Workshop on the Information Society
Madrid, Spain

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Contents

2. Key Factors & « best practices »
3. The Emergence of the Digital Economy
4. The Forward Agenda
Chronology:
From the Information Highway to the Digital Economy
Information Highway to the e-Economy

• Information Highway Advisory Council - 1994 to 1997

• Connecting Canadians - 1997 to 2004

• The e-Economy - 2004 to 2007

“The first challenge facing Canadians is to facilitate Canada’s transition into the knowledge society”

Key Factors for Success

- Effective outreach
- Strong stakeholder support.
- High levels of public awareness
- International leverage – “Intermestic” Policies
- Whole of Government Approach
- National Strategic Vision

“Canada’s transition to an information society and a knowledge economy will require concerted action by all levels of government, the private sector and social institutions, and a commitment to ensure that all Canadians share in the benefits of the information society.”  

*Building the Information Society (1996)*
“Best practices” for Public Policy

- Engage the private sector and other stakeholder interests
- Establish clear legal, policy and regulatory frameworks
- Co-ordinate internationally to create “inter-mestic” policy.
- Cross-government coherence and strategy
- Developing national strategies that place ICT’s at the center of “mainstream” economic policy.
The Digital Economy
The Emergence of the Digital Economy

- Scope and Impact Growing

- “Mainstreaming”

- Internet Issues Growing Larger

“Everything we ever said about the Internet is happening”
Andrew S. Grove, Intel Corporation
The past decade
What has changed since 1998?

### Source:
- International Telecommunications Union ICT Statistics Database
- **Source 1998**: IDC, Active Media and Forrester Predicted IT by 2003
“Increasingly, the largest productivity gains for businesses come from using online networks in some form.” (June 2008 OECD Policy Brief on The Future of the Internet Economy)

“In the new global economy information and communications technology (IT) is the major driver, not just of improved quality of life, but also of economic growth. Moreover, there are strong indications that IT has the potential to continue driving growth for the foreseeable future.”

Robert D. Atkinson and Andrew S. Mackay
Digital Prosperity, Understanding the Economic Benefits of the Information Technology Revolution
March 2007
General purpose technologies (GPTs) are key technologies which have economy-wide application and drive profound economy-wide transformation, over a long period of time.

GPTs in the Modern Era

- Steam powered technology – key technology of the First Industrial Revolution
- Electricity and Electrification – key technology of the Second Industrial Revolution
- The Internal Combustion Engine – key technology of the modern transportation system and distributed power source

ICTs as the New Electricity

- Induce major changes to society’s economic and social structure
  - The organization of work, management of firms
  - Global Value Chains and Outsourcing
  - Skill requirements
  - Location and concentration of industry
  - Supporting infrastructure

“... driving profound, economy-wide, transformation and providing the communication infrastructure of the global economy.”

The Forward Agenda
Canada’s Forward Agenda

- Internet Safety – Measures to protect the Internet and to enhance consumer trust and business confidence in the online marketplace.

- Internet Infrastructure – Policy and regulatory initiatives to accelerate the deployment of broadband networks.

- The Internet Economy – Strategies to promote the use of the Internet to increase competitiveness, economic growth, and job creation.
“Best practices” for Public Policy

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Roundtables on the Digital Economy

- In October 2007, during “OECD Week in Ottawa”, Industry Canada and the Canadian Chamber of Commerce hosted a Canada Roundtable on the Future of the Internet Economy, and some 75 Canadian business and civil society leaders participated.

- Participants told us that the fundamental goals for Canada are:
  - **Performance**: regain Canada’s leadership Internet economy position (for productivity, innovation, competitiveness)
  - **Policy**: get the environment right for investment and innovation
  - **Partnership**: strengthen creative policy cooperation between government and the private sector (innovative governance, with strong federal government leadership)

- In June 2009, the Minister of Industry re-convened the Roundtable to outline a Digital Economy agenda for Canada.
The Legislative and Policy Environment

- Strengthening Private Sector Privacy Legislation
- Addressing Threats to the Online Marketplace
- Improving Security of Networks and Transactions

Securing personal data is the first step towards good privacy protection
Strengthening Privacy Legislation

- Canada’s private sector privacy legislation is the *Personal Information and Electronic Documents Act (PIPEDA)*
- Statutory Review takes place every five years, which has provided the government the opportunity to:
  - strengthen the Act generally; and
  - address the growing problem of data breaches
- Numerous high profile data breaches have led to public concern about the security of their personal information
- **Government has announced its intention to amend PIPEDA to require data breach reporting and notification**
- Will underline the need for private sector organizations to take data security more seriously.
Combating Threats to Online Markets

- **Spam and Malware**

- **Identity Theft**
  - Legislation to attach criminal penalties to certain types of identity theft has receive Royal Assent and will come into force in the near future
  - Will complement proposed measures to address data breaches
Growing the Internet Economy

**Goal:** A strategy to promote the use of the Internet as a necessary tool for business, and for ensuring Canada’s overall competitiveness, innovation and economic growth.

“The internet, innovation and economic growth”
Perrin Beatty, CEO Canadian Chamber of Commerce and
David Johnston, President University of Waterloo
The Hill Times, June 23, 2008

**Action:**

- Minimize and remove systematic and sectoral barriers to the conduct of online commerce in partnership with the private sector
  - Reconvene the Roundtable on the Digital Economy
  - An agenda for a “Digital Canada”
  - Measure and benchmark internationally
The Future of the Internet Economy

- In June over 2000 people from 68 countries assembled in Seoul, Korea at the OECD Ministerial on the Future of the Internet Economy

- Since the last Ministerial in 1998, the Internet is increasingly critical to our economies and societies – with implications across many policy domains

- The Internet economy is profoundly affecting everyday lives and transforming economic, social and cultural opportunities worldwide

- The Seoul Declaration was adopted by the 30 OECD countries and 9 non-member ones
The Seoul Declaration & Policy Framework

- **WE DECLARE** that, to contribute to the development of the Internet Economy, we will:
  - Facilitate the convergence of digital networks, devices, applications and services
  - Foster creativity in the development, use and application of the Internet
  - Strengthen confidence and security
  - Ensure that the Internet Economy is truly global

- Recommendations and principles were endorsed in the areas of: next generation networks, RFID, public sector information, digital content, critical infrastructures, online identity theft, consumers