



## e-G8 FORUM

### **e-G8 Forum Summary**

Paris, May 24-25 2011

### **Workshops III Session 1: The Disrupters: Extreme Innovation**

#### **Key Findings**

- \* The Internet is thriving; let it grow. "Do no harm" is the best government policy.
- \* Many participants argue that software patents should be modified or even eliminated
- \* Promote universal access to the Internet
- \* Harmonize regulatory laws among countries to flatten barriers and create a real European framework.

#### **Synopsis**

New technology has dramatically disrupted traditional telecommunications, news, music, and other industries. This disruption has been fueled by startups that appear to come from nowhere yet cause sudden and major changes in how people communicate, get information, and consume entertainment and services. Today, the way people make new friends and even manage love relationships are being disrupted by media like Facebook and Blackberry Messenger.

Increasingly tech-savvy generations will become an important catalyst to the emergence of disruptive technologies. Children everywhere have a new relationship to technology. Disrupters therefore don't only look for new products and services for today's population, but for more technologically fluent generations to come. This creates a spiral of increasingly younger disruptive entrepreneurs.

Executives at emerging technology companies identify various market conditions that fuel the growth of their disruptive products and services. They encourage countries to create environments that foster productive disruptions in tomorrow's economies. Above all, they implore regulators to "keep their hands off the Internet." Past disruptions have succeeded because the early commercial Internet grew for many years before regulators even understood the phenomenon. A

policy of "do no harm" frees disruptive companies to forge their own path without additional business burdens.

According to several participants, software patents present an especially difficult obstacle to the spread of disruptive technologies. The need to obtain patents for emerging technologies preoccupies companies with resource-wasting patent battles. Many disruptive entrepreneurs would like to see software patents eliminated.

Governments are strongly encouraged to promote universal access to the Internet. Additionally, entrepreneurs are eager for more harmonization of business laws among countries, to flatten barriers and create a workable European framework. These conditions make it easier for inexperienced, minimally resourced startups to grow. Also, when making laws that will affect emerging disruptive business models, legislators should consider the long term, with laws that will still be relevant in years to come. Constantly changing regulations are an obstacle for the success of disruptive technologies.

Today's disrupters face competition from emerging markets. Countries like China have produced competitors in American and European markets, while China's domestic Internet access is closed or controlled for political and commercial reasons. This is a barrier for foreign companies trying to compete. However, in previously closed Middle Eastern countries, Internet markets are beginning to open. The Arab Spring revolutions represent a unique opportunity for the disruptive business model to succeed in newly open markets.

## **Session Panelists**

**Lars Bjork**, CEO, QlikTech

**Jacques-Antoine Granjon**, CEO and Founder, vente-privee.com

**Brent Hoberman**, Co-Founder, mydeco, made.com, PROfounders Capital

**Pierre Kosciusko-Morizet**, Co-Founder and CEO, PriceMinister, part of the Rakuten Group

**Xavier Niel**, Founder and Chairman, Iliad

**Marc Simoncini**, Founder and CEO, Meetic

**Yossi Vardi**, Chairman, International Technologies

**Martin Varsavsky**, Founder & CEO, FON Wireless, Ltd.

Moderated by:

**Loic Le Meur**, Founder, Seismic and Le Web

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### **Workshops III Session 2: Sharing Value: How to divide the digital bounty among creators, distributors—and governments?**

#### **Key Findings**

- \* In the Internet, all value creation, economic or social, depends on collective commitment to maintain a common medium.
- \* Elements that currently attract investors are dynamic search engines, social networks, or device companies such as Apple
- \* The market alone will not organize itself in the best way possible to reach out to less dense areas.

#### **Synopsis**

Access to the Internet's data is easy, and in this market it could be said that 90% of the effort of making money is just showing up. You are not creating a product or even necessarily selling a product. Simply collecting data can, in and of itself, create value—jobs or revenue. Moreover, it isn't necessary to capture an entire market, just a segment, and aggregate from there. There is little control or supervision by either countries or companies, partly because the Internet became a common medium for reasons of historic accident and was driven by non-profit impulses.

In the Internet, all value creation depends on the collective commitment to maintain a common medium. If this were not the case, no value—either economic or social—would be created for anybody. Today preferred sectors for investment are dynamic search engines, social networks, and device networks. This may change.

Today, in the world's 100 largest cities there are 400 smartphones per square km. By 2016 that number is predicted to climb to at least 13,000. By then the price of smartphones will have substantially decreased and in Africa even the poor will have access to them. That's a signal to many industry insiders that something in the current value chain needs to change.

One recent change has been the reemergence of government, specifically in providing Internet service to areas not currently covered. In the US, for example, billions of government dollars are



being spent to provide Internet to non-access areas. That's because the market alone will not organize itself in a way that will reach out to the less dense areas.

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### **Session Panelists**

**Frank Esser**, CEO and Chairman, SFR

**Gabrielle Gauthey**, Executive Vice President, Global Government & Public Affairs, Alcatel

**Reed Hundt**, Chairman, Aspen Institute IDEA conference

**Alain Minc**, President, AM Conseil

**Ezra Suleiman**, IBM Professor in International Studies, Princeton University

Moderated by:

**Gilles Babinet**, Entrepreneur, Chairman of the French Conseil National du Numerique

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#### **Workshops III Session 3: The Data Dilemma**

Social media and the explosion of data are driving the Internet's growth, and raising important questions about privacy and data security

#### **Key Findings**

- Consumers should be able to control their personal data and who has access to it. That's what privacy is.
- We need online systems to ensure that consumers who want to protect personal data can do so. Education regarding implications of unprotected data is vital.
- Global leaders should work on defining what is acceptable personal-data mining and what is a real security threat.
- Without security and trust there can be no privacy: the role of government should be to set up minimal rules and enforce them, not over-regulate. Excessive privacy laws may curb free speech.
- Competition between "privacy regimes" should stop; we need more cooperation.

#### **Synopsis**

The Internet continues to evolve and is entering a stage that experts call "Web 3.0." In this phase of development search engines use keywords to aggregate data while additional online tools collect user information. Protecting user privacy and guarding sensitive data has become a growing concern. The Internet risks losing users unless these privacy concerns are addressed.

Experts agree that privacy signifies an individual's ability to access and control data about him/her. Sophisticated Internet users are aware that advertising companies, social networking sites, and governments (among others) are actively mining information about them while they're online. These users know how to navigate the virtual world safely and protect their personal information. But "ordinary", "average" Internet users are unaware



that various entities are culling, storing, and frequently selling information about them while they use the Internet.

Industry leaders agree that the average Internet user must be educated and empowered to help maintain privacy online. Consumers should be able to decide how much, or little, information they reveal about themselves while using the Internet; it should not be a blind process. Further, technologists should be encouraged to develop online systems and tools so that Internet users who are interested in protecting their personal data can do so. One key recommendation is to give people the ability to opt in or out of tracking and data gathering processes. Global leaders should also work to distinguish between online data mining that's acceptable versus that which is an actual security threat. If Internet users begin to feel they are being "stalked" by online parties, their trust in the virtual world will be compromised and Internet usage will drop.

The government's role should be regulate and enforce rules about how to protect privacy and maintain data security. However, policy-makers should be mindful of the possible unintended consequences that privacy laws might have on freedom of speech. Technologists likewise warn that regulators should be cautious not to over-regulate or demonize exciting emerging technologies.

Giving people control of their data could be a long-term solution to protecting user privacy. Many Internet don't want to reveal information about their private lives when they go online. As the Web 3.0 world moves in, global leaders and industry experts need more dialogue about possible technological solutions to this problem.

## **Session Panelists**

**Alain Lévy**, CEO, Weborama

**Jeff Jarvis**, Buzzmachine

**Christopher Wolf**, Partner, Hogan Lovells

**Mitchell Baker**, Chair, Mozilla

**Christian Morales**, VP & General Manager EMEA, Intel

**Andrew Keen**, Author, *Digital Vertigo*

**Steve Baker**, Author *The Numerati* and *Final Jeopardy*

**Dave Morgan**, Founder & CEO, Simulmedia

Moderated by: **Curt Hecht**, Vivaki Nerve Center

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