ICC BASIS contribution to the ITU consultation on "Developmental Aspects of the Internet"

Summary

The Internet's transformative developmental impact cannot be overstated. Direct references to the catalytic power of information communication technologies (ICTs) for development are cited as specific targets in four of the 17 United Nations (UN) Sustainable Development Goals (SDGs), however the majority, if not all, of the SDGs would be served by the application of ICTs, both using emerging and existing technologies.

When looking at the Internet's societal impact, stakeholders must work collectively and collaboratively to promote the use of technology to address pressing developing country needs and to further societal benefit, while respecting local social and cultural norms.

Policymakers can benefit from close cooperation with business and other stakeholders to ensure that the legal, policy and regulatory approaches implemented will maximize the Internet's developmental opportunities.

Introduction

Speaking on behalf of businesses from all sectors and sizes in every part of the world, the International Chamber of Commerce (ICC) Business Action to Support the Information Society (BASIS) is of the view that the Internet is an enabler to growth, development and inclusion. It empowers citizens, supports the spread of knowledge, facilitates communication and participation and allows for continuous innovation and emerging technologies.

Following the decision of the International Telecommunication Union (ITU) Council Working Group on International Internet-related Public Policy Issues (CWG-Internet) on 14 October 2016 to hold an open consultation (online and physical) on "Developmental Aspects of the Internet", ICC would like to take this opportunity to share global business perspectives on the topics addressed in the consultation. Business is actively and constructively participating in and working on developmental aspects of the Internet in fora that have constituencies to address these issues at an economic and societal level and would like to take this opportunity to recognize the important work taking place on this topic for further reference in response to question two of the consultation.

ICC has demonstrated a consistently strong commitment to both voice the perspectives of businesses worldwide and to work cooperatively with all stakeholders to support and advocate for effective and impactful multistakeholder approaches to digital economy and Internet governance issues. In this context, this submission shares the global business view that the continued fulfilment of the full potential of the Internet and ICTs in the service of sustainable development can only be reached through flexible, globally-consistent, and market-driven policy frameworks developed in close consultation with all stakeholders.

Question 1: What are the developmental aspects of the Internet (for example, economic, social, regulatory and technical aspects), especially for developing countries?

The Internet has become a tool for sharing and collaboration, it has brought diverse communities closer together; facilitated new and excited conversations; greatly eased sharing of knowledge; promoted collaborative research, fuelled scientific and technical development; and changed the shape of societies. The 70th United Nations General Assembly High-Level meeting of World Summit on the Information Society (WSIS+10), approved by Resolution contained in A/70/125 on 16 December 2015, reinforced the importance of the Internet as a catalyst to achieve economic, social and technical development. Direct references to the catalytic power of ICTs for development are cited as specific targets in several of the 17 SDGs. We also believe that connectivity to the Internet is the catalyst and the means to achieve all of the SDGs in varying degrees, including, for example, the following:

- G1 End poverty in all its forms everywhere: particularly with regard to safety and disaster management.
- G4 Ensure inclusive and equitable quality education and promote lifelong learning opportunities for all.
- G5 Achieve gender equality and empower all women and girls: noting women leadership, entrepreneurship and inclusion.
- G8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all: noting the need to promote and facilitate small and medium enterprise development.
- G9 Build resilient infrastructure, promote inclusive and sustainable industrialization and foster innovation
    - 9 c) Significantly increase access to information and communications technology and strive to provide universal and affordable access to the Internet in least developed countries by 2020
- G17 Strengthen the means of implementation and revitalize the global partnership for sustainable development: noting the role technology and data will play in implementation.

The business community has helped advance developmental aspects of the Internet across the world, through contributions to poverty eradication[1], economic development[2], and improvements to global health[3], to name a few examples. The Internet's economic, social, regulatory and technical aspects cross-cut key features of development: innovation, capacity, and inclusivity.

Innovation

The Internet allows innovation and entrepreneurship to flourish with notable examples in developing and least developed countries. An Internet connection can support educational initiatives, small and medium sized enterprises (SMEs), as well as all individuals, to become producers of locally relevant services and information.[4]

Capacity

Examples of the Internet catalysing capacity can be seen in initiatives that use connectivity to empower women, girls, and all youths with appropriate skills and education and health knowledge etc.[5] In addition, the Internet can be used to provide mobile money services that

[1] http://www.ericsson.com/thecompany/sustainability-corporateresponsibility/communication-for-all/millennium-villages
[2] http://www.orange.com/en/actus-courtes-tuiles/responsabilite/actions/Confiance/Handicap-international-s-Actions
[3] http://newsroom.gehealthcare.com/middle-easts-evolving-healthcare-landscape-big-data-big-deal/
[4] http://siteresources.worldbank.org/EXTINFORMATIONANDCOMMUNICATIONANDTECHNOLOGIES/Resources/282822-1346223280837/MainReport.pdf
[5] http://www.amakomaya.com/en

lower barriers of access to financial services in developing or rural areas. The proliferation of applications, technologies for smart cities, energy, water etc., data analytics and research collaboration should also be noted as the Internet speeds up capacity by advancing and enriching global and shared research and development output.

Inclusivity
The Internet helps bring increased attention to initiatives that enable groups that would otherwise face barriers to development including education due to a disability, their gender, race, class, age etc. The Internet empowers marginalized groups, supports the spread of knowledge, and facilitates communication and participation in development initiatives.[6]

Question 2: How can governments and other stakeholders promote the developmental aspects of the Internet?

First, multistakeholder cooperation and engagement to promote the development aspects of the Internet is vital for developing the Information Society, and such cooperation should be the right platform to address and achieve the developmental aspects of the Internet, as reinforced by WSIS+10.

Business is actively and constructively participating in and working on developmental aspects of the Internet in fora that have constituencies to address these issues at an economic and societal level. For example, the Internet governance forum (IGF) provides an effective place to share knowledge and build capacity. The intersessional work on policy options for connecting and enabling the next billion[7] is a sound example of the ways stakeholders can collaborate from the bottom up to provide viable policy options. The United Nations Educational, Scientific and Cultural Organization (UNESCO) and United Nations Conference on Trade and Development (UNCTAD) have both embarked on projects of value to highlight the developmental aspects of the Internet. For example, UNESCO's Internet Study[8] and connecting the dots[9] work as well as UNCTAD's e-commerce weeks focused on key development themes. The UN Commission on science and technology (CSTD) is also addressing various developmental aspects of the Internet. The CSTD's nineteenth session included priority themes on smart cities and infrastructure and foresight for digital development.[10] Other noteworthy initiatives promoting developmental aspects of the Internet include 1World Connected who are systematically analyzing broadband adoption around the world.[11] Technical community initiatives on Internet exchange points are also important examples of how different stakeholders are supporting efforts to increase connectivity and reap the developmental benefits of the Internet.[12]

For the Internet to reach its full development potential, it must be accessible, affordable, and relevant to the needs of all citizens. We need to address all of these factors, while governments must seek to better understand barriers to Internet access and use, and through increased collaboration and partnerships with non-governmental stakeholders, seek to align policies and resources that can make Internet access more widely shared.

[6] http://www.kandy-youth.org/
[7] http://www.intgovforum.org/multilingual/index.php?q=filedepot_download/3416/412
[8] http://www.unesco.org/new/en/internetstudy
[9] http://www.unesco.org/new/en/netconference2015
[10] http://unctad.org/meetings/en/Presentation/ecn162016p14_Gonzalez-Sanz_UNCTAD-foresight_en.pdf
[11] http://1worldconnected.org/about/
[12] https://www.internetsociety.org/issues/internet-exchange-points-ixps

Governments, specifically, should also open up more spectrum, and make it easier to test new technology, enabling business to partner with various stakeholders to increase connectivity globally. Currently, more than half the world – about 4 billion people – do not have access to the Internet. Over 90% of those people live in developing countries. Even within countries, there are gaps between rich and poor; urban and rural; men and women; young and old. Furthermore, infrastructure spending is going down. Since the global financial crisis, more than half of the G20 countries have cut investment in infrastructure.[13]

The factors below are therefore important for governments and other stakeholders to consider when working to promote the developmental aspects of the Internet:

Multistakeholder cooperation

The continued development of the global Internet depends upon the cooperation of stakeholders from government, business, civil society and the technical community. By encouraging the participation of all interested stakeholders in their policymaking processes, governments can generate policies that are timely, scalable, and innovation-enabling. Collective and cooperative approaches are essential for furthering the progress and ensuring the on-going stability and continuity of an inclusive, people-centred Internet to foster ICTs for knowledgeable societies and sustainable development.

Flexible and enabling policy and regulatory environments

Promoting the developmental aspects of the Internet will require that the legal, policy and regulatory environments and approaches in place at national levels promote investment in ICTs and infrastructure, and foster entrepreneurship and innovation. Such environments are marked by transparency, accountability and regulatory certainty. Transparency is achieved by providing stakeholders timely, accessible, and actionable information relevant to their rights and interests, while accountability is achieved through policies that make governments and regulators answerable to their actions and decisions. Furthermore, governments can improve regulatory certainty by adopting frameworks that are clear and transparent, and by enforcing these frameworks in a predictable, fair manner.

Investment in broadband development

Private sector investment in broadband networks, and the Internet access and applications used by consumers and business around the globe, are immense drivers of economic opportunity. Governments can assist with investing and creating a sustainable broadband ecosystem that attracts more investment and promotes the use, development and deployment of broadband and related products and services through a number of strategies. Strategies proven to promote broadband deployment include: open and competitive markets with fair, investment-friendly and comparable regulatory intervention for all actors active in the digital value chain; fair spectrum prices, a strong reliance on voluntary commercial arrangements; policies that promote efficiency through engineering-driven design, such as the creation of Internet exchange points IXPs[14]; and policies that promote the growth of the products and services delivered over broadband.

Efforts to foster local content, improve cultural and linguistic diversity, and bring access to all global citizens, particularly to those in developing countries, should be supported. Content is an important driver of broadband adoption. Increased availability of content that is relevant to local communities will drive adoption and a sustainable broadband ecosystem.

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[13] https://www.mckinsey.de/files/mgi_bridging-global_infrastructure_gaps_june_2016.pdf

[14] See technical community examples: https://www.internetsociety.org/issues/internet-exchange-points-ixps

Open markets

In order to spur growth and creativity and fuel broader sustainable economic development, policies should ensure the free flow of information across borders, eliminate barriers to connectivity, and create an environment that allows businesses of all sizes to use technology to flourish. Policies should not restrict lawful use of the Internet or include protectionist regulations such as localization requirements, censorship requirements, and other non-tariff trade barriers that can inhibit the level of investment, innovation, and competition.

Spectrum allocation

Availability of spectrum, for both shared and exclusive, licensed and unlicensed use, has a critical role in promoting the accessibility of the Internet and thus its developmental prospects. There are considerable economic benefits of taking action to ensure that sufficient spectrum is available to support the increasing demands following current and expected data traffic trends. There are many important uses of spectrum, including broadcast and mobile broadband as well as for Wi-Fi. Effective and technologically neutral management of this increasingly scarce resource must be a priority for policymakers.

Locally-relevant content, resources and tools

Increased availability of content that is relevant to local communities will drive adoption and a sustainable broadband ecosystem. Policies are also necessary to continue the support of capacity building initiatives that seek to empower individuals and businesses locally to become content producers and develop business models that are unique and relevant to national economies. Locally relevant content can help drive Internet use and enable local communities to use the Internet for their local developmental needs. Policies that promote the continued creation of locally relevant content should be encouraged. Such policies should be market-driven and based on voluntary commercial arrangements.

Capacity building and development of local businesses and innovations

Policies are also necessary to continue the support of capacity building initiatives that seek to empower individuals and businesses locally to become content producers and develop business models that are unique and relevant to national economies. SMEs and individual entrepreneurs are the growth engine for sustainable economic development. Such capacity building initiatives need to focus on young people as the next generation that can strongly impact growth, and should seek to encourage participation of girls and women.

Inclusive information societies

Governments can partner with other stakeholders to improve digital literacy of all populations so they can more fully benefit from online services related to health, education, and employment. In addition, ICT accessibility requirements should be adequately addressed, as people with disabilities and senior citizens with sensorial, physical or cognitive impairments are often excluded from mainstream information sources and services, reducing their ability to participate in information societies, and thus minimizing their potential contributions.[15]

Institutional capacity and cooperation

Capacity-building remains critical to ensuring that institutions throughout the world are better able to collaborate to address developmental issues and share information. The ITU

[15] Source: UNESCO statistics on literacy

Development Sector is particularly well-suited to promote policies that encourage growth and expansion of broadband access consistent with its mandate, responsive to the directives of its membership, and through collaboration with relevant stakeholders.

More innovative financing is required to enable investment. Greater efforts could be made through appropriate regional and global entities – such as the IGF. The next billions of Internet users will come from less-developed countries and they will play important roles in driving and shaping the further development of the Information Society and the digital economy.

Question 3: What are the challenges and opportunities?

Connecting the 3.9 billion people around the globe who are not connected is the greatest opportunity for the continued development of the Internet. The Internet is a catalyst for broader social and economic advances through access to education, economic and employment opportunities, and even healthcare. It is a critical tool for development and should be available to everyone.

Despite impressive advances in global connectivity, more must be done to address the challenges that prevent more people from benefitting from the Internet. The developed world is largely online, but the developing world is a long way behind. Urban areas are connected, many rural areas are not. The less money you have, the less likely you are to be online. In many countries, women use the Internet far less than men. And even if the entire world lived within range of the necessary infrastructure, nearly a billion people remain illiterate or otherwise unable to benefit from online content. In summary, as the ITU's Measuring the Information Society 2016 report states, "The offline population – 3.9 billion people globally – is disproportionately female, elderly, less educated, lower income and rural."[16]

However, it is that same offline population – people in rural areas and with low incomes – that have most to gain from the broad social and economic benefits the Internet can bring, which include: greater economic opportunities, reducing poverty and hunger,[17] improved access to healthcare and education services,[18] and increased empowerment and opportunities for women.[19] Studies suggest that a 10% increase in broadband penetration in developing countries is correlated with a 1.35% increase in GDP.[20]

As identified in question two, challenges to connectivity can take various forms including: proximity of infrastructure for access, cost of access, lack of digital skills and ability to find content that is relevant and available in local languages. To address these varied challenges, business encourages and supports the various activities currently being undertaken in forums such as the IGF (see other examples referenced in answer to question one) which encourage multistakeholder collaboration to tackle issues and provide resources and policy options for stakeholders to overcome challenges.

There is a risk that establishing new mechanisms or models, without a thorough and methodical assessment could drain resources and result in reduced participation by all stakeholders in existing efforts. Business seeks to avoid the development of new mechanisms that duplicate

[16] https://www.itu.int/en/ITU-D/Statistics/Documents/publications/misr2016/MISR2016-w4.pdf
[17] World Bank, World Development Report 2016
[18] World Bank, World Development Report 2016
[19] Melhem, Samia, Claudia Morrell, and Nidhi Tandon. 2009. "Information and Communication Technologies for Women's Socioeconomic Empowerment."
[20] Colin Scott (2012): Does broadband Internet access actually spur economic growth? Available at http://www.eecs.berkeley.edu/~rcs/classes/ictd

existing efforts and supports efforts to strengthen and expand existing mechanisms to address outstanding issues, to ensure that the Internet remains a vibrant platform for sustainable development and innovation.

Governance and accountability are essential elements of both government and corporate structures. Policymakers can benefit from close cooperation with business and other stakeholders to ensure that the legal, policy and regulatory approaches implemented will prepare them to maximize the Internet broadband and data opportunities. Multistakeholder collaboration is essential to maximizing the potential of ICT while addressing issues that are relevant locally and respecting local cultural and social norms.

Access to an open and inclusive Internet is the central issue of our time, and a fundamental tool enabling free speech and empowering people in the 21st century. The Sustainable Development Goals recognise the Internet and connected ICTs as critical enablers for economic and social progress. To achieve these goals, it is crucial that the future of the Internet be shaped through an open, inclusive and truly multistakeholder process.

About the International Chamber of Commerce (ICC)

The International Chamber of Commerce (ICC) is the world's largest business organization with a network of over 6.5 million members in more than 130 countries. We work to promote international trade, responsible business conduct and a global approach to regulation through a unique mix of advocacy and standard setting activities—together with market-leading dispute resolution services. Our members include many of the world's largest companies, SMEs, business associations and local chambers of commerce.

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