



Italian eContent Policies

OECD

Working Party of the Information Economy
Digital Broadband Content Panel
Paris, 3rd June 2004

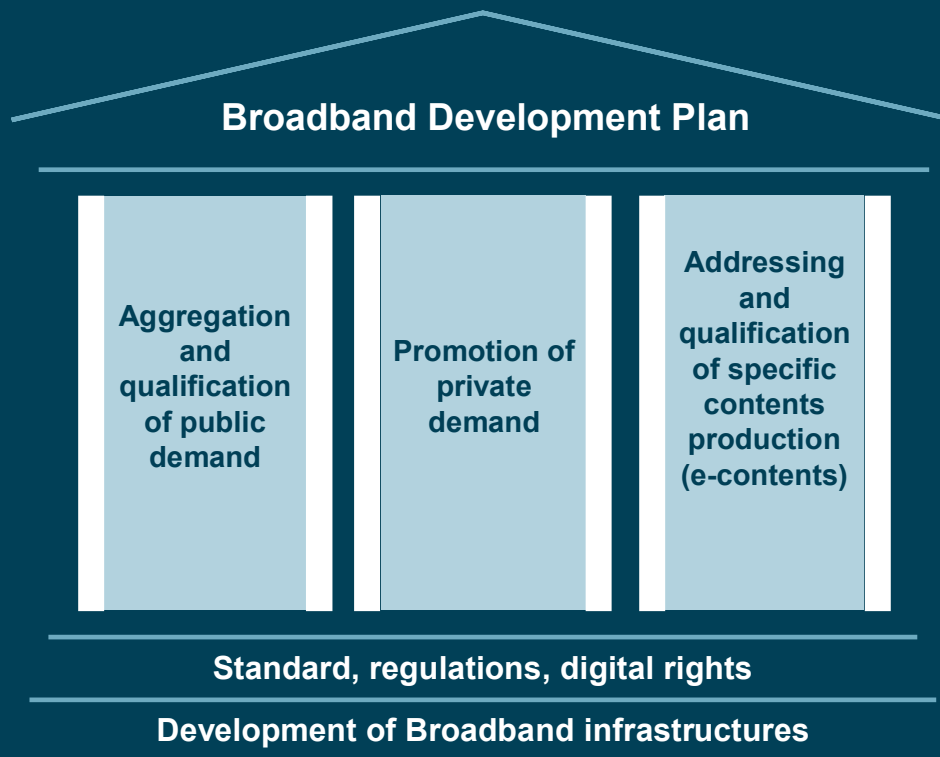
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WPIE, Paris 4 June 2004



The diffusion of a Broadband infrastructure is high in the policy agenda of the Italian Government

Approach to the development of the Information Society



Broadband Development Plan main objectives

- Participate to the **promotion of the demand** through:
 - public demand aggregation
 - private demand promotion
- Participate to the development of **specific contents** addressing and qualifying the e-content production
- Develop the “enabling factors” for the usage of digital contents

The penetration of the Broadband in Italy highlights an **exceptional increase** between 2002 and 2003, with an average connections growth of **135%**.

In order to sustain the continuously growth of infrastructures, it is necessary to strengthen the development of contents and services



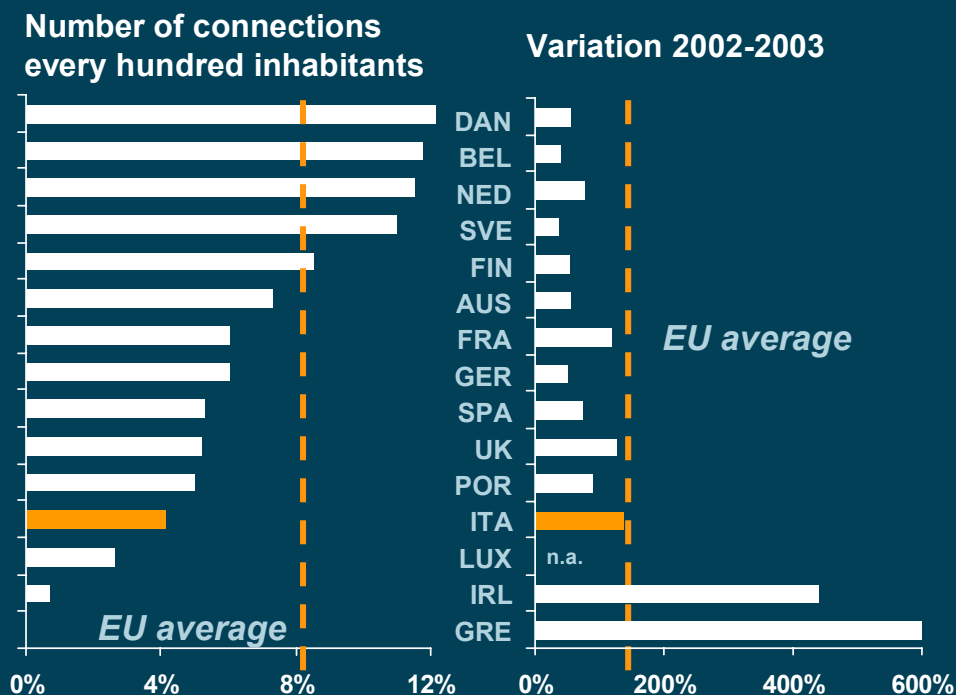
The Italian Government, with Sviluppo Italia, has created two different companies: Innovazione Italia & Infratel Italia

- The Italian Government has entrusted **Sviluppo Italia** (the National Agency for the Industrial Development) with supporting the national strategy for broadband deployment.
- Sviluppo Italia has created two different companies:
 - **Innovazione Italia** to promote broadband content, services and applications for citizens, public institutions and companies
 - **Infratel Italia** to deploy infrastructures in underserved areas
- The projects aim to bridge the digital divide and the infrastructural gap, which penalize the Southern Regions

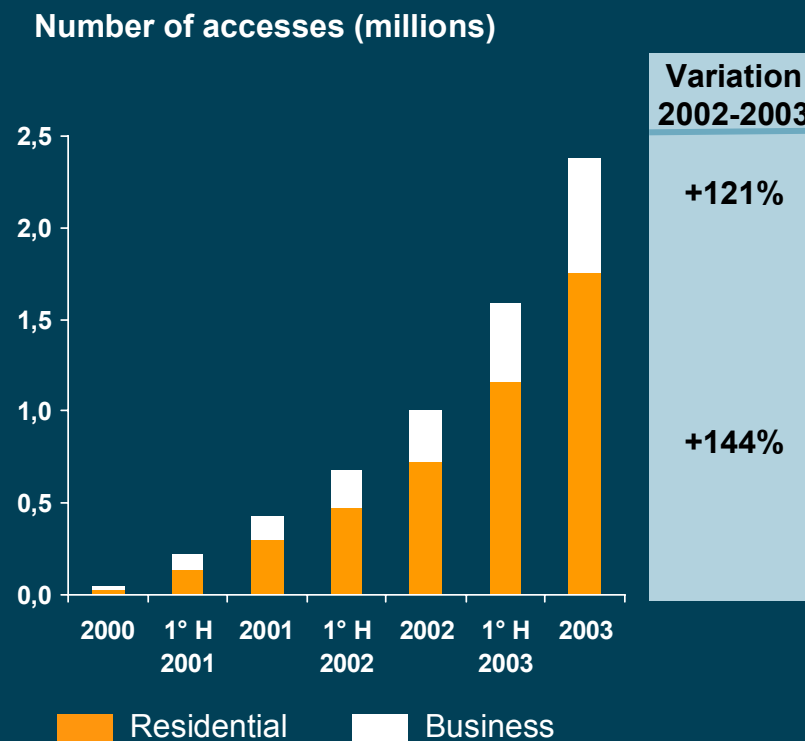


Broadband¹⁾ penetration in Italy: infrastructure and access

Broadband diffusion in Europe



Broadband Access in Italy



1) Please note that Broadband is defined as connection with more than 129 kbit



The promotion of contents, services and application might advantage also the digital contents industry (1/2)

Main obstacles to the development of the offer of broadband contents

- **Restricted market dimensions** due to:
 - low propension of the demand to pay for digital contents
 - concentration on traditional platforms
 - large diffusion of piracy
- **Industry fragmentation**, in particular in production activities, that penalizes long-term investments in a concentrated world scenery
- Lack of sustainable **business models**

The promotion of contents and services development might advantage also the digital contents industry (2/2)

Main obstacles to the development of the offer of Broadband contents

- Uncertainty in the **IPR protection**
- High **production costs** due to:
 - low volumes
 - production process still expensive
 - lack of standards
- Hard access to financial resources

The European Commission highlights the need of a **European reaction in order to remove those obstacles mainly due to the fragmentation of the industry and the dimensions of the market**



Innovazione Italia is launching promotion policies for digital contents market by increasing the “critical mass” and adopting a strategy founded on two main pillars...

Strategies for the development of the digital contents market

Objectives

Increase the digital contents and services market by increasing the “critical mass”

Strategies

- 1 Increase the number of contents users in Italy through an enlargement of the offer promoted with competitive pricing**

Develop projects that stimulate firstly public demand (e.g. education for schools) and secondly private demand (e.g. families that purchase “school e-book”)

- 2 Increase the number of contents users abroad through the selling of the Italian cultural identity and the Italian Style of Life**

Develop and sell digital contents concerning Italian cultural identity to **Italian communities abroad** and to **international clients** through a **multilingual approach**, with the intent to strength the “Italian Brand Equity”



The growth in the number of users in Italy will follow the promotion of the digital contents usage, starting from school education (1/2)

Guidelines of digital contents in school education

The Italian Government is defining an intervention to promote the consumption of digital contents in schools in order to **deeply change teaching methodology** through:

- the development of applications that include **multi-device usage** (e.g. mobiles, PDA, TV, PC and consoles for games)...
- ...through all the **highly developed methods of connection** (DSL/T3/T1/cable, UMTS and WI-FI for hot spot inside the schools)...

The growth in the number of users in Italy will follow the promotion of the digital contents usage, starting from school education (2/2)

Guidelines of digital contents in school education

- ...that **follow the student in his daily activities**: at school and home through DSL/T3/T1/Cable, in other hot spots (e.g. digital libraries) through Wi-Fi, during his movements through highly developed technologies (2,5G enhanced and 3G)...
- ...by **making the most of experiences media/games** to interpret in an innovative way the schools needs, by following the student during all the steps of the daily learning

The usage of alternative interactive teaching methods will allow to develop different ways of learning with the main target of **e-inclusion¹⁾**

1) For examples through the diffusion of English and the use of technology in order to bridge the digital divide through reaching out to various groups such as students with disabilities, enabling them to participate in the information society on equal basis



An initiative under evaluation in e-learning program is the set up of a virtual place where demand and offer match

Objectives

- Promotion of the match between demand and offer of digital contents and services in a **cooperative** perspective through the promotion of a “**smart and shared repository**”
- Development of online contents according to two drivers:
 - development of **learning object**: modular and complete contents, that can be used by teachers in different contexts (re-aggregation) and approachable from a wide range of users
 - **direct involvement of users** (teachers and students) and of cultural institutions in the development and testing processes to enrich contents
- Development of **technical, educational and inter-operability standards, DRM systems**

Advantages for teachers

- **Higher number** of educational tools
- **Full autonomy** in the definition of educational paths
- Additional focus on the role of “**teacher**” thanks to experiences sharing
- **Active participation** to the conceptualization of the material and to the creation of digital contents by building them from different sources

Advantages for students/families

- **More efficient** impulses to learning
- Study method “**design around you**”
- Promotion of **interaction** taken from the world of **games**
- **Delay in cash flow** thanks to the possibility to buy on demand

Advantages for companies

- Creation of a **wide market** through the aggregation of public demand
- **Organic development** of the market of digital contents by promoting sustainable business models
- Definition of contents and of inter-operability standards
- Environment regulated by **DRM**

The project will be focused on the aggregation of public demand by emphasizing the synergies of “vertical” projects in progress

Possible areas of “institutional synergies”

MIUR and Public Institutions have launched many innovative projects in schools, some of them can be potentially synergic

Examples



In addition, synergies with other projects of social and economic relevance are considered (Tourism 2010, Health 2010, Virtual School PA, School 2010, projects of e-Government, Digital TV, Plan for Digital Innovation of Italian Companies)

Common elements: actions

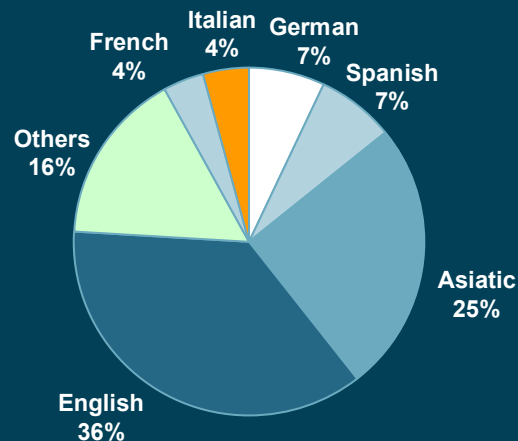
- **Activation of the offer of multimedia contents in order to develop the market of contents**
- **Activation of services of interactive images management, promoting the creation of experts (e.g. tutor, media publisher, instructional designer)**
- **Exploitation of already existing platforms**



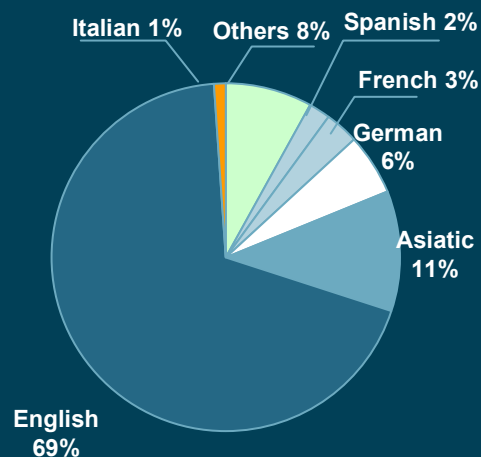
A further opportunity of critical mass growth is the promotion abroad of digital contents made in Italy

Digital contents Import/Export flows analysis

Internet User by language



Web content by language



Comments

- Italy comes out as a **“net importer” of digital contents**, with a number of “web-surfers” equal to 4% of the world total, producing only 1% of contents
- English speaking countries are **“net exporter”** (36% of “web-surfers” with 69% of production)
- Other European countries, even though not helped by the language (e.g. **Germany and France**), show a **balanced position** of Import/Export (Germany: 7% “web-surfers”, 6% production; France: 4% “web-surfers”, 3% of production)

The potential market of digital content made in Italy is attractive

Two are the main strategies defined in order to increase the number of users of Italian digital contents abroad

Digital contents development strategy

- ▶ Offer of **exclusive digital contents** for two targets:
 - Italian communities abroad, to which it is possible to sell contents and services made in Italy, also in original language
 - “High spender trans-national segment”, interested in accessing, through multi-language digital contents, to the Italian Style of Life (fashion, design, tourism, ...)
- ▶ Offer of **general multi-language digital contents** focused on attractive areas by dimension, potential users, digitalisation level, competitive context, presence of Italian companies, ...

It will be necessary to develop cooperation with partner countries:

- representing a bridge towards other attractive geographic areas nearby
- having an high level of digitalisation and know-how
- having commercial relationships



One of the main goals of the Italian Government is the promotion of sustainable business models for digital content industry (1/2)

Guidelines for the promotion of sustainable business models

- One of the main targets is to design the initiatives and the actions according to **business models sustainable in the long term**
- The aggregation, qualification and promotion policy of **public demand**, by increasing the “**critical mass**”, supports the sustainability of the business model



One of the main goals of the Italian Government is the promotion of sustainable business models for digital content industry (2/2)

Guidelines for the promotion of sustainable business models

- Other instruments essential to the achievement are:
 - the activation of the **partnership between public and private sectors** in order to emphasize initial funding, by promoting the commitment of private actors
 - the addressing of the **Digital Rights Management** issue (e.g. “digital rights brokers”)
 - the definition of standards of inter-operability promoted also at a European level

The overall policy must be developed and coordinated at European level in partnership with main players (local Governments, companies)