

The 'REAL' value of PSI

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I have previously commented upon PSI as a realizable asset and also on the cultural divides which continue to impede innovative re-use models within the European markets.

Public Sector Information is of obvious and transparent value to the economy and has been estimated as being the largest source of information within the European economic model. The US information industry by comparison, is approximately five times the size of the European market despite a similarity of size within the respective economies and populations and this disparity represents an enormous 'opportunity cost' loss to the European markets.

Commenting on the United States model, [David Worlock](#) (Outsell) states:

'The US is an information Society for which the value of information as a resource is culturally embedded. Information is widely regarded as a tradable commodity'

However, the position within the European model is somewhat different:

'There are innovative trading models within the current markets whose very 'innovation' continues to be stifled by red tape and bureaucracy' – John Gray, PSI Consulting

Whilst there is obvious value to PSI, the perceptions as to actual value will differ widely across the sectoral divide and will impact upon potential re-use.

1. Within the Private Sector, the perception as to the value of PSI equates empirically to the cost of acquisition & capture of an information resource and which is by necessity viewed as a key determinant factor where Zero or Marginal Cost Pricing is favoured. (Marginal Cost Pricing in this context (within the UK) dates back to the Governments Cross Cutting Review of the Knowledge Economy in 2000). Marginal Cost pricing is again promoted strongly within the Power of Information Review (2007) in aiming to promote a landscape which supports innovation within the information industries and a pricing model which is fair, equitable and transparent.
2. Within the Public Sectors of European economies however, the perception of value is often seen to equate to the maximisation (of value) to the information holder (even though the creation of the base information resource has often been largely tax funded) and of the recovery of all costs in allowing the re-use of that information resource, which can of course, act as strong disincentive to potential & effective re-use.
3. The perception of value therefore can be seen to differ quite radically, dependent upon the position of the information holder and that of the information re-user, within the wider information matrix. It is at this point that the dichotomy between sectors ([PSI – The Cultural Divide 07/10/09](#)) still prevails and distorts the downstream value. This is particularly so in the case of Trading Funds – as has been evidenced across the European marketplace to the cost ultimately of growth & innovation within the European Economies.

If we look to the lead of cutting edge players within the 'Global' marketplace, we will see the rise of the phenomenon of 'Freemium Pricing' (Free products that allow the sale of premium products) This model exists where the near zero marginal cost of digital distribution have created a new marketplace where potentially 'free' pricing is a force of economic 'gravity'. A leading proponent of this activity model - [Chris Anderson](#) - argues that future markets will have companies competing with 'free' as a non price model. We see evidence of the 'free' model already at the cutting edge of

the digital world economy with players such as Skype, Google & Spotify.

Given the rapid growth of these companies and others within the Global digital economy and of their wide impact upon Global society, it is possible to visualise the vast and as yet, unrealised potential of the European Public Sector Information resource.

My belief however, is that the true equitable value of PSI will only be recognised once we have an element of certainty in a mandated policy where there is CLEAR direction on fair, open, transparent & accountable pricing policies from within the Public Sector which will allow the full and unimpeded flow of innovative products & services.