

A National Digital Strategy

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Part 1: Preamble to an Issues Discussion Paper

Countries around the world are recognizing the need for a National Digital Strategy, but Canada has not yet embarked on this process. Digital technologies are bringing about transformative change in society, and Nordicity advocates that we develop our own strategy. We outline the main issues affecting digital literacy and skills, cultural industries, and broadband infrastructure and technology. We argue for a comprehensive approach and propose the institutional machinery necessary to make it happen. We aim to share this paper with colleagues in Canadian public agencies and private stakeholders in the creative and communications industries and seek feedback from you.

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[Towards a National Digital Strategy \(PDF\)](#)

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<p>Part 2: Digital Literacy and Skills Issues</p> <p>Digital literacy and creativity, investment in human capital for the workplace, and citizen engagement with government illustrate the growing need for creating a national digital strategy.</p>	<p>Part 3: Cultural Industries Issues</p> <p>A national digital strategy can help cultural industries successfully make the transition to digital platforms through redesign of support programs, clarifying the roles of broadcasters and distributors, and amending the Copyright Act.</p>	<p>Part 4: Infrastructure Development & Technology Issues</p> <p>Extending broadband and digital broadcasting connections to all Canadians is a vital part of a national digital strategy that fosters innovation in infrastructure, content creation and distribution.</p>
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The Nordicity Journey: Creating an Issues Discussion Paper

- Nordicity is a consultancy in policy, strategy, and economic analysis in the media, culture, and telecommunications sectors.
- Nordicity:
 - Operates in both Canada and the UK
 - Published an Issues Discussion Paper last fall [www.nordicity.com/digitalstrategy]
- This presentation is an update to that discussion paper.

The logic behind Nordicity's 2009 call for a National Digital Strategy

1. Other western countries have developed substantial digital strategies
2. Access to broadband services by all Canadians is a social and economic necessity
3. **Digital technologies' impact on cultural industries is transformative and linked to broadband policy**
4. Greater digital literacy and upgrading of training are essential elements for more effective engagement in ICT applications

Other countries have digital agendas, although the strategic focus has varied

Jurisdiction	Strategic Focus
United Kingdom Digital Britain	Integrates broadband, digital skills, and broadcasting
Germany iD2010 Information Society Germany 2010	Digital literacy, cultural preservation, broadband access
France France Numérique 2012: Digital Economic Development Plan	Digital literacy, cultural development incentives, broadband access, civic participation, delivery of government services
United States National Broadband Plan	Priorities for deployment/infrastructure, national purposes, and adoption/usage
New Zealand Digital Strategy 2.0	Digital skills, new tax regime for content production, universal broadband access
Australia Digital Economy Future Directions	IP reform, ICT training, online access to historical/educational material, world-leading broadband network

What should the Digital Agenda include?

The case for a strictly ICT and broadband focus

- **The 2010 Throne Speech defined a “Science and Technology Strategy”** - to drive digital adoption + deal with Copyright
- Some national approaches focus on broadband access to **combat the ‘digital divide’, i.e. broadband access is a socio-economic rationale**
- ICT and broadband issues are complex and could be treated separately (from culture and content)
- **If ICT/broadband is focus, we need a “second agenda” or bridge to a digital agenda for culture and creative industries.**

US Broadband strategy typifies access and economic focus



- *FCC's National Broadband Plan* shows some resolve to address the issue
- The Plan set targets for broadband (100 Mbps) wireless, public institutions and other social benefits
- The Plan links broadband to economic growth, education, health care, energy management, government services, civic engagement, and public safety
- Even with the \$7 billion stimulus money allocated, it is way over subscribed

What should the Digital Agenda include?

The case for including cultural content

- Content via broadband is eroding the effectiveness of CanCon regulation
- No road map broadcasting regulation → Internet content regulatory
- New revenue models may require more access to connectivity revenues. How then do creators capture revenues?
- Access to broadband for content providers raises questions about the role of Internet service providers as economic gatekeepers
- Web-enabled distribution will affect content for all creative industries; so, the question of adequate revenue generation from broadband access extends to all cultural sectors.

What should the Digital Agenda include?

The case for a separate cultural agenda

- Separate digital agenda for culture: examine digital ramifications
- First, a basic values issue: should we re-examine our cultural objectives?
 - If in the digital age creation and consumption are more interactive;
 - Then, what Canadian content are we trying to foster? Telling our own stories, or also web-based active global engagement?
- Second, a separate cultural agenda would focus on the transformation (and convergence) of individual creative industries, e.g.
 - government program redesign, tax incentives review, copyright reform, ownership policies, regulation

Status update on the three interlinked sets of issues set out in Nordicity's paper

1. ICT/Infrastructure development
2. Cultural Industries
3. Digital literacy/skills

(1) Key ICT/Infrastructure issues remain

Access to broadband services

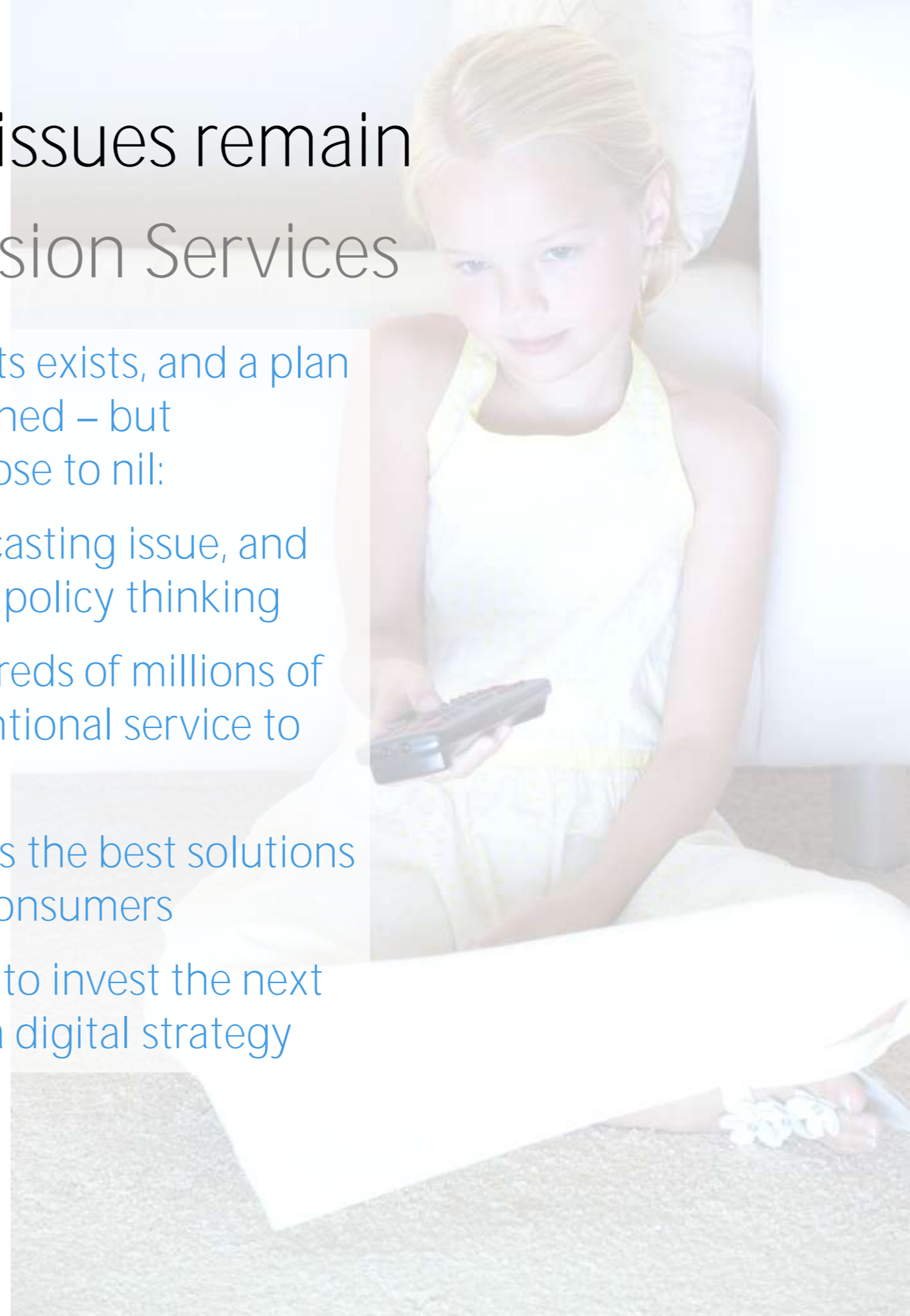
- Foreign government support greatly **exceeds Canada's incentives** (\$200 million range)
- No Canadian service level targets
- No form of universal access obligations
- Net neutrality (er, traffic management) could still be a major issue, as we see the US



Key ICT/Infrastructure issues remain

Access to Digital Television Services

- A transition plan for major markets exists, and a plan for smaller centres has been outlined – but implementation preparation is close to nil:
- Still conceived as largely a broadcasting issue, and may be a prisoner of decades old policy thinking
- Do we really want to spend hundreds of millions of dollars on bringing digital conventional service to every last TV set in Canada?
- So, we need a plan B that provides the best solutions for broadcasters, BDUs, and the consumers
- And we need to think about how to invest the next spectrum auction proceeds into a digital strategy



(2) Key cultural industry issues remain Cultural programs' response to digital

- Canada Media Fund (CMF) recognizes convergence and specifies cross-platform production.
- Changes in federal book publishing, magazine publishing support programs at Canadian Heritage and some new provincial programs
- Remains a lack of new funding mechanisms for stabilizing and growing content companies
- Little incentive for private investment into new applications and innovation in media

Key cultural industry issues remain Regulatory Agenda

- Group licensing decision needs to be put into place through licence renewals and regular regulatory fixes.
- Issues to be resolved:
 - **“Value-for-signal” for conventional TV broadcasters (or not)**
 - Terms of trade for independent producers with broadcasters
 - A levy on ISPs (or not) to finance content
 - New business arrangements – network operators invest in content
 - Role and financing of the CBC
 - Copyright reform

(3) Key training and research issues remain

Education and training for a digital world

- Educational and training institutions respond independently to the perceived market needs
- Several institutions have attracted government financing for digital media research and innovation, but it is ad hoc
- Gap remains in business skills training for the creative industries – needed (e.g.) to navigate the multiplatform rights complexities.
- And proliferation of digital hubs, incubators, and accelerators without building skills for technology and content creator collaboration

Key training and research issues remain

Digital literacy and public service productivity

- No particular leadership evident in skills issues from government, educational institutions and industry:
 - Digital literacy for kids, the workforce and daily life
 - Use of the Internet to engage the increasingly digitally literate citizenry
 - Digital delivery and communications solutions to improve government service (incl. healthcare)

Case Study:



- “Digital Economy” bill recently passed (April 8th) to stimulate economic growth, infrastructure development, public broadcaster financing, and competitive communications
- Implementation actions:
 - Funding of access technology development (Technology Services Board)
 - First step toward disconnecting pirates
 - Better use of spectrum for broadband mobile
 - Updating public broadcaster Channel 4 financing of TV and online service
- But independent local news consortia and broadband tax dropped from the final legislation

Overall takeaways

- Yes, we need to grow the ICT sector, and bring our accessibility back to world standards.
- The creative industries need particular attention to adapt to new digital realities
- Skills development and digital literacy go hand in hand with sound regulatory, program, and copyright policies
- There is activity but it is compartmentalized and thereby risks chasing divergent goals
- Canada needs an overarching direction in the digital economy, and the inclusion of all the right parts in the scope of any deliberation,
- And we need to be able to explain it to the general public.



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