Session on Internet Governance

Cairo ICT 2009

Mycerinous A Hall

Cairo International Conference Center

Speaker notes for Peter Hellmonds

Title: Internet Governance: A Business Perspective

Date: 9th of February, 2009

Time: 11:00 am – 12:30 pm

Objective: In view of Egypt's hosting of the 4th Internet Governance Forum in Sharm El Sheikh in November 2009, this session will be providing an overview on the topic of Internet Governance with special focus on the process of the IGF and its multi-stakeholder nature. In particular the session will be tackling issues pertaining to perspectives of the business sector as the driving force for Internet development.

Introduction

Thank you, Marilyn, for your kind words of introduction.

I would like to thank Christine and her colleagues at the NTRA for inviting me to speak here today. For me, this is like homecoming, as I used to live in Egypt, in Misr, for a couple of years when I was a young business man. Then, it was 25 years ago, I noticed the crippling effect of poor telecommunications on business and vowed to try my best to change that. I did not know then in 1984 about the Internet. But I had a computer and a modem, and was keen on using the convergence of telecoms and computers to make better use of the existing infrastructure.

Today, I come home to you like a son who left his family in young age and who returns a grown man. Today, I am here as a business speaker who has been actively engaged in shaping the Internet Governance Forum from its inception during the final

days of the negotiations before the WSIS in Tunis until recently in Hyderabad. I am glad that I am given the opportunity to share my thoughts with you today.

The session will mainly attempt to address the following questions:

- **Why should the business sector care about Internet Governance and what are the potential opportunities?**

On Critical Internet Resources, the business interests are aligned around the need to maintain the security and stability of the network. Noone wants to see it break apart for lack of coordinated activities in its core functions. Many business models integrate the Internet into business operations. Just think of the complex coordination of logistics and supply chains used for just-in-time production and delivery, or think of new ways for software distribution or online collaboration, or other Internet-enabled business transactions. Those business models are based on the implicit assumption that the Internet as we know it today is going to remain largely the way we know it.

That is: a highly innovative playground where innovation takes place at the edges, without central authority, with a distributed responsibility, and with multi-stakeholder input into the many processes that set standards and policies. While we are all used to adapting to an ever changing environment, one thing is clear: if this model of the Internet would change abruptly, so would many business plans and earnings projections. And surely, in this current business and financial climate, that would be the last thing we would want to happen.

And we have seen this disruption twice within the span of a year here in Egypt, and beyond in the Middle East, when the Mediterranean submarine cables connecting this part of the world to Europe where mysteriously severed, prompting disruptions in business communications over a couple of days and more. So, working on redundancy and resilience also on the level of the physical infrastructure is an important issue.

- **Why are businesses involved in the IGF process?**

For businesses, there are threats and opportunities.

An example of **threats**:

If you look at the introduction of IPv6 we cannot simply lie down and wait and do nothing. If you think about the impending depletion of the IPv4 number space, we clearly understand that something needs to be done so that we can continue to see expansion in the usage of the Internet. I'm not a technical expert on this issue, but when I think about the business implications, I thiink I need to urge everyone in the business community and beyond to take this issue seriously. Unfortunately, as I understand, the solution, moving wholescale to IPv6 at once, is not a realistic one, for multiple reasons, but a smooth transition plan - which we would all prefer - may be difficult to achieve, as the time to transition between these two different numbering systems is running out. We will need to live with co-existence of two different numbering systems for a while, which is a beneficial thing if you think of the training that needs to be done for this to work smoothly.

What we need is a concerted effort, similar to what happened in Japan, to work together in introducing IPv6 now. Should we fail to do so in time – and let's all remember: the time is now! – we will face a messy transition where the growth of the Internet may be slowed down and possibly an unfavourable black market for IPv4 addresses. Both developments in themselves would disadvantage the poorer economies who have already been disadvantaged by history through a poor allocation of IPv4 address space to begin with.

Opportunities

Then there are of course the opportunities that are important to a company like ours. Think of the issues around **Access, connecting the next billions**: as a company engaged in building the access infrastructure for the Internet in many countries around the world, we have a peculiar interest in seeing the Internet expand. Our prediction is that traffic is going to increase more than 100-fold over the coming years, asking for ever bigger pipes. And we also predict that by the year 2015 there will be at least 5 billion users connected to the Internet, and that the growth will most likely be in emerging markets and developing economies. It will be driven mostly by the mobile Internet experience for the end user on the one hand, and a proliferation of backbone solutions for ISPs and TelCos on the other hand. Business models will change and adapt, innovate and create new jobs, new companies, new economic growth.

We are keenly aware that competition is a key enabler for such economic growth, as it reduces barriers to entry into the market, and contributes to lower prices which are benefitting the consumer, the citizen. We understand that in such a situation, profits do not fall from heaven. Therefore, we develop specific low cost access solutions for rural communities such as our “Village Connection”, bringing down the costs for deployment, and specific applications that address the needs of the users in such communities.

But there is a need to work with other stakeholders, because simply saying: “build it – and they will come” is not sufficient.

To increase the usage of the Internet, we need to raise awareness, provide the right incentives for adoption, motivate users and work on increasing their capabilities. These soft factors are as important as the hard business facts and numbers when we think about increasing access to those living at the bottom of the social and income pyramid. The “Connectivity Scorecard” project that we have been working with Prof. Leonard Waverman of the London Business School shows how the interplay of the hard facts like infrastructure deployment and various soft factors like skills development, the use of online government services, but also the degree of freedom in the business sector has a major impact on economic growth of a country.

- **What factors hinder the participation from the business sector of developing countries?**

- **What roles does the business sector play in shaping Internet public policies and what responsibilities do they share?**

The principal role nd responsibility of the business sector is to make sure the Internet runs smoothly, to innovate and create jobs. In shaping public policies, however, there is an understanding today in the business community that we share the responsibilities with other stakeholders. That is, that you cannot govern the Internet without working together with all the different stakeholders in the various forums that exist in this space.

The Internet is not merely a communications medium, but a way for people to seek and impart information, to express themselves, to publish and to listen to the radio, to watch the news and produce videos. It is not the PC industry either, as much of the activities on the Internet is being done using mobile devices. The Internet is not local or national, but truly international. So, you have public policy issues that go much beyond simple industry regulation. There are issues such as human rights involved, freedom of expression, and civil society is an important guardian, or better: watchdog, of these rights and they will raise their voices when these rights are restricted. Governments need to listen to both advocates for certain principles and also technical experts and businesses who can inform about possible solutions and the costs associated with them. In the end, policy is made by governments, but if it was done in isolation, and without proper considerations for the other stakeholders, then it would be poor policy, not serving the community as it should.

The IGF truly reflects the essential involvement of all relevant stakeholders in Internet governance issues, and demonstrates the understanding that no single stakeholder can do what it takes to resolve them on their own. We may be able to solve the technical challenges, and also find some innovative applications and business models suited for users in underserved rural areas. Issues of content, multilingualism, and especially those issues relating to the triad of security, privacy, and openness, cannot be solved by a single stakeholder group. So, business needs to work with other stakeholders, and share responsibilities.

- **What are the challenges faced by the business sector involved in Internet Governance and what are their expectations?**

There are many challenges and neither business not even governments have the panacea for all problems. For example, everyone agrees that we need to reign in the abuse of children and protect them from becoming victims of abuse, or prevent of them from having access to inappropriate content over the Internet. And we see a lot of initiatives coming up to address this issue. But recent attempts to introduce wholescale blocking of IP address bands as a means to achieve those ends, and obligations on ISPs to do content filtering and monitoring of user behaviour – such issues need to be hotly debated in parliaments around the world before being put into laws. So, while we probably all agree on the problem, I am sure we will need to look very closely at the proposed solutions. Not every solution, however good it looks in

theory, will work when put into practical use. Or some solution could work too well, even harming access to perfectly legal and sensible content.

What I saw in Hyderabad was some strange coalescence of persons from very different backgrounds all rallying behind the cry to protect children from abuse. That in itself is a laudable goal. However, we need to be aware that any legitimate filtering technology can also be applied to other kinds of content, for example blocking access to perfectly legitimate information. Or methods to track down terrorists can be used also for tracking down dissidents or the political opposition. So, when I recently spoke in front of a number of Members of the European Parliament, I asked them to be vigilant in this respect, to protect the civil liberties that can quickly erode once the state has its hands on such technologies, supported by legislation authorizing its use. Strict safeguards protecting civil liberties will need to be put in place here.

So, the challenges can be a certain overzealousness in trying to overregulate, and the expectations would be that there needs to be the right measure of regulation and control, and that we should allow for sufficient freedoms, seeking the right measures to achieve our goals.

- **What is the business perspective for the future of Internet Governance?**

Internet Governance will have to evolve, as the Internet and its institutions have evolved and adapted to new circumstances and developments in the past. From a business perspective, we should allow this natural evolution to take place, and to take its necessary time. Yes, there are some issues that need to be resolved urgently, but others will need time and reflection, time for discussions and deliberation. We do not have the crystal ball to being able to see the future, but we can all vow to work together in a spirit of cooperation to extend the benefits of the Internet while reigning in its deficiencies, for the use by ourselves and future generations. We need to keep the innovation going, we need to make sure people have the chance to become millionaires, or go bust. We need to keep on allowing bottom-up innovation and development. If future Internet Governance keeps those principles, we're going to be doing fine, despite the many challenges we will be facing along the way.