Internet Policy in a Time of Economic Uncertainty

In this time of global economic uncertainty, comparisons to the Great Depression abound. As we look back to this time, we should be clear about its lessons. For example, some people may assume that the New Deal fixed the fiscal problems. But as any student of that period knows, it was the Second World War, not the New Deal, that re-primed the economic pump. Still, as wartime production blended into the post-war boom, it did so on a far more stable basis, one enabled by the regulatory framework established by the New Deal: resetting the relationship between government and the private sector, allowing better conditions for workers, and redirecting revolutionary political tendencies back to the center through reform. In fact, many economic historians suggest that the postwar economy was possible only because the New Deal laid this regulatory groundwork. If we forget this lesson, we do so to our peril, lest we miss the opportunity that today’s crisis presents for us to rethink the meaning and role of policy for the future of the United States.

Perhaps the most important yet overlooked lesson from the era of the Great Depression is that it was a time of transition from an agrarian to an industrial global economy. Before reforms in the United States, or similar ones abroad, even the most developed countries did not have the right combinations or complexity of relationships between government and the free market to order industrial production on an international scale. From this perspective, we gain a clearer understanding of what animated the grand ideological (communism versus capitalism) and political (colonialism versus independence) conflicts of the twentieth century. At the end of the Second World War, the emergence of the once-maligned “welfare state” created a broader foundation for modern industrial production, at least sufficient to realize the hopes of the eighteenth-century democratic revolutions to create a middle-class society. Moreover, this progress offered developing nations a template for social and economic advancement that has guided progress throughout the latter part of the twentieth century.

A transition from an industrial to an information economy underpins the current crisis. Global economies neither know nor appreciate how to monetize information, how to align it with traditional forms of financial transactions, instruments, or tax conventions, how to accelerate the production of goods and services on an international scale, or even how to create fair workplaces, conditions, and wage and hour rules in a “flat” world. It is no wonder that the major policy issues of our day—global warming and sustainability, international health care and education, urbanization and overpopulation—overwhelm us. We do not have a framework to wrap our collective minds around an understanding of the issues in connection with each other in order to formulate clear, overarching policy.

Most important, we must integrate what currently goes under the label of “Internet policy” into a global perspective on these pressing issues. The following are some of the specific Internet-related policy needs: a coherent, subsidized approach to broadband deployment; the proper implementation of “neutrality” rules; electronic surveillance laws that are commensurate with contemporary technologies and that, as a constitutional matter, privilege privacy while respecting appropriate law enforcement measures; intellectual property laws that balance innovation and incentive while...
considering the requirements of developed and developing areas to have access to cultural material without having to pay premiums to developed countries; and a redefinition of jurisdiction commensurate with the global Internet and corresponding substantive law appropriate to the conflicts that arise in cyberspace. How people around the world communicate, innovate, and create culture on the Internet, together with rules for business and social behavior, will support progressive environmental, health, and education initiatives. In a networked world, everything is up for discussion: from choosing videoconferencing strategies that will reduce the extraordinary fossil fuel emissions created by aviation travel, to establishing global universities that will enable collaborative collections, teaching, learning, and outreach missions, to formulating new market models that will remunerate artists and the delivery of content no matter the medium. We need more thoughtful and complex rules to strike a balance between setting global standards for free speech and respecting local customs.

Finally, to accomplish these goals in the United States, we need a new Internet-specific government agency. Modeled on old technologies and outmoded trade practices, the Federal Communications Commission and the Federal Trade Commission, respectively, do not have adequate understanding, scope, or proverbial horsepower to address the multifaceted, complex questions that a global Internet raises today. Questions range from issues related to personal privacy, international diplomacy, and intellectual property based on real property, to new concepts of cyber-dollars woven into the value of user contributions and virtual worlds and the deployment of an evenly monetized global information economy. The United States, as an international leader, must establish neither a “czar for intellectual property” nor a “point person for the Internet” but rather a dedicated federal agency on par with those that exist already populated with people who truly understand the historical significance of this technology and its transformative potential in so many areas, from ideology through education and the global economy.

Charting the connections between Internet-related and other policy issues will not by itself reenergize the economy. Quite a blemish will be needed to sweep away the old paradigms, even as they have largely exhausted themselves in misguided wars, financial ruin, or even ethical turpitude. But human nature has a way of regenerating itself to create openings for ingenuity in business, the arts, law, and technology. For meaningful ingenuity to flourish, we must lay the groundwork to conceptualize a global regulatory policy that is interlaced with today’s key Internet-related issues. And that is the most important lesson of the New Deal: we must take the time now to lay a functional and equitable economic, legal, and cultural foundation for the prosperity of tomorrow.

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