The Nation-State and the Ever-Changing Internet
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Good afternoon.

There are two myths of the Internet. Like all myths, they are partly true and a bit false -- and tell more about the person invoking them than the reality they are meant to represent. But the most interesting thing is that the two myths are in complete contradiction with each other.

The first myth is that government created the Internet. What follows from this is that it is thus only appropriate that government take a lea role molding the Internet's future evolution. The second myth is that the Internet actually developed so successfully because of government's hands-off approach. Government may have been an early catalyst, but it was the private sector that was responsible for the Internet's growth. And thus, it follows that the best way for government to steer its future course is to simply get out of the way.

This has been the unspoken conflict present in the hall during the past three days, floating in and out of the panels like Banquo's ghost. However, although the role of the nation-state is omnipresent, the one stakeholder not in the room right now are governments: ministers and their delegations are meeting separately to discuss the Seoul Declaration.

So it is an irony that as this panel and the business community and civil society organizations are looking to the future of the technology, the governments are debating its present and its past. It will take another OECD conference in a number of years for what gets discussed here to become a part of their agenda. To build on this -- and set the stage for this afternoon's panel -- I would like to make three basic points:

I. An Era of Ubiquitous Connectivity

First, we are entering an environment where connections to the network will be ubiquitous -- always-on and ever-present. For the moment, the Internet largely comprises people behind PCs clicking on a web page. In the future it will be about sensor-networks that link the physical and virtual worlds. Wireless connections will be applied to most things, from appliances to people's bodies. Machine-to-machine traffic will overtake human communications.

The "information technology" revolution was about taking the world's information on paper and digitizing it. The next iteration will be about extending the connections to the physical world and linking it, measuring it or controlling it.

Likewise, the internet is going from a static medium to a dynamic one -- from a noun to a verb. In the past, a person surfing the web was in a bilateral relationship with the technology -- one person and one website -- and things were manageable. In the future, it will be about information flows that comprise dozens of organizations coming together on the fly to deliver a service anywhere in the world. It is about processes, not content.

II. The Internet Is "Emergent"

Second, the Internet is an "emergent" technology. By this, I mean it is always in a process of becoming, it never reaches an end-point and simply "is." The Internet is marked by continual change. This is actually very different from how we are used to thinking about technologies. The way technology usually progresses in our mind is colored by Thomas Kuhn's book "The Structure of Scientific Revolution" in which people all think one thing, until evidence that challenges it mounts, and suddenly a paradigm shift takes place and everyone agrees on something new.

It is like "punctuated equilibrium" in biological evolution -- a period of calm, followed by burst of something new, and then calm again. That held true for technologies like electricity, water, roads and the telephone. But the point about the Internet is that it is different. It is not going from stability to upheaval to a period of stability. Rather, what we are seeing is that it goes from one unstable state to another. It is a perpetual revolution. It makes trying to regulate it very hard.

III. The Internet Changes Economic Models

These two dimensions lead to the third: The Internet is changing the economic models of all industries that it touches. As such, it creates winners and losers. This, in turn, leads large industrial players that are threatened to defer to conservativism. And they try to use the state to hold back innovation to protect their commercial positions.

We have seen this in regards to telecommunications and voice-over-the-Internet calls. And as Professor Lessig explained yesterday, it has happened notably in media industries with intellectual property rights. What is required is leadership by our political leaders to resist this pressure.

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To understand these issues better, this afternoon's panel is well suited to discuss these matters. [Introduce speakers and begin speaker presentations.]

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