

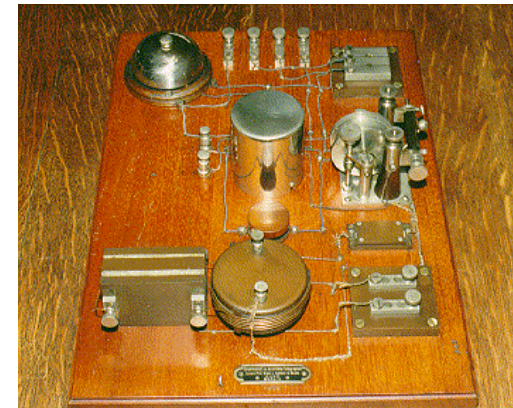
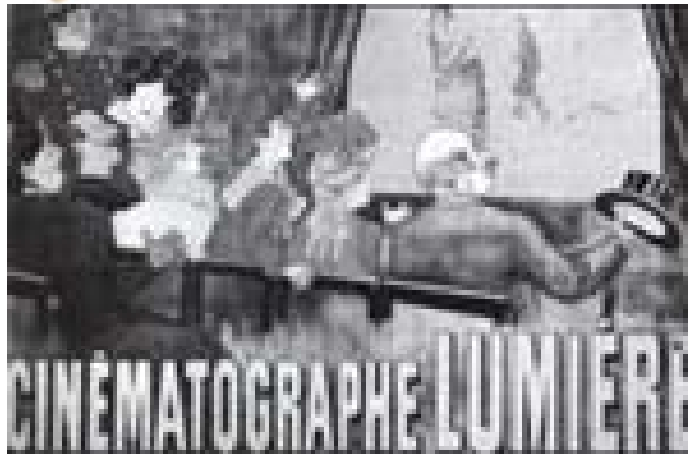
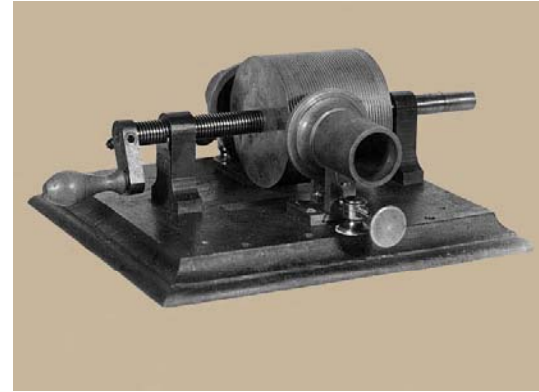
# The Internet Economy:

## On line Usages, Reshaping Economies and Societies

Andrew Wyckoff  
OECD



# The 1880s: Pre-History



**THE FUTURE OF THE INTERNET**  
Perspectives emerging from R&D in Europe



Slovensko predsedstvo EU 2008  
Slovenian Presidency of the EU 2008  
La Présidence slovène de l'UE 2008

SLOVENIA 2008

31. MARCH - 2. APRIL  
BLED, SLOVENIA

# 2000+: The Internet Economy



# 3 Large Trends, reshaping the Internet and our economies

---

- 1) **CONVERGENCE:** The Internet is becoming *the* global platform to deliver voice, video and data services,
- 2) **CREATIVITY:** The Internet is an essential element in the economic and social infrastructure of OECD and world economies, and a catalyst for globalisation and innovation,
- 3) **CONFIDENCE:** As our dependence on the Internet increases, so does the need to maintain its *integrity*, and the work to make it a *trusted system*.

# 1. Fundamental trends: **infrastructure**

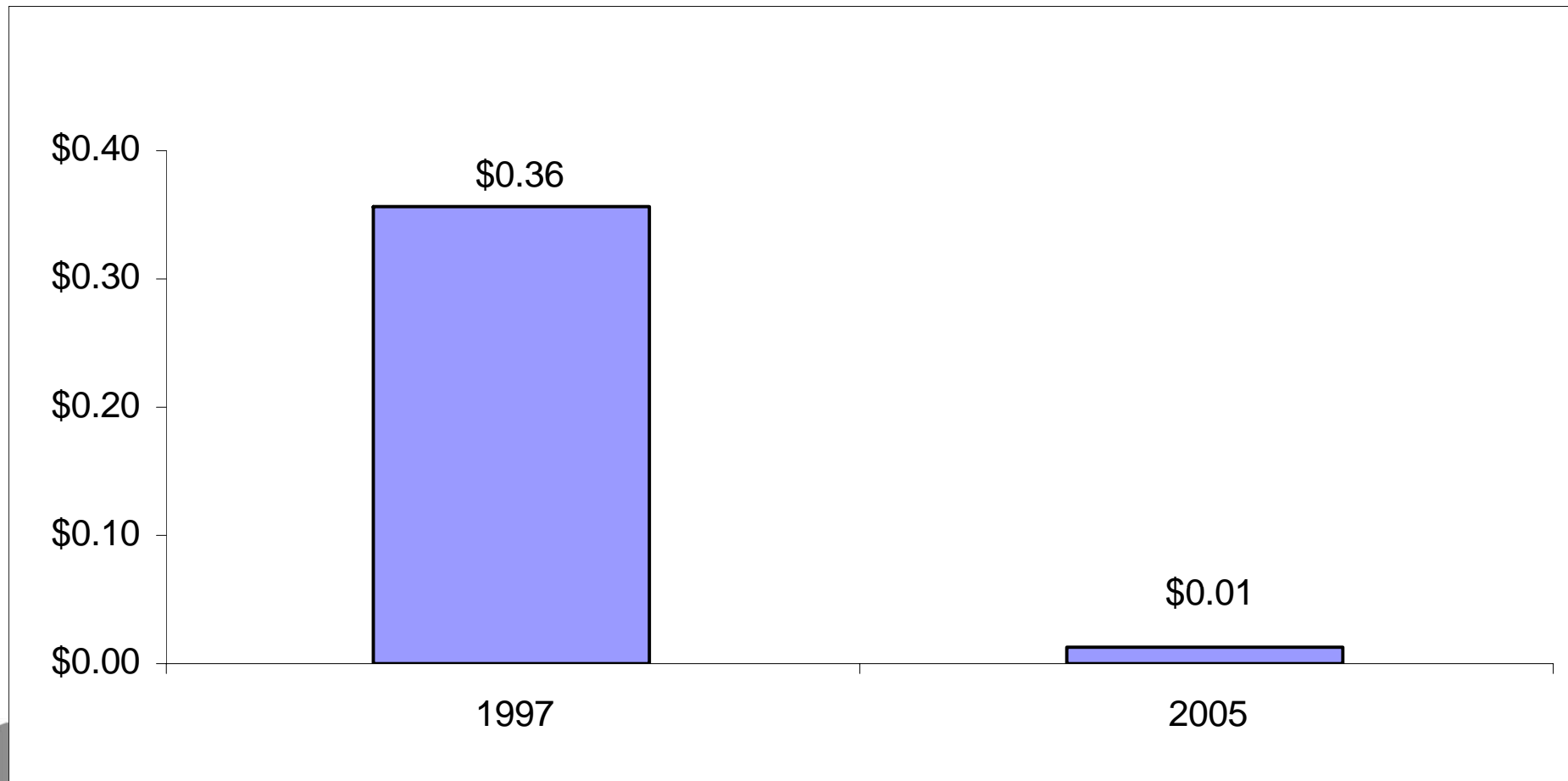
Rapid decline in price of computing and communications, has both contributed to and caused a shift towards the Internet Protocol (IP) (“convergence”);



# 2000+: the “C” catches up with IT

Price of “always on” Internet access

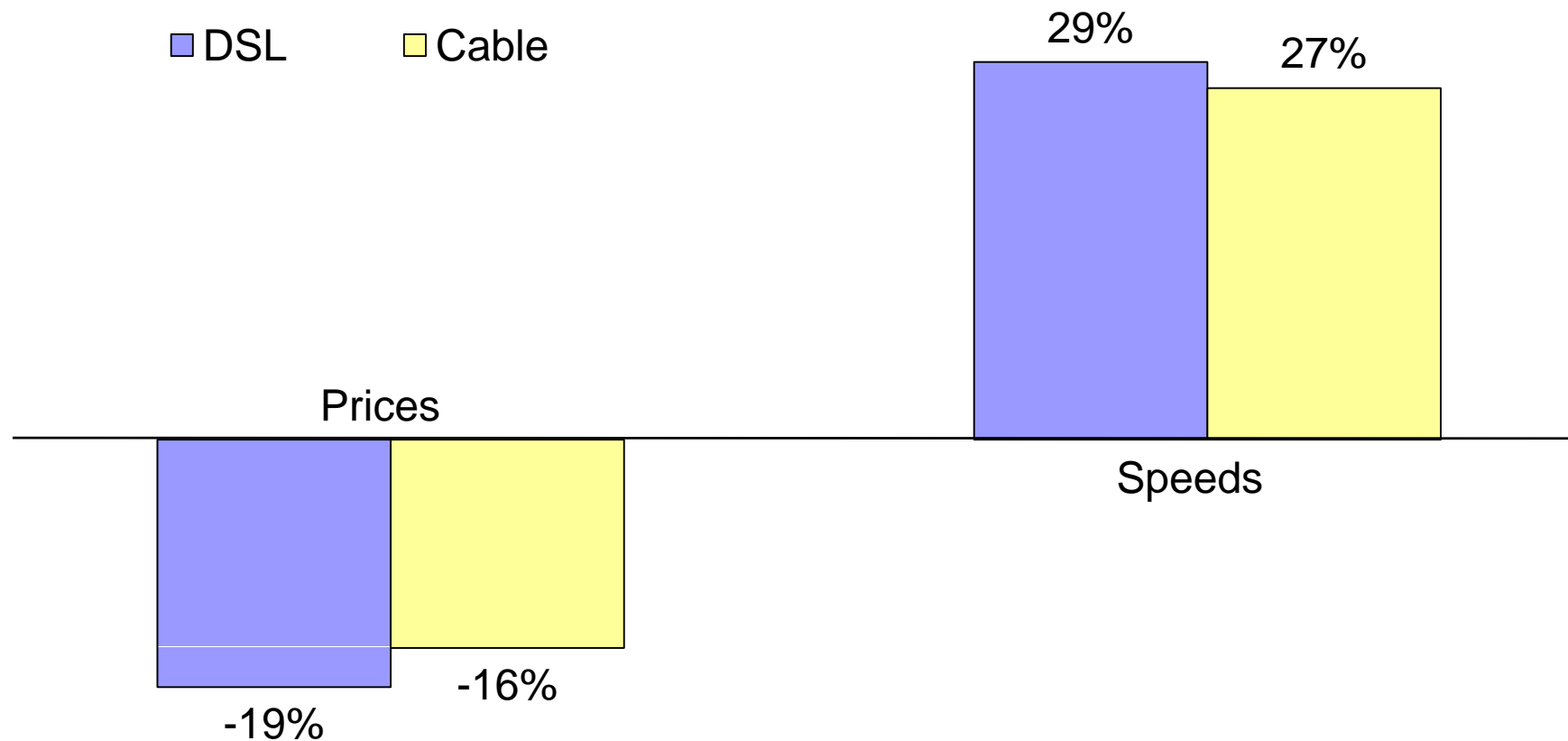
(per kilobit / second, USD, US incumbent operator)





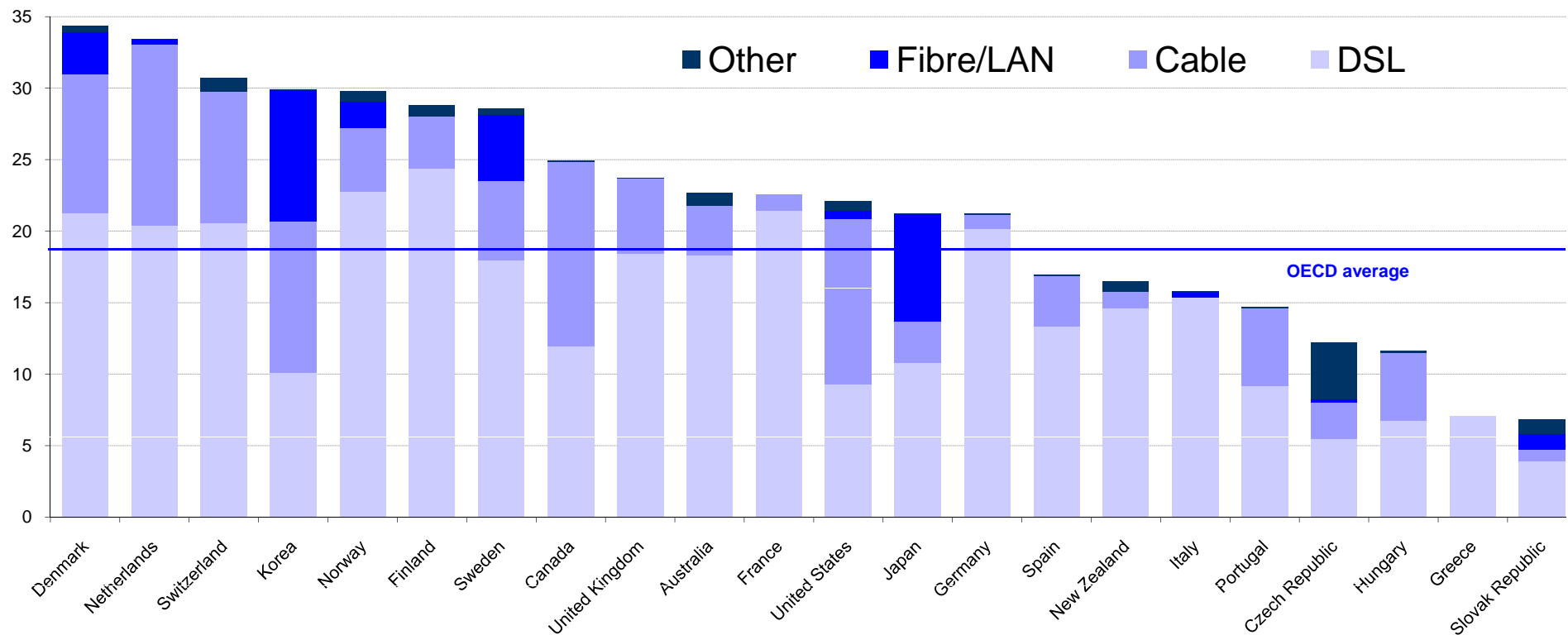
# ...not only price but speed as well...

OECD broadband price and speed changes, similar plans, Oct 2006-2007



# ...fueling the diffusion of broadband Internet access.

OECD Broadband subscribers per 100 inhabitants, by technology, June 2007



Source: OECD

**THE FUTURE OF THE INTERNET**  
 Perspectives emerging from R&D in Europe

Slovensko predsedstvo EU 2008  
 Slovenian Presidency of the EU 2008  
 La Présidence slovène de l'UE 2008

SLOVENIA 2008

31. MARCH - 2. APRIL  
 BLED, SLOVENIA



# Convergence: requirements

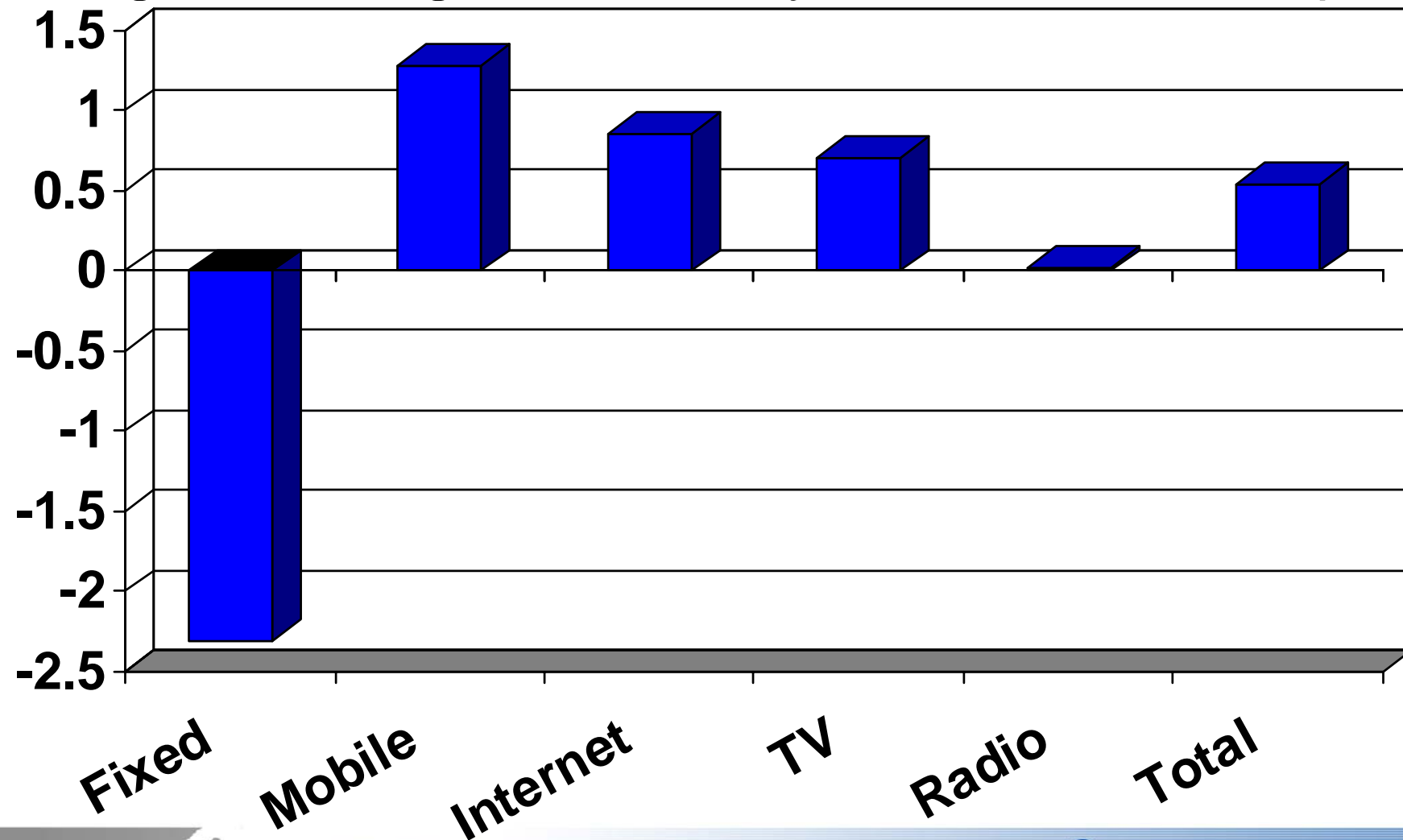
- coping with new user profiles & demands
- providing sufficient resources
- shifting away from the PC
- remaining open & interoperable
- better understanding the network /  
creating metrics of use

## 2. Fundamental trends: **Creativity**

- A driver of *Creativity*: over a short period the Internet and its ability to network ICT has spurred an outpouring of creativity that has turned businesses upside-down and driven economic growth.

# Creating new business models...

(Change in average UK monthly communications spend)



THE FUTURE OF THE INTERNET  
Perspectives emerging from R&D in Europe



Slovensko predsedstvo EU 2008  
Slovenian Presidency of the EU 2008  
La Présidence slovène de l'UE 2008

11

31. MARCH - 2. APRIL  
BLED, SLOVENIA



**INNOCENTIVE®**

**P&G**



**THE FUTURE OF THE INTERNET**  
Perspectives emerging from R&D in Europe



Slovensko predsedstvo EU 2008  
Slovenian Presidency of the EU 2008  
La Présidence slovène de l'UE 2008

SLOVENIA 2008

31. MARCH - 2. APRIL  
BLJED, SLOVENIA

# ...poised for huge leap forward with the “Internet of Things” (RFID & sensors)...

- Supply Chain Management



- Work In Process Manufacturing (WIP)



- Asset Management



- Security & Access Control



- Consumer Applications



# ...and social creativity.

- ***Economy to Society:***

- **1990s:** advent of e-commerce and the commercial use of the Internet;
- **2000+:** the impact on the economy is still significant and growing, but now non-economic – more *social uses* are proliferating (Blogs, wikis, podcasts, user-created content)



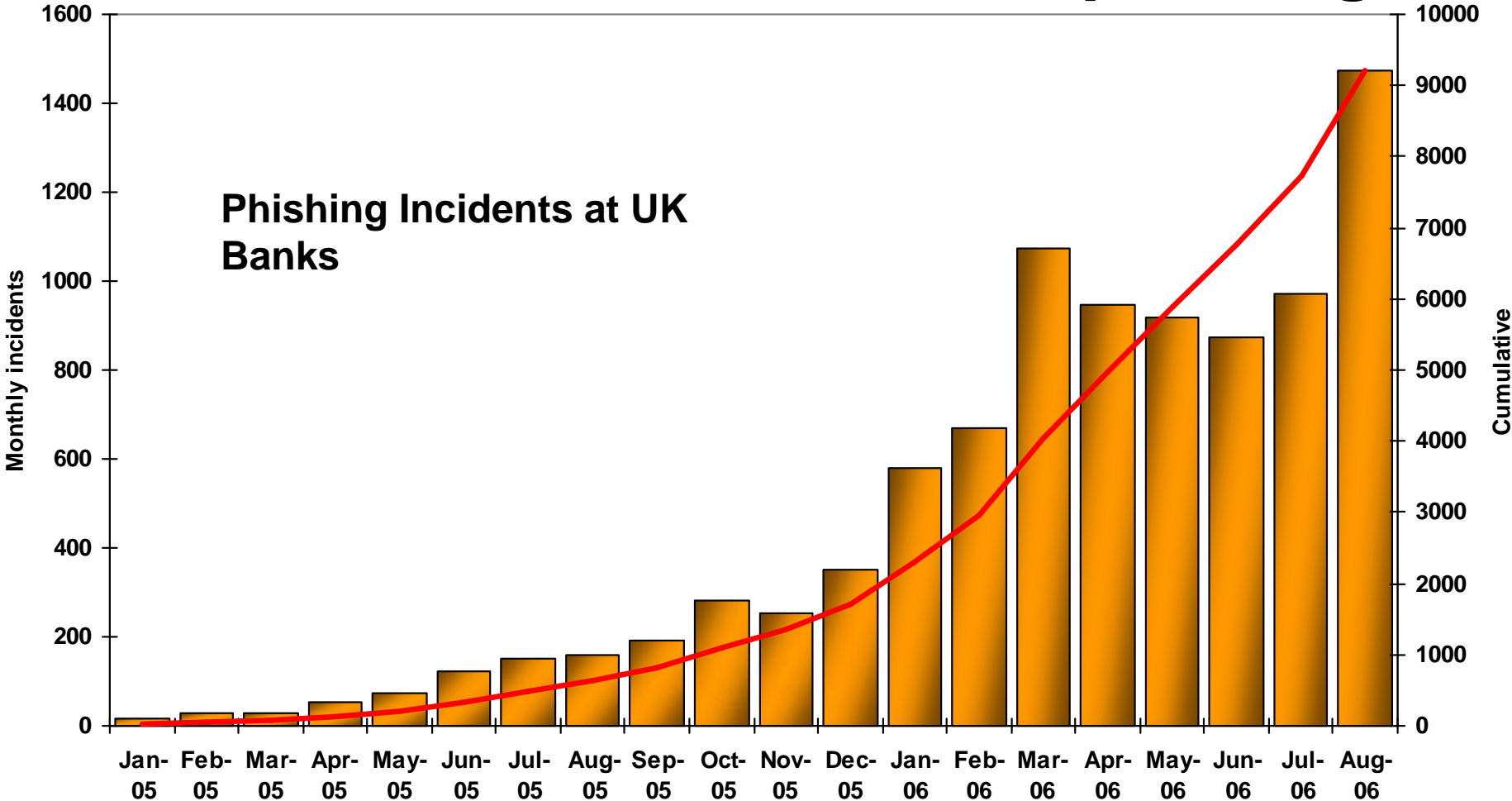
# Creativity: requirements

- human-oriented interfaces
- openness & interoperability
- advent of intelligent objects
- preparing for aging societies, energy-climate change

### 3. Fundamental trends: **confidence**

- As networks converge towards the Internet (& IP) and it becomes a key part of the economic infrastructure, concern has grown regarding how much *trust* we can place in the Internet and about its possible vulnerability to events, both accidental and malicious;

# Social Engineering is also a powerful tool for criminals...id theft, malware, phishing..



# Confidence: requirements

- the Internet of today “only just works”
- identity management systems
- knowing who is collecting what data
- one click “opt out”





# OECD Ministerial Meeting on the **Future** of the **Internet** Economy

Seoul, Korea, 17-18 June 2008

[www.oecd.org/FutureInternet](http://www.oecd.org/FutureInternet)

**THE FUTURE OF THE INTERNET**  
Perspectives emerging from R&D in Europe



Slovensko predsedstvo EU 2008  
Slovenian Presidency of the EU 2008  
La Présidence slovène de l'UE 2008

31. MARCH - 2. APRIL  
BLED, SLOVENIA