to digitalise the Public Administration as long as we maintain the following principle: organisational models have to radically change to achieve structural savings. One of the priorities of the *Agenzia per l'Italia Digitale* is the public digital identity system, providing citizens and enterprises with online access to all public administration services thanks to interoperable credentials. The first identities should be ready in 2014.

Another hurdle we have to overcome is the long-winded, complex decision-making process. Parisi warns us that in fact things could become much worse if, in an attempt at making lobbying more transparent, the legislator ends up making procedures more intricate and their duration indefinite, thus defying one very important principle - that processes should last only a reasonable length of time. We can but agree with the "no thanks" Parisi uses to counter the proposed idea of regulating lobbyists by creating a professional registry. His position seems to echo a liberal approach: no special laws, no corporations, the Criminal Code can deal with any violations. Everyone here at Telos would like to take this opportunity to wish you all Happy Christmas and a peaceful New Year 2014.

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PARISI

ON THE DIGITAL AGENDA AND... LOBBYING

“ A real spending review of the public system will be successful only if a new digital ecosystem is put in place, and not if we reduce the number of official government cars. ”

“ Representation of interests is more about freedom than rights. ”

Telos: The digital market can drive economic growth, but at the moment public resources to support innovation are in short supply. What priorities should Italy and the European Union focus on, and how can we attract private capital?

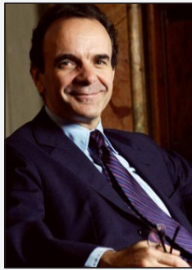
Stefano Parisi: Europe is finding it difficult to decide where to foster innovation: it can still rely on good quality manufacturing industries although the latter are at risk of declining, while the launch of the digital economy is still lagging behind the rest of the world. Europe's priorities – and more so Italy's, because of its age-old structural flaws - should include streamlining public administration, facilitating the creation of innovative enterprises, and focusing on market growth, not by inputting public resources, but by freeing the market from the straitjacket which forces so many young people to go abroad to fulfil their dreams. The digital market grows where it finds the best conditions for investment.

This isn't the case in Italy, and unfortunately Europe is no help because it's doing very little to boost digital innovation. Just take, for example, the last European Council on 24-25 October 2013 which discussed the European Digital Agenda; all the Council managed to do was to create a high level expert group on taxation of the digital economy. Our business association had proposed to launch a growth initiative, by making the goals of the Digital Agenda mandatory in order to force Member States to become fully digitalised by 2020. The answer by the Council was very disappointing. In the meantime, the United States, Asia, and BRIC countries are investing in digital innovation which in turn is boosting economic recovery. Hopefully in upcoming months the EU will send more encouraging signals.

Modernising the access network is a must. What role should the State play vis-à-vis the structure of ownership and management of the network? How 'special' should so-called special powers be?

You cannot change the rules while you are playing the game. That is obvious. The network is owned by a private company and you cannot change this without causing untold damage to the country in terms of its credibility on international markets. The new NGNs are another story: this is a prime objective which the Government must supervise by annually reviewing operators' investments so as to ensure that the objectives of the Digital Agenda for 2020 are achieved (download rates of at least 30 Mbps for all of its citizens and at least 50% of European households subscribing to internet connections above 100 Mbps by 2020). Instead liberalisation should be promoted, in this sector as in other ones; it was a big success in the telephone sector and has provided consumers with double digit savings: we cannot and must not go backwards.

While the easiest way to curb public spending is to make cuts, perhaps it isn't the most farsighted. How can digitalisation help reduce structural costs and make public administration more efficient?



Stefano Parisi has been President of *Confindustria Digitale* since 2011 after covering the same role in ASSTEL, the Association of Enterprises active in the field of fixed and mobile telecommunications. *Confindustria Digitale* is a new federation grouping together several Associations: ANITEC, AIIP, ASSINFORM and ASSTEL. He has had a long career within the Public Administration. In fact, starting in 1992 he was Head of the Department of Economic Affairs of the Prime Minister's Office under five different Prime Ministers: Amato, Ciampi, Berlusconi, Dini and Prodi. In 1994, while the public telecommunications sector was being overhauled and the mobile telephone market was being thrown open to competition, he was Secretary General of the new Ministry of Post and Telecommunications. He has also been Head of the Technical Secretariat at the Ministries of State Enterprises, Labour, and Foreign Affairs. During the Dini Government he was Head of the Department for Information and Publishing. From 1994 to 1997 he was a member of the Board of Auditors of the Italian State Television (RAI) before becoming City Manager of the Milan Municipality in 1997. In 2000 he was appointed as General Director of *Confindustria*; between 2004 and 2010 he was Fastweb CEO, General Director, Board Member and member of the Strategy & Business Plan Committee. In 2012 he founded CHILI S.p.A., a platform for the sale and rental of films on the web; he is the company's main shareholder and President. He is a member of the Board of Trustees of the *Bruno Leoni* Institute in Turin. Stefano Parisi graduated in Economics and began his career at the research department of the CGIL Union. Born in Rome, he is 57 years of age.

Under what conditions do you think it would generate results in a reasonable timeframe?

Digitalisation means reforming the State. The Prime Minister acknowledged this when he spoke at the second annual conference of *Confindustria Digitale* on 21 October. Francesco Caio, the Government Commissioner for implementation of the Digital Agenda is working on several strategic projects to implement this change: the resident population registry, the public digital identity system, and electronic invoicing. However we know how resistant to change Italian bureaucracy is and can be. Since the Digital Agenda came into the cross hairs of the Government in April 2012, after a public pledge by former Ministers Passera and Profumo at our first annual conference, I have to say that very little progress has been made. Our hopes were raised when the Decree setting the framework for the national Digital Agenda was passed a year ago, but since then the technical implementing regulations have hit a dead end.

And yet the Milan Polytechnic has estimated that boosting digital innovation could cut the national Budget by approximately €45 billion due to a more efficient public administration. A spending review of the public system will be successful only if a new digital ecosystem is put in place, and not just by reducing the number of official government cars. The ecosystem should focus on four topics: a new supply and demand *ratio* (public-private partnerships, project financing for digital investments), a univocal and interoperable data structure, processes (re-engineering, digitalisation and integration of flows in an end-to-end logic), and infrastructures (rationalisation, integration and safe data centres).

Confindustria Digitale is working closely with the *Agenzia per l'Italia Digitale* and other administrations to try and accelerate implementation of this new public digital ecosystem.

From time to time, discussions about regulating the representation of interests hits the headlines. In your opinion, what is the most important aspect we have to regulate? Should the legislator tackle the issue by concentrating on the professional qualifications of lobbyists or is it more urgent to introduce rules to improve the quality of the decision-making process and make it more transparent?

I think that several important problems have to be solved if we want to regulate lobbying.

The first is: what exactly should we regulate. In Israel, regulations were established by the Knesset, the Parliament, which also regulated everything that goes on outside the Knesset. This is the first thing we should think about because it's a very sensitive problem; we have to realise that lobbying does not take place only in Parliament. The point is what happens afterwards; so we have to decide what it is that we want to regulate.

Then there's another very sensitive issue; we must avoid tightening and slowing down the legislative and regulatory process. The regulatory process in the field of telecommunications is fairly efficient. Before making a decision the regulator performs a market analysis and launches a public consultation to get an idea of what market actors are looking for. Then he makes the final decision, although this does not mean he will always provide a good regulation; undoubtedly it is a fairly transparent process, but one whose timing is not always easy to predict. And this generates uncertainty among the regulated enterprises. Now let us take a look at what happens in Brussels, where lobbying is strictly regulated: I cannot say that the quality of European regulations and the rapidity of the EU decision-making process gives European economies a competitive edge. So care should be taken not to make the regulatory process so long and so complex that the decision-making system becomes inefficient.

Another issue which is a little confusing is the Professional Register. In fact, lobbying can be performed by an individual enterprise or an individual interest group; what's probably important is that when they lobby, they do it transparently. But I think that having a register to decide who can and cannot lobby because they have or do not have a certificate issued by the Minister of the Interior, a parliamentary office, or Council of Lobbyists is, to put it mildly, something that only a country of self-referential corporations could invent, not a modern country. No thanks, we have had enough of that.

Instead I think that we should focus on the quality of the lobbyists, because they have to work properly and in a transparent and intelligent manner.

We should also remember that we live in a democratic system and that at one point the lobbying has to stop, because it's the political decision-maker who has to decide and take responsibility for his decision. In turn, the decision-maker has to have a peaceful but firm relationship with interest groups, especially when sensitive and complex issues are involved. I think this is the real issue on the table. Representation of interests is more about freedom than rights. It's about freedom because if there's an interest, then its owner should be free to represent it, but like all freedoms, it has to be practised in a transparent, professional and self-regulated manner. I believe more in self-regulation than in unclear laws which are difficult to implement. Although I think we need to dialogue and reason with politicians about how to use lobbying, I have serious doubts about the usefulness or need to pass an *ad hoc* law on this issue.