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Conference Paper

The Importance of a Strategic Approach to Developing a Regional Information Society

39th Congress of the European Regional Science Association: "Regional Cohesion and Competitiveness in 21st Century Europe", August 23 - 27, 1999, Dublin, Ireland

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ERSA / RSAI 39th EUROPEAN CONGRESS, DUBLIN
23rd – 27th August 1999

HUMAN POTENTIAL AND THE INFORMATION SOCIETY

“The Importance of a Strategic Approach to Developing a Regional Information Society”

Patrick Sullivan, Welsh Development Agency

Slide 1



ERSA / RSAI

39th European Congress
Dublin
23rd - 27th August 1999

The Importance of a Strategic Approach to
Developing a
Regional Information Society
Patrick Sullivan

Wales Information Society

I am pleased to have the opportunity to participate in this very important Conference, and in particular to introduce the discussion on what I believe is the vital issue of taking a strategic, regional approach to making the transition to an Information Society.

Slide 2



The Importance of a Strategic Approach to
Developing a Regional Information Society

Key Points of this Presentation

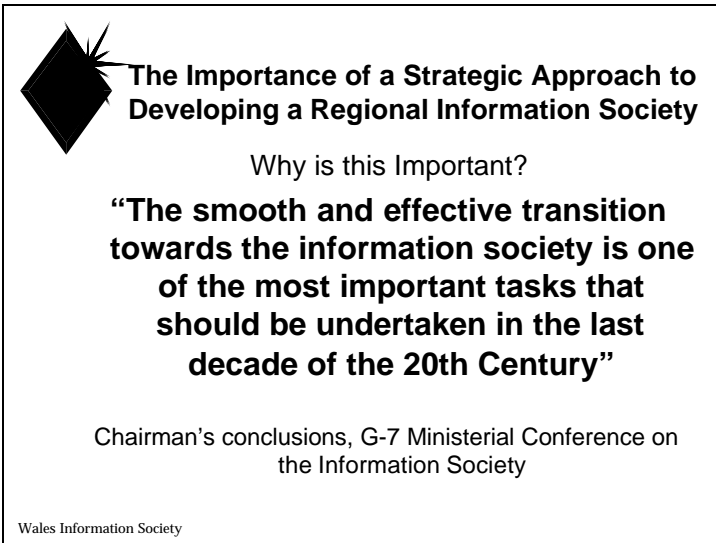
- ◆ **Is a regional strategy necessary? Or will market forces lead the way to the IS?**
- ◆ **What are the challenges we face?**
- ◆ **What are the critical success factors?**
- ◆ **What are the barriers?**
- ◆ **What Partnerships are necessary?**
- ◆ **How can we make effective use of European Funds?**
- ◆ **What is our vision of the IS?**

Wales Information Society

In this session, the key points I would like to bring out are as follows:

- Is a regional strategy really necessary, or would market forces and technological developments drive beneficial changes and take us into the Information Society anyway?
- What are the challenges we face in making the transition to the Information Society? Also what are the critical success factors and the barriers to the successful implementation of a regional strategy?
- What sort of partnerships are necessary at local, national or European level? How can we work together to share experiences, roll-out best practices and build critical mass, rather than all working in isolation?
- How can we make the most effective use of the different sources of EU funding, particularly the 5th Framework Programme, in taking forward both our own regions and Europe as a whole into the Information Age.
- Do we have a vision of a beneficial Information Society?

Slide 3



The Importance of a Strategic Approach to Developing a Regional Information Society

Why is this Important?

“The smooth and effective transition towards the information society is one of the most important tasks that should be undertaken in the last decade of the 20th Century”

Chairman's conclusions, G-7 Ministerial Conference on the Information Society


Wales Information Society

I would like to begin by referring to a quotation which many of you may have seen already. It is an extract from the Chairman's conclusion following the G-7 Ministerial Conference on the Information Society. That is, “the smooth and effective transition towards the information society is one of the most important tasks that should be undertaken in the last decade of the 20th Century”.

I am sure that all of you here today, as practitioners in the field of Information and Communication technologies, are fully aware of the importance of making this transition. However, the key words in this conclusion are, in my view, “smooth and effective”. The

transition to an information society - a knowledge-based society - will happen. As we all know, it is already well underway.

Slide 4



The Importance of a Strategic Approach to Developing a Regional Information Society

The transition to the IS will happen, BUT....

- ◆ If demand lags behind supply, there are the risks that opportunities won't be shared equally, and that the new technologies won't be fully exploited.
- ◆ The challenge is not to develop the technologies, but to ensure that they are put to beneficial use.
- ◆ We must exploit the technology by adding value and by finding out & responding to real user needs
- ◆ We must assess the impact on regional prosperity - the IS is a means to an end
- ◆ We must move away from pilot projects, to sustainable programmes based on best practice.

Wales Information Society

Whilst this is inevitable, I have a few words of caution.

Firstly, over the last few years, the process of change has taken place against a background of economic growth and optimism and an expansion in investment - both by companies and by individuals - in the new information and communication technologies.

Supply-side, or technology-driven advances in communication networks, multimedia applications and information processing will continue apace as manufacturers seek to consolidate their position in tightening markets. My concern, however, is that if the transition to an information society is led by supply-side advances, there is a great risk that the opportunities and benefits will not be shared equally between, and within, Member States.

Secondly, there is the danger that if demand does not keep pace with supply, the potential of the new technologies will not be exploited. And if we don't exploit them, opportunities for employment could be lost, and European companies could fall further behind their counterparts in other countries, especially those who have already begun to exploit the global market opportunities. This means that there is an even greater onus on the key European decision-makers to play an important role in helping to shape and deliver a smooth and effective transition to an information society via a regional strategy.

The biggest challenge we face in moving into the new Information Age, therefore, is not the development of the technology *per se*, but ensuring that we put it to really beneficial use. Faster, more powerful computers are of little benefit if, for example, we are only using a tenth of their capacity for applications which save only a little time. In other words, the challenge is to exploit the technology by adding value and responding to real user needs. The transition to an Information Society is essentially a "people" problem - it is all about leadership, vision, creativity, culture, motivation, enthusiasm, learning processes and willingness to change. Also, the process

of change must be anticipated and guided to ensure that the opportunities are maximised. This, in my view, requires the development of an appropriate strategy at the regional level.

Another concern that I have is that in recent years, many Public Sector led Information Society initiatives and projects have been carried out without any subsequent assessment of the impact they have had on the overall prosperity of the Region. They may have achieved the objectives of the project, but have they contributed to a real improvement in the quality of life or economic well-being of our citizens? We must remember that Information and Communication technologies are not a panacea for economic growth and social development. The Information Society is not an end in itself, but merely a means to an end, an enabling device for our real goal of improving regional prosperity.

So, we must be able to prove or demonstrate that all of the good work being carried out at present is really moving us forward. If we cannot demonstrate the added value that the recent and current developments will bring, how can we convince the European Commission, key decision makers in our own regions, and particularly those who decide on the allocation of funds, that they should provide resources to support future developments? In many respects, the financial support provided so far for the Information Society has been an “act of faith”, an investment for future returns. But I believe that pay-back time is approaching rapidly!

And finally, and perhaps most importantly of all, there is the fact that many previous initiatives have been of a “pilot project”, or feasibility study/research nature. Often, such projects have only had a finite life from the outset, with no real attempt to develop sustainability or to roll them out on a wider scale. We must change this mind-set now. Much has been learned and we have lots of examples of good practice. We should use this to develop large-scale, sustainable, Region- or Nation-wide applications and projects - but only where we can show that there will be a real impact on economic and/or social prosperity. This demands a number of “human” responses - a willingness to share experiences and best practices, a visionary approach tempered with pragmatism and leadership at the highest level.

Therefore, the process of change must be managed effectively if we are to gain real benefit from it. To achieve this, I believe that all European Regions must have a Strategy for their transition to an Information Society. This in turn requires them to have a vision of what they would like to achieve, or where they would like to be in, say, 5 years time. They must have a clear set of objectives, which are realistic yet stretching, and a good idea of what has already been achieved towards reaching these objectives and where the gaps lie. A Strategic Framework can then be evolved for the way in which the outstanding objectives can be realised, and a series of Action Plans can be prepared detailing how the Strategy will be put into effect. It will be crucial for such Action Plans to include measures of success which can be used to determine the impact they are having on the realisation of the strategy, and this in turn requires continuous monitoring and evaluation, reflecting the success (or failures) in modified strategies or actions. This, broadly, is the approach which the Regional Information Society Initiative (RISI) regions have been developing.

Slide 5



The Regional Information Society Initiative (RISI)

- ◆ 6 Pre-pilot IRISI Regions
- ◆ 22 RISI 1 Regions
- ◆ 10 RISI 2 Projects
- ◆ RISI 1:
 - Completed, March 1999
 - ◆ Raise awareness of IS
 - ◆ Identify key issues & options
 - ◆ Build consensus
 - ◆ Prepare Strategy & Action Plans
 - ◆ Mainstream the IS concept

Wales Information Society

The development of a regional strategy is the prime objective of the Regional Information Society Initiative (RISI), which has been initiated by the European Commission. My region, Wales, is one of the 22 RISI regions which, together with the 6 IRISI pilot regions which preceded them, are currently developing strategies and action plans aimed at building consensus and partnerships amongst key local players on ways of profiting from the opportunities offered by the information society.

Most, if not all, of the RISI projects can justifiably claim that they have succeeded in their tasks of raising awareness of the benefits of the information society, identifying the key issues facing each region in the transition to the new society plus the options for tackling these, stimulating further local initiatives, and building consensus on the way forward.

However, one of the priority issues facing the RISI projects - and this appears to be common to all - is the way in which they can ensure that the concept is embedded as a key element in future regional policies and planning documents, particularly as we move into the next phase of structural funds and the fifth framework.

Slide 6



The Regional Information Society Initiative (RISI)

Mainstreaming the IS

- ◆ **IS Strategy & Action Plans must be wholeheartedly endorsed at highest regional levels**
 - **must identify priorities, demonstrate added value & build consensus**
- ◆ **Must co-ordinate regional IS projects within strategic framework**
- ◆ **Must monitor & assess impact of action plans**
- ◆ **Strategy & plans must reflect best practice**
- ◆ **Must embed IS concept within regional planning documents - horizontally & vertically**

Wales Information Society


“Mainstreaming”, as this is known, depends very much on the following:

- The role of the RISI project in the process of adapting the region to the changing requirements of both the workplace and the individual must be accepted and endorsed by the region’s policy-makers.
- Similarly, the Information Society strategic framework and supporting action plans must also be accepted and wholeheartedly endorsed at a very high level. This in turn depends on the RISI project’s success in:
 - identifying the priority issues;
 - demonstrating the added value of the new technologies; and
 - building widespread consensus on the way forward.
- Existing and future Information Society projects and initiatives within the region should be co-ordinated within the strategic framework. Hopefully, this will help move from the existing individual “pilot project” mentality to a more co-ordinated approach which incorporates and reflects the impact of the initiatives.
- In this respect, the impact of the plans must be capable of being monitored and assessed both quantitatively and qualitatively, so that the results can be reflected objectively in strategic policy development.
- The proposed strategy and action plans must clearly demonstrate that they reflect established best practice, not only within the region, but across Europe.
- It will be essential for the Information Society concept to be embedded within the region’s and member state’s structural framework, running both horizontally across the main sectors as well as vertically through them.


In doing all of this, action plans must be geared towards the needs of both industry and individuals. They must reflect the need to remove the mis-match between skills and the new systems of working, to help both create jobs and also improve competitiveness in the global economy. They should focus on the specific needs of SMEs, who for most regions are the prime source of new employment opportunities. In addition, they should foster partnerships

between the private and public sectors in order to build the critical mass necessary to achieve the transition

Slide 7



The Wales Information Society (WIS) Project



Some conclusions

- ◆ Many projects - little sharing of experience
- ◆ Substantial input needed from public sector
- ◆ SMEs reluctant to invest because benefits aren't apparent
- ◆ Key decision-makers not fully aware of potential
- ◆ Do projects reflect needs of users?
- ◆ Access to ICTs improving, but still a long way to go
- ◆ Some high potential applications not being pursued
- ◆ High-level Champion desperately needed

Wales Information Society

Perhaps I could just mention very briefly our experiences in Wales to illustrate the points I wish to make. Our vision for Wales in the new millennium involves a transformation -

- of the image of Wales;
- of the quality of life in Wales;
- of the competitiveness of Welsh businesses;
- of the effectiveness of public services in Wales; and
- of education and training in Wales.

I won't go through the process we have followed in arriving at our Strategy and Action Plan for achieving this vision, but some of the conclusions we have drawn from our work are:

1. Whilst there has been a multiplicity of projects and initiatives in the region (most of which have received funding from the European Commission), little attempt has been made to analyse the impact they have made, to disseminate the results or to share experiences and best practice.
2. Very few initiatives would have got off the ground without substantial input (in terms of leadership, funds and resources) from the public sector.
3. Whilst many business people in SMEs seem to accept that the new technologies will be essential for their competitiveness, there is still a reluctance to invest because the added value benefits are not readily apparent. This is especially relevant to investment in skills and training, where SMEs are not willing to release staff from their daily work for training in the more advanced ICT applications and techniques.
4. Many key decision-makers, including politicians, have not yet fully awakened to the potential of the new technologies. This is due in part to the fact that very few of those at the more senior levels actually use the new technologies themselves. But it may also be due to the lack of hard evidence of the benefits, and resultant return on investment available. Therefore, it will be necessary to bring about a major shift in the mind-set of these key actors.
5. Quite a lot of the initiatives which were designed to support users, particularly small firms, have fallen into the trap of being driven by the interests of the sponsors of the initiative, rather than the needs of the final beneficiaries. They may have met their targets in terms of, say, numbers of SMEs assisted, but no questions have been asked about the quality of the assistance they have provided, or its impact on the SME's competitiveness.
6. Good progress is being made towards improving access to information and new technologies via the provision of public access points and enhanced telecommunication infrastructures. Access is however, still uneven across the country.
7. Although public sector organisations have made good progress in developing and implementing sources of information and on-line applications for the public, the approach has been fragmented. There is considerable scope for improving content, formats standards and delivery mechanisms in order to give an improved service to the public.
8. Several innovative projects and initiatives which impact on "quality of life, e.g. in the fields of health/telemedicine, transport, teleworking, etc. have been launched in Wales. The main problem faced by many of these initiatives, however, has been lack of funding, which has prevented their development into widespread, sustainable applications.

Our published strategic framework and action plans will only be put into effect if a number of critical success factors are realised and barriers overcome. Let me first cover what I consider are the Critical Success factors.

Slide 8



Developing an IS Strategy - Factors for Success

- ◆ **Secure high-level commitment & leadership - political "Champion" needed**
- ◆ **Vision & Innovation - will it make a difference?**
- ◆ **Enthusiasm - Don't be scared of failure/risks**
- ◆ **Opening minds, not opening roads**
- ◆ **Critical Mass - think big/sustainable**
- ◆ **Ownership - Mainstreaming**
- ◆ **Inclusive & participative - involve as many as possible - Top-down and bottom-up approach**
- ◆ **Stimulate awareness & demand**
- ◆ **Partnership - Sharing best practice**

etc

Wales Information Society

- Leadership - strong leadership - an information age "champion" - is required to provide the top down impetus.
- Vision - an imaginative, ambitious, yet realistic, approach is essential.
- Enthusiasm - there must be a willingness to seize opportunities, accept change. A paradigm shift in mind-sets is required at all levels, ie opening minds, not roads. Also don't be afraid of failure - look upon this as a learning opportunity.
- Critical mass - whilst I accept the continued need for experimentation, we must move away from pilot projects towards larger-scale/sustainable initiatives.
- Ownership - there must be consensus on a strategic framework and action plans, and the strategy and actions must clearly meet needs.
- Mainstreaming - we must embed the IS strategy into the SPD's for future structural funds.
- Co-ordination - of resources and effort, to avoid duplication.
- Partnership - between private, public and voluntary sectors.
- Catalyst - public sector must play key role as a catalyst.
- Investment - private sector must play its part in investing, especially in training.
- Sharing - must be a willingness to share experiences and best practices.
- Analysis - impact of the Information Society Programmes and action must be analysed/lessons learned to enable the strategy to evolve.
- Access - there must be widespread easy access to ICTs and training in their use

Slide 9



Developing an IS Strategy - Potential Barriers

- ◆ Inertia/Resistance to change
- ◆ Risk aversion
- ◆ Lack of political champion
- ◆ Lack of shared vision(s)
- ◆ Fragmented projects - lack of impact
- ◆ Lack of sustainability
- ◆ No sharing
- ◆ Lack of evidence of impact
- ◆ Low involvement of Private sector
- ◆ Low investment in Education & Training
- ◆ Lack of awareness / understanding

Wales Information Society

To implement the strategy, we must overcome the following barriers:

- risk aversion
- inertia/resistance to change
- Lack of a "champion" at the political level
- lack of an accepted coherent strategy
- dispersal of funds/resources, therefore lack of sustainability
- fragmented approach to projects, therefore lack of impact
- taking a narrow, parochial view
- no sharing of results/best practice
- low involvement by the private sector
- low investment by companies in staff training

Slide 10



Developing an IS Strategy - Partnerships

- ◆ **Share needs, problems, etc & work together on solutions- avoid re-inventing the wheel**
- ◆ **Rome wasn't built in a day - & not by 1 team!**
- ◆ **Bring in key regional decision-makers and implementers**
- ◆ **Continuously seek new participants & networks**
- ◆ **Don't just look inwards - exploit ideas & experiences from global sources**
- ◆ **Use experiences of other European IS initiatives, eg RISI 2**
- ◆ **Can only build a European IS by working together**

Wales Information Society

The process of strategy development is as important as the outcome in that it needs to be inclusive and participative, and also needs to be based on an approach that is balanced bottom-up and top-down. It is about sharing needs, problems and difficulties - and then finding the solutions together. Rome wasn't built in a day, and most certainly was not built by one fairly small team in the region! It will be vital to embrace the key regional decision makers in the process, plus those individuals and organisations who will be able to act positively to implement the agreed strategy.

The development of a regional Information Society will call for new partnerships and we, in the RISI projects, have the task of identifying the potential key partners and fostering and supporting appropriate links between them.

Since the Information Society will need different players and different partnerships, the RISI projects must continually seek new participants in order to generate (bottom up) projects for which there will be a real and sustained demand. In doing this, we must ensure that we do not continue to look inwardly - we must exploit the ideas and experiences of a much wider, global audience. It will be essential for the Less Favoured Regions to seek out good practice in the more advanced and prosperous regions across the World.

I really cannot emphasise enough how vital it will be to develop partnerships, whether formally or informally. We can only build an Information Society in Europe by working together.

Slide 11



Developing an IS Strategy - Role of eris@

- ◆ **European Regional Information Society Association**
- ◆ **32 member regions**
- ◆ **Promote access to ICT-based services**
- ◆ **Share experiences/best practice**
- ◆ **Policy forum**
- ◆ **Exercise influence at highest levels**
- ◆ **Membership being expanded**
- ◆ **Work Programme underway - already bringing benefits**




Wales Information Society

At this point, I'd like to say a few words about the European Regional Information Society Association – eris@.

Formation of eris@ has, I believe, been a vital step towards helping Europe make its strategic approach to the transition to the Information Society. The existing 28 IRISI and RISI 1 regions have created an association, the aims of which are to assist member regions, through mutual collaboration:

- To promote universal access to ICT based services and applications in the regions with a view to generating new employment opportunities, improving quality of life and addressing the challenges of structural adjustment, social inclusion, economic cohesion, democratic decision making and sustainable development in less-favoured regions.
- To enhance the economic and social development of member regions by implementing new ICT-based applications and services, through sharing of good practice in benefiting from new opportunities and reducing risk.
- To provide a platform to exchange information and experience with other member regions of the Association involved in developing the Information Society.
- To provide a forum to discuss policy relevant to regional development and the Information Society. We are co-operating with the EC on the Policy Responses requested at the Regional/National/European as we enter the new structural fund programme period.

I have absolutely no doubt that the association will become an important vehicle for disseminating good practice and for exercising influence at the highest levels, both in the public and private sectors and at the Regional, National and European levels.



Addressing the Challenges of the Information Society

RISI Regions have been successful in addressing the challenges where there is:

- ◆ **Vision**
- ◆ **Enthusiasm**
- ◆ **Leadership**
- ◆ **Sharing**
- ◆ **Communication**
- ◆ **..... and more Vision!**

Wales Information Society

Summing up, in developing a regional Information Society, I firmly believe that European Regions will be successful in addressing the challenges where there is:

- Vision
- Enthusiasm
- Leadership
- Sharing
- Communication
- and more Vision!

From my discussions with my eris@ colleagues, I know that the Vision is really there. It is one where the new technologies can be exploited successfully in order to transform the quality of life of all citizens in Europe, by helping to improve both economic and social prosperity.



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Wales Information Society

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