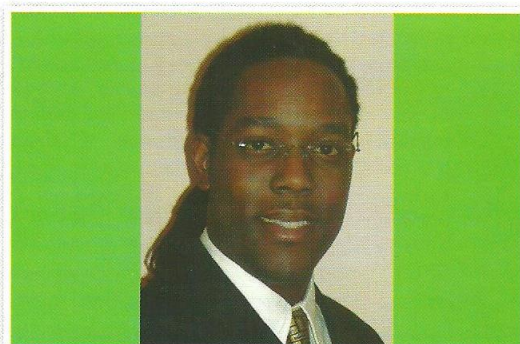


The Importance of the Data Economy

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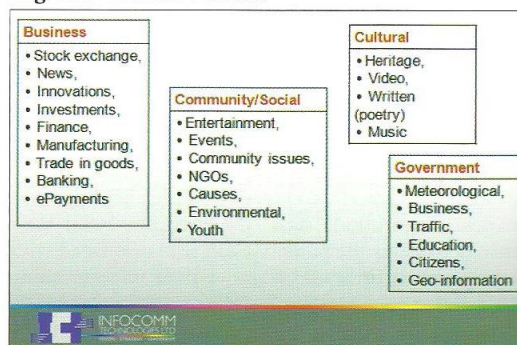
When discussing the way forward for national or regional ICT strategies, many focus specifically on connectivity to the end user, or availability of end-user devices. However, the nature of the global landscape demands a review of what is to be done after provision of computers and broadband access is achieved i.e. what content will be accessed? How will this content be leveraged, made relevant, sustained and monetized?

The size of the global digital economy has seen exponential growth over the last 15 years - from approximately one trillion USD in 1999 to 20 trillion USD in 2013. The Caribbean region however, remains generally characterised by factor-based economies throughout its isles.

In order to enhance its ability to exploit these fundamental global trends, the region must harness its capacity for creativity, innovation and content production that can be leveraged and traded over the Internet. These are necessary pre-requisites to providing new opportunities for regional entrepreneurship, economic diversification and business growth.

In this context, any discussion on the way forward for the region must necessarily include provisions for the development, storage and trading of data, as the basic building block of knowledge economies.

Regional Content Sources:



¹ Oxford Economics: "The New Digital Economy - How it will Transform Business"

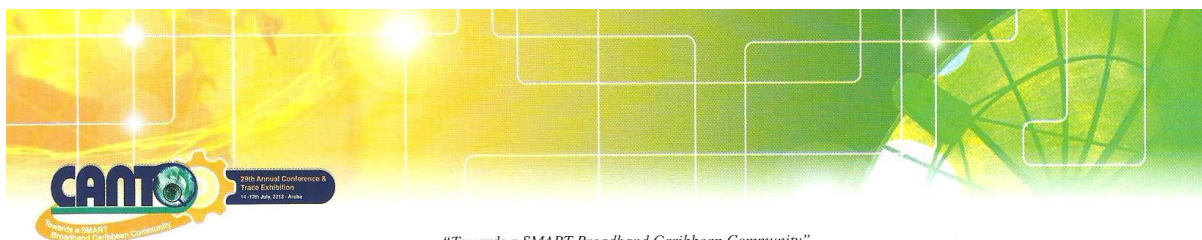
A **knowledge economy** is one in which wealth is created through the economic exploitation of understanding. The **knowledge-based economy** refers to the use of knowledge technologies (such as knowledge management) to produce economic benefits as well as job creation. The essential difference is that in a **knowledge economy**, knowledge is a **product**, in the **knowledge-based economy**, knowledge is a **tool**.

In order to make the transition toward diversified economies in which knowledge activity underpins sustainable development, at a basic level, knowledge needs to be valued and protected in order to be a driver of economic wealth.

This has implications for data protection laws, intellectual property rights, data warehousing and a range of other issues which regional governments and the private sector must come to terms with to modernize and future proof Caribbean economic environments.

Establishing a community or network of actors across the region will become necessary i.e. fostering closer collaboration between firms and traditionally separate

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industries and sub-sectors. These include telecommunications companies, data centre operators, Internet service providers, content producers, authors and animators, cultural ambassadors, seasoned executive management, law enforcement authorities as well as finance houses and the public sector. The ultimate aim being to improve industry linkages, foster Regional cluster formation and promote the protection of data; which some say is the new “oil” of the 21st Century.

Valuing Digital Content

As in other industries with high levels of intangible assets, inadequate measurement and valuation mechanisms has led to underestimation of the economic potential of service and content driven firms and industries.

Greater interaction is needed with lending and financing institutions such that they can build their capacity to assess the potential and risks associated with digital content firms and improve their understanding of the business opportunities and models that apply to the digital content and the data space. Additionally, identifying potential avenues where digital content proposals can access seed funding (e.g. to progress proofs-of-concept) will be important.

Intellectual Property Rights Awareness

As data becomes more valuable, protecting as well as clarifying the rules related to concepts such as “fair use” will increase significantly in importance. Intellectual Property Rights (IPR)-related issues could pose obstacles to development. Some of the issues involved here relate to:

1. *Clarifying laws to deal with licensing and copyright with respect to computer software, digital sound recordings, films etc. in a manner that accords with national/regional interests and is also in-line with the guidelines of international agencies such as the World Intellectual Property Org. (W.I.P.O);*
2. *Reviewing whether specific exceptions to copyright, based on principles of “fair use”, should be adapted and/or adopted in light of digital networks;*

3. *Resolving the tension between “Freedom of Information” type laws, and “data protection” regulations which are needed to facilitate monetisation of content;*
4. *Assessing and defining the liability and exemptions of ISPs and other intermediaries regarding the unauthorised downloading of copyrighted or illegal material;*
5. *Patents and Trade agreements – The patent process in the region is expensive and shrouded in mystery. This must be uncluttered to encourage innovation and commercialization of digital services. Caribbean persons must also be aware that there are IP implications enshrined within international trade agreements such as the EPA, TRIPS (Trade in IP Services – part of GATT / WTO), so that positions which benefit the regional data eco-system can be taken during negotiations.*

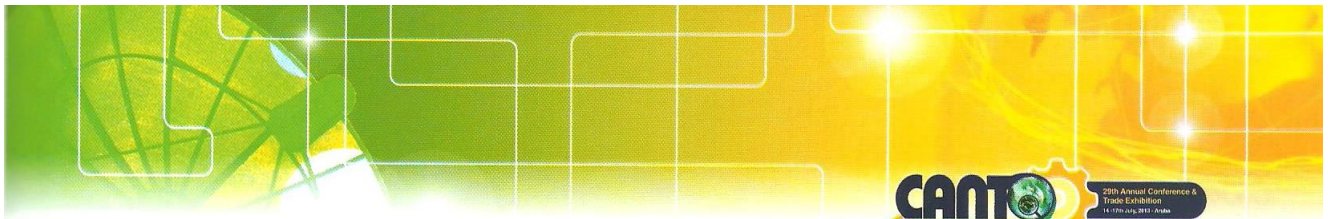
Where Data Is Stored Is Important

Contrary to the message being widely marketed by some proponents of “the Cloud”, the sovereign/legal jurisdiction in which data is held (or in which a data service originates) is indeed economically (and legally) important. For governments, for example, the management of state and/or e-citizen data should become a priority. Seismic data related to Trinidad & Tobago’s energy sector, for example, is extremely valuable and should be repatriated within national/regional borders as a national asset. The State can also use its power as a country’s single largest consumer to pro-actively kick-start economic activity in this sector. In this regard, CARIFORUM states can set the following targets for the repatriation of state sector information:

DATA processed = INFORMATION

INFORMATION prepared for decision making = KNOWLEDGE.

Therefore DATA is the building block of the KNOWLEDGE ECONOMY



"Towards a SMART Broadband Caribbean Community"

- i. 50% domestic hosting of local content by 2016, and
- ii. 70% domestic hosting of local content by 2019.

As a matter of data security and the sovereignty of data, after 2016, the regional governments may consider only engaging the services of hosting service providers in the context of State data, where the hosting service is based on facilities domiciled within the CARICOM region – a radical step, but one which will definitely bolster the regional data eco-system and economy!

The commissioning of regional Internet root servers, will also reduce the need for regional ISPs to switch to foreign networks to access content and consequently pay the associated access tariffs which are ultimately passed on to the user.

These and other like minded initiatives will have the combined impact of improving the efficiency of data access and reduce the latency associated with using the Internet in the region. At the same time, they can have the impact of reducing the access costs while also enhancing the environment for new kinds of indigenous services to be innovated, delivered and monetized to a regional and global audience.