Kerrie Henderson, ABA Member presented the following paper to the APEC TEL (APEC Telecommunications Working Group) Seminar 'Creating an Information Society' on 23 September 1997 in Wellington, New Zealand.

Cultural economics - content's challenges for government

The task of creating a policy and regulatory environment supportive of both an information society and information economy is a major one for governments around the region. It is a task which represents both challenges and paradoxes, a number of which I would like to address this afternoon.

The 'information society' and the 'information economy' are not the same thing. They are actually two separate critical ingredients needed for a thriving economy in the coming century. If they are developed and managed well they will constitute the mutually reinforcing underpinnings of prosperous, civil societies, and this is the central challenge to government in facilitating an Asia-Pacific Information Infrastructure.

The power and potential of new information and communications technologies are truly awesome. They provide the potential for previously undreamed of connections and opportunities, many of which we have heard discussed here.

For me, as an Australian, one of the best illustrations of the positive power of communications technology is the website operated by a tiny Aboriginal community called Maningrida. Maningrida is a tiny place in north east Arnhem land, in northern Australia. The place is about as remote as you can get, and is often completely cut off from external contact during the annual wet season. It has no industry to speak of. Its people have had to make tough choices between leaving their traditional land, their mother, and moving elsewhere to get work, or facing a lifetime of subsistence living, often on welfare or charity.

However, Maningrida now has a website which is beginning to change all that. The community uses the site to explain its beliefs and cultural traditions —and to sell its art. You can browse through sample pictures and indicative prices and get explanations of the provenance and significance of the work in both English and German (Germany is a significant market for the community's art, so they have responded accordingly in their sales pitch). If you see something you like you can send an e-mail to see if it's still available or something similar might be. You can cut a deal, fax your credit card authorisation and have the work packed and shipped to wherever your heart desires. The community now has a means to generate its own income, free of many of the usual middle men. It spreads recognition and acknowledgment of its culture and, perhaps more importantly, creates jobs and opportunities which allow its young people to live their traditional values and be part of the modern world at the same time.

Maningrida is a small illustration of a much larger principle.

Technology does not exist in a vacuum. Material does not just grow like mould on the internet, on radio or on television. The products and services we call 'content' need to be seen in context—as the component parts of a dynamic process of human interaction usually called 'culture'. As Maningrida illustrates, the economic value of any technology comes from its ability to facilitate and improve human interactions, in and between communities.

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If a technology can add real human value to these interactions, people will pay for it. Consider the telephone. My sister lives in Melbourne and I live in Sydney. We could write each other letters as long as we liked and mail them for 45 cents each. But we don't – we use the phone. Those calls cost much more, and the cost increases the longer we talk and if one or the other of us is using a mobile. Nevertheless we pay up, for the extra benefits the telephone brings: immediacy, being able to hear a familiar voice, being able to have a spontaneous conversation.

As Francis Fukuyama has pointed out in his book *Trust* (Hamish Hamilton, London.1995):

> There is scarcely any form of economic activity, from running a dry cleaning business to fabricating large scale integrated circuits, that does not require the social collaboration of human beings. (p. 6).

People draw a connectedness from working together, from economic activity, and that connectedness is an end in itself, not just a means to the end of earning money. Further, the converse is also true. Without that connectedness, or community bond, a community's ability to exploit the available economic opportunities is actively undermined. In short, the ability to generate and harness economic capital is directly related to the ability to generate and harness social capital. (See Fukuyama, pp. 3-21). Communications, being all about connection, is one of the purest illustrations of this principle because it addresses such fundamental needs for identity, security, relaxation and self-fulfilment.

To realise fully its economic potential in any community, information and communications technology must add as much social value as possible, that is, it must fit its cultural context. Multiple cultural contexts. Look at the regional pay TV industry. Initially its greatest promise (or threat, depending on your point of view) seemed to lie in the opportunity for economies of scale through screening projects over vast areas. However, the operators soon learned that the 'pan-Asia' market was a mirage and that they did much better when they customised their product to the tastes and traditions of various local audiences. When people felt connected, they tuned in.

Regulation

There is a real challenge to government in dealing with this. This is the challenge to fundamentally shift the paradigm of what we traditionally think of as regulation. We need to move away from the old control model (make rules, monitor them and punish violators) towards a model of facilitation, in which we aim to build closer integration of industries and the communities they serve, with consequent positive benefits for both social and economic capital.

This is of course a steep learning curve, and I am probably raising more questions than answers. This is a new territory, which is one reason opportunities such as this are so valuable. I am grateful to the APEC for the opportunity.

Why is it that the paradigm needs to change? The first answer is because it is doomed, finger in the dyke stuff. Just from Australia's perspective, for example, satellite capacity above us is so abundant that we've given up monitoring it in detail. The Internet is accessed by millions of people every day – people who not only receive but also create and disseminate content. Even if we made it the major peace time occupation of the world's armies we wouldn't have a hope of actually monitoring all this traffic.

The second, and perhaps more important answer given the imperatives of globalised economics, cash flows and commercial activities, is that the more we directly try to control or limit activity within the borders of a given nation state the more we are likely to mess up the works and just plain get in the way of development. It is basically a counterproductive activity.

Yet, cultures do differ and they do matter. Economic prosperity is built on their backs. I'd like to suggest that we need to do two things. We need to encourage industries to serve, reflect and interact with the cultural needs of the communities they operate in, and we also need to encourage communities to understand and to use the benefits of new technologies.

The new regulatory paradigm needs to be one of facilitation as a tool for development. We should be aiming to facilitate the interface between government, industry and community, between different sections of the community and between communities themselves. The challenge is to develop public institutions for moderating and mediating the exploration of differences, ways to preserve the cultural differences we have and the economic benefits they bring while living in a globalised and converging world. The paradox is working out ways to work together so that we can productively preserve our differences.

Critical to this task is to encourage the development of a community's own

content, which reflects the community itself, its values and its understanding of the world. Local content allows communities to tell their own stories, builds their connectedness and is integrally important to their ability to harness and develop their economic power across all sectors of their economies. The more sense of identity a community has, the greater its stock of the social capital necessary to support the generation of economic capital.

However, we can't afford to go about this defensively or narrowly. The flow and exchange of information in a globalised economy is an economic imperative for the well being of every community. We must not approach things from the point of view of protecting ourselves from cultural attack, but from the perspective of ensuring that each economy has product with which to participate in a multi-directional flow of ideas and applications. By this process we are all enriched, literally and figuratively, as communities, as economies and as individuals.

Community participation

We must also recognise that citizenship is largely about participation. At the ABA we have worked hard to foster community participation in our core functions. Our planning of the radiofrequency spectrum involves consultation with the communities to be affected about the kinds of services they need and want. Sectors of the broadcasting industry are required by the *Broadcasting Services Act 1992* to develop codes of practice by which they will operate, and to develop them in consultation with the public. The ABA registers the codes and becomes a kind of appeal body to which people can have recourse if they are unable to resolve a complaint directly with the broadcaster concerned. However, the large majority of complaints are now resolved directly between the viewers and the broadcasters. Enquires into major policy matters, such as the content of on-line services, are also conducted in public with the solicitation and receipt of large numbers of public submissions and the publication of issues and discussion papers.

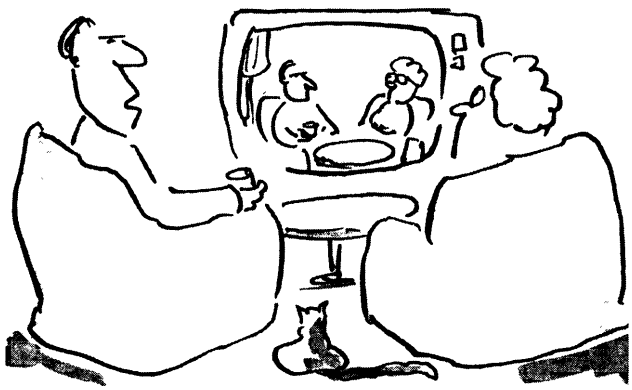
The model isn't without its warts. It is nowhere as administratively simple as issuing directions and referring prosecutions, or rendering invoices for large fines. It takes time for an organisation to learn how to consult meaningfully, to learn to hear what is said and what is not said. Acquiring such skills is not a rapid process. It can be frustratingly slow, especially for a bunch of goal directed Westeners like us.

We also recognise that just as communications users build virtual communities across the borders of nation states, governments and regulatory bodies do to. We aim to explore our differences and opportunities for the exchange of experience. The ABA currently has memoranda of understanding with Singapore, Korea, Canada, the United States of America, the United Kingdom, France and South Africa. We also take part in regular informal 'round table' meetings with other regulatory authorities in our region, including Korea, Malaysia, Singapore, Indonesia, Japan and others. We aim to identify points of common interest and to work together on them rather than trying to broker almost impossible consensus on all of the issues outstanding between fundamentally different values systems.

The world of the modern regulator is a complex and paradoxical place. We must work together to find ways to preserve and respect our differences. We must also take the time to learn new skills and get it right—in a context where the speed of communication and the ongoing rapid development of the industry make doing so a matter of urgency.

The technologies are indeed miraculous, and their potential incredible. To maximise their economic potential we must ensure that we always address the human element. Human needs, human understanding and human development must remain our priorities. We would do well to bear in mind that data is not information; information is not knowledge, knowledge is not understanding and understanding is not wisdom.

We have much to learn and some way to go. Opportunities like this give us a chance to leverage our experience with that of others. Maybe this way we can in fact progress toward wisdom and truly civil societies.



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