

# Information and Communication Technology (ICT) Policy in the Central and South-Eastern Europe

Dario Cziráky \*

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**Keywords:** ICT policy, Stability Pact, e-Government, ICT initiatives.

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## 1. Introduction

The contemporary policy relevance of modern information and communication technologies (ICT) is exceptionally high. By a broad definition ICT includes information technology (mainly related to computers and Internet) as well as mobile telecommunication and all technical, economic, legal and political issues relevant for their educational, commercial and other use.

Primary social aspects relevant for ICT include economic (commercial) and political issues as well as the traditionally ICT-intensive fields of high-tech and sciences. Aside of being the highest-growth sector in most western economies, ICT is inevitably a major factor in successful transition of the post-Com-

munist and developing societies in the Central and South-Eastern Europe (CSEE).

Perhaps neglected are the security aspects of the ICT such as data confidentiality, information exchange, and e-crime. However, a very visible place of the ICT policy in the Stability Pact process signals high emphases on the role of ICT in regional stability, including security, in the Western international politics.

Following the immense policy relevance and western trends, a number of ICT initiatives concerning the CSEE region was recently launched. This article reviews the main ICT policy initiatives relevant for Croatia and its role in the region focusing to the Stability Pact process, the Wilton Park<sup>1</sup> conferences and regional non-governmental academic and educational networking projects.

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\* Research Fellow, Institute for International Relations - IMO.

## 2. Aspects of IT Policy in the CSEE Region

The situation in the ICT field in most CSEE countries sharply differs from that of the EU. As an illustration, it can be mentioned that, on average, in the CSEE region there is only 0.245 telecommunication lines per capita while in the EU this number is 0.53 (or 53 lines per 100 people), hence more than double.<sup>2</sup> Among other measurable indicators it is worth pointing out that only 60% of the fixed networks in CSEE are digital (100% in EU); ICTs are used by only 10% of the CSEE population (38% in EU); only 6.5% of the population is using Internet (20-30% in most EU countries); the geographical coverage of telecommunications in the rural regions is about 15% (nearly 100% in EU)—and it is also relevant to mention that most fixed ICT networks in CSEE are monopolised and will not be open to free competition until 2003 (EU removed all ICT monopolies in 1998).<sup>3</sup>

The commercial importance of ICT development is magnified by high correlation between the level of economic development and the state of ICT: regardless of the causal direction it is clear that the two go hand-by-hand, most likely making the direction of causality non-recursive (i.e., influencing each other). However, aside of the economic, and certainly educational, relevance of the ICT an additional important aspect is the harmonisation of the national ICT policies with the EU telecommunications policy—an issue of primary importance for the pre-accession states.

The main bottlenecks for the ICT development in the CSEE region include lack of IT education, high access costs (both regarding hardware and telecommunication lines), while the primary obstacle to e-commerce (doing business on-line, over Internet) is inappropriate electronic payment system in the CSEE which concerns weaknesses in the banking system. Consequently, the priorities in the ICT policies include cheaper telephone access, more efficient electronic payment system, proliferation of public ICT access points and ICT skills training.<sup>4</sup> Additional aspects needing legislative, educational, and economic improvement include: tax environment, cutting costs and increasing choice of telecoms, 3G mobile and digital TV, legal framework, and International framework within e-Europe.<sup>5</sup>

Additional ICT aspects relevant for Croatia centre around issues of the telecom monopoly and de-regulation policy. Particular concern for ICT development is the relatively large ICT monopoly of the Croatian Telecom on audio services, telecommu-

nication-lines rental, and international communications.<sup>6</sup>

## 3. Initiatives within the Stability Pact

The Stability Pact incorporated ICT policy issues as part of the “Third Wave” infrastructure reconstruction of the CSEE region strongly emphasising issues such as electronic networks and reforms to modernise business and governmental procedures. The first concrete action launched within the Stability Pact process was the e-Balkans initiative which aimed to “put E-issues firmly on the agenda as essential to development and reconstruction in the region”.<sup>7</sup>

Five main ICT objectives were set within Stability Pact process a) to help the countries of CSEE seize the opportunities presented by the new technologies; b) to promote full participation across the region and prevent further divide between or within the SEEs; c) to facilitate co-operation between international, bilateral and private donors in providing assistance; d) to facilitate co-operation between the public and private sector and civil society in meeting the Internet challenge; and e) to encourage co-operation between the SEEs in establishing greater economic and democratic stability in the region.<sup>8</sup>

The e-Balkans Working Groups were designed as the special tool for accomplishing the above set goals. The first aim of the Working Groups was to bring together both regional and international experts from government and the private sector. Following conceptual and actual establishment of the Working Groups it was intended to move toward the accomplishment of four main goals: a) development of a comprehensive e-strategy for South-Eastern Europe as set out in the G8 Okinawa Charter<sup>9</sup>; b) assistance to the SEEs in drawing up and implementing national information strategies; c) synchronisation of existing or related activity<sup>10</sup>; and d) identification of necessary new programmes and facilitation of funding for them.<sup>11</sup>

The realisation of the e-Balkans Working Groups began in October 2000 through a special discussion group at the 616<sup>th</sup> Wilton Park conference “The Digital Agenda in South-East Europe”, followed by the first formal e-Balkans Stability Pact Working Group in January 2001 (Zagreb). At the Zagreb Working Group a more detailed future agenda was set while simultaneously reconsidering and changing the name of the e-Balkans to eSEEurope Working Groups.<sup>12</sup>

#### 4. Wilton Park: The Digital Agenda in the SEEurope

The 616<sup>th</sup> Wilton Park "Digital Agenda in the SEEurope" conference was held in the Winston House from 23<sup>rd</sup> to 25<sup>th</sup> October 2000. The conference delivered an action plan with the first item being the (formal) establishment of the new Working Group on e-Balkans under Swedish leadership under Working Table 2 of the Stability Pact for South-Eastern Europe (SEE) from January 2001.<sup>13</sup>

The conference indeed marked the beginning of the e-initiative process within the Stability Pact having the Co-ordinator of the Stability Pact, Bodo Hombach as one of the keynote speakers. Two regional approaches were presented: Croatian and British, followed by three parallel workshops on ICT for Education, Telecommunications Issues, and e-Government Strategies.

The ICT for Education workshop raised a number of issues particularly emphasising several key points. First, it was concluded that investment into ICT for education should be the key priority for the region, though such actions are likely to lack co-ordination and governmental support. Among other obstacles are also lack of access to IT equipment and lack of culture of using it as apart of the learning process. The second point concerned the lack of integration of ICT into the teaching process and the need for re-engineering the school curriculum by including ICT training. Third, the need for local content was pointed out: local language content can be improved through regional network of institutions focusing on local content development. The fourth issue concerned underdevelopment of distance learning, while the fifth issue touched a crucial problem for the region: brain drain. A major constraint for regional ICT development is the unfortunate process of recruiting regional ICT experts by international e-corporations. This problem is particularly acute in Bulgaria, but also in Croatia and Romania.

The ICT for Education group recommended the following steps for action: a) development of ICT infrastructure for schools and universities targeting 90% of all secondary schools and universities in the region to be connected to the Internet by 2003; b) keeping ICT talent in the region—including a suggestion to organise a series of round tables involving governments and international e-corporations operating in the region, with development of the first strategy for addressing this issue in place by 2001; c) demonstrator projects in education to be identified both at country and regional levels, with the plan for the first projects to be approved and under im-

plementation by 2001; d) raising public awareness of the benefits of ICT developments by launching public awareness campaigns about the benefits of ICT in all countries of the region focusing on ICT applications as well as on ICT processes; and e) knowledge assessment workshop should be organised for senior government officials, private sector and NGOs on assessing the knowledge economies of countries in the region, to be held by 2001.<sup>14</sup>

The E-Government Strategies workshop focused on the following areas: a) ICT for improving public access to governmental information (government as service provider); b) ICT for enabling more efficient and less corrupt government (through transparent electronic systems for public procurement and payment); and c) widening of public access to ICT in order to strengthen civil society and thus improve the government.

It was pointed out that new technologies compete with the old-fashioned bureaucracies in the CSEE by improving public access to governmental information, thus fostering transparent democracy. Several additional issues merit attention. First it was emphasised that access to governmental information is only in part a technological problem, while also being a political issue related to information constraints imposed by the government. However, it was also mentioned that public access to information should by no means limit the right to privacy and data confidentiality. Finally, it was pointed out to potential cost savings for modern government emerging from increased reliance on ICT.

The most concrete result from the 616<sup>th</sup> Wilton Park conference (WP616) was the action plan which proposed establishment of the e-Balkans Working Group. The first meeting of the Working Group took place on 24 January 2001 in Zagreb. Prior to the Zagreb meeting, on 11 December 2000 the London e-Envoys Meeting was held following the action plan from the WP616 and preparing the grounds for the following e-Balkans meetings.

#### 5. e-Balkans Initiative: Stability Pact Working Group

The aims of the e-Balkans initiative were set at the October Wilton Park conference. The initiative aimed at developing a comprehensive e-strategy for South-Eastern Europe;<sup>15</sup> assist CSEE governments in designing and implementing national ICT strategies; co-ordinate with the existing or related activities;<sup>16</sup> and ensure that digital issues are included in the agenda of the other multilateral agencies.

The proposed sub groups for the future Stability Pact Working Groups on e-Balkans include telecoms liberalisation, infrastructure, legislation/regulation, business/banking, education e-Government/e-Procurement, and e-Society<sup>17</sup>.

At the Zagreb Stability Pact Working Group (24 January 2001), the name "e-Balkans" was changed into "e-SEEurope" while the process itself continued carrying out the aims set at the WP616 conference. The Zagreb Working Group formalised the creation of a Stability Pact Working group on ICT with the aim of bringing together both regional and international experts from the government and private sector. The Group was divided into three focus areas: e-Government, e-Education and e-Commerce. It was agreed that the next meeting would take place during the second half of March, in order to finalise preparations for the progress report at the Stability Pact WT2 meeting in Tirana in April.<sup>18</sup> The main objectives were set to be: a) helping the countries of CSEE seize the opportunities presented by the new technologies; b) promoting full participation across the region and preventing further divide between or within the SEEs; d) facilitating co-operation between international, bilateral and private donors in providing assistance; d) facilitating co-operation between the public and private sector and civil society in meeting the Internet challenge; and e) encouraging co-operation among SEEs in establishing greater economic and democratic stability in the region.<sup>19</sup>

The e-Government sub group was designed with the aim of closing the ICT-gap between the EU and South-Eastern Europe. The main roles of the government of interests here included de-regulation and provision of public services, as well as ICT-based commercial transactions (e-Procurement) and advances in civil society related issues aiming at increasing democratic dialogue, transparency and accountability of the government. Once again, the priorities of this sub-group were the co-operation between government and private sector in increasing access to ICT at lowering costs and improving government transparency and, consequently, democracy. However, the role of the government should also include fostering a favourable investment environment by focusing on potential capital inflows which itself is strongly affected by the entire regulatory framework of the region.

The second sub-group, e-Education, focused on building human capacity and ICT awareness through training and education. It was suggested that this sub-group should closely co-operate with the WT1 Stability Pact Task Force on Education and Youth. Among other aims, it was suggested to con-

centrate on promoting Internet connections for all secondary schools in CSEE region and possibly improving high-speed access to the Internet for higher educational/research institutions.<sup>20</sup>

Finally, the sub-group on e-Commerce/e-Business aimed broadly at fostering globalisation and competition of manufacturing and trade. As previously noted, weak e-commerce and Internet business are characteristic for the CSEE region, thus it is considered that the e-Commerce sub-group would be central to the business community and it was agreed that representatives of the commercial sector should actively participate in the working of the e-Commerce sub-group.

Additional issues discussed at the Zagreb meeting included intellectual property rights and their protection in the cyberspace and assistance to the CSEE governments in drawing up and implementing national information strategies.<sup>21</sup>

## 6. Academic Initiatives

In November 2000 a round table "Network of European Studies in South-Eastern Europe: New Media and Curriculum Working Groups Meeting" was held in Zagreb in organisation of the Centre for European Integration Studies (Bonn) and the Institute for International Relations – IMO (Zagreb). The idea behind the meeting was a project plan for establishing a virtual university in European Studies for the South-Eastern Europe. The initial idea includes development of a homepage, data base, and working groups. It was agreed to design a project proposal of CSEE virtual university based on distance learning, computer-assisted, self-pacing instruction and interactive multimedia lessons. The project aims to establish regional Internet centres, as classrooms of the regional virtual university, that shall serve as focal points for virtual training of the CSEE students in the field of European Studies.<sup>22</sup> Aside of modernising the regional educational system and following international trends, this project is relevant insofar it will enable high-quality education using top international faculty without incurring local transportation and accommodation costs characteristic for traditional teaching methods. Consequently, larger number of students would be trained in a modern and more flexible educational environment.

## 7. Conclusion

It is clear that ICT development in any of its primary areas (e.g., e-Government, e-Education, e-

Commerce) is a crucial factor for the transitional process in the CSEE region and convergence to the EU standards of the pre-accession candidate countries. However, the current situation is characterised by a deep gap in the ICT development between the EU and most of the CSEE countries. Identified problems concern mainly, but not exclusively economic and development issues. Among most crucial aspects are legislation and the role of government especially regarding the de-regulation and ICT market liberalisation issues. These are precisely the aspects that individual CSEE countries should solve themselves though the Stability Pact process should provide help and guidance (same holds for EU processes and pre-accession criteria). It is particularly positive to witness proliferation of e-initiatives, both on governmental and non-governmental levels in the CSEE

region. Their impact on national policies of the countries involved will be significant and positive. Needless to say, the main conclusion is that the state of the ICT and its regulatory, educational, and commercial development will make a major contribution in closing the East-West gap and will thus greatly facilitate the CSEE transition process.

Alongside the on-going Stability Pact e-SEEurope process, and the academic-networking projects, the 637<sup>th</sup> Wilton Park conference to be held in Dubrovnik (Croatia) in May-June 2001 will address the progress made so far, specially in regard to the initially set agenda at the WP616 of October 2000. It is planned to convene a special workshop/discussion group on e-SEEurope with the focus on the role of Croatia and UK in the CSEE region.<sup>23</sup> ■

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## NOTES

1 Wilton Park is an agency of the Foreign and Commonwealth Office of the United Kingdom, specialised in organisation of international conferences.

2 The figures were calculated for the EU member states and the following CSEE countries: Estonia, Latvia, Lithuania, Poland, Hungary, Czech Republic, Slovakia, Romania, Bulgaria, Slovenia, Croatia, Bosnia and Herzegovina, Macedonia, Albania, FR Yugoslavia (including Kosovo). Detailed analysis can be found in the report for the CSEE Department of the Department for International Development (UK): "Improving the Quality of Transition in Central and South Eastern Europe through Information and Communication Technologies", *Antelope Consulting and Commonwealth Telecommunications Organisation*, 2000.

3 Report for the Department for International Development (UK), *Executive Summary*. Antelope Consulting and Commonwealth Telecommunications Organisation. August 2000, p. 3.

4 *Ibid.*, p. 4.

5 Barrington, R. (2000), *E-commerce@its best*. Office of the e-envoy (UK), paper presented at the 616th Wilton Park conference, October 2000, Winston House, UK.

6 *Croatian Law on Telecommunications (7/1999)*, article 98.

7 Special Co-ordinator of the Stability Pact for South Eastern

Europe (2000), *e-Balkans Initiative: Draft Concept Note* (prepared for the 616th Wilton Park conference, October 2000).

8 *Ibid.*

9 In particular, the Okinawa Charter lined up five requirements. These are briefly: a) *government leadership in promoting policy, regulatory and network readiness*; b) *government and private sector co-operation in increasing access to IT and lowering costs*; c) *fostering a favourable investment environment*; d) *building human capacity and IT awareness through training and education*; and e) *encouraging participation in global e-commerce networks*.

10 For example, G8 Okinawa Charter, EC, World Bank, EBRD, UK Department for International Development, etc.

11 Special Co-ordinator of the Stability Pact for South Eastern Europe (2000), *e-Balkans Initiative: Draft Concept Note* (prepared for the 616th Wilton Park conference, October 2000).

12 At the October Wilton Park conference critical remarks regarding the name "e-Balkans" were made by the Slovenian and Croatian representatives. As the result, the first item on the next Working Group meeting (Zagreb, January 2001) was the change of the name e-Balkans. Among suggested names were e-SEE, eSE Europe, e-growth, e-associate/s, e-connect, e-unite, e-en-

largement, e-membership, and Balkans 2 net).

13 Langdon, C. (2000), *Action Plan: The Digital Agenda in South-East Europe*. Wilton Park Conference WP616, p. 1.

14 Roman, S. (2000), "Workshop—Strand 1: ICT for Education". WP616, workshop report, pp. 1-3.

15 A comprehensive e-strategy for the South Eastern Europe should be developed in accordance with the G8 Okinawa Charter, namely by emphasising governmental leadership in ICT policy promotion, regulatory measures and network readiness as well as by promoting co-operation between government and the private sector in increasing access to ICT with lower costs, but also by fostering a favourable investment and business environment; building human capacity, and ICT awareness through training and education including lifelong learning; encouraging participation in global development of e-commerce networks; and highlighting the role of the Stability Pact as a promoter and guarantor for the e-Balkans before the decision-makers and investors in the developed countries. (see Langdon, C. (2000), *Action Plan: The Digital Agenda in South-East Europe*. Wilton Park Conference WP616.)

16 Namely G8, European Commission, the World Bank, EBRD, OECD, EIB, the Council of Europe, and bilateral development programmes.

17 By e-Society it is meant a "study and analysis of trends and impact of the Internet revolution on the social trends and relations within the SEE communities" (Langdon, C. (2000), *Action Plan: The Digital Agenda in South-East Europe*. Wilton Park Conference WP616, p. 3)

18 *Chairman's thoughts/suggestions as to the development of a Stability Pact e-Initiative*. e-Balkans Stability Pact Working Group, Zagreb, 24 January 2001.

19 Ibid. p. 1.

20 Ibid. p. 3. These aims are similar to those of the e-Europe 2002 initiative.

21 Croatia, for example, has already developed its national ICT strategy (see <http://www.croatia21.hr>).

22 Srica, V. (2001), *Virtual University Project*. Draft Proposal. Zagreb: Institute for International Relations.

23 More information on the Wilton Park conferences can be found on <http://www.wiltonpark.org.uk>.