



In Search of a National Digital Content Policy

The digital media/digital content sector sits at the interface of economic globalization, technological innovation and, most fickle of all, popular culture. Although Canadian politicians speak earnestly about digital media, digital content and the imperatives of the new, Internet-based economy, figuring how to develop a digital content policy -- to support the production of commercial material to be transmitted over the Internet -- remains elusive. The author notes that a great many countries have much more advanced digital content policy frameworks. Fortunately, this means there are plenty of models to study as policy-makers in Ottawa turn their minds to crafting a strategy for Canada.

Carin Holroyd

Digital media, from IT infrastructure to digital content production, is clearly going to figure prominently in the 21st century. By most metrics, Canada is underperforming significantly and lacks a comprehensive policy framework for the promotion and sustainability of this key sector. Canada needs a combination of accelerated investment in digital capacity, enhanced training and business development, and greater commitment to digital content.

When he was federal Minister of Industry, Tony Clement made a splash at the 2010 Canada 3.0 national digital media conference held in Stratford, Ontario. He announced the Government's plans to develop a Digital Economy Strategy, to be built off of an extensive national consultation. The consultations took place – there was genuine industry interest in the effort – but no digital economy strategy emerged. Indeed, the government continued to place its emphasis on the standard industrial and infrastructure elements, but with little attention given to the fastest growing parts

of the digital economy, those relating to the production, distribution and commercialization of digital content.

The federal Conservatives did not lose the digital thread altogether. The Conservative Party platform in 2011 indicated that the Government of Canada would be announcing a Digital Economy Strategy, focusing on improvement of infrastructure, a modernization of Canadian copyright law, enhanced educational and training programs, and college-business collaboration. Gary Goodyear, Minister of State for Science and Technology summarized the government's plans by saying "the private sector must lead the way. The government is creating the right conditions for Canadian business to compete internationally, we are creating the right policies to help the ICT sector grow, and we are providing incentives for businesses to adopt and use technology." The federal government has made investments. What they have not done is provide an outline of a coherent digital media strategy for the country.

In this context, the release by the Government of Canada of *Digital Canada 150* in April 2014 represented a significant step forward. For a fast-changing part of the economy, *Digital Canada 150* was surprisingly cautious. The Government of Canada pledged to connect more Canadians to broadband, particularly in rural and remote areas. They offered plans to improve Internet security, digitize more government services, encourage greater online Canadian content and promote e-commerce.

Michael Geist, a leading Canadian commentator on digital matters, highlighted three contributions of the policy document: the demonstration of government interest in digital technologies; a compendium of the not inconsiderable government actions to date; and some general directions on future policy priorities, from rural broadband to open data and cyber-bullying. As Geist summarized:

“Most disappointingly, Digital Canada 150 lacks a big picture goal or target that might have made the whole greater than the sum of its parts. There was no shortage of possibilities such as a national digital library to revolutionize access in schools and communities, a rethinking of Canadian surveillance policy so that mounting fears of widespread surveillance of individuals might be addressed, structural separation of Internet providers or a plan to join forces with the private sector to bring affordable access and computing equipment into every home in Canada.

“These were the types of initiatives that might have captured the public’s imagination and put an identifiable face on a broader strategy document. Instead, four years of waiting has yielded a modest vision of Canada’s digital future that frequently focuses more on what the government has done than on where it wants to go. Moore deserves credit for bringing the strategy to the finish line but, given the remarkable possibilities created by the Internet and new technologies, many Canadians were likely hoping for more.” (Michael Geist, “*Digital Canada 150: The Digital Strategy Without a Strategy*,” 5 April 2014.)

The federal approach is not that surprising. Although Canadian politicians speak earnestly about digital media, digital content and the imperatives of the new, Internet-based economy, figuring how to develop a digital content policy – to support the production of commercial material to be transmitted over the Internet – remains elusive. Many countries and the European Union have aggressive digital media plans. Canada does not and

Canada’s Information and Communications Technology standing continues to languish. Given the success of several key digital media firms – BlackBerry, Open Text, Desire2Learn, Christie Digital – and the seldom noted reality that the country ranks third in the world in video game production, it remains a mystery why a sector of such current and future prominence attracts so little

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political and government attention.

Digital content has been hard to accommodate within the government innovation policies and investments. The digital media/digital content sector does not really follow standard manufacturing structures, which emphasize industrial processes, large-scale operations and the production of physical products. Vast sums have been made on the basis of a relatively small amount of simple code (Facebook), creative algorithms (Google), attractive and efficient designs for communications systems (Apple and BlackBerry), a refinement of Internet-based telephony (Skype) or the application of digital storage technologies to a familiar consumer activity (YouTube). Smartphone apps have made programmers into billionaires, reproducing some of the frenzy of the dot.com boom of the 1990s.

Within the digital content sector, most firms are very small. Canada’s digital starts-ups have a distressing pattern of selling

¹ Daniel Tencer, “The 15 Countries with the highest broadband Internet penetration rate in the world”, *The Huffington Post Canada*, 08/02/2012.

² <http://www.netindex.com/download/allcountries/>

³ Material drawn from an interview with Luca Martinelli, Principal Administrator and Policy Officer, European Commission, Information Society and Media Directorate General, Digital Content and Cognitive Systems Directorate, (name will change to DG Connect), June 5, 2012, Luxembourg.

their innovations to the large American firms. Some of the most commercially viable fields are in less dramatic areas like educational content, premium content for libraries, high-end training materials and government services. The digital content sector does not aggregate easily. Governments understand the lobbying efforts by the forest industry, car manufacturers or the agricultural sector. Digital content is anarchistic in comparison, with little coordination between the various sub-sectors in Canada before the creation of the Canadian Digital Media Network in 2009. There are some large international players: Corus Entertainment has a substantial digital global presence, for example, and the popular Kobo eReader was launched in association with Chapters/Indigo before being sold to the Japanese-owned Ratuken in 2012.

The digital content sector is also challenging to support because of the often short-life span of innovations. Many of the pioneering firms in the digital content field have disappeared. Over the past decade, the rapid emergence of new applications and the shift from desktop computers to smart phones and tablets changed the industry. Innovations abound and continue to emerge, including social media, mobile Internet, digital cameras, ubiquitous computing, digital animation, Internet Protocol telephony, multi-player games, virtual reality, immersion chambers, electronic auctions, digital projection, digital advertising, cloud computing, multi-player games, content management and search systems, mass digitization, and many other developments. Put simply, the nature and parameters of the youth-focused,

fast-changing digital content sector are not well suited to the metrics, expectations and structures of national innovation strategies and government policies.

The content industry is also seen in Canada as an offshoot of the cultural sector or of heritage, intended to serve as a means of promoting national history, cultural themes and/or artistic expression. Just as governments routinely underestimate the economic importance of theatre, music and museums, they often continue that pattern by putting digital content into the same space. One of the key reasons that commercial policy movement in Canada has been so slow is that the primary federal responsibility for digital content remains in Canadian Heritage. Other countries – Taiwan, South Korea, Malaysia, Singapore, Japan, Estonia, Sweden, France and some others – are very active in digital media and have taken a broader perspective on the economic reality potential of the digital content sector.

A brief overview of national and regional priorities, focusing on East Asia and Europe, provides useful insights into gaps in Canadian public policy in digital media.

Building on the success of digital manufacturing, and Japan's early domination of the video game market, South Korea, Japan, China and Taiwan made major investments in wireless and wired Internet services but quickly broadened this out to support training, business development, international marketing and product enhancement in digital content. Private and public partnerships have provided the region with world-leading Internet connectivity, both through fibre optic cable and wireless services. Internet speeds have been among the fastest in the world and the once-high charges for Internet services fell dramatically.

Taiwan's government referred to its approach to the sector as "Bandwidth First, Content Later" and pledged to get broadband to every household as quickly as possible. The Korean government launched a \$10 billion broadband program in 2003 with the goal of achieving universal coverage by 2005. As of 2012, South Korea not only has the highest broadband Internet penetration in the world at 97.5 percent¹, but it also has the lowest prices and among the highest speeds² Hong Kong, Japan, Singapore and South

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⁴ Ibid

⁵ European Commission press release, “Digital Agenda: Turning Government Data into Gold” December 12, 2011 - <http://europa.eu/rapid/pressReleases-Action.do?reference=IP/11/1524&format=HTML&aged=0&language=EN&guiLanguage=en>

⁶ Interview with Ellen Pettersen, Digidel, Stockholm, Sweden, June 12, 2012.

⁷ Interview with Anna Hrapovitskaja, ICT Demo Centre, Tallin Estonia, June 18, 2012.

Korea are all among the top six countries in the world in terms of download speeds. Canada's Internet infrastructure, particularly, in northern and rural areas, is seriously deficient, slow and very expensive by global standards.

A central agency to coordinate the development of the digital content sector has been a successful approach for some countries. Taiwan, for example, established the Institute for Information Industry (Triple I) to encourage university-business collaboration, talent cultivation and market promotion and launches very aggressive e-economy strategies. Korea created a similar body in 2009 – the Korea Creative Content Agency combined five existing organizations into a single, influential entity charged with expanding the national presence in digital content.

The creation of flagship facilities – high profile digital content showcases – is a way to draw attention to the digital media field and highlight its increasing economic importance. In South Korea, the development of Songdo inside the Incheon Free Economic Zone is designed as a demonstration project for all manner of digital content and connectivity initiatives. The U-City (the “U” symbolizing ubiquitous computing) model illustrates how work, personal life, government and recreation can be bundled through digital technology, providing residents and visitors alike with a window on the digital future. Also in Korea, Seoul's Digital Media City, planned and funded by the Seoul City government, represents perhaps the largest digital content investment in Asia, if not the world, promising a complex of some 800 companies and over 60,000 employees, hoping to move beyond a demonstration centre to become an Asian hub for digital content creation and commercialization.

Hong Kong has followed suit, investing in a \$2 billion CyberPort, a collaborative centre that brings together training, research and commercialization, focusing on digital content. Singapore built an impressive Interactive Digital Media Centre, with specialized facilities for simulations and 3D visualization. China, for its part, has committed to the development of digital animation, opening a string of animation parks across the country, each focused on the development of digital content businesses.

Canada lacks a comparable major investment in a flagship digital media centre, one that provides a new model of training, applied research and commercialization and that provides an entry point for Canadian content providers to the global digital economy. Canada's commitments to date – the most extensive being investments in the digital media campuses of the University of Waterloo in Stratford, the Ontario College of Art and Design University in Toronto and the Great Northern Way digital complex in Vancouver – pale in comparison to the scale of the investments in other countries.

The European Union's Europeana project is an ambitious digital content project, designed to give digitized access to Europe's entire cultural heritage by 2025. By 2012, Europeana had 23 million digitized items and it aims to have 30 million by 2015³. The Europeana Foundation works with a network of museums, archives and libraries, assisted by Europe's leading universities. Europeana wants to “facilitate knowledge transfer, innovation and advocacy in the cultural heritage sector, distribute their heritage to users wherever they are, whenever they want it, engage users in new ways of participating in their cultural heritage”.⁴ The European Commission is now deliberating on ways to encourage the reuse of the material it has gathered, including for business purposes. One of its attempts to do so is through what it calls Hacker Funds. Young people are invited to develop applications for the use of digital cultural materials. There is some money attached to the award but the main prize is public recognition through the annual Digital Assembly in Brussels each June.

Most of Canada's historical and contemporary material is available only in traditional formats. This country needs to launch a catch-up project, designed to digitize Canadian heritage materials (books, magazines, archival materials, government reports, films, music, paintings, television programs, etc.). Tom Jenkins, Executive Chairman of the Board and Chief Strategy Officer for Open Text, and Dr. Ian Wilson, former Librarian and Archivist of Canada, led a promising initiative to digitize Canadian content. Even they failed to convince the Government of Canada to make a financial commitment to the area.

Opening up government data to the public in hopes that

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many people, from researchers and academics to creators of smart phone applications, will utilize the information that has been under discussion in Canada. In December 2011, the EU launched its Open Data Strategy for Europe, with the goal of building a digital content society founded on the potential commercial value of government/public information. The EU estimates that the benefits of releasing public sector information and allowing it to be reused could bring in as much as €40 billion annually to the European economy.⁵

Recognition of the difficulties faced in the 21st century by those who do not know how to use the Internet or for other reasons do not have access to it has grown in Canada as more and more services are offered online. A number of European countries (e.g., the United Kingdom, Sweden and Finland) have shown a strong commitment to accessibility, including some leading-edge efforts to ensure that disadvantaged groups (the elderly, disabled and the poor) have regular and reliable access to digital content. Get Online Week, for example, takes place across Europe every March. Sweden's Digidel 2013, an Internet participation campaign launched in 2011, is probably the best example of an Internet accessibility effort.⁶ Its goal is to give at least half a million Swedes currently not using the Internet the ability to do so.

While a great number of Canadian government services are available online, there is more that can be done. Estonia, with one of the most impressive e-government systems in the world, is a good place to look for ideas.⁷ Estonian tax forms are automatically prepopulated so that it takes only a few minutes to complete taxes; refund cheques are mailed out within a week. E-voting has been in place since 2005. Citizens can cast their votes (and change their votes) within a fixed pre-election period. A mobile ID card which ensures access to every secure e-service in Estonia was launched in 2002. The card is used for health insurance, banking, public transportation, digital signatures, e-voting, e-prescriptions and more. All of Estonia's government and private sector databases are linked (connected by what Estonia refers to as an X Road) and connect across platforms.

The digital media/digital content sector sits at the interface

of economic globalization, technological innovation and, most fickle of all, popular culture. Content is becoming increasingly important, as the technological improvements bring billions of potential consumers within easy reach of content producers from around the world. Canada has made important strides in the digital economy and has some prominent examples of national

success and international competitiveness. However, Canadian industry is not fully informed about the international development of digital media and digital content. The provincial and federal governments, as a result, are not aligning their policies, support and sense of urgency with global competitors.

Compared to other leading digital nations, Canada is not effective at converting early stage digital innovations into viable companies. Equally important, Canada has not been able to

convert its globally competitive cultural sector into the foundation for a strong and expansive digital content industry. In global terms, Canada has significant strengths in the culture and content fields but it is not bolstered by government policy and investment, corporate engagement and international commercial connections. There are many more initiatives and policies that could be undertaken to better support the development of a digital content sector in Canada, with a great need to create the legal and intellectual property rights environment necessary to support the commercialization of digital content.

Digital content, digital government services, and digital initiatives targeted at rural and remote regions hold particular potential for Canadian businesses. Canada is internationally respected with regard to the rule of law, financial security and government regulation. There is great potential to build world-leading positions in intellectual property rights, content management and e-government initiatives. In the world of digital content, much Canadian work remains to be done, but there is an e-foundation upon which to build. ✦

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