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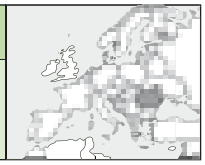

Introduction

This report focuses on two issues: access to information and communications technologies (ICTs) in Romania, and the legal and policy context shaping ICT access. Building on the GISWatch 2007 country report conclusions,[1] we found these issues the most pressing, and therefore the most useful to assess. A key assumption was that the ICT sector in Romania had improved in terms of dynamic development, increased visibility, and funding opportunities due to European Union (EU) accession. The report was compiled through desk research and empirical analysis (participant observation at major ICT events and interviews with key actors, during May-June 2008).

The Romanian ICT sector registered a market value above EUR 7 billion in 2008, making a 10% contribution to the country's gross domestic product (GDP).[2] The sector has attracted substantial investments, high quality human resources and public prestige (Baltac, 2008).

Romania's EU membership since January 2007 has facilitated access to structural funds for ICT development. Public and private partnerships have strengthened in ICT policy-making processes and infrastructural investments: a well-organised and vocal business advocacy drive acted as a catalyst for ICT development initiatives. At the same time, civil society actors' involvement became more visible: the 2008 eLiberatica Conference[3] on free and open source software (FOSS) attracted more public attention than in 2007, and a well-publicised internet education project was implemented during 2007 and 2008 by the Center for Independent Journalism (CJI)[4] and the Association for Technology and Internet (APTI).[5]

The main factors affecting ICT use negatively, according to interviewed media, law and ICT actors, were the lack of practical education, an unsettled regulatory framework and poor self-regulation when it comes to content, both at the individual and institutional level.[6] Infrastructural access, and geographic-, gender- and age-divide issues were not part of mainstream ICT discourse in Romania.

ICT access in Romania

The dynamic ICT development from 2002 to 2007, driven by EU accession requirements and pushed by the business community,[7] had broader benefits for individuals, organisations and society at large. A visible process of digital inclusion took off, funded by public and private actors. Major funders of ICT development projects and programmes in Romania were the EU, the World Bank, the United States Agency for International Development (USAID), the Center for International Private Enterprise (a non-profit affiliate of the US Chamber of Commerce) and the Ministries of ICT and Education. Western organisations acted as role models in Romania, with a louder voice in the business sector (Bakó, 2007).

Infrastructural access to ICT improved substantially: telephony and internet services penetrated even remote communities – this due to the implementation of a universal service directive in 2004 (Manolea, 2008). Under EU accession pressures, the telecommunications market was liberalised from 1 January 2003. In four years, competing fixed-telephony service providers secured a 28.7% market share, as shown in Table 1.

The fixed-telephony penetration rate was 19.8% on 31 December 2007, according to regulatory authorities (ANRCTI, 2008), compared to a 90.5% penetration rate for mobile telephony (Secmerean, 2008).

Access to internet services experienced constant growth from 2005 to 2007, in terms of an increase in internet service providers (ISPs) and better quality services. In two and a half years, the number of ISPs almost doubled, as shown in Table 2.

The internet penetration rate has increased steadily, from 5.5% in 2005 to 26.9% in 2007. It is still low compared to other EU member states, but the growth rate is substantial, as shown in Table 3.

1 www.globaliswatch.org/node/3445

2 Ministry of Communications and Information Technology (MCTI): www.mcti.ro

3 www.eliberatica.ro

4 www.cji.ro

5 www.apti.ro

6 User-generated content needs self-regulation rather than institutional intervention, which would limit free speech.

7 See GISWatch 2007.

Table 1: **Fixed-telephony market structure (2004-2007)**

Indicator	31 Dec. 2004	31 Dec. 2005	31 Dec. 2006	31 Dec. 2007
Market share of incumbent operator (%)	98.9	90.3	80.6	71.3
Market share of competing providers (%)	1.1	9.7	19.4	28.7

Source: **www.anrcti.ro**

Table 2: **ISPs in Romania (2005-2007)**						
Indicator	30 Jun. 2005	31 Dec. 2005	30 Jun. 2006	31 Dec. 2006	30 Jun. 2007	31 Dec. 2007
No. of ISPs	692	981	1,154	1,412	1,389	1,338
Source: **www.anrcti.ro**						

Table 3: **Growth in internet penetration rate in Romania (2005-2007)**						
Indicator	30 Jun. 2005	31 Dec. 2005	30 Jun. 2006	31 Dec. 2006	30 Jun. 2007	31 Dec. 2007
Total access (%)	5.5	8.5	11.7	15.3	21.0	26.9
Broadband (%)	2.4	3.5	5.5	8.2	10.8	14.8
Source: **www.anrcti.ro**						

Table 4: **Dedicated internet broadband penetration rates in the EU, at 31 December 2007**				
Indicator	Denmark (high)	Bulgaria (low)	EU-27	Romania
Penetration (%)	36.6	7.6	20.0	9.9
Source: **www.anrcti.ro**				

As for the dedicated broadband internet penetration rate, compared to other EU member states, Romania ranked amongst the lowest third, as shown in Table 4.

The most far-reaching digital inclusion programme in Romania is the Knowledge Economy Project. It was started by the Ministry of Communications and Information Technology (MCTI) in partnership with the Ministries of the Interior and Education, and is funded by the World Bank (2006-2010). The total amount of funds allocated to this initiative is USD 70 billion.[8] An important component of the programme is the creation of 200 so-called Knowledge Centres in small, disconnected communities across Romania. The next step in the programme involves targeting small business communities and local authorities and encouraging them to set up business-to-business (B2B) and business-to-consumer (B2C) relationships.

Another important governmental initiative was presented at the FOSS conference eLiberatica: the development of open ID in Romania (Teodorescu, 2008). The MCTI is negotiating with major telephony operators and commercial banks to get involved in providing digital identity for Romanian citizens. This would offer easy, safe and affordable access to electronic services provided by governmental agencies and businesses.

ICT businesses in Romania make a well-organised, articulate, and vocal community. The sector attracts expertise, attention, resources and prestige, interviewed experts said. Key ICT business players are organised informally in a lobby group (Tech 21 Coalition), which monitors laws and regulations in the ICT sector and raises its voice for members.

Open source communities have also strengthened their voices. The Romanian Open Source Initiative,[9] a non-governmental organisation (NGO) created in 2007, organised two conferences aimed at mainstreaming FOSS for businesses, government, users and developers. The first eLiberatica Conference (2007) focused on general issues relating to FOSS, with participants from the open source business community (e.g., IBM, Sun Microsystems, eZ, Mozilla Foundation, Gartner) and high-profile developers from the international FOSS scene. The second conference reached a broader audience, including businesses, government officials, media, and international and local developers.

Romania's EU membership (from 1 January 2007) opened up access to structural funds for ICT development. The total amount of money dedicated to strengthening the sector is EUR 559 billion, with an EU contribution of 68.5%, and co-funding from the public and the private sector, as shown in Table 5.

The EU funding is targeted at three main areas: developing ICT use, strengthening electronic services, and sustaining the e-economy, with a more substantial resource allocation to ICT use, as illustrated in Table 6.

The developmental objectives of the structural funds were clearly set for each field, according to specific country needs:

- Projects aimed at better ICT use should facilitate broadband access for small, disconnected communities and for schools.
- Projects aimed at developing electronic services should focus on e-government, improve the interoperability of electronic systems and look at e-learning and e-health applications.
- Projects promoting the e-economy are expected to produce electronic systems for efficient business management and for B2B operations management (e.g. e-payment, e-commerce, e-tenders).

8 Finantare.ro: www.finantare.ro

9 www.rosi.ro

Table 5: **EU structural funds for Romanian ICT development (2007-2013)**			
Total amount (EUR)	EU contribution	Public co-funding	Private co-funding
559 billion	383 billion	86 billion	90 billion
			Source: **www.mcti.ro**

Table 6: **EU structural funds allocation priorities for Romanian ICT development**			
Total amount (EUR)	ICT use	Electronic services	E-economy
383 billion	149 billion	119 billion	115 billion
			Source: **www.mcti.ro**

There is increasing public attention on ICTs in education. Education and media experts found ICT-related education too theoretical and knowledge-based, rather than skills-oriented (Baltac, 2008; Av'dani, 2008). High schools and universities are focused on developing sophisticated programming skills, whereas the proficient, ethical and data-sensitive use of the internet is not on the "digital immigrant" educators' agenda (Prensky, 2006).

There is a lack of gender and FOSS mainstreaming in official ICT discourse. Government representatives challenged at eLiberatica 2008 on poor FOSS visibility in public discussions declared defensively that the neutrality principle does not allow them to promote either proprietary or free software solutions.

Legal and regulatory framework

The strengths and weaknesses of ICT policy in Romania are connected to EU accession pressures, market development trends and regulatory institutions' lack of capacity (Manolea, 2008). The sector's main strengths, according to Manolea, are substantial efforts made to catch up with EU legislation dealing with liberalisation and a simplification of the authorisation processes for ICT businesses. The main weaknesses concern legislative and functional instability. Legislative instability is a result of too quick and unprepared an alignment with EU legislation, which did not consider the specific country regulatory framework. As a result, an avalanche of ICT-related laws were issued by the government, skipping any consultation process (Manolea, 2008). Functional instability refers to an unclear and unsettled regulatory framework which makes it difficult for government stakeholders to do their work.

Personal data protection and right to privacy issues are expected to raise debates and concerns due to the boom in e-commerce (Jugastru, 2008). Although they copy the EU directives on the matter, the laws and regulations adopted in Romania are problematic: those dealing with personal data storage are too weakly justified, others dealing with control mechanisms for safe data storage are not clearly set, and guarantees for protecting personal information are not sufficient.

A World Bank-supported project for South East Europe funded the creation of a CD-ROM on ICT-related public policies in Romania, targeted at the ICT business sector. The state secretary at the MCTI declared at the launch that Romania could become a leader in the ICT field in the region, and a role model to other countries (MCTI, 2008).

Developing responsible communication practices on the internet was an important issue mainstreamed by civil society actors, particularly the Center for Independent Journalism and the Association for Technology and Internet. Education and self-regulation are seen as the best ways to reach this goal, according to one media expert (Av'dani, 2008). Governmental authorities should not intervene to limit internet content; instead, individual and institutional actors should be educated towards self-regulatory practices (CJI, 2008).

To conclude, there is an increase in awareness and more frequent discussions on ICT policy issues amongst professional and institutional actors in Romania. The fact that eight Romanian law and ICT experts recently contributed to a book on the information society in Europe, focusing on ICT policy (Péron, 2008), is significant proof of this.

Action steps

Two keywords highlight priorities in terms of ICT access and policy: *education* and *participation*. They are interconnected and refer to both issues analysed in this report.

Education is an important catalyst for strategic ICT use: universities have to develop their ICT curricula with a more practical approach that focuses on skills rather than theoretical knowledge (Baltac, 2008). It is also necessary to educate wider audiences (citizens and organisations) so that they can properly benefit from the information society (Brad, 2008).

Civil society actors should get involved in educating young people about the internet in terms of using it more professionally, and issues such as personal data protection (Av'dani, 2008).

Strengthening partnerships and adopting a multi-stakeholder approach to ICT development is a must in order to enable inclusive and transparent regulatory processes, ICT policy experts believe (Manolea, 2008; Jugastru, 2008).

More effort should be made to encourage FOSS and gender mainstreaming in Romania, and civil society organisations and governmental actors should be systematically involved in this process.

Finally, ICT policy in Romania needs a more settled regulatory framework, more transparency and more public participation. ■

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GLOBAL INFORMATION SOCIETY WATCH 2008

GLOBAL INFORMATION SOCIETY WATCH 2008 is the second in a series of yearly reports critically covering the state of the information society from the perspectives of civil society organisations across the world.

GLOBAL INFORMATION SOCIETY WATCH or **GISWatch** has three interrelated goals:

- **Surveying** the state of information and communication technology (ICT) policy at the local and global levels
- **Encouraging** critical debate
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GISWatch 2008 is a joint initiative of the Association for Progressive Communications (APC), the Humanist Institute for Cooperation with Developing Countries (Hivos) and the Third World Institute (ITeM).

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