EDITORIAL: REPORTS CONFIRM ‘TECHNO-REALISM’

Techno-realism was the echoing message in January. How do we maximise the opportunities and minimise the risks that the Internet brings about? Two recent reports - the World Bank’s report on Digital Dividends, and the World Economic Forum’s report on Internet Fragmentation - reinforce this message, and offer suggestions and action plans on how to reap the benefits of the Internet and digital technologies. Read the Editorial and a digest of the two reports.

More on page 3

HUMAN RIGHTS COURT RULES ON PRIVACY

Two judgements by the European Court of Human Rights have ruled on privacy, employment aspects, and surveillance. The court’s findings on the legality of monitoring private communications during working hours, and the illegality of surveillance on anti-terror grounds, will have an impact on privacy and data governance in Europe and beyond.

More on page 4-5

ENCRIPTION COMES INTO FOCUS

January’s developments on security have placed encryption at the forefront of debate. Encryption has featured in US security officials’ meetings with Internet companies, in debates in the UK over the ‘Snooper’s Charter’, and in an open letter to governments worldwide signed by civil society and experts.

More on pages 4-5

GLOBAL TRENDS, PREDICTIONS FOR 2016

What were the main highlights last year, and what are the main predictions for the upcoming months? This issue looks at the global trends for 2016, and predicts the main developments in digital policy, including privacy, security, e-commerce, legal developments, net neutrality, the IANA transition process, and more.

More on pages 6-7

In addition to this newsletter you can find in-depth coverage on the GIP Digital Watch website (http://digitalwatch.giplatform.org) and join live discussions on last Tuesday of every month online, or at the Geneva Internet Platform premises, or emerging local hubs worldwide. Geneva Digital Watch newsletter is published by the Geneva Internet Platform/DiploFoundation. Design by Viktor Mijatovic, Diplo’s CreativeLab. Authors of this issue: Tetyana Belitska, Stephanie Borg Psaila, Tereza Horejsova, Jovan Kurbalija, Barbara Rosen Jacobson, Emanuele Sacchetto, Sorina Teleanu. Send your comments to digitalwatch@diplomacy.edu.
Organised by DiploFoundation and the Geneva Internet Platform, the Geneva Engage conference (#GenevaEngage), held 27-28 January, brought practitioners of e-participation together to address effective and inclusive ways of participating in policy processes taking place in International Geneva. Representatives of organisations shared their experiences with engaging remote participants and overcoming barriers, while online participants joined in the vibrant discussions in the true spirit of e-participation. The Geneva Engage Award 2016 recognised the most effective users of social media among Geneva missions, international organisations, and NGOs. On a lighter note, the just-for-fun section of this issue is dedicated to e-participation; turn to page 8 to test your knowledge.

The Science and Technology Conference on the implementation of the Sendai Framework for Disaster Risk Reduction 2015-2030, organised by the UN Office for Disaster Risk Reduction (UNISDR) 27-29 January, brought together the science and technology community, policymakers, practitioners, and researchers from all geographical regions to discuss how the science and technology community can best support the implementation of the Sendai Framework. The Geneva Engage Award 2016 recognised the most effective users of social media among Geneva missions, international organisations, and NGOs. On a lighter note, the just-for-fun section of this issue is dedicated to e-participation; turn to page 8 to test your knowledge.

The World Summit on the Information Society (WSIS) First Physical Meeting leading up to the WSIS Forum 2016, also known as Phase II of the WSIS Forum Open Consultation Process, held on 20 January, provided an update on the preparatory process for the forum. Held annually since 2009, the WSIS Forum serves as a platform for discussion and sharing of good practices related to the implementation of the WSIS outcomes. In preparation for this year’s event, stakeholders were invited to contribute their views on the format, content, and organisation of the event, and to submit workshop proposals. Participants at the meeting noted that the Forum is an opportunity to demonstrate the important role of ICTs in the implementation of the sustainable development goals. Stakeholders were therefore encouraged to consider these linkages in their submissions. The WSIS+10 resolution itself contains a number of themes - such as the ‘gender digital divide’ - that could be highlighted at the WSIS Forum.

A number of ITU Radiocommunication Sector (ITU-R) Study Group meetings also took place in Geneva. From 25 to 28 January, Working Party 6B (Study Group 6) on Broadcast Service Assembly and Access discussed the content to be broadcasted in a digital scenario, which consists of audio, video, data, and metadata. Each of these media types possesses its own characteristics that need to be taken into account for an efficient technical and economic preparation of the broadcast emission. Meetings of Working Parties 6A (Terrestrial Broadcasting Delivery) and 6C (Programme Production and Quality Assessment) run until the first week of February.

The ITU Workshop on Digital Financial Services and Financial Inclusion which took place 14-17 December was followed by the fourth meeting of the ITU-T Focus Group on Digital Financial Services (FG DFS) 15-16 December. The focus group developed a set of operational recommendations, tools, and solutions to assist countries in establishing financial-inclusion strategies capable of promoting widespread adoption of DFS. It discussed the creation of a platform for dialogue between the telecom and financial services regulators to discuss emerging issues and best practices for the policy and regulatory framework for financial inclusion and sharing best practices in areas of consumer protection, interoperability, access to infrastructure, and security and risk management.

On 1 December, 2015, the Permanent Mission of Latvia to the UN in Geneva invited ICANN President and CEO Fadi Chehadé to a briefing on the Internet Assigned Numbers Authority (IANA) transition process. Mr Chehadé explained that the process is expected to be completed over three key phases in 2016. First, the IANA Stewardship Transition Coordination Group (ICG) operational proposal and the Cross Community Working Group on Enhancing ICANN Accountability (CCWG- Accountability) proposal will be submitted to the US government. Secondly, the National Telecommunications and Information Administration (NTIA) will conduct a revision and evaluation of the proposals, which is expected to conclude in June 2016. Thirdly, the IANA stewardship transition proposals will need to be implemented ahead of the expiry date of the contract on 30 September 2016.
REPORTS CONFIRM ‘TECHNO-REALISM’

We are already a month into the year, and the echoing message is clear. The developments in January - especially two recent reports - breathe techno-realism: how do we maximise the opportunities and minimise the risks that the Internet brings about?

This fundamental question was behind these two reports. The first, a World Bank report on Digital Dividends, argued that the Internet does not automatically bring about benefits for society. Policy, education, and much more are needed in order to ensure that the Internet has a positive impact on society. The World Economic Forum issued a more cautionary report on Internet fragmentation, outlining risks that exist for the global Internet.

These reports clearly show that there are more clouds in the Internet’s ‘blue sky’. Together with cybersecurity challenges, the use of the Internet by terrorists, and risks for privacy and other human rights, these challenges will be the main focus of the global digital debate in 2016. It remains to be seen if the sky will remain blue or if more clouds turn into thunderstorms.

REAPING DIVIDENDS, PREVENTING FRAGMENTATION

The World Bank report on Digital Dividends draws attention to the fact that, while the Internet (and digital technologies, more widely) has the potential to enable growth and economic development, inequalities and gaps continue to exist and even widen both at global level and within countries, ‘not because of the Internet, but in spite of it’.

Digital technologies bring benefits to people (easier access to information, jobs, and other opportunities), businesses (more productivity and trade, greater competition and innovation), and governments (better public services and enhanced interaction with citizens). But these benefits (called digital dividends) are not spreading evenly enough and rapidly enough to allow true global economic growth.

To overcome this challenge, according to the report, two main directions are to be followed. First, efforts need to be made to close the digital divide and ensure that the Internet is universally available, accessible, and affordable. This can be achieved through promoting market competition, encouraging public-private partnerships, and setting appropriate regulations for Internet and telecom companies. Secondly, access alone is not enough for the Internet to bring benefits to society; therefore, complementary policies are needed to create an enabling environment for individual users, businesses, and the public sector to take full advantage of digital technologies.

The report recommends three main policy objectives in this regard: regulations that encourage market competition and give companies the incentive to continuously innovate, policies focused on education and training programmes in the area of digital literacy, and more capable and accountable public institutions that effectively employ technologies in policy-making processes and provision of public services - collectively known in the report as ‘analog complements’. At the same time, ensuring and protecting openness and safety and privacy of and on the Internet are seen as essential for creating trust and confidence among users, and, implicitly, for encouraging them to use the Internet more intensively.

The report argues that, with such complementary reforms in place, digital technologies are more likely to speed up global development.

The report on Internet Fragmentation, published by the World Economic Forum, looks into various types of challenges and trends that could lead to the fragmentation of the global and open Internet. Three forms of fragmentation are presented in the report. Technical fragmentation could affect the Internet’s core infrastructure by impeding the full connectivity and interoperability of devices, systems, and applications. This may occur due to issues such as IPv4 and IPv6 incompatibility, technical errors in the functionality of Internationalised Domain Names, and blocking of new gTLDs, and alternate domain name roots.

Governmental fragmentation is seen by many as the risk of having the global Internet divided into ‘national Internets’, due to governmental policies such as: filtering and blocking of certain types of content, requirements related to local data processing and storage, digital protectionism, and cyber-attacks on national networks. Commercial fragmentation could be the result of business practices such as: geo-blocking of content, proprietary technical standards affecting interoperability, and blocking and throttling as departures from the principles of net neutrality.

A set of five challenges is identified as being pressing and meriting further discussion: fragmentation as a national strategy, data localisation, digital protectionism, access to data held in other jurisdictions via Mutual Legal Assistance Treaties, and walled gardens. The report underlines that, while the Internet ‘remains stable and generally open and secure in its foundations’, these and similar challenges need to be carefully considered, through multistakeholder dialogue and cooperation, in order to tackle the risks that they may pose to the Internet and its capacity to drive growth and development.
WSIS+10: Rough consensus reached on development, security, and human rights issues; ambiguous compromise around the enhanced cooperation arrangement. The mandate of the Internet Governance Forum (IGF) was extended for 10 years. Main focus will be on the implementation of the decision to strengthen the IGF.

The UN Commission on Science and Technology for Development (CSTD) continued consultations in Budapest on enhanced cooperation; working group to be established by March.

World Economic Forum report: In light of recent concerns over the Internet’s stability, WEF’s latest report looked at technical, governmental, and commercial challenges that, if left unattended, could lead to fragmentation of the Internet.

The WSIS+10 Resolution has a strong link with the 2030 Agenda for Sustainable Development. As the ITU’s matrix shows, all of the 17 sustainable development goals (SDGs) will rely on digital technologies in the implementation process. Visit dw.giplatform.org/wsis10 for in-depth coverage of the WSIS+10 High-Level Meeting (December 2015).

2016 World Development Report: While digital technologies have been spreading, digital dividends have not; countries need to support ‘analog complements’; three action lines proposed: regulations that encourage market competition, policies on digital literacy, and increased accountability of public institutions.

More on page 3 of this issue.

Ukraine the target of cyber-attacks: electrical substations disconnected from the grid; Kiev’s main airport hit. In the UK, Internet companies stressed that encryption is ‘a fundamental security tool’, as the so-called Snooper’s Charter remains controversial. In the USA, encryption was discussed during US security officials’ meeting with Internet industry (San José, CA); new Countering Violent Extremism Task Force and a Global Engagement Center were announced.

Civil society groups and experts signed an open letter requesting governments worldwide to reject proposals – such as the implementation of backdoors – that would undermine encryption.

European Court of Human Rights ruled that employers may read employees’ private communications made during office hours. The Court did not consider it unreasonable for an employer to want to verify that their employees are completing their professional tasks during working hours. In a separate judgement, Hungary’s surveillance of private individuals on anti-terror grounds was ruled illegal.

Council of Europe adopted a recommendation on the protection and promotion of freedom of expression and the right to a private life with regard to net neutrality. Users’ rights should not be restricted by means of blocking, slowing down, or discriminating Internet traffic.

Free Basics was banned from India and Egypt. World Development Report raised concerns on the protection of net neutrality principles.
UK government pressure on intermediaries continued over backdoors to encrypted software and products.

Debates on taxation took place in different countries: the USA debated a permanent ban on Internet access taxes, Indian intermediaries sought tax exemptions for start-ups, Pakistan was urged to remove taxes on broadband and data services. The European Commission announced a new Anti Tax Avoidance Package, aimed at clamping down on corporate tax avoidance.

In France, taxis protested against Uber and what they consider to be unfair competition.

EU Data Protection Regulation to put a ‘one-stop-shop’ approach in motion, through which companies with operations in more than one EU country will be regulated by the national Data Protection Authority in that country where the company has its ‘main establishment’.

New European Online Dispute Resolution (ODR) platform is launched to help consumers and traders settle online disputes through dispute resolution rather than through court proceedings.

Implementation efforts under way, as work needs to be completed for transition to occur. The Cross Community Working Group on Enhancing ICANN Accountability (CCWG-Accountability) received comments over its third draft proposal: the majority of comments support proposal; concerns were raised over the status of Governmental Advisory Committee (GAC) advice.

In France, taxis protested against Uber and what they consider to be unfair competition.

For more information on the IG Barometer, consult www.giplatform.org/barometer
In 2016, many digital policy issues will converge on two questions: how to adjust existing regulations to the emerging digital business model and how to strike the right balance between security, development/economy, and the human rights aspects of digital policy.

The emerging business model typically involves: (a) internet users getting free Internet services in exchange for the personal data they provide; (b) the Internet industry covering its operational expenses, and profiting from selling users' data profiles and advertising to vendors; (c) vendors closing the triangle by selling their goods and services to users.

This tripartite model will be on the minds of many policymakers, as they discuss taxation, competition policy, and labour regulations. On privacy and data protection, the Safe Harbor ruling created a vacuum. There are temporary solutions, but regulatory instability cannot be tolerated for too long.

By autumn, the Court of Justice of the European Union should decide whether Uber is merely a transport service or must it be considered to be an electronic intermediary service or an information society service. This ruling will have a far-reaching impact on taxation, labour law, and competition policy, not only for Uber but also for similar Internet industries.

In addition, many national tax authorities in search of more revenue will try to tap into the money flow in the digital business triangle. These and other Internet economy issues will be high on the agenda of the 2016 OECD Ministerial Meeting on the Digital Economy.

The interplay between security, development/economy, and human rights, which is at the basis of the construct of the United Nations, the Organization for Security and Co-Operation in Europe (OSCE), and many international organisations, will be behind many digital policy discussions in 2016.

Digital is already on the agenda of three main committees of the UN General Assembly. The first committee focuses on security development, mainly by dealing with reports of the UN Group of Government Experts (GGE). The second committee, dealing with socio-economic developments, is the umbrella UN body for the WSIS process and digital aspects of Agenda 2030. The third committee deals with a wide set of online human rights issues with the question of privacy likely to dominate discussions in 2016.

The OSCE, under German presidency in 2016, will focus on the impact of the Internet on security through three dimensions of the OSCE’s activities: political-military, economic, and human. On the political-military dimension, the OSCE has been the global leader by introducing the first set of ‘cyber’ confidence-building measures in 2014. The OSCE’s work influenced provisions of the GGE report. On the economic dimension, the OSCE will deal with questions of protecting the integrity of Internet supply chains and critical infrastructure. On the human dimension, the OSCE is likely to focus on the human rights (privacy protection, freedom of expression) and preventing the use of the Internet to promote racism, xenophobia, and other forms of discrimination.

The main actors will have their own priorities: states will focus on digital means to guarantee the rule of law and security; individuals will be concerned with the right to privacy, freedom of speech, and information; and businesses will want to innovate and develop their services.

These main approaches to data policy come in condensed form when dealing with encryption. For governments, stronger encryption makes surveillance and access to data more difficult. For businesses, encryption ensures customer confidence, which is essential for their business models. Encryption has been one of the main sources of tension between Obama’s administration and Silicon Valley.

The infographic shows the main Internet governance highlights for each month. WSIS+10 and IANA transition processes prevailed throughout the year.
Cybersecurity: Cybersecurity will remain the most prominent digital policy issue. The focus on stopping the use of the Internet by terrorists will remain high on the policy agenda. The process initiated by last December’s meeting of the UN Counter-Terrorism Committee is likely to continue. The OSCE is likely to adopt a second set of confidence-building measures. The new UN Group of Governmental Experts (UN GGE) will discuss a new set of norms for responsible state behaviour in cyberspace. The agreement to stop economic cyber-espionage reached at the G20 meeting in Antalya will need further operationalisation in 2016.

Global IG architecture: After a very busy 2015 (IANA transition and WSIS+10), we should not expect any major developments. The main focus will be on the implementation of the decision to strengthen the IGF and the work of the newly formed Working Group on Enhanced Cooperation of the UN Commission on Science and Technology for Development.

IANA transition: It is very likely that the NTIA will endorse the two proposals (IANA transition and ICANN accountability). However, there is less certainty about the position of the US Congress, which has a formal say in the process. If ICANN’s accountability becomes a controversial issue in the US presidential campaign, it is very likely that US Congress will not endorse the IANA transition.

Online privacy and data protection: Data will move to the centre of digital politics. A promising basis for a possible convergence on data governance is the fact that all actors have legitimate interests and limited power to dominate data governance. Since all major actors would lose with the current data ‘anarchy’, there is a realistic chance that some global compromise could be reached on data governance. However, it will take some time. In 2016, the first steps could be made in the framework of broader policy bodies and spaces such as the OECD, the IGF, and the Council of Europe, to name a few.

Net neutrality: It remains to be seen if the US Federal Communications Commission’s (FCC’s) rules on net neutrality will pass the juridical challenge initiated by telecom companies. If the courts overrule the FCC, this will have a major impact on the global Internet. Countries and telecom operators will push for cost-recoverable investment for the modernisation of the telecom infrastructure. A new payment scheme will inevitably face the net neutrality challenge.

Jurisdiction: In the search for solutions to their digital problems, Internet users and organisations will increasingly refer to courts. Judges could become de facto rule makers in the field of digital policy, as was the case with the right to be forgotten.

ICANN and new domains: The focus will mainly be on making the new domain names programme viable as a business. The question of new domains will not have wider public policy relevance.

Digital development and access: In 2015, the relevance of digital development and access was renewed by the WSIS review process and the adoption of Agenda 2030 on Sustainable Development. This year started with the World Development Report (more on page 3) focusing on digital divides, which is expected to remain a prominent issue.

This is an abridged version of an article by Dr Jovan Kurbalija. Visit www.diplomacy.edu/predictions2016 to read the full version.

Across
1. To ensure a smooth e-participation experience, a mini mum of this technical requirement is needed; often measured in bits per second (9)
2. Webcasts often provide _______; valuable written records that can later be used for consultation and capacity building (11)
3. Social media is often used in _____ diplomacy, as it has a wide outreach across the globe (6)
4. E-participation can be difficult when facing _____ barriers (8)
5. A challenge of e-participation is the ‘virtual jet lag’ that is caused by communicating across different ______ (4,5)
6. A term often used to refer to remote participation: ______ participation (4,5)
7. A term often used to refer to remote participation: ______ participation
8. A remote _____ is responsible for forwarding questions from remote participants to the main meeting (9)
9. 62% of web users turn to this social network to look for political news (8)
10. A practitioner who uses the Internet and ICTs as a new method of conducting diplomacy (1-8)
11. A label or string of letters used to show that two or more bits of online media are related, often preceded by a hash (#) (3)
12. An online encyclopedia; one of the best-known examples of an online collaborative initiative (9)
13. Using digital media to capture conversations, information, and different voices from an event is called ______ reporting (6)
14. Acronym for an index that measures social media activities and their reception in international Geneva (4)
15. Characters that try to convey emotions in text chat (9)
16. Term referring to the use of Twitter for conducting diplomacy (10)
17. A seminar, lecture, or workshop that is transmitted over the Internet (7)
18. One of the most frequently used platforms for e-participation, developed by Cisco (5)
19. A remote _____ is responsible for forwarding questions from remote participants to the main meeting (9)
20. A remote _____ is responsible for forwarding questions from remote participants to the main meeting (9)
21. A remote _____ is responsible for forwarding questions from remote participants to the main meeting (9)

Down
1. A discussion forum that employs one of the most advanced uses of e-participation (3)
2. A term referring to the use of Twitter for conducting diplomacy (10)
3. The international organisation that organised the first e-participation session in multilateral diplomacy in October 1963 (3)
4. A term referring to the use of Twitter for conducting diplomacy (10)
5. A term referring to the use of Twitter for conducting diplomacy (10)
6. A term referring to the use of Twitter for conducting diplomacy (10)
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21. A term referring to the use of Twitter for conducting diplomacy (10)

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