

GLOBAL FORUM 2007
Global convergence 2.0
Integration & innovation
Building the collaborative Knowledge Society

“Opening Session”

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I am truly honored to participate to this very important international **think-tank**, in representation of **Confindustria Servizi Innovativi e Tecnologici**, the Federation that, within Confindustria, represents the sectors of consulting, advertising, public relations and marketing, market research and surveys, engineering, real estate, information technology, internet, digital contents, e-media, certification, telecommunications, radio and television, satellite applications, training, professional services. We are the result of the merge of FITA, the Italian federation of professional ad knowledge based services and Federcomin, the Italian federation of ICT, the blend of process and technology.

Our Federation, with a membership of 49 sector Associations and 60 Local Organizations, represents 17,000 companies employing 600,000 workers with a turnover of 102 billion Euros.

Issues such as global **convergence, integration, innovation and knowledge Society**, on which this Global Forum is focusing, are extremely significant and fundamental for the future development of our societies.

“Future is not what it used to be” says a **Mark Strand’s** famous verse, one of the most loved American poet, professor at Columbia University and Pulitzer Price in 1999.

Nowadays, this is truer than ever, if only we think at the profound transformations produced by innovation in the information and communication technology sector.

A recent study that we have carried out on **“Innovative services on networks”** highlights that, in the last two decades, all advanced countries, have experienced an evolution from a “manufacture economy” into a “services economy”. Such evolution is mainly due to technologies and innovative services.

In **United States** services represents nearly **the 80% of internal income and 83, upon 100, of new workers are employed in this sector.**

In Europe 2/3 of the Internal Gross Product is originated by services, **and Italy as well is moving towards a more service-oriented economy**, an economy that switches from tangible to intangible products, where the **industry is focusing more and more on the “personalization”** of the product/service offered.

The **“new demand” coming from the global market is a “demand for services”.**

Globalization runs fast, very fast, and it is essential for Countries, citizens and institutions to keep pace in order to be winners and not losers.

Furthermore, to be able to compete on international markets, is, **for countries as well as for companies**, an unavoidable challenge, that cannot be won without exploiting all the opportunities made available by new technologies and innovative services.

A competitive strategy for growth
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In an age of such enormous developments and transformations, the **competitiveness of each productive system** resides in the gap between the speed required for the economy to transform and the time necessary for the enterprises to adapt their *business models*. Companies are also affected in their capacity to compete by the environment in which they operate.

LIBERALIZATION, INNOVATION, INTEGRATION AND INTERNATIONALIZATION are key factors of a competitive strategy for growth.

- **Liberalization and diffusion of innovative services are strictly connected:** the EU Commission evaluates in 1.8% of GDP and 2.5 million jobs the effect of liberalization in the Service industry. For Italy this would mean a 2% extra growth and we all know how important this would be for our country that has one of the highest public debt in Europe and that has recorded a lower than average growth rate in the last couple of years. The presence of the state in our economy and particularly in services is still too high; in Italy from 1997 to 2006 public controlled companies have grown from 30 to 889 and companies participated by public entities have reached the staggering number of 3.211 (data of Confindustria). Public spending, particularly in innovation, cannot be efficient if there are more than 20.000 public procurement stations that clearly cannot have all the necessary competences to launch quality tenders necessary to purchase quality services.
- **investments in technologies, human and organization capital is critical for a knowledge base society to succeed:** this is true both for companies and for the Public Sector.
- **integration of services in the manufacturing sector (and virtual aggregation of Small and Medium Enterprises to create more competitive *business models*) is fundamental to make a successful transfer from old to new manufacturing and preserve jobs in the EU.**

- **internationalisation** and strategic positioning on international markets is the only way ahead to remain competitive and collect the benefits of globalisation. The challenge, particularly for Italy, but also for the EU as a whole, is to be able to make SME's able to compete successfully in this new environment.

Public Administrations cannot estrange themselves from innovation. New technologies and innovative services are fundamental to achieve **cost reductions** and **improved quality of public services**. For this to happen, Public Authorities must launch large innovation projects of e-Government, e-Justice, e-Health, e-Learning, e-Procurements also financed with the contribution of private capitals through project financing, and fundamentally change their outmoded and inefficient way to function, becoming closer and more accessible to their citizens and to provide more value for each euro spent of tax money. Only by courageously embracing innovation they will be able to change, and remain in tune with the reality of the new global economy. By making themselves more efficient, they will also help companies to be more competitive by contributing to the reduction of taxes on revenues and labour that are too high with today's competitive standards imposed by open markets.

Moreover, it is fundamental to “**Build a Collaborative Knowledge Society**” since the Information and Knowledge Society will be the **primary asset for the new innovative economy**.

The fundamental component of the infrastructure that make possible all innovative processes is **KNOWLEDGE**.

The human being and his intelligence is more then ever at the centre of the scene, and the capacity of systems (companies and countries) to attract the best, is becoming vital to succeed in today’s market place.

We cannot talk about the central role of labour in the service sector without mentioning the need of new rules to regulate the labour market for the new economy. In services **quality is the driving factor** and it can only be achieved trough human resources.

Work in services has to be dynamic and flexible and cannot be regulated with the schemes developed for manufacturing. Services need multidisciplinary competences that are combined to satisfy the needs of the client. Consequently we support the debate promoted by the European commission about flex security in order to find ways to combine the needed flexibility with better security for the workers, because we cannot be competitive in services and create growth and new jobs without flexibility of labour.

Public policies are very important in fostering innovation through public spending in R&D, Innovation and training, and Members States need to embrace and promote innovation with more conviction and more resources to be able to reach the targets set by the Lisbon agenda.

Convergence and Contents

Platforms integrations (internet, mobile telephony, television), the growing permeability of the media sector, the diffusion of portable music and video players, digital television as well television over internet are all basic elements of a convergence that will enormously enlarge the market for **digital contents and services** for citizens, enterprises and Public Administrations. Such convergence will require adequate information and communication governance.

The **e-government** issue, to which this Global Forum is dedicating a working session, will be particularly important. The same has to be said for the **security** and **privacy** sessions.

In recent years **the e-content market** has taken off, although its growth potential is far from being fully exploited in all its fields of

application (**entertainment, learning, news, public contents, etc.**).

Up to now **the infrastructure of networks** has been the topic governing the debate, and contents have been treated as a sort of **commodity**.

Nowadays, instead, **contents are becoming the engine of change**, from which speed and effectiveness of the innovation process are depending upon.

Conclusions

We are living very interesting and challenging times where the technological discontinuity is creating enormous opportunities for the ones that understands and adapt to change first, and **the winners of today will eventually loose their leadership tomorrow** creating opportunities for the newcomers. This is true for companies but also for countries and regions and the success of India and China in recent years is the best example of this new trend.

The transition from old to new is still ongoing and sometimes, in beautiful and traditional countries like ours, it is not easy to push change forward, but we believe that **a small innovation of today can become a revolution tomorrow** and things find their real sense in change.

Using **Kennedy's** words: **"We dream things that never were.
And then we say.... why not?"**

Thanks