

*The re-use of Public Sector Information  
Time to rethink the role of the Public  
Sector?*

**PSI Alliance<sup>★</sup>**

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The views presented are those of the speaker and have not  
been endorsed by the PSI Alliance

# PSI: the original drivers



- Military necessity (invasion or defence)
- Economic (taxes, colonisation, trade)
- Increase the effectiveness of the State
- Technology limited,
- Technical knowledge and literacy limited
- Market economy undeveloped
- Private sector unable to provide a viable alternative

# Economic and technical evolution has made PSI very valuable to all

- Should government now maximise re-use and thus value to society by liberalising access?
- Should government attempt to recover its costs of data creation and maintenance?
- Should government build on its existing commercial dominance in PSI and exploit it more widely?

*For example, should the tax-payer have to pay Government again for its maps?*

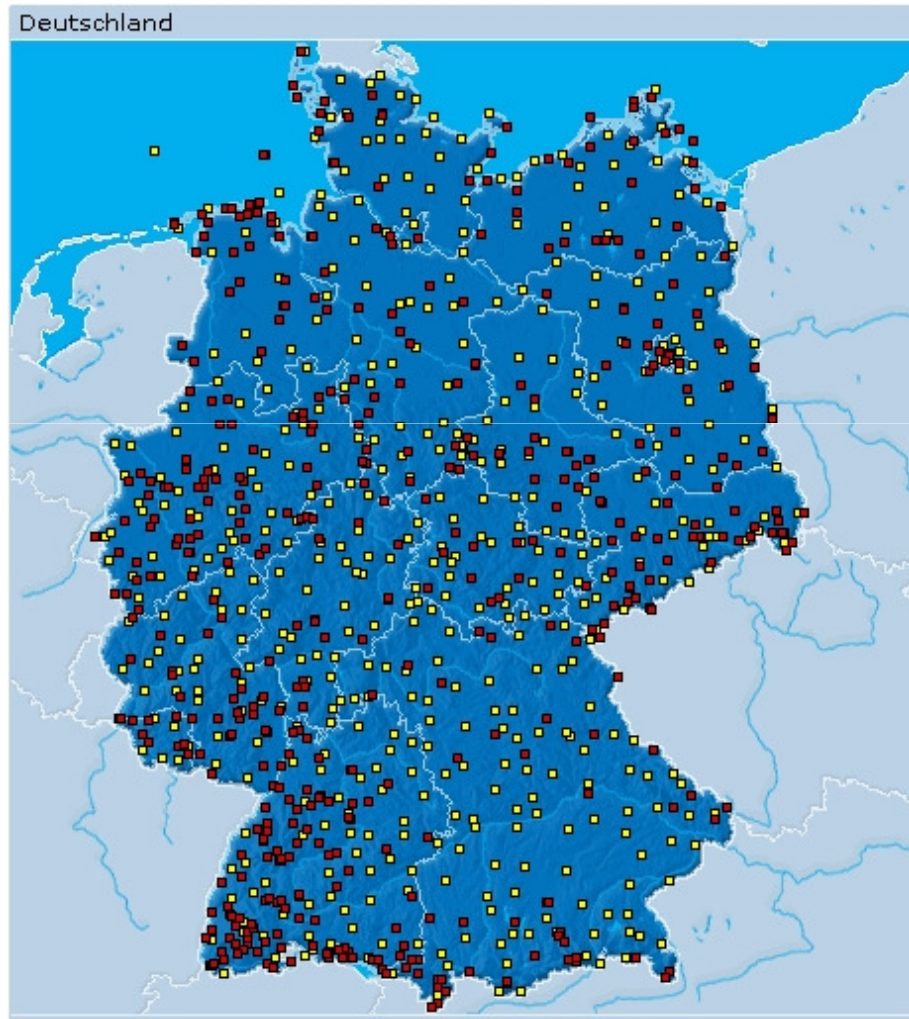
Maps can improve transport which benefits the wider economy

- Faster delivery of goods
- Greater client satisfaction
- Fewer perishable products lost
- Less fuel consumed

But many benefits are not directly economic but societal



# Substitution: a loss of economic efficiency .....



- **Yellow points** are the weather stations of the DWD (the German Meteorological service)

- **Red points** are the equivalent infrastructure created by the private sector because the DWD licensing terms for the re-use of their data were too onerous.

Source: <http://wetterstationen.meteo-media.de>

# If PSI is commercially exploited...

## *In favour*

- The user pays
- Ensures quality can be maintained or enhanced
- Keeps organisations in touch with real-world requirements
- Saves taxation
- Cross-subsidy of high and low value areas ensures national coverage

## **BUT**

- Limits access to PSI
- Higher cost because monopolies “gold-plate” services
- Lack of PSI “boundaries” discourages private sector investment and enterprise
- Public sector not natural innovators
- Regulation is expensive

# If PSI re-use is maximised by liberalised distribution

## *In favour*

- PSI is owned by the citizen anyway
- PSI has been paid for by the citizen
- Improves decisions about using scarce resources
- Stimulates innovation
- Encourages enterprise
- “Regulation” is easy

## **BUT**

- Will it increase taxes?
- Should all citizens bear the cost even if not users?
- Will funding for services be maintained in times of financial crisis?
- Will quality be maintained if not funded?

The debate is confused



*Are we asking the right questions?*

# 1. We know that re-use of PSI is economically very valuable

- The MEPSIR study (2006) – PSI re-use market size €27 billion pa for the EU area
- The Office of Fair Trading (2006) – liberalising access to PSI for re-use would at least double the value of the UK market
- Capgemini (2008) – failure to exploit information assets was costing the UK public sector £21 billion
- And ..... are we interested in, financial value or social value?
- Can PSI policies affect a nation's competitive advantage?

## 2. the legal framework is complex and insufficient

- The PSI Re-use Directive has loopholes
  - What is Public Task?
  - Cost or marginal cost? Average cost or item cost?
  - Lack of sanctions
- Intellectual Property Rights?
- Data Protection?
- Privacy issues?
- Cost of going to court..... and the time it takes

### 3. Effective Regulation may be expensive but must be more independent ....

Regulators have been reluctant to intervene against their own Governments (not in Sweden!)

“there has been a general recognition that OS is dependent upon maintaining the value of its intellectual property to support the current business model and, as a consequence, regulators have been reluctant to enforce any significant structural change that might jeopardise this.”

UK Consultation December 2009 (para 6.26):



## 4. Both public and private sectors have much to offer each other

### Public Sector

- Massive resources
- Access to core reference information *nationally*
- Public duty obligations
- Widely based requirements

### Private Sector

- Greater flexibility
- Risk takers
- Innovators
- Wider market understanding

## 5. A solution is urgent

- Digital storage has become cheap
- Software developments now make viable:
  - Rapid retrieval from massive datasets
  - Projection of images and cartography
  - Experimentation at low cost
- The World Wide Web provides the vehicle for connectivity
- The user base has the technical competence

***These factors would not have been true 15 years ago***

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## 6. Many of the original drivers are no longer relevant



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## 7. Some PSI Holders' business models have become very extended

- Some PSI Holders currently:
  - Act as advisors to their governments
  - Set standards for PSI
  - Produce PSI
  - Sell PSI to government
  - Sell monopoly PSI to the private sector
  - Add value to PSI which government does not necessarily need (“gold-plating”)
  - Broaden the boundaries of what they collect beyond PSI
  - Bundle product and services together
  - Cross-subsidise their monopoly and non-monopoly PSI costs
  - Act as PSI wholesaler and retailer for their products and services (ie competing directly with their own PSI resellers)

# What might be the right questions to answer?

1. What ***Core Data*** does the State naturally generate as a result of its role? (addresses, boundaries, ownership, planning etc)
2. What other must ensure is collected so that it can govern effectively?
3. How should it procure its collection?
4. How can it best ensure it is of adequate quality and long-term availability?
5. How should it provide for onward distribution without distorting markets but instead encouraging enterprise and innovation?

# Is the right answer to resolve Commercial and Institutional “conflicts of interest”?

1. Separate the advisory role from a PSI Holder’s commercial or institutional interest ?
2. Should Government not decide what PSI it needs *independently of organisations providing it* (procure from the private sector?) ?
3. Should Government not produce (or procure production) and own **only** “core” PSI or data it needs which the market cannot provide
4. The limits of PSI must be clear. Should Core PSI not be free ?
5. If PSI is charged for, an independent body must ensure markets are not distorted. Regulation must be independent and appropriate
6. Process must be able to evolve without friction (government needs, technical or economic opportunity and the market will all change over time)

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