

FORUM FOR THE  
INFORMATION SOCIETY

# INTERNET GOVERNANCE

LISBON, 8<sup>th</sup> JULY 2010



**UMIC**

Agência para  
a Sociedade  
do Conhecimento

MINISTÉRIO DA CIÊNCIA, TECNOLOGIA E ENSINO SUPERIOR

**FCCN**

Fundação para a Computação Científica Nacional



Lisbon Internet and Networks Institute

## *Messages from Lisbon*

Lisbon, 8<sup>th</sup> of July 2010

at

ISCTE – Instituto Universitário de Lisboa

Knowledge Society Agency (UMIC)  
Ministry of Science, Technology and Higher Education  
Taguspark, Av. Prof. Dr. Cavaco Silva, Ed. Qualidade, B2-3A  
2740-120 Porto Salvo  
Portugal



*This work is licensed under the Creative Commons Attribution-NonCommercial-Share Alike 3.0 Unported License.*

*To view a copy of this license, visit <http://creativecommons.org/licenses/by-nc-sa/3.0/>.*

# Objectives

The purpose of the **Forum for the Information Society – Internet Governance**, organized on 8<sup>th</sup> of July 2010 back-to-back with the public session of the **World Internet Project** (7<sup>th</sup> of July also at ISCTE-IUL) by the [Knowledge Society Agency \(UMIC\)](#) in collaboration with the [Foundation for National Scientific Computing \(FCCN\)](#) and the [Lisbon Internet and Networks Institute \(LINI\)](#), is to discuss some of the main aspects of **Internet Governance**. This forum considers issues related to: freedom, privacy and security; neutrality of the Internet, open standards and innovation; the challenges arising from new forms of creation and dissemination of digital content; and social networks. All these issues involve major challenges associated with the enormous transformations brought about by the Internet in global communications and its radical implications for social and economic changes in almost all areas of human activity. These are also key issues for the new **Digital Agenda for Europe 2010-2020** considered in the framework of the strategy **European Union 2020**.

Internet Governance has received worldwide attention at the highest level within the **World Summit on Information Society (WSIS)** held under UN auspices in two sessions, at Geneva in 2003 and at Tunis in 2005. In the latter, the [Internet Governance Forum \(IGF\)](#) was created with the explicit mission of engaging, openly and on equal footing, all multistakeholders, including from governments and public administrations, technical and academic communities, business and civil society. The operation of the **IGF**, with the involvement of multistakeholders in discussions of **Internet Governance** themes, provided a fresh impetus and broadened a movement that had started in 1998 at the ICAAN – Internet Corporation for Assigned Names and Numbers for the management of the Domain Name System (DNS).

The **IGF** met every year since it was created, successively in Athens (2006), Rio de Janeiro (2007), Hyderabad (2008), Sharm El Sheik (2009), and meets this year in Vilnius on 14-17 September. The process of the global **IGF** ignited a decentralized movement of organization of several regional (8) and national (16) *fora* explicitly dedicated to Internet Governance (see a list in the IGF site at <http://www.intgovforum.org/cms/regional-and-national-igfs>).

The **European IGF** was launched under the name [EuroDig – European Dialogue on Internet Governance](#) and had annual sessions since 2008 (in Strasbourg (2008), Genève (2009) and Madrid (2010)). The present **Forum for the Information Society – Internet Governance** is assumed as the **Portuguese IGF**.

The Portuguese **Forum for the Information Society** has a long tradition. It goes back to 1996 when it was started with several sessions involving multistakeholders in a very wide movement that resulted in the [Green Paper on the Information Society in Portugal](#), published in 1997, a bold comprehensive plan which kept its actuality and inspiring strength for more than one decade and was a pioneering initiative in Europe whose main ideas anticipated those of the European Union initiatives on the Information Society for a whole decade (eEurope, eEurope2005, i2010).

Issues of Internet Governance were discussed in several meetings of the Forum for the Information Society, even before this topic reached the prominence it achieved in the preparation of the two **WSIS** sessions, in 2003 and 2005, and afterwards. However, the **Forum for the Information Society – Internet Governance** held on the 8<sup>th</sup> of July 2010 was the first meeting fully dedicated to Internet Governance. It was attended by close to 100 participants from public administrations, universities, research institutions, business and NGOs. The interventions were in Portuguese or English and simultaneous translation services were provided. The Forum was webcasted in real time, and life video archives are available from the UMIC website at [Forum on the Information Society – Internet Governance](#).

This document contains a number of messages heard from participants in the Forum. These **Messages from Lisbon** are not a negotiated text but what the Knowledge Society Agency (UMIC) considered as the key messages from the Portuguese IGF to the global IGF.

Special thanks are due to the [WIP – World Internet Project](#), in particular to Professor Gustavo Cardoso from the Lisbon Internet and Networks Institute (LINI) and ISCTE – Instituto Universitário de Lisboa, and to the Foundation for National Scientific Computing (FCCN), in particular to its President, Professor Pedro Veiga. The preparation of the present text was based on notes collected by the UMIC International Affairs team led by Ana Cristina Neves, namely by Elisabete Pires and Margarida Ribeiro, with the support of Charlotte Simões.

## ***Key Messages from Lisbon***

**FREEDOM, PRIVACY AND SECURITY** are fundamental in the Internet. The traditional framework for protecting freedom and privacy in communication media is challenged in the Internet by its many-to-many, dematerialized and cross-border/global character. Due to precisely these characteristics, the Internet can greatly expand freedom of expression and association, with regular users becoming producers and analysts of information but these rights have to be appropriately protected. Freedom of information flows has to be delicately balanced with privacy; data retention, user profiling and unauthorized access to personal information are serious threats to privacy that must be contained by adopting a new balanced framework which must also answer to the new challenges arising from Social networks, the Internet of Things and Cloud Computing. Many issues of freedom, privacy and security require an internationally agreed framework due to the global nature of the Internet. We need a trustworthy secure Internet but it is unacceptable to overly base it on law enforcement, policing and “big brother” type of surveillance as this would seriously conflict with freedom and privacy. Much more decisive for building up trust in the Internet is to systematically promote digital media literacy as a basic education and citizenship asset enabling people to appropriately protect freedom and privacy, to act securely and to defend against security threats.

**INTERNET NEUTRALITY AND OPEN STANDARDS** are seen by some as essential for user-driven innovation and wide interoperability of Internet-based applications and services, but others object to neutrality on the basis of needs of quality of service, security, and traffic management regarding applications and services that require very different bandwidths and latencies. Possibly unrestricted breaches of Internet neutrality are also obvious threats to open market competition. The conflict of interests of telecom operators regarding third party VoIP services as they compete with their voice communication systems was emphasized as an example of the risks involved, as well as those regarding independent Internet Service Providers. Wise regulations are needed and they should assure that the generativity of the Internet is preserved for it to remain a platform for innovative applications developed at the end-points by any users, for assuring market competitiveness, for providing a well functioning Internet, and above all for enforcing verifiable transparency regarding any tampering with communicated information and the associated policies.

**FERTILE CONTENT CREATION AND DISSEMINATION** on the Internet requires new business models, regulatory frameworks and law enforcement to appropriately protect the authors’ interests while assuring users fair use of acquired digital content. The large-scale contribution of the Internet for easier, wider and inexpensive content distribution allowed reaching many more users, but it substantially changed the previous share of value in the content production and distribution chain leading to the need of reestablishing a system to assure fair compensation of the authors. It also is necessary to clarify the role public television can play as content producer.

**SOCIAL NETWORKS** present great opportunities and new challenges. Privacy, identity management, users profiling, the right to delete user information, personal data preservation, for example, require new solutions for social networks settings. This is also a reason for systematically pursuing digital media literacy, as evidence determined that safe use and trust in Internet applications and services are essentially dependent of experience with them. Social networks are becoming unavoidable means to extend stakeholder involvement in corporations as well as in public and not-for-profit organizations, and to increase professional value of individuals. These developments raise the need to balance the different stakeholders legitimate interests and to prevent possible corporate abuses, and also the question of how to conciliate regulation, co-regulation and global reach of the involved multinationals.

**MULTISTAKEHOLDER OPEN DEBATE ON INTERNET GOVERNANCE** is regarded to be essential and requiring continuity due to the highly dynamic changing nature of the Internet that is constantly bringing to attention new issues and old issues in different forms. The Internet Governance Forum (IGF) has provided a valuable and irreplaceable platform for regular debate and is contributing for identifying the main problems and building up common understanding about them in ways that were previously impossible to achieve with existing schemes and institutions. But more importantly, IGF triggered a wide movement of creation of regional and national IGFs in a very similar process as the growth of an open network like the Internet itself. This process is by itself very eloquent as to the value of the IGF and, most remarkably, it is providing a robustness and resilience to the IGF that only open networks can provide, and which is unachievable to traditional forms of institutional hierarchical command-and-control organizations.

## Opening Session

*Luis Magalhães, President of the Knowledge Society Agency – UMIC*

**Internet Governance** involves a multitude of public policy issues, including the sustainability, robustness, security and stability of the Internet, freedom of speech and privacy protection, Domain Name System (DNS) management, promotion of multilingualism, creation of an environment supportive of Internet development and of its positive impacts on society and economy, including the enhancement of innovation, consumer protection, increased connectivity access at reasonable prices, net neutrality, promotion of education and training on ICT, and so many others.

The permanent evolution of Internet Governance points to the need of an open debate, even if it, at a particular time, does not allow closed conclusions. This debate is an ongoing process that brings together the points of view and concerns of a multitude of actors and builds common understanding and shared meaning on Internet Governance issues.

The Forum included a keynote speech of Wolfgang Kleinwächter, Professor at University of Aarhus, Denmark, and Special Advisor of the Internet Governance Forum Chair (IGF), entitled “Internet Governance: past, present and future”, and four plenary sessions on the following themes:

1. Freedom, Privacy and Security in the Internet;
2. Internet Neutrality, Open Standards and Innovation;
3. Future of Content Creation and Dissemination;
4. Social Networks – opportunities and challenges.

These four themes allowed to identify problems, to raise questions and to explore ideas from different and controversial points of view regarding some of the most relevant Internet Governance issues, but the debate is expected to be pursued nationally in further occasions.

## Freedom, Privacy and Security in the Internet – panel and debate with the audience

*Moderator: Alexandre Nilo Fonseca, Director of Marketing of Controlinvest and President of the Portuguese Association of Electronic Commerce and Interactive Publicity*

*Luis Salvador Pisco, Law Department, Portuguese Association for Consumer Protection DECO*

*Luis Silveira, President of the Portuguese Data Protection Commission (CNPD)*

*Pedro Veiga, President of the Foundation for National Scientific Computing (FCCN) and Professor at Faculty of Sciences – University of Lisbon*

*Joaquim Vieira, President of the Observatory of the Press, Portugal*

The debate started around the DNS, with an intervention of the President of the FCCN – Foundation for National Scientific Computing, the organization responsible for the ccTLD – Country Code Top Level Domain, .pt, in Portugal.

Privacy and security have always been major FCCN concerns in its management of the DNS. The WHOIS system of the .pt domain has to inform on the domain owners while conforming to the national data protection legislation. Minimal information on domain owners is required for several reasons, technical and of civil responsibility. For legal reasons, FCCN registered the WHOIS data base with the Portuguese Data Protection Commission (CNPD) and is providing its contents publicly. It was mentioned that when DNS was created the current size of the Internet was unthinkable as well as the associated

security threats, but now a rapid world-wide dissemination of DNSSEC is required for improved assurance of the true identity of sites addressed by users and the associated limitation of cybercrime and the vulnerability of the Internet to security threats.

For security and resilience reasons, the FCCN maintains copies of its primary DNS servers in several world locations, assuring a robust infrastructure and 100% availability rates.

Digital communications introduced a new paradigm changing the traditional one-to-many/transmitter-to-receiver model to a many-to-many/bidirectional model. In many aspects, national and international law was not ready to face this paradigm shift. People are now more involved in dealing directly with information and more empowered through blogs, social networks and other wide reaching communication tools which increase individual capacity to participate in the public sphere and deepen democracy. Nowadays, all of us can be journalists and comment in public space on the daily published news. There is no regulation of the blogosphere but every citizen has to be able to analyze the credibility of the information source and to act according to his/her own ethics. It was observed that we need a change in the public sphere, with new ways of interaction in society, because everybody can be an information producer and react to information received from others contributing to a more open and participated democracy.

An appropriate balance between privacy and freedom should prevail, but it is difficult to enforce the law in the digital sphere. Several risks regarding privacy were highlighted during the debate as data retention and profile building through *cookies* and other means. Privacy protection has to involve a strong focus on literacy, in particular through the introduction of digital media curricula in schools, as there still is a lack of information about the

opportunities and risks on the Internet. A better education can provide people with the knowledge on how to use the Internet to their maximal benefit while providing the conditions for more informed consumer choices. Media literacy building up the knowledge of people on how to deal with the Internet is the most effective way for assuring that people presence in the cyberspace is well managed.

Privacy has different meanings for different people. Today's youngsters are tomorrow's adults, and most probably these future adults will consider privacy very differently from today.

The sensitivity of the personal data released in the Internet was approached during the debate. The need to have explicit consent for personal data disclosure and circulation and the importance of fostering individual freedom and knowledge to manage one's own privacy were emphasized. The European Directive 95/46/EC was mentioned as the reference text on the protection of personal data in Europe. It sets up a regulatory framework which seeks to strike a reasonable balance between a high level of individual privacy protection and the free movement of personal data within the European Union (EU), but it needs updating to take into account recent technological and usage developments, including those arising from social networks, Internet of Things and Cloud Computing.

The regulatory approach concerning data protection is not the same globally and this brings special difficulties and complexity to the issue. In Europe there are several registry systems for data bases with personal data while the USA accountability system on personal data protection is based on individuals and organizations responsibility, personnel training, internal audits and litigation. Data are treated differently in different jurisdictions and there is a need for a global approach.

It was also highlighted the importance of international cooperation to fight cybercrime while avoiding a “big brother” type surveillance that assumes that each Internet user is a potential criminal.

## Keynote Speech: Internet Governance – past, present and future

*Wolfgang Kleinwächter, Professor at U. Aarhus, Denmark, Special Advisor of the Internet Governance Forum (IGF) Chair*

The UN WSIS – World Summit on Information Society controversy in 2003 started with the questions: What is the role of the governments in the oversight of Critical Internet Resources? Who controls the Internet? Which are the roles in Internet Governance for managing a network with more than one billion users? We are now over 3 billion users, we need ways to coexist.

The conflict was between governmental and private sector leadership, and between the different approaches: China vs. USA, ITU vs. ICANN, narrow vs. broad definition of Internet Governance.

The compromise was achieved with the creation of the UN Working Group on Internet Governance (WGIG). This group developed a broad definition of Internet Governance: “Internet governance is the development and application by Governments, the private sector and civil society, in their respective roles, of shared principles, norms, rules, decision-making procedures, and programmes that shape the evolution and use of the Internet”. The focus changed towards *multistakeholderism* and the WGIG identified an open list of 18 public policy issues related to Internet Governance. The IGF – Internet Governance Forum was created as a space for that multistakeholder discussion to take place.

WSIS II, in Tunis, in 2005, stated as general principles *multistakeholderism* and national sovereignty over ccTLDs, and discussed the governments’ role in guaranteeing Internet stability and security.

The post Tunis period (2005-2010) brought the Joint Project Agreement (JPA/10/2006) signed at the end of September 2006 between the US Department of Commerce (DoE) and ICANN – Internet Corporation for Assigned Names and Numbers, changing the framework of operation the ICANN. More recently, at the end of September 2009, the JPA was replaced by a new agreement between the US DoE and ICANN which established a scheme for the accountability of ICANN to the global Internet community, known as Affirmation of Commitments (AoC/10/2009).

Up to now, there were 4 IGF meetings – Athens (2006), Rio de Janeiro (2007), Hyderabad (2008), Sharm el Sheikh (2009) – plus regional and national IGFs, and the 5<sup>th</sup> IGF is planned for Vilnius, Lithuania, in September 2010. In the ITU – International Communications Union context, there was Resolution 102 in Antalya, in November 2006, and an ITU Plenipotentiary Conference is planned for October 2010 in Guadalajara.

In the Organization for Economic Co-operation and Development (OECD), European Union (EU) and Council of Europe (CoE) contexts, several aspects regarding Internet Governance, including the IGF, were highlighted at high level instances such as the OECD Ministerial Conference on Internet Economy (Seoul, Korea, July 2008), the Granada Declaration of the EU Informal Council of Ministers Responsible for Information Society (Granada, Spain, April 2010), the Digital Agenda for Europe 2010-2020 launched as a flagship initiative within the strategy European Union 2020 (May 2010), and the 1<sup>st</sup> CoE Conference of Ministers Responsible for Media and New Communication Services “A new notion of media?” Resolution on Internet Governance

and Critical Internet Resources (Reykjavik, Iceland, May 2009). In the UN context, the subject received attention in the UN Secretary General's Reports (March 2009 and May 2010). It was also considered in the La Granja Declaration of the 5<sup>th</sup> EU – Latin America and Caribbean Ministerial Forum on Information Society (La Granja, Spain, March 2010).

The ICANN agenda has been mostly focused on security and stability of the Internet, new Top Level Domain (TLD) names, Internationalized Domain Names (IDN), transition from IPv4 to IPv6 associated with the approaching exhaustion of IPv4 addresses, WHOIS database, and the At-Large Advisory Committee (ALAC). The IGF agenda has been oriented towards bridging the digital divide, defending freedom of speech and multilingualism, security and privacy issues, and critical Internet resources.

The future of IGF is being discussed because its current mandate ends in 2010. There was a consultation with stakeholders at the 4<sup>th</sup> IGF in Sharm el Sheikh, Egypt, in November 2009, followed by a Report by the UN Secretary General in May 2010. The IGF was challenged by China, but the present expectations go towards a mandate extension until 2015, with improvements to be made to the IGF operation. A decision will be taken by the UN General Assembly by the end of 2010.

The speaker presented a SWOT analysis on the IGF, showing its strengths as the informal multistakeholder discussion space of Internet Governance, which opens minds and mouths, using the power of inspiration as an opportunity. The current threat is the possibility of killing the baby in the cradle due to the high expectations around this process.

Six desirable IGF functions were outlined throughout the speech: Observatory, School, Clearinghouse, Laboratory, Watchdog, Scout (early warning system).

Some proposals were mentioned to improve IGF as, for instance, the implementation of IGF messages as outputs of the meetings (similarly to what EuroDIG, the European IGF, is doing since it was created in 2008); a Nomination Committee to identify and recommend members for the MAG – Multistakeholders Advisory Group to the UN Secretary-General (presently nominated by the UN Secretary-General on advice which is not transparent and composed of 20 members from governments, 20 members from the private sector, 10 members from civil society and 10 members from the technical community); the creation of a committee to study the role of multistakeholder dialogue in global policy development.

Final thoughts were shared on the need for further involvement of governments and other stakeholders.

## Internet Neutrality, Open Standards and Innovation – panel and debate with the audience

**Moderator: José Dias Coelho, President of the Association for the Promotion and Development of Information Society (APDSI) and Professor at Faculty of Economy – New University of Lisbon**

**Carlos Correia, Director of Regulation, Vodafone**

**Pedro Ferreira, National Communications Authority (ANACOM)**

**Pedro Oliveira, Coordinator of the advanced programs in Entrepreneurship and Innovation Management and in Telecommunications and Information Technologies, Professor at Faculty of Enterprise and Economic Sciences – Portuguese Catholic University**

**Jean-Jacques Sahel, Director of Government and Regulatory Affairs for EMEA, Skype**

**Virgílio Vargas, IT Architect, IBM**

This session was focused on the debate on open Internet, in particular net neutrality and open innovation.



The discussion stressed that Internet penetration in the population is significantly relevant for economic growth and society. It delivers benefits for all, from operators to web applications and services companies, and consumers. Internet traffic is increasing in particular with the spread of smart phones and a wide range of new services offered by e-health, e-transport and other applications.

Network resources are limited. There was general agreement among panelists that reasonable and minimal traffic management is acceptable for technical and security reasons, but that it must be clearly restricted and absolutely transparent. It was found that there is no identifiable relationship between net neutrality and cybercrime, so arguments based on this are not acceptable reasons against net neutrality.

The following questions were asked: How does the way value is distributed on the value chain relate to net neutrality policies, in particular given the high investments of telecommunication companies? Where stands the balance point? In relation to traffic management, how could technical objectives be implemented while ensuring content is not monitored? Would a non-neutral Internet decrease the number of operators in the market?

It was pointed out that in order to avoid traffic congestion operators have several options, which include: increasing network capacity, rationalization of Internet usage (through the supply of diversified service packages) and traffic differentiation. Some participants claimed that traffic prioritization will always exist as it is related to the business model chosen by the network operator, but this position was contradicted by other participants.

There was some discussion around the treatment given by operators to VoIP (Voice over Internet Protocol) services. In one hand, network operators wanting to

safeguard high returns on their investments have brought difficulties to VoIP as it frequently competes with their own interests in switched telephone services. On the other hand, Web companies / content providers do not want new Internet services to rely on network operators. Some considered they are victims of discriminations (such as, blocking, degrading, and overcharging). If operators are allowed to discriminate or prioritize traffic at will, users will be banned from some of what Internet could offer. Operators sell Internet access for users to have access to multiple services. However, even with triple play packages, in some cases consumers do not have access to services like VoIP. Consumers are led to choose a more expensive Internet access offer which, at the end, will not make the VoIP service profitable.

Some participants claimed that Europe is the worst place to innovate because some operators hamper the use of certain services.

It was pointed out that the revised EU Telecommunications Regulatory Framework currently under transposition and implementation at national level is a good basis to tackle net neutrality, although this subject is still going to be the object of future directives. The framework safeguards transparency, quality of service and competition, and admits the possibility of traffic management and of actions taken to deal with security and illegal uses of the Internet. The European Commission launched an open consultation on Internet neutrality that closes at the end of September in order to get contributions for the preparation of legislation regarding Internet neutrality that is supposed to be issued in the first half of 2011.

Some participants stressed that an open Internet is a global platform for innovation, and in particular to user-driven innovation. A growing number of community users also develop new products collaboratively. It

was argued that companies have to enable a certain degree of openness (platforms and standards) to facilitate users' innovation. Open Internet was considered to be of public interest.

It was debated whether Internet neutrality is resulting in a less or more expensive Internet, and if the non-neutral Internet will lead to an Internet for the rich and another for the poor.

It was mentioned that Europe has been less favourable to open Internet than USA.

The importance of open Internet for innovation and new businesses was highlighted, with references to the positive consequences of open source software and open standards, as well as the open sharing of knowledge and information, in particular under Creative Commons licensing.

## Future of Content Creation and Dissemination – panel and debate with the audience

**Moderator: Luis Magalhães, President of UMIC**  
**Miguel Carretas, Director-General of Audiogest**  
**Pedro Berhan da Costa, Director of the Office for Social Communication Media (GMCS)**  
**Ivan Franco, Director of R&D, YDreams**  
**António Granado, Journalist and Professor at Faculty of Social and Human Sciences, New University of Lisbon**  
**Lucas Serra, Director Legal Dep. and Advisor to the Administration of the Portuguese Authors Society**  
**Pedro Wallenstein, President of the Artists, Interpreters and Performers Rights Management Cooperative, and bass player at the Portuguese Symphony Orchestra**

One of the ideas advanced was that we are going through a new Renaissance with people inventing new forms of expression as new electronic instruments, or new forms of expression through the Internet. It was also emphasized the role of the Internet in enhancing the possibility for

people to do themselves all sorts of activities and products, with an explicit reference to the *FabLabs* idea that developed from the MIT, entailing a revolution in the form of collaborative innovation and creation. This community “do it yourself” is extremely powerful and leads to new business models and new value chains of high importance.

The rest of the discussion was mostly focused on the positive and negative aspects of content creation and dissemination in the digital environment.

In one hand, it was acknowledged that the Internet reveals a new paradigm: it is a unique platform of mass distribution that enables general access to cultural and creative content. The Internet presents a unique opportunity for artists and creators to promote and disseminate their work, making it accessible at anytime and anywhere. At the same time, the Internet offers new tools to create innovative work. It transforms the way we learn by offering the possibility to share knowledge and information. Several experiences around the world of successful community projects of open innovation and knowledge laboratories were mentioned. There was a common understanding among the panellists that there is an ample opportunity to take further benefit of the tremendous potential offered by the Internet.

On the other hand, some participants stated that digital sales and the total value of the music market have dropped and illegal use of cultural and creative content on the digital environment has negatively affected authors and the industry. Some participants pointed out that Internet has inverted the value chain of cultural and creative content. A work no longer can be taken to belong to the author, and the separation between creator/author and users of creative and cultural content has been reduced. It was remarked that it is becoming generally perceived by society

that using someone's work in the digital environment is allowed in principle unless it is forbidden by the owner, instead of the reverse.

Several questions were asked regarding Intellectual Property Rights (IPR) and Copyright in the digital world. What are the models of liability, especially for those who gain from the economic situation? How do we potentiate innovative projects? Which business models for online exploration of cultural and creative content could enable the creator/artist to get fair remuneration from his/her work and investment, as well as control of its use on the Internet?

The Internet substantially changed the previous share of value in the content production and distribution chain. Compensation that used to flow to authors is now flowing to communication operators or other Internet intermediaries. Some participants pointed out that advertisement revenues based on content are not being fairly distributed to the authors/creators and this could lead to discourage creation.

It was also pointed out by some participants that some legal business models in the music sector have proven to work, but they mentioned that the movie and phonographic sectors have to be differentiated and handled in a different fashion. Some references were made to the movie industry in USA which follows a combined strategy with Internet and non Internet schemes to amortize costs and raise profit.

The discussion also showed that now-a-days journalist information resources frequently come from the Internet and there is a growing difficulty to identify the source of this information. In particular, it was mentioned that journalists and media often make use of users generated content found on the Internet without any author permission (example: comments made by users on online news, photos, etc.). Some of the questions raised were: What are the

limits to what journalists can publish? To whom belongs the news on the Internet?

There were some criticisms of the scarce availability of broadcasting archives for researchers and the obscurity around the usage of researchers' results.

Finally, the impact of the economic crisis and the public budget restrictions on the production of creative and cultural content were mentioned, as cultural activities rely strongly on public funding. There was some common understanding among participants that the State has difficulties to adapt to new realities, notably to the evolution of the Internet. The need of a discussion at European level regarding the role of public television in the production of Internet content was also addressed.

## Social networks: Opportunities and challenges – panel and debate with the audience

**Moderator: Ana Cristina Neves, Head of International Relations, UMIC**

**Gustavo Cardoso, Researcher at Lisbon Internet and Networks Institute (LINI) and Centre for Research and Studies in Sociology (CIES), and Professor at ISCTE-Lisbon University Institute**

**Angus Cheong, Director of the Macao Internet Project and of the ERS e-Research Lab, and Professor at University of Macao, China**

**William Dutton, Director of the Oxford Internet Institute, University of Oxford, United Kingdom**

**Scott Ewing, Swinburne University of Technology, Australia**

**Sergio Godoy, Chile Catholic University, Chile**

**Indra de Lanerolle, Media Observatory, University of Witwatersrand, South Africa**

This session was organized with a very different format from the others, taking advantage of the Forum having been arranged back-to-back with the World Internet Project (WIP) annual meeting which gathered experts on Internet use

coming from several countries of all world continents. As social networks are a fairly recent development, it was found more useful to look at them from the perspective of researchers from different points in the world (literally from all world continents) than from Portugal only.

As a matter of fact, one of the clear results of this discussion is that the use of social networks is very different in different places in the world. For instance, in Hong-Kong and Macao the main application of social networks by users is for gaming, a kind of application that is very little used in all the other countries represented in the panel, with the curious exception of Portugal itself where gaming is in the 2<sup>nd</sup> group of applications with higher shares of users in this year WIP survey (in the range 42%-48% of social networks users: chatting, looking for friends, creating photo albums, gaming), immediately after the most used application (84% of social network users: exchanging messages).

The importance of addressing what was called the three “Internet Panics” related to Social Networking started the debate on the challenges and the need for more information on this subject. The three “Internet panics” were highlighted as being misleading.

The first false panic mentioned was the *Association of Internet Use and Individuals Isolation*, and the debate led to the conclusion that the Internet has no technological deterministic impact on sociability, and, overall, Internet users are more social than non-users. E-mail has been central since its inception, but social networking is likely to further enhance the social role of the Internet.

Secondly, the *Distrust of Social Networking Sites*, such as *Facebook* was focused. In this sense, several studies have shown that trust in the Internet is largely a function of the experience with it. Those who have never used the Internet are more distrustful than

those who have used it even if they rejected it. Likewise, distrust in social network sites is largely related to lack of experience with using Web 2.0. Panic over social networking sites can be addressed by information campaigns and informed usage, so that users can develop a better sense of the costs and benefits of use, be better prepared to use them well, and develop a better appraisal of their potential.

Thirdly, the debate focused on fighting the panic over *Privacy on Social Networking Sites*, based on a proliferation of personal information online, and that panic has to be seen on a different point of view, because those learning to use social networking sites will have greater expectations about their ability to regulate access to information and to determine what they want their family, friends and anyone to know. Expectations on access regulation to (online) information can have all the nuisances and subtleties as occurs in daily life, offline. People have been empowered with choices to block information on their profile and to decide over who sees what online. It was stated that if we think carefully where our privacy is more violated we will find out it is not on the Internet but by family and friends.

Not only people but also firms care about what is said about them on the Internet, as the market is clearly affected by their online reputation. The outreach of the Internet goes beyond publicity and marketing. It enhances the relevance of other stakeholders opinions on a business, such as employees, customers or investors.

Social networks are essential to ensure the corporate sustainability, as an expansion of Stakeholder Theory and Stakeholder Management in organizations, both not-for-profit and for-profit, public and private. The challenges are how to balance the legitimate interests of all parties involved in this stakeholder-organisation link and to prevent corporate abuses, and how to conciliate regulation, co-regulation, and

global reach of multinational companies in this field?

It was pointed out that NGOs have demonstrated their ability to use social online networks to mobilize people and to show their interests to the general public.

The constant change in social networks environment places a complex challenge to legislators, to the old media and also to researchers. It is difficult to keep track of the daily changes. Social networks are not only used as online repositories, but also to send invitations, to play games, and so forth. The example of Macao survey, showing that 70% of *Facebook* users used it to play games in 2009, with a similarly high figure in Hong Kong was highlighted.

Online experiences are reflections of our daily lives. For instance, online cyber bullying exists, because it exists in playground – “The internet is not complicated, it is like the phone (a media) but what goes on there can become complicated”. A point that was made about cyber bullying is that perhaps it receives more attention than traditional bullying because it is traceable.

Social networks are becoming visible structures: they have high economic consequences, they can increase the professional value of individuals, they have a bridging power between people and organizations, they highly increase the interaction of people with families and friends, they can improve people’s lives. So, social networks panics, as Internet panics, have to be contextualized.

It was pointed out that usually you have a good idea about the people you know, but you do not have any idea about those that people you know well know. Social networks render these connections visible and therefore allow you to obtain knowledge about the people you do know well that was not available otherwise.

In the study of social networks effects it is important to focus on the sharing process with the people who are defined as friends.

A problem that was identified is the attempt to understand the Internet usage through old paradigms related to the traditional mass media and the journalistic way of communication, and the need of developing a new framework appropriate to Internet usage. In particular, for devising governance frameworks for social networks it is probably more useful to use the paradigm of mediated social interaction, as for instance in this forum audience, than the paradigm of traditional mass media.

The idea that people are careless of their privacy in social networks was contradicted by survey data that show that the vast majority of social networks users relate to people they already knew, such as family and friends (in Portugal, 78% of social network users). Another point based on survey data was that social networks highly increased the number of people with whom a person relates through the Internet (in Portugal, 49% of social networks users have more than 100 people on their lists while before the appearance of social networks people reported to connect through the Internet to less than 50 people).

The Internet is an invention and a bottom up reinvention, it is different and it will always be different from other things, and somewhat chaotic.

Another point that was raised is that governments should be more involved in social networks, but most governmental institutions do not know how to use social networks. The main idea was that most of the institutions do not know the rules of social networks participation and do not know what to respond to tricky online questions. On the other hand, some politicians, at an individual level, have been successful in the attempt to be heard in this online context, and civil society uses it

constantly to solve problems (the case of the oil spill in the Gulf of Mexico was mentioned as an example, as well as that of cooperative arrangements made by people to return home at the time of the air traffic stoppage in Europe due to the Iceland

volcano ash clouds in past April). However, an unavoidable difficulty is that it is not natural for public institutions to engage in private dialogue with citizens, and social networks interaction requires that sort of engagement.