

**The Future Digital Economy
Digital Content – Creation, Distribution and Access**

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**Presentation by Rachel Clark, Director, Broadcasting and Content,
UK Department of Trade and Industry
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Session 7: Are digital media and the Internet changing creative supply?

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Government perspectives on the interactions between creative supply and new media

We are living in an age of rapid change, where business models that once seemed fixed forever are being described as in need of urgent reappraisal at best, and as antediluvian at worst. Huge opportunities for exploitation of creative content are matched with threats to existing value. New ways to make exciting, interactive content available are being evolved against a background of rampant online piracy.

So, in this evolving world, what role does it fall to governments to play? Are we not becoming increasingly redundant, little more than mere spectators of a process that we cannot influence, even if we knew how we should do so?

Well, you will not be surprised to hear that I would not go along with that scenario. However, it might be worth my mentioning where I feel that we most certainly do *not* have a role to play.

We are not in the business of picking winners. Governments have never been good at that – and why should they be? It is the job of the private sector to do that, to make the judgements, take the risks, and create value. The notion of governments in some way pronouncing on *the* business model, and then setting the rules accordingly, is absurd. As we have already heard at this conference, the business models will be legion.

There are, though, three areas where government is in a position to help - the regulatory environment, in its own procurement, and in facilitating dialogue and understanding.

Regulation

Only governments can set regulation, and in many ways it is our fundamental duty to ensure that we get the balance right – and almost all regulation is a sometimes delicate balancing act. A particularly good example of this is the regulatory regime supporting Intellectual Property. Arguably, the creative economy is driven by digital content, and this depends on a robust IP regime. But it would not be right for IP law to disregard the legitimate expectations of consumers. And account has to be taken of how content can be made available for the wider public good, so that ideas may be exchanged, and education facilitated and culture invigorated. So far as can be done, regulation must also be future proof and technology and platform neutral.

Here in Europe we are actually rather well placed in terms of legislation that is fit for the digital world. The Directives on copyright and its enforcement are relatively recent, and seek to incorporate this balance whilst at the same time focusing on the economic imperative of making Europe a competitive place within which to do business in the twenty first century. With India and China beginning to emerge as economic giants we need to keep the economic goal in view. Together with other Directives, such as on eCommerce, and effective implementation and enforcement, we in government need to ensure that the legal framework is such as to allow the digital industries to compete in a global market, unfettered by unreasonable restrictions, but maintaining the safeguards for others that people are entitled to expect.

Procurement

Quite apart from its unique role in forming the regulatory environment, government has massive influence through its own huge appetite for digital content. This is not something which, in the past, has been fully appreciated by the public sector itself, and as a consequence there is a lot of work to do to make us an intelligent customer.

Does this matter? Surely it is enough that we consume a lot of digital material, bolstering the industry? In my view, if we are satisfied with that, then we will be missing an important trick.

Why? Because this is an area where we can achieve a win/win/win situation. If the public sector becomes an intelligent customer of digital content, it will benefit in terms of better use of always-scarce resources, and material that is focused and relevant. The industry will benefit in terms of having a much clearer idea of what it is that the public sector actually wants, not invariably the case at present, and so will be able to provide the product for the job without having to second-guess their client's wishes. And the final winner is the public, who not only get value for money (and contrary to popular belief we do always remember the source of the money we spend) but, just as importantly, can find better quality, tailored, easily accessible (and fun to use) information and content. In a digital world it is important that the public sector does not get left behind, and become a digital ghetto of second-rate content, only used by those who can't afford anything better.

In the UK we have begun to take this extremely seriously, and have devised four golden rules:

- Be Citizen centred
- Be Business centred
- Put results above process
- Ensure excellent use of the medium

The key is to develop, identify and spread best practice, and disseminate practical "how to" advice as widely as possible. This includes writing a clear project specification, knowing what it is that you, as a public sector body want to do, find a shortlist of people with the skills to carry it out, and do it. It's not rocket science; it's simply what we in the public sector must get better at – effective project management.

A practical example of what we are doing:

Government and industry stakeholders have committed a total of £9m (£4m public sector contribution) worth of support to "Digital Challenge". Based on the city of culture model, a competition judged by an independent panel will allow local authorities to display new and innovative services delivered digitally and that can be transferred elsewhere. The Challenge will look to develop a truly innovative digital vision for an area/region/city that identifies how they could combine, expand and utilise digital technology to combat exclusion and deprivation and demonstrate the benefits to local industry and all their citizens. The competitive nature of the Challenge will naturally lend itself to attracting innovative, groundbreaking projects, pushing the boundaries of creative technologies and multimedia content, and provide an exemplar for others to follow.

Facilitation

Quite apart from setting (and enforcing) the regulatory framework, and acting as an intelligent client, governments have a relatively unsung role as a facilitator of dialogue and

understanding between different interests. This is often found of real value to industry and other stakeholders, somewhat to their and our surprise, since it enables them to engage on neutral territory with representatives of interests they do not otherwise speak to (or if they do it is in confrontational terms).

In the UK we have provided a forum for the various elements of the value chain within a body called the Creative Industries Forum on Intellectual Property. Ministers chaired this, and officials did the legwork, but the direction was set by industry, the creative industries naturally but also mobile operators, ISPs, creators and consumer representatives. They found the process of discussing issues around a table enlightening in terms of better appreciating other player's viewpoint, and realising that the key was to grow the entire value chain, rather than scrap over their share of it.

Of course, this will not result in wall-to-wall sweetness and light – commercial considerations will remain paramount – but it is a fact that senior and hard-nosed industrialists did find the experience a rewarding one. We are not the only government performing this facilitating function, of course. The European Commission, for example, deserves a lot of credit for enabling a proper discussion on the use of Digital Rights Management to take place.

Conclusion

So, the answer to my own question, does Government still have a role to play in such a rapidly evolving world, is a definite yes. Not to tell business what to do and how to do it, but to ensure the legal position is right, to look to our own laurels as consumers and customers of new exciting content delivered over new media, and to act as trusted intermediary and bring together elements in the new media world that might otherwise waste time and energy on conflict.

Thank you.