



Internet Association



UK Policy Charter

Internet Association



Internet Association UK Policy Charter

The internet economy will drive 21st century prosperity. Individuals, families, and businesses already find that internet products make their lives richer, easier, and more productive. And the internet's widespread and positive impact on the economy is well known. With the right policy environment, there is a golden opportunity for the internet industry to help society navigate through uncertain times and create even more value for consumers and the economy in the future.

Internet Association (IA) is the unified voice of the internet economy. Active globally since 2012, with a mission to foster innovation, promote economic growth and empower people, IA has established an office in London in 2018 to constructively engage with the internet public policy debate in the UK.

We are firm believers in the benefits that technology brings to everyday life and the economy, and for the potential that internet innovation has to transform society for the better. That said, we also recognise that there are legitimate concerns with how some internet products and services are used, and that internet companies have a critical role to play in engaging with policy debates, being open and transparent, and working with government and civil society.

Internet companies have already taken a number of steps to address these concerns. From the provision, and significant expansion, of systems for flagging, detecting, and removing inappropriate or abusive content - using a combination of human review and artificial intelligence - to participation in, and leadership of, global bodies such as the Internet Watch Foundation and the Global Internet Forum to Counter Terrorism, internet companies are continually innovating to keep people safe online. Recognising the importance of helping people navigate the online world, internet companies have also launched a range of digital civility and digital literacy programmes. IA member companies also recognise that they need to keep improving and do more.

This Policy Charter details how the internet delivers significant benefits to consumers, the economy, and society in the UK. It also argues that, from this strong base, the UK has a chance to become the digital workshop of the world, harnessing the internet to bring much-needed economic growth and prosperity to communities across all four nations of the UK. All while continuing to make people's lives better every day, and helping public services become more responsive and more efficient.

To seize this prize, the UK needs a policy environment which strikes a sensible balance between the opportunity for growth and innovation on the one hand, and the need to address concerns about online harms on the other.

IA will work with all stakeholders in the UK to make the case for that positive environment. As IA starts to engage with the policy debate, we call on the UK Government to:

1. Partner with the internet industry to foster an environment that continues to support the UK's thriving tech sector and promote growth, investment, jobs, and innovation in the UK.
2. Better quantify the contribution the internet economy makes in the UK. We need to do more to ensure that economic statistics and business impact measurements fully incorporate the value created by the internet economy.
3. Encourage faster adoption of digital technology across the entire economy, to boost productivity and encourage innovation.



4. Ensure that any further online regulation is principles-based, sector neutral, and proportionate. We should preserve the space for new ideas and business models to innovate, while making sure to always protect the people who use the internet.
5. Incorporate impact assessments on the SME tech ecosystem as standard practice when considering any new regulation or legislation affecting the internet sector.
6. Continue to champion the principles of openness and non-discrimination that have governed the internet since its inception.

The remainder of this Policy Charter describes how the internet:

- Helps to enrich daily life;
- Makes a positive impact on the economy; and
- Innovates for social good.

1. HELPING TO ENRICH DAILY LIFE

Internet services make our lives easier and better. People continue to love internet products and services because they allow them to connect with loved ones, build communities, and access information. Internet products and services also make people's lives easier and more entertaining in hundreds of ways, big and small. What's more, people also place a high value on internet services: one recent estimate found that you would have to compensate individuals the equivalent of £10,000 a year to give up online search, £5,000 to give up email, £2,000 to do without maps, and £200 to lose social media.¹ Here we detail a number of ways people across the UK benefit from the internet in their daily lives.

a. Connecting People

Right from its very inception, the internet was designed to bring together people, ideas, and information. It is now a way for people to connect to each other – no matter where they are in the world. It can strengthen existing relationships, enable people to forge new friendships, and even help people find love - at least one in four new relationships in the UK now start online, through a dating website or app.² It can also help tackle issues like loneliness - tens of thousands of people participate in phenomena like #joinin, which connects those who might be spending Christmas on their own.³

b. Bringing Families And Friends Closer Together

Millions of people in the UK use the internet to make free video calls to family members who aren't in their area, and are often the other side of the world. For grandparents, it has become a valuable way to keep in touch with children and grandchildren: according to McCarthy and Stone nearly 40 percent of over 60s use social media to keep in touch with friends and 35 percent use social media to connect with family. More than half of this group said they use Facebook, 41 percent use YouTube, 23 percent use Skype or instant messaging, and 18 percent use Twitter.⁴

1 Using Massive Online Choice Experiments to Measure Changes in Well-being, <https://www.imf.org/~media/Files/Conferences/2017-stats-forum/brynjolfsson-11-17-presentation.ashx>

2 <https://www.onlinedatingassociation.org.uk/membership/research.html>

3 https://blog.twitter.com/official/en_gb/topics/events/2017/Sarah-Millican-JoinIn.html

4 <https://www.mccarthyandstone.co.uk/media-centre/national-press/forget-oaps-were-iaps-internet-age-pensioners-reveals-survey/2014>

c. Joining Up And Joining In

We all use the internet to communicate with like-minded people. The internet has created resources, big and small, for any and every kind of interest and need. They range from the 14 million unique users who access Mumsnet every month to share and discuss parenting problems, to forums for hobbies and interests that only appeal to a tiny number of people, like a London Jane Austen appreciation meetup, which attracted 24 Janeites. The internet has become a way of finding people who have the same passions, problems, and issues, all of whom are looking for solutions together. Social media can also be a powerful platform for social action and help young people have a meaningful impact in the community through building large-scale campaigns and movements. A recent report by Demos found that nearly two thirds (64 percent) of young people see social media platforms as an essential part of achieving social change, and over half (55 percent) of this group believe social media makes positive offline change more likely to happen.⁵

d. Forging Community Spirit

These communities are not simply online - the internet has better allowed us to find out what's actually going on around us in the physical world and connect with people locally. Community sports clubs run their operations through social media and new apps and services are constantly appearing - such as Classlist, which enables parents at local schools to make plans - to make it easier and faster to connect with the people around us. The potential for the internet to forge offline bonds is illustrated by the Museum of Happiness which, thanks to an event going viral, had almost 10,000 visitors over three days to a pop-up event in East London. Since then, a physical Museum of Happiness space has opened in the UK's largest homeless hostel, and the museum has trained teachers with the skills to spread happiness in their area.

e. Helping People Communicate

A combination of translation tools, video, and voice software have helped people communicate better. This has assisted people with a range of disabilities. For example, tens of thousands of deaf people use tools ranging from specialist apps to the most common video-chat tools to engage with the rest of the world. Microsoft's Seeing AI app assists people with blindness and low vision as they navigate daily life. Launched in July 2017, it assisted people with over 3 million tasks by the end of that year.⁶ Translation tools even helped bring fans from different countries together during the World Cup in Russia, an event where fan rivalry can sometimes outweigh unity.⁷

f. Seeing The World And Sharing Information

The internet has democratised knowledge. Fundamentally, the internet makes it easier than ever before to access and share information. Advertiser-supported publishers have found they can reach audiences without charging consumers any fees. UK publishers including the Daily Mail, the BBC, and the Guardian are now among the most-consumed news websites in the U.S. and around the world. A growing amount of specialist scientific knowledge is made freely available through initiatives like Open Access, rather than being limited to scientific journals only held in university libraries - often off-limits to the public. Google's Open

⁵ Demos Plugged In Report, <https://www.demos.co.uk/wp-content/uploads/2018/09/Plugged-In-Final-Report2.pdf> .

⁶ Microsoft, Seeing AI <https://www.microsoft.com/en-us/garage/wall-of-fame/seeing-ai/>

⁷ <https://www.nytimes.com/2018/07/13/sports/world-cup/google-translate-app.html>

Source platform now has over 2,000 projects,⁸ and has provided ‘Code-ins’ and ‘Summers of Code’ for teenagers and students to learn more about open source and become lifetime contributors. IA member companies also helped co-found the Data Transfer Project,⁹ which is a collaboration of organisations committed to building a common framework with open-source code. It can connect any two online service providers, enabling a seamless, direct, user-initiated portability of data between two platforms.

g. Enabling Education

In the same vein, huge amounts of educational materials can be accessed online, which benefits both teachers preparing for classes and students at home - 75 percent of parents say their children use the internet to help with their homework.¹⁰ YouTube accounts like the UK’s ‘Mr Bruff’ are helping thousands of students prepare for exams and excel at school - with over 30 million views on his channel alone.¹¹ For adults, the internet has meant facts are available with just a few clicks, and has opened up a range of learning opportunities through online courses. Eighty-eight percent of British adults use a search engine at least once a day, which creates a time saving equivalent to an extra bank holiday every year,¹² and 31 percent of UK adults agree that search engines give you information not available in other ways.

h. Learning Practical Skills

On a more practical level, the internet enables people to undertake tasks they would once have been unable to do themselves. Sixty-four percent of UK adults use YouTube to figure out how to do DIY or for manual instructions, and 60 percent use it to help them cook.¹³ The sheer range of videos and other help available on the internet has made lives easier in countless ways.

2. A POSITIVE IMPACT ON THE ECONOMY

The internet is a powerhouse for the UK economy. At a headline level the figures are compelling: IA estimates the contribution of the UK internet sector to GDP at approximately £45 billion in GVA terms, with some scenarios showing a contribution of up to £78 billion. That equates to approximately 1.7-2.9 percent of GDP, while directly accounting for over 380,000 jobs across the UK. The internet sector grew by over 21 percent between 2012 and 2016. That's approximately 4.2 percent on average per year, more than double the UK national GDP growth rate of just 2.0 percent per year over that same period.¹⁴ These are not small figures, nor are they abstract - the internet’s contribution to the GDP is more than double that of the arts, entertainment, and recreation sector and even larger than the property sector. Behind these numbers is a story of the internet enabling UK companies, big and small, and individual entrepreneurs to grow and flourish. Here we expand on these benefits to illustrate the breadth of the internet’s economic contribution.

8 Google, Open Source <https://opensource.google.com/>

9 <https://datatransferproject.dev/>

10 <http://www.publicfirst.co.uk/wp-content/uploads/2018/10/GoogleImpact2018.pdf>

11 Ibid.

12 Ibid.

13 Ibid.

14 IA estimates for 2016, produced in 2018.

a. Creating UK Jobs

Investment in internet services secures hundreds of thousands of UK jobs, and many of these are highly-skilled positions that barely existed a decade ago. The skills these jobs demand, however, are the ones which will form the bedrock of any advanced economy in the future. Between 2012 and 2016, employment in the internet industry in the UK grew by 12.8 percent, compared to the overall employment rate which increased by 8.6 percent nationally. These workers are also more productive than those in non-digital sectors, by an average of £10,000 per person per annum. Jobs requiring digital and internet skills also command higher salaries - on average, they provide £42,578 compared to £32,477 per year for non-digital jobs.¹⁵ Digital jobs are found across all sectors and in every locality – from Shoreditch startups to marine engineers on Teesside and games designers in Dundee. Global tech companies are investing across the UK too, from Google's office in Manchester to Microsoft's research lab in Cambridge.

b. Boosting Productivity

Productivity growth is essential for increases in living standards, wages and the higher long-term growth of the UK economy. However, the UK continues to lag behind its G7 peers. The 2017 Government-commissioned Made Smarter Review highlighted that the UK suffers from the largest productivity puzzle in the G7, citing that it now takes a UK worker five days to complete what the average G7 worker can do in four days.¹⁶ All sectors of UK industry, from start-ups to global brands, manufacturing to finance, have much to gain from the potential for greater adoption of technology to deliver increased levels of productivity. The Made Smarter Review pointed out that the adoption and application of Industrial Digital Technologies could positively impact the manufacturing industry by as much as £455 billion.¹⁷ Meanwhile, the World Economic Forum has estimated that digital technologies have the potential to add US\$14.2 trillion to the world economy over the next 15 years.¹⁸

c. Supporting Small- And Medium-Sized Businesses

Britain's small- and medium-sized businesses (SMEs) want to embrace the opportunities afforded by the internet. A report in 2017 found that the number of SMEs trading online is set to rise to 88 percent by the end of 2018. Over the same period, 68 percent expect to offer sales via their own website while the number of firms looking to sell through third-party platforms is set to increase to 27 percent. Firms who turn to e-commerce expect sales to increase at a faster rate than firms who do not trade online. And SMEs with an e-commerce function are forecast to see a 0.8 percent rise in jobs growth in 2018, compared to 0.4 percent from those who do not trade online.¹⁹ Google's Digital Garage has given SMEs free digital skills training across the UK, allowing them to enhance their online presence - with over 300,000 people already trained at a Garage. We see these trends reflected in national statistics as well. IA estimates that the number of companies in the internet industry grew by 33.1 percent, or 6.6 percent annually, between 2012 and 2016, which is more than double the 4.8 percent in annual enterprise growth across all industries over that same period.²⁰

15 <https://technation.io/insights/report-2018/jobs-and-skills/>

16 Made Smarter Review https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655570/20171027_MadeSmarter_FINAL_DIGITAL.pdf

17 Made Smarter Review https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/655570/20171027_MadeSmarter_FINAL_DIGITAL.pdf

18 https://www.accenture.com/t20160909T042713Z_w_/us-en/_acnmedia/Accenture/Conversion-Assets/DotCom/Documents/Global/PDF/Dualpub_11/Accenture-Industrial-Internet-of-Things-Positioning-Paper-Report-2015.pdf#la=en

19 <http://www.edp24.co.uk/business/amount-of-small-firms-selling-online-to-increase-1-5334863>

20 IA estimates for 2016, produced in 2018.

d. Bringing People Into Bricks And Mortar Businesses

The internet does not only help online businesses - it is also an important tool for many businesses operating offline. Shops and cafes use the internet to tell people how to find them, when they're open, and what they do. Customers also like the ability to collect from a local shop, helping support local businesses. Fifty-four percent prefer "click and collect" over other methods of obtaining their purchases.²¹ And businesses that started out online are setting up physical stores due to demand, like the clothing brand Ushiwear in West Yorkshire.²²

e. Helping Businesses Reach The World's Customers

The growth opportunities for British business are wider than ever before. Because of the internet, businesses are exporting globally in a way that was previously unthinkable when trade was more restricted. Through internet platforms, sellers in the UK reach every country and a potential market of over 3.3 billion customers.²³ Through one online marketplace, UK sellers generated £2.3 billion in exports in 2017.²⁴

f. Supporting Ambitious New Businesses To Start And Grow

The barriers to start ups and scale ups have never been lower. Accessing customers is easier than it has ever been thanks to the global reach of the internet. Products such as Google Ads have allowed UK businesses large and small to reach new customers like never before - with ads driving at least £50 billion in economic activity.²⁵ Facebook's start-up incubator LDN_LAB gives start-ups access to knowledge and expertise from Facebook staff as part of a three month programme aimed at accelerating and growing their businesses.²⁶ This environment has led to a thriving ecosystem of more than 78,000 UK companies in the internet industry as of 2016 and 270,000 UK companies (14.4 percent of all companies) in the wider UK digital economy.²⁷

g. Attracting Investment From The UK And Abroad

British technology businesses attracted £6 billion of funding last year, which was almost double the amount received in 2016. The UK's venture capital investment last year was higher than Germany's total of £2.46 billion and France at £2.15 billion.²⁸ The universities of Oxford and Cambridge together now beat both Paris and Berlin when it comes to the number of tech unicorns - a startup company that has gone on to be valued at over \$1 billion - they have fostered, and Manchester is on par with Amsterdam.²⁹ Spin-outs from the University of Oxford alone have raised £1.9 billion in external investment since 2011, £506 million of which was secured in the past year.³⁰ These spin outs include unicorns Immunocore and Oxford Nanopore, which has created a mobile DNA sequencer the size of a USB stick, and was spun out of Professor Hagan Bayley's University of Oxford lab.

21 <https://www.ecommercewiki.org/reports/602/united-kingdom-2018-ecommerce-report-free>

22 <http://www.publicfirst.co.uk/wp-content/uploads/2018/10/GoogleImpact2018.pdf>

23 <https://www.itu.int/en/ITU-D/Statistics/Pages/stat/default.aspx>

24 <http://phx.corporate-ir.net/phoenix.zhtml?c=251199&p=irol-newsArticle&ID=2329469>

25 <http://www.publicfirst.co.uk/wp-content/uploads/2018/10/GoogleImpact2018.pdf>

26 Facebook LDN-LAB <https://ldnlab.splashthat.com/>

27 (ONS) Office for National Statistics. 2018. "IT and internet industry." Online. Available at: <https://www.ons.gov.uk/businessindustryandtrade/itandinternetindustry>.

28 <https://www.telegraph.co.uk/business/2018/06/10/foreign-investment-uk-technology-firms-doubles-just-one-year/>

29 <https://technation.io/news/uk-regions-come-to-the-fore-in-producing-1bn-tech-companies/>

30 <https://www.thetimes.co.uk/article/spin-outs-and-the-great-university-challenge-gxrrz2xfs>

h. Allowing New Family-Friendly Ways Of Working

Flexible working is now possible in a way that was unimaginable before the internet. People can work from home and still have meetings with their colleagues, thanks to free tools like video-conferencing. Microsoft Office 365 and Google's G Suite have made multi-location working not just possible but also simple. Stay-at-home parents can market their business and sell from their kitchen table.

i. Bypassing Gatekeepers And Middlemen, Giving Every Person A Platform To Share Their Ideas.

It has never been easier to reach a global audience. Any person with a blog, social media feed, or online video channel now has the potential to become an international influencer. This is enabling new career opportunities, whether as a full time social media influencer or as a supplement to regular income. In some cases, it has created new multi-millionaires. Forbes Magazine estimates that the highest earning YouTuber of 2017 was 26-year old Daniel Middleton of Aldershot, whose channel DanTDM presents daily gaming videos to over 20 million subscribers from his base in Hampshire.³¹

j. Helping Consumers Get The Best Products And The Best Deals

The internet has given people transparency, access, and choice. We can see the ratings and pricings of other products, and businesses have a much stronger incentive to offer us a fair price and better service. In virtually all remote areas, local people now have access to the same choice and prices that they previously had to travel many miles to obtain. Google Shopping gives consumers the ability to compare on demand, and various other price comparison sites are available to get the best deal possible for shoppers.

It is likely that the internet's economic impact is underestimated by current measures, as they don't capture the full value people get from internet services. The internet opens up a world of improved choice, greater competition, lower prices, and better service. Services that used to cost hundreds of pounds are available for free (or at a far reduced price) and just clicks away. Looking just at free services, the savings from these tools, from video-chat to satellite navigation, put money in families' pockets and create immense additional value that our current economic statistics do not do a good job of fully measuring. If you included the additional value from free online services in GDP, it could boost the growth rate of GDP by 0.7 percentage points a year.³² That's the equivalent of adding an industry the size of pharmaceuticals or agriculture every year.³³

3. INNOVATION FOR SOCIAL GOOD

Progress depends on new ideas and applying innovation. The innovation unleashed by the internet is changing every element of our life: our work, our leisure, and our community. In the future, the internet, cloud, and artificial intelligence (AI) are going to be increasingly important to solving our most important global problems, from boosting economic productivity to tackling climate change. The UK is already the number one European hub for AI companies, with a new AI startup launched every week. Looking forward, we can make Britain the digital workshop of the world - creating the new ideas that solve tomorrow's problems - and in this section we describe some of this potential.

31 <http://www.publicfirst.co.uk/wp-content/uploads/2018/10/GoogleImpact2018.pdf>

32 Bean Review of UK Economic Statistics, https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/507081/2904936_Bean_Review_Web_Accessible.pdf

33 <http://www.publicfirst.co.uk/wp-content/uploads/2018/10/GoogleImpact2018.pdf>



a. Unleashing A New Era Of Consumer Choice And Personalisation

We know that increased choice can be as important as quality in improving consumer welfare - but this is something that our traditional economic statistics struggle to capture. The effectively infinite catalogue provided by the internet has enabled a new long tail of niche businesses, artists, and communities, allowing everyone to find what best suits them.

b. Creating A Smart Economy And Laying The Foundations For AI

The rise of the internet and the cloud has unleashed an avalanche of data, which in turn has created a step change in the effectiveness of our AI algorithms. In economic terms, PwC estimates that AI will increase global GDP by 14 percent by 2030 and UK GDP by 10 percent.³⁴ In terms of services, AI will have a transformative positive impact in a range of areas, from education to traffic management to healthcare. Recognising the importance of AI and ethics, internet companies in the UK are committed to pursuing opportunities to develop best practices around the development and fielding of fair, explainable, and accountable AI systems.

c. Improving Our Public Services

New AI technology is already helping clinicians in tasks like analysing radiography - providing potentially life-saving interventions. The UK is also already a world leader in digitising public services, providing better services at lower cost. But there is much more that can be done to harness the power of data in a way that transforms public services.

d. Allowing Anyone To Access The World's Most Powerful Computing, Anywhere

Making use of cloud computing, a start up can seamlessly scale from a single server to serving the whole world. At the same time, individuals can now access the most powerful apps wherever they are, making it easier to collaborate and push forward on your most important projects. Facebook's 'Workplace' platform donates work tools to charities and social enterprises and staff of educational institutions to help teams connect, collaborate, and create change in their community.

e. Unlocking Unused Assets And Creating New Types Of Market

Instead of relying on critics or middlemen, we are increasingly making use of the wisdom of crowds to push us toward the best restaurants, what movie to watch, or simply who to trust. The combination of user feedback, GPS, and persistent communication has made it easier and more safe than ever before to unlock new types of market - from online auctions to grabbing a lift or hiring out your spare room.

f. Making The UK An "Incubator Nation"

Last year more than 10,000 new tech companies started, growing in every region of the country.³⁵ London is already setting global standards: it is home to more developers than San Francisco, Paris, or New York.³⁶ Hubs are also contributing to the UK's status as a

34 <https://www.pwc.co.uk/press-room/press-releases/artificial-intelligence-could-add-232bn-to-UK-gdp.html>

35 Forbes, UK tech start-ups at an all time high, <https://www.forbes.com/sites/davidprosser/2018/04/06/uk-technology-start-ups-hit-all-time-high/#739497985d85>

36 https://www.stackoverflowbusiness.com/hubfs/content/uk/The_Developer_Ecosystem_London_2016_Edition.pdf

global tech incubator and are helping to stimulate investment, research and collaboration. These include London's Knowledge Quarter, based in Kings Cross, which is a world-class knowledge cluster that includes British Library and Benevolent AI, Central St Martins, DeepMind, the Francis Crick Institute, the Alan Turing Institute, and the Wellcome Trust. The Cambridge Cluster or "Silicon Fen" is another leading hub, home to start ups and global leaders alike, with PROWLER.io, Darktrace, Amazon, Samsung, and Microsoft all having a base there, as well as the new £10 million AI supercomputer. Over 4,500 high tech companies call it home.³⁷

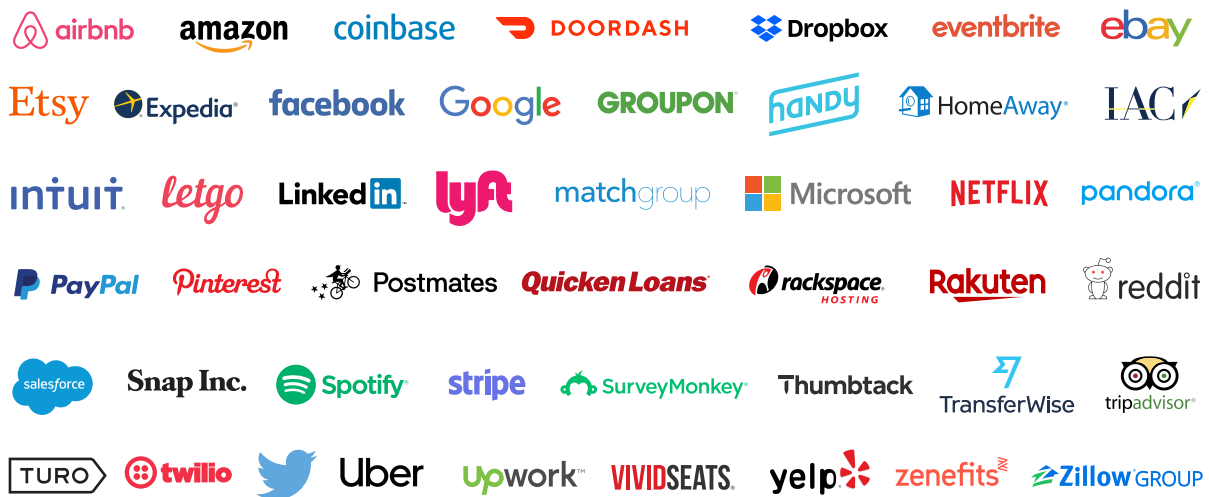
4. INTERNET ASSOCIATION'S POLICY REQUESTS

This Charter has detailed the significant positive impact of the internet in the UK. With the right policy environment, IA believes there is an opportunity to build on this success, ensuring prosperity for the UK in future, while also addressing legitimate concerns about how some internet products and services are used.

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³⁷ <https://www.nytimes.com/2018/07/03/technology/cambridge-artificial-intelligence.html>



The unified voice of the internet economy|

www.internetassociation.org

Internet Association is the only trade association that exclusively represents leading global internet companies on matters of public policy. Our mission is to foster innovation, promote economic growth, and empower people through the free and open internet. We believe the internet creates unprecedented benefits for society, and as the voice of the world's leading internet companies, Internet Association works to ensure legislators, consumers, and other stakeholders understand these benefits.