The “Virtuous Circle”

The workshop papers underlined the dynamic relationship between the development of broadband infrastructure and the rollout of e-business and e-government, its overall contribution to productivity and growth, and its relevance to national economic strategies.

Government policy orientations

Supply-side strategies that directly encourage investment in broadband infrastructure.

Demand-side strategies that generate revenue streams to sustain infrastructure development.

Policy instruments

Policy and Regulatory Frameworks - Government setting “rules of the game” for broadband development.

E-Government - Applications and use of broadband within the public sector.

Diffusion Strategies - Ways and means to encourage deployment across the economy.

Typology of government policies

<table>
<thead>
<tr>
<th>Policy &amp; regulation</th>
<th>Pricing; access</th>
<th>E-business ground rules; R&amp;D and IPR</th>
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</thead>
<tbody>
<tr>
<td>E-government</td>
<td>Government as user</td>
<td>Citizen awareness and use</td>
</tr>
<tr>
<td>Diffusion</td>
<td>Aggregate local demand</td>
<td>Promote e-business adoption</td>
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Directions for future work

Clearly define broadband, stressing functional rather than technical criteria.

Elaborate the “virtuous circle”, specifically the impacts of broadband networks on productivity and growth.

Analyse and quantify the importance of broadband for business and for the delivery of public services.

Demonstrate empirically the relevance of broadband for community development and the implications for governmental policies in the areas of regional development and the “digital divide”.

Identify the areas of “market failure”, suggesting where and when government involvement is appropriate.