

Internet-nurturing policies questioned

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While some would argue that the advent of the Internet has as great, if not a greater, impact as the Industrial Revolution on the global economy and society at large, there is growing concern that the World Wide Web's freedom might be at future risk. Moreover, there are fears that established companies will do their utmost to protect their Net market share and preserve the status quo.

Certainly, Yochai Benkler is worried that much of the benefits that the Internet has brought are being taken for granted and not assessed adequately. Speaking Wednesday before the Center for American Progress, a Washington think-tank, on U.S. Internet policy, Benkler pointed out that the Internet not only has brought the world closer together, but it has democratized politics as well as the economy in ways previously unimaginable. For instance, he noted that while in previous market models there were vast number of passive consumers compared to the small number of producers, simply because it was so costly for most people to start up a production plant in the first place, telecommunications technologies in particular were making it increasingly easier for people to become producers themselves.

"There is decentralization ... that leads to different capitalization structures" which requires less money to start up a business, the Yale law school professor argued. He pointed out that with less capital needed, more people can readily become entrepreneurs and with that, provide competition to established companies and industries. Indeed, start-ups such as Internet telephone provider Skype have already challenged major carriers in the telecommunications industry, while Web sites such as

online encyclopedia Wikipedia have come head-on with established publishers including Encyclopedia Britannica.

"New technologies lead to new opportunities ... and alternative production methods," Benkler said, pointing out that some researchers found Wikipedia, which is entirely free and compiled by volunteer contributors, and the business-driven Encyclopedia Britannica "both equally crappy," making it less likely for people to pay for information from the latter moving forward.

Such innovations that allow more people to contribute to producing a product more easily threaten incumbent business models, particularly in the field of telecommunications. Benkler said that when it comes to the telecommunications sector in particular, established carriers are well-practiced in lobbying the government for policies that are in their favor and effectively "play the regulatory system." But smaller newcomers in the sector not only have less money than the big players, they have far less practice and networks in lobbying the government to press for legislative changes that could be in their favor.

And that could be the single biggest issue challenging innovation, the Yale professor said.

He pointed out that recent proposals to change the current payment system of Internet access in particular might not necessarily lead to changes for the better, adding that while some bad legislation is made with the best of intentions, some are made as a result of corruption and lobbying or misguided ideology.

"An absence of regulation does not necessarily lead to competition," but at the same time, regulation might hamper the growth of the Internet, which could stifle growth in the future, he said.

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