

How Techno-Populism Is Undermining Innovation

WiFi Network: ITIC-Guest
Password: Welcome2IT!



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How Tech Populism is Undermining Innovation

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■ About ITIF

Public policy think tank committed to pro-productivity, pro-innovation, and pro-technology policy agenda internationally, in Washington, and in U.S. states

Focusing on:

- Innovation processes, policy, and metrics
- Science policy related to economic growth
- IT and economic productivity
- Innovation and trade policy
- Clean energy and life sciences innovation



■ Tech Policy Used To Look Like This



- Now It Looks Like This



■ Tech Populism Is Not New...

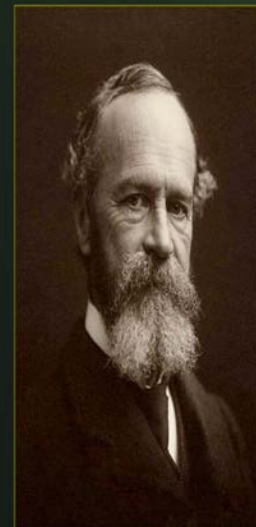


ANOTHER FEATURE OF OUR PLATFORM.

Third—Transportation being a means of exchange and a public necessity, the government should own and operate the railroads in the interest of the people.

The telegraph and telephone, like the post office system, being a necessity for the transmission of news, should be owned and operated by the government in the interest of the people.

There is nothing so absurd that it cannot be believed as truth if repeated often enough.



William James
1842-1910

■ But Today It's on Steroids



■ What Is Tech Populism?



- Marked by fear, misunderstanding, distrust
- Emotional, hyperbolic
- Self-interested
- Demonizing big business, big government elites

- A Better Alternative: Tech Progressivism
 - More rational—proposals based on facts and logic
 - Supports the right rules for innovation; trusts the system to enforce those rules
 - Embraces technology innovation
 - Recognizes vital roles of industry and government

TECH POPULISTS

TECH PROGRESSIVES

Are you motivated by...

Self-interest

Societal benefits

Do you see problems as...

Us versus them

Opportunities to work together

Do you believe government and businesses are...

Something to fear

Legitimate partners

Do you prefer arguments that appeal to...

Emotion

Reason

Are you focused on technological...

Downsides

Benefits

Is the legal system something you...

Distrust

Trust

■ Tech Populism Is Grounded In Self-Interest

- Running red lights without getting tickets
- Getting cheaper phone without a contract & “breaking” my phone
- Downloading content without paying
- Using web applications that hurt other broadband users
- Using web sites without sharing my information



■ Tech Progressivism Balances “Me” and “We”

- Using technology to make intersections safer
- Getting discounted phones
- Compensating creators
- We want broadband to work well for most people
- We want a vibrant Internet ecosystem that balances revenue with privacy



- Tech Populism Demonizes the “We”



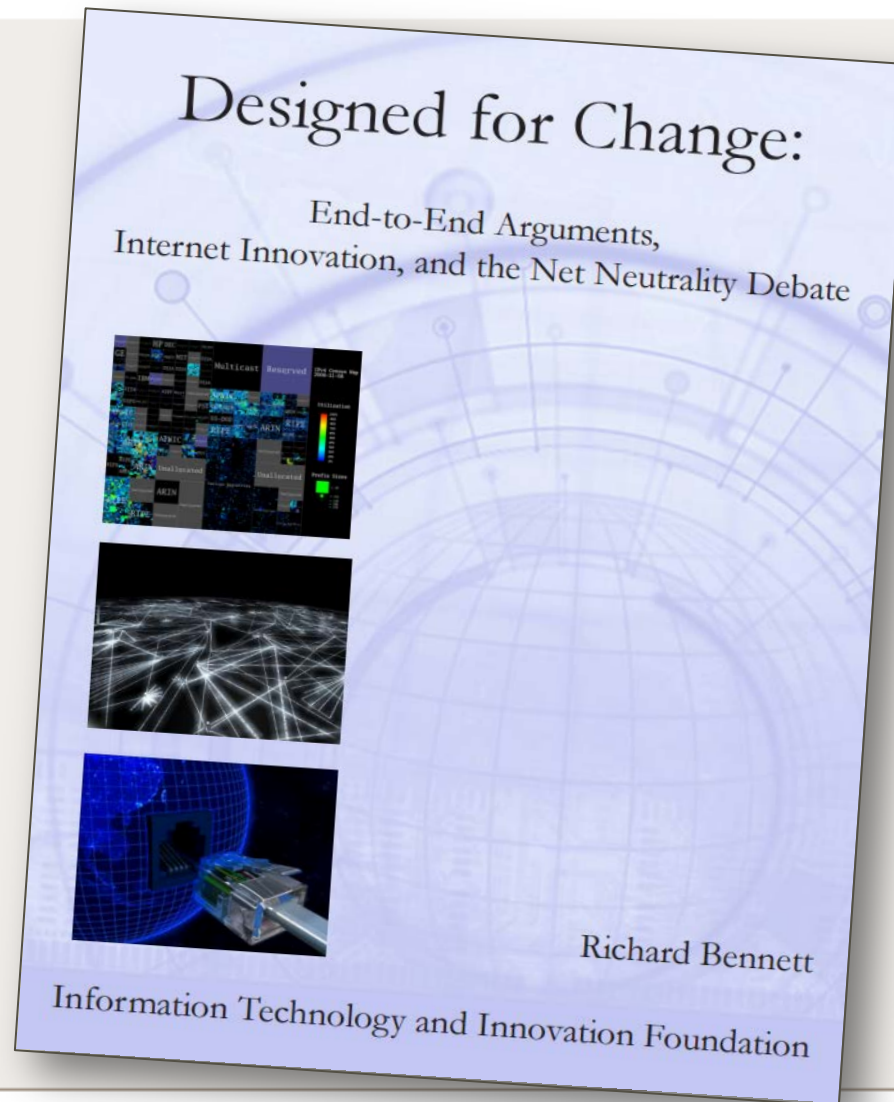
- Tech Populism Respects the “We”



■ Tech Populism Relies on Spin



■ Tech Progressivism Relies on Analysis



■ Issue: Net Neutrality

The image displays a grid of 15 service cards from Telco ADSL, each representing a different service tier with a specific price and a list of included services. The cards are arranged in a 5x3 grid. Each card features a large plus sign and a price tag. The services listed include various web browsing, email, and entertainment options. The prices range from \$0 to \$29.95. The services listed include various web browsing, email, and entertainment options. The prices range from \$0 to \$29.95.

Service	Price	Includes
TELCO ADSL	\$29.95	100 MB of free internet, unlimited to 128 Kbps thereafter.
YouTube + hulu tv.com	\$10	Includes free Hulu subscription. Enjoy exclusive content from your favourite networks.
Google, Blogger, Ask, Yahoo! Search, Bing, WordPress.com, Flickr, YouTube	\$5	Includes a massive extra 1000 MB a month for non-peering websites at full speed. Limited to 128 Kbps thereafter.
Twitter, Facebook, AOL, Bebo, MSN, Myspace.com, Yahoo!, Friendster	\$0	All social networks. All your friends. Includes all your dating sites. Just \$1 after three months.
Baidu, Яндек, Web.DE, BBC, indiatimes, News.com.au	\$5	Includes the top 100 services from over 30 countries.
lost.fm, Spotify, iTunes, Pandora, Napster, Rhapsody	\$10	Listen to your favourite music. Includes three months of emusic.
Digg, The New York Times, msnbc, The Wall Street Journal, Los Angeles Times, Fox News, The Huffington Post	\$5	News Freak? Get your fix. Includes free online access to your local news site.
amazon.com, Newegg, PayPal, Overstock.com, Skype, eBay	\$5	Save money. Shop online. All your favourite things, secure and fast. Includes Internet Banking from over 20 financial institutions.
Steam, EA Electronic Arts, World of Warcraft, RealArcade, Full Tilt Poker, Gametap	\$5	Game? We hear you. Unwind, relax and play hard.
Recharge	\$5	Your full-speed quota wasn't enough? A massive 2000 MB for access to your company's VPN at full speed. For accessing your friends' non-peering websites at full speed. For getting your emails faster and the included limit didn't cut it. Or if you're a web designer and need some extra buffer. Whether it be the world wide web, VPN or email, we have you covered.

- Populist solution:
Impose utility-style regulations to treat all bits equally
- Progressive solution:
Allow network innovation while protecting consumers

■ Issue: Online Advertising



- **Populist solution:** Prevent companies from using customer information to target Internet ads
- **Progressive solution:** Allow use of customer information in well-functioning, self-regulatory environments

■ Issue: Digital Copyright



- Populist solution:
Weaken protections for copyrighted material so content is free
- Progressive solution:
Balance between Internet platform innovation and free speech with rights of copyright holders

- Issue: Connected Cars, VMT, and Usage-Based Insurance



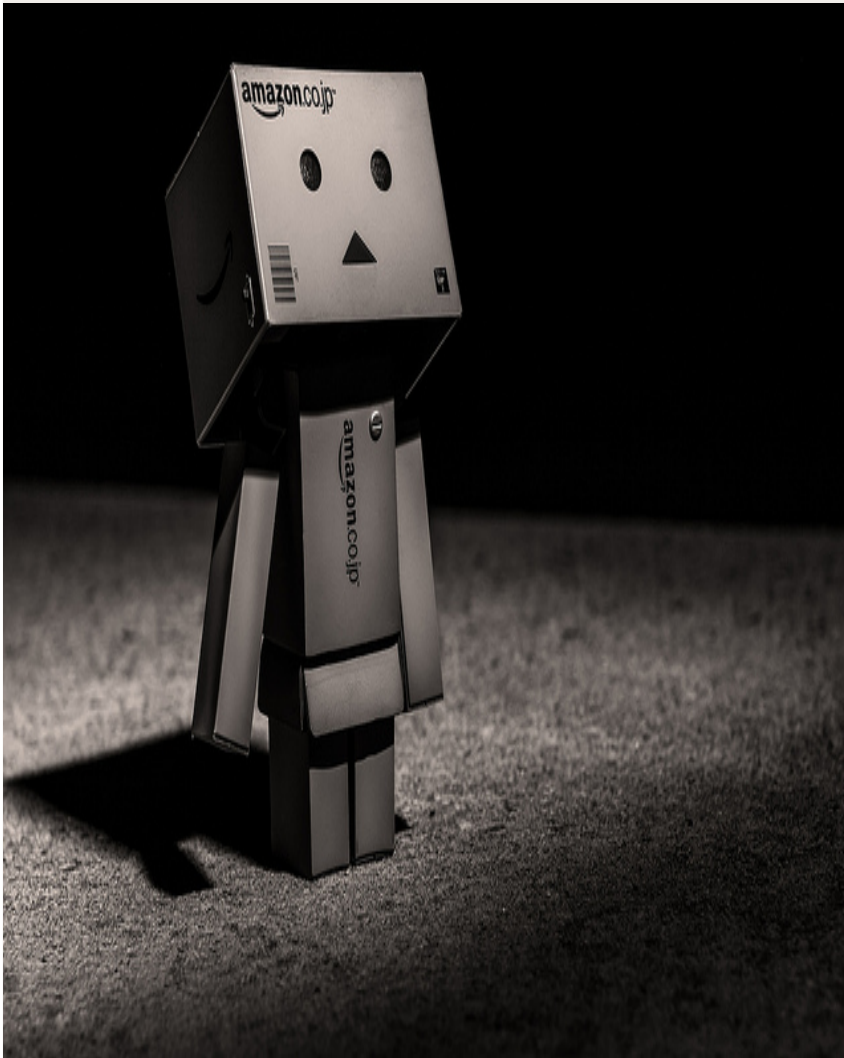
- Populist solution:
Ban the technology
- Progressive solution:
Maximize the benefits while baking in consumer privacy

■ Issue: Commercial Drones



- **Populist solution:**
Create a preemptive privacy regime to limit drone innovation
- **Progressive solution:**
Flexible rules to ensure public safety and protect privacy while enabling innovation

■ Issue: Robots



- Populist solution:
Demonize robots as job killers
- Progressive solution:
Accelerate robot use to raise productivity, while helping displaced workers

■ Issue: Traffic Cameras



- Populist solution:
Ban or make them less effective
- Progressive solution:
Widespread deployment of cameras with limitations to prevent tax or privacy abuse

■ Issue: Cell Phone Unlocking



- Populist Solution: Ban device locking
- Progressive Solution: Allow carriers to choose whether to lock; but require transparency

■ Where Are We Headed?



- Frenzied protests are the new norm
- Tech populism expands to more issues
- A general dumbing down of tech policy

■ How to Get Back On Track

- Expose tech populist demagoguery
- Don't overestimate tech populist political power.
- Lead the charge toward innovation; don't bow to pressures of digital mobs
- Embrace a progressive approach that expanding societal benefits and mitigates specific harms

■ If Only...



Thank You

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