**THE DUALITY OF THE PUBLIC INTEREST:
NETWORKS, POLICY AND PEOPLE**

By

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In partial fulfillment of the requirements of

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**THE DUALITY OF THE PUBLIC INTEREST:
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in partial fulfillment of the requirements for
the degree of Doctor of Philosophy

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Abstract

This thesis argues that as part of neo-liberal policy in Canada, changes in communication policy and practices involving the Information Highway over the past decade have resulted in a narrowing of the public interest. Economic rights have been extended at the expense of democratic rights. The public interest in communications is generally characterized as a polarity between economic and public spheres. A more realistic way of seeing the public interest is as a duality embodying a mutually interactive set of economic and democratic social needs and processes that are based on inherently contradictory rights claims. These rights claims are economically based (maximization of utilities) and democratically based (maximization of powers or capacities). Using a political economy approach based on class and liberal democratic theory to analyze change in the public interest, the thesis examines how claims about rights are dealt with by the state. Using the Internet as a focus of research, the thesis analyzes state policy and regulatory processes, the roles of public interest organizations and other fractions in state policy and regulatory activities.

A major claim of the thesis is that the strengthening of democratic rights and public communication resources through policy, regulation and fiscal policy is required to balance the public interest. By using case studies on CRTC regulation, government programs and, Internet development and public use, the thesis also finds that these changes are contested and social agents, including government, capital fractions and consumer organizations, play important roles in the determination of the conception of the public interest, department programs and regulation. Methodological tools employed for analysis include primary and secondary documents, quantitative data analysis, in-depth interviews, and participant observation. Document analysis and quantitative research are used for analysis of policy, the market, and different understandings of the public interest. Interviews provide insights into government decision-making about policy and programs, the public interest and rights. Participant observation permitted access over time to internal decision making by government and public interest groups. The thesis contributes to current research by: adding the conception of the duality of property rights to the idea of public interest as spheres; demonstrating the potential for oppositional and reformist policy within broad state policy frameworks; characterizing the Internet as a pseudo-broadcasting model; and demonstrating the limitations of a neo-liberal policy and communications model, and the importance of a democratic communication model.

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Chapter One: Introduction.

Over the past two decades, communication policy and practices in Canada, as well as that of most of our major trading partners, have featured a shift towards greater competition, a reduction of public regulation and oversight over market structures, activity and behavior, and a greater reliance on the market for the development and operation of communication networks and content services. Commensurate with these changes has been an increased internationalization of communications, both continentally and globally, through a series of market liberalizing trade agreements (e.g., NAFTA, WTO). As has been described by other research, these changes have occurred within neo-liberal policy frameworks at the domestic and international regime levels (Rideout, 2002; Winseck, 1998; Wilson, 2000).

While often discussed as a transnational market phenomenon, the practical implementation of these changes occurs within domestic markets. As has been the case historically with modern capitalism, these changes rely on nation states varying and changing existing policies and regulations, including the scrapping of some and the introduction of others, to create a broad framework to facilitate market changes.

Historically, communications, as a key infrastructure underlying economic and social activities in modern society, has been subject to varying degrees of government policy and regulation that have been concerned with matters of economic development, competition, social and cultural objectives, or political policy objectives. The degree to which the state had been concerned with, and

applied, these policy interventions have varied depending upon the political and economic circumstances of each historical juncture (Horowitz, 1989; Reddick, 1999).

The role of the state in the communications sector, not unlike that of other utilities (e.g., water, energy) or other sectors (e.g., resources, financial services), has been characterized by the fairly abstract concept of 'public interest'. In the recent changes in communications, described above, how the public interest has been conceived by the state and social actors, how it is being applied by the state through policy and regulation, and is now being realized in social practice in the market, have been the product of substantial pressure for change by agents from both within and outside the state.

Debates about what the public interest is, however, are often clouded by how different interests define it and value or aspire to particular goals and objectives. For some, public interest is an economic concept involving private property rights and relations with a view to personal gain. Others consider the public interest as economic development. In another view, public interest concerns individual democratic rights relating to participation in society with a view to overall human betterment. Or, public interest is taken as the holding of moral and ethical values in the management of society, resulting in the creation of rules and regulations on social behavior and the creation and maintenance of non-commercial public goods, to complement those of the market, with the view

to achieving a balance in meeting commercial and non-commercial needs.

Together, these concerns are less about an omnibus concept and practice of public interest, and more about the dialectic, tensions and contradictions arising between private property rights and economic objectives on the one hand, and collective or public good rights and democratic economic and social objectives on the other (Macpherson, 1978, 1987; Schubert, 1960; Friedrich, 1962).

The term communications is broad in meaning, and can cover a wide range of activities and services. For the purposes of this thesis, I define communications as including those networks and services that are now, or likely to be, used by a majority of individual Canadians as public utilities, in their roles as consumers and citizens. As such, these communication activities and networks are essential or very important for economic, social and cultural participation and inclusion in society by individuals. This definition also includes federal social, economic and cultural policy frameworks as these relate to individual participation and benefits as opposed to industrial relations or development objectives, corporate or government uses of networks and services which do not involve consumers or citizens. Examples of my definition of communications include public telephone services, public broadcasting (e.g., cable television and programming), public Internet, and content services or products intended for public or citizen consumption or use through these networks.

In the face of the changes described above, important questions emerge about the concept and practices of the public interest in communications. For example, how do we account for and understand the inherent tensions and contradictions between the public good and private uses of communications, or economic and social policy objectives? Are there limitations in the neo-liberal understanding of public interest or the potential for the market to deliver in the context of the desired objectives that are listed above? Moreover, beyond the philosophical and abstract notions of how the concept of public interest and its articulation in policy may have changed, from a practical stand point - how people use communication as part of their every day lives - the complexity of communication practices and role of agency by the public in the use of communications, do not appear to easily cleave into policy, market and public good categories or processes.

This thesis addresses the following questions: 1) Is there a duality of public good and private property claims and practices over the access to, and use of, communications in Canada? 2) If so, how do we understand this in terms of how the state creates rights? In addition to these main research questions, the thesis investigates a number of closely related secondary questions. These are:

- In a liberal democratic context, what is meant by public and private goods and rights? How are these understood as property or human rights?
- How are public good and private rights and processes represented in communication policy and social practices in Canada?
- What is the role of agency (both internal to the state and from external

interests) in the decision making processes in the federal government in the creation of these rights?

- What is meant by the public interest and, if its meaning has changed, how has it changed?
- What are the differences, if any, between the concepts of public sphere and public processes in relation to the concept of public interest?
- What are the practical implications of the 'dualities' in communication for governance and citizens?

The main argument of the thesis is that there is an inherent duality in how Canada's mainstream communications networks and services are perceived and used. The thesis argues that as part of neo-liberal policy in Canada, changes in communication policy and practices involving the Information Highway over the past decade have resulted in a narrowing of the public interest. Economic rights have been extended at the expense of democratic rights. The public interest in communications is generally characterized as a polarity between economic and public spheres. I argue that a more realistic way of seeing the public interest is as a duality embodying a mutually interactive set of economic and democratic social needs and processes that are based on inherently contradictory rights claims. These rights claims are economically based (maximization of utilities) as well as democratically based (maximization of powers or capacities).

This duality exists at three main levels. The first level is that of networks and services (how they are built, managed and used). The second level of the duality is that of policy and regulatory decision-making by the state. The thesis

argues that the state plays a critical role because it alone has the power to create rights for different interests in society, and it is the site of contestation between interests in the establishment of these rights. The third is at the level of people and is exhibited by the processes and activities through which they live their every day lives and how they apply what is accessed by networks and services.

The thesis shows that this duality is comprised of contradictory relations consisting of perceptions, claims and practices of, and about, communications. One view, the neo-liberal one, treats communications as private ownership and uses a commodity market framework framed by economic objectives, particularly those of individual gain and benefit. Promoting reregulation, privatization and the extension of commodification, neo-liberalism sees the market providing for general social and individual good defining these in terms of consumer choice, competition, efficiency and individualization. The end objective is an open, competitive market justified with ideas of freedom based on the maximization of utilities. The thesis further argues that based on this framework, the Internet is developing as a pseudo-broadcasting model. This model features corporate decision-making and control over network access and use, the packaging and distribution of content and services, and revenue based on advertising and user pay.

The competing view, a democratic perspective, considers communications as an essential public good, service and utility, necessary for social and cultural development and participation at both collective and individual levels in addition to societal and individual economic relations (Reddick, 1999). The thesis argues

that these democratic practices and objectives are based on rights. Moreover, I argue that these democratic rights and public communication resources must be strengthened through changes in federal policy, regulation and fiscal policy in order to properly balance the public interest. The argument is made that non-commercial democratic activities such as public expression, development of skills and abilities, access to social, civic, cultural and economic resources, are necessary for people to develop their full potential as individuals and citizens. These are not separate from economic processes, but are mutually interactive and constituent, and hence a duality. This requires a strong state role through legislation, regulation and other means to protect and extend these rights. I argue that the means to achieve this includes the creation of diverse public content, public information intermediaries and networks, and rules for access that are based on principles of openness and equity. In addition to these developmental objectives, state initiatives are also required to redress the neo-liberal erosion of democratic, non-commercial activities and content. The view advanced in the thesis is that the state must be an ethical state to create a balance in the duality between these sets of rights in order that all social interests are able to equitably participate and benefit in society.

At the level of network and services, the duality is between networks and services as commodity goods and private market relations, and as public goods and essential services. An argument is also made that the Internet is not a revolutionary new communication juggernaut that benefits all in society as claimed by its proponents. Instead, I demonstrate that the Internet is developing

in a profit driven, incremental fashion that exhibits a use pattern by the public that is largely class-based, featuring a dual digital divide. The thesis demonstrates that low levels of consumption and disinterest in commercial services by a significant percentage of the public as compared to public service content and other means of communication access is a feature of this market model, and is contributing to its weakness. Moreover, the thesis shows that the neo-liberal model is unable to deal with inequalities or provide for non-commercial needs or public goods. The thesis also demonstrates that there has been a tension and struggle against the market model through the communication and information practices of individuals, as well as by public interest groups through their involvement in federal Internet policy, regulatory and program initiatives. The thesis shows that these public interest objectives are based on citizen activities that represent both economic and democratic needs that are based on, and can be justified by, property rights. Further arguments are made that the tenuous nature of the neo-liberal communication model has been highlighted by a number of internal crises, including over-investment, low demand, and the failure of convergence, among others.

At the second level, this duality is fought out in the state as those arguing these competing perspectives and claims attempt to have them formalized as rights in policy, regulation and programs. In the current period of change, this has resulted in a shift in formal policy and regulation favoring a neo-liberal private property and market approach with communication networks and services, much to the detriment of many public service and good activities, institutions and

practices. The argument is made that the state's general policy framework has narrowed the public interest so that it has come to be primarily concerned with the maximization of utilities. State policies were and are complementary to the market model because they support an industrial development model for the Internet. At the same time this policy framework contributes to a polarized access model that emphasizes individualization and consumerism over democratic collective and individual development and participatory objectives. However, this policy change is both temporal and the policy framework is still fragile.

As part of this change, the thesis demonstrates that the dynamic of public interest agency, making public good and public service claims, has had variable effects on policy, regulation and government programs. With the Canadian Radio-television and Telecommunications Commission (CRTC), public interest group representation moderated the effects of neo-liberalism to a minor degree in early regulatory changes. More recently, such interventions have contributed to adjustments in regulatory policy that are more supportive of a democratic communication model, such as Community Media Policy. With government programs, public interest groups achieved some success by working with allies in the state to develop funding for not-for-profit community-based Internet access and content development networks. The dynamic of agency and the complexity of internal power relations within the state are such that a duality of policy exists whereby some sites (actors) in the state support (both formally and informally) the democratic public good and public service view and practices of communications networks and services, while others support a market view.

These are not, however, in balance. Liberal market, private property relations currently dominate policy within the state and relations in the marketplace and society. Furthermore, the impact of public interest groups on regulation and policy was limited due to several factors, including the dominance of the federal policy framework, a lack of resources, the lack of expertise in engaging the state, poor coordination between groups, and some groups left the contestation process prematurely.

Opposition to the neo-liberal policy framework largely can be explained by Gramsci's notion of oppositional struggle and reform from within. However, the inherent contradictions and limitations of the neo-liberal approach also create opportunities for agency and change both within the state and in the market as part of the broader process of consent (Gramsci, 1971). The thesis demonstrates that the weakness of the model extends to how community groups and organizations are using government funded Internet related programs to develop democratic access and content services, as well as develop administrative models that challenge the market model and the formal policy framework.

The third aspect of duality the dissertation investigates is that of people. The thesis argues that theoretically and substantively, there exists a polarity of views, whereby people are seen primarily either as economic actors (liberal market view) or social/public actors (democratic view) (Mosco, 1996; Raboy, 1990). These views are reflected in the claims made about communication networks, services, and policies. For example, arguments for a private sphere or market approach as being in the public interest are pitted against that of a public

sphere (Habermas, 1987). This argument holds a view of society as a market that requires little oversight or regulation. The other one conceives a dominant civil society of which only a small part involves private market relations. The proponents of the idea of the necessity of a dominant public sphere as the public interest concern themselves with regulation of the market, and the formal separation and funding of public services.

While both are valid descriptions about relations in society, the thesis argues that, at the same time, they are limited and only provide an abstract understanding of the ideas of public and private in the context of how people live their lives and use communications. It will be demonstrated that such formulaic means are a partial way of understanding and addressing the contradictions, claims and imbalances of the 'public' and 'private' within the relations captured under the term public interest. Drawing on Gramsci (1971), the dissertation further argues that a more accurate representation of the social relations of people needs to build in the inherently contradictory nature of people and their social activities and practices. Therefore, as opposed to the popular description of these relations as spheres, analysis must extend beyond this concept, because, instead, one can observe a more complex duality of mixed private, economic, and public, democratic processes in the activities of people in their use of communications. The property rights of the maximization of utilities and capacities or powers underlie these activities.

The thesis answers the research questions by examining and analyzing primary documents and secondary sources. Where more clarification or

information was needed, in-depth interviews were conducted. The majority of interviewees preferred to remain anonymous given the circumstances of their employment. In addition to these research sources, the author has drawn on his own experiences and knowledge. The author was involved, both directly and indirectly, in many of the policy, program and regulatory examples used in the thesis. Appendix B provides a detailed discussion of the methodology employed for the thesis.

General Theoretical Framework

I use Poulantzian (1978) and Gramscian (1971) class approaches in this dissertation, and bring in Macpherson's critical approach on power relations and property and rights, to create a theoretical framework for the dissertation.

The class perspective offers a diverse set of views of society and the role of the state set along a continuum running from the economically-based instrumental (Miliband, 1973) and structural (Poulantzas, 1972, 1978) accounts to the more economic, civil society and non-class mutually interactive or social totality accounts (Gramsci, 1971; Laclau and Mouffe, 1987). Common to these is the importance of the role of class, the essential capitalist nature of society, and power and inequality. Each approach contributes to a theoretical mosaic that permits a better understanding of the role of the state and policy making. At the same time, each is also incomplete due to theoretical limitations, which prevents a full accounting, explanation or understanding of state relations and policy outputs.

Class approaches offer a deep and rich assessment of policy decisions because analysis featuring substantive questions of the who, how and why of policy involves both micro level issues and analysis, as well as situating this in a broader macro context, understanding and view of society. This permits a fuller or more realistic accounting or deeper analysis and explanation of social relations, change, and the rise and resolution of policy and regulatory issues.

Class approaches require several levels of analysis of interrelated economic, political and social factors. As well, methodologically, in addition to the theoretical starting points, historical and empirical dimensions coupled with philosophical values are sought in a class approach to ground these complexities in realistic activities as opposed to abstract models (Mosco, 1996: 263-4). For example, an understanding of change in communication policy or regulation needs to be informed by analysis of a range of factors including: international trade and political relations; domestic and transnational capital interests; and the broad political, economic and socio-cultural relations of a nation, among others (Miliband, 1973:15; Albo and Jensen, 1997:216, 228-32).

The structural account in the class perspective, seeing the states' role as a site of struggle over different goals, views and values, permits a broad analysis and understanding of claims by various interests for different outcomes, and that these involve deep-seated contradictions in class-based relations in civil society in addition to economic relations.

The difficulty in realizing an easy analysis of the process of change and state decision making, in this view, is attributed to the existence of a wider set of

complexities and power relations both within the state, and between the state and other interests, including non-class interests (Poulantzas, 1978:134-137). Considering these as a dialectical set of relations or relations naturally in conflict permits a better accounting of the dynamic and unpredictable nature of situational decision-making, and inconsistencies on the part of both the state and non-state actors (Poulantzas, 1978:129).

Structural and instrumental lines of class theory are useful for analyzing the economistic class context of state decision making, the inequalities and power relations among social interests, and for bringing in explanations of the processes of individualization, consumerism and marketization in the state's role as part of the social constitution process. These latter processes are important throughout the dissertation for issues relating to consent, the conceptions of what are private and public property and goods, and how these are articulated in the interests and practices of different actors. Structural theory helps to account for how these state functions address the every day experiences or impacts for individuals, and in a broader functional role, these state activities deflect contestation away from the fundamental inequalities of the class-based underpinnings of the system. This broader context establishes the state as a capitalist state, but one that must effectively deal with issues of inequality and consent in pragmatic and realistic ways.

Unlike managerial and pluralist theories that focus on specific instances for analysis, a class approach requires a broader analysis of societal values, norms and practices and how decision making and the processes of consent

work at this level, as part of the broader processes of state institutions and practices (Poulanzas, 1978:63, 144).

However, a limit in structural and instrumental theory is not being able to fully account for democratic claims that are not always class-based, as is the case with many claims about the public interest or public services. This limitation reduces social interests to economically defined subordinate classes, where to the contrary, these interests make a range of claims, some of which are based on non-class values and objectives (Miliband, 1973:139; Poulantzas, 1978:142).

Qualifications by structural theorists of the relative autonomous nature of the state, that this autonomy is in relationship to the internal relations and contradictions of the state and actors interacting at these levels, highlights the complexities of state relations, but downplays instrumental and non-class considerations (Poulantzas, 1978:135-137). For example, with regulatory and policy decisions, state decisions about property rights, or government programs, it is necessary to account for the broader context of the state's overall actions throughout these processes. These would include: managerial interventions which are difficult to attribute to the benefit of a particular interest; aspects of state decisions that clearly benefit dominant corporate/class interests; and undertakings which respond to public interest claims which are not class-based justified by democratic and public good as opposed to economic and private property rationales (e.g., non-commercial alternatives for community expression).

For the purposes of this dissertation, the limitations (essentialism, determinism) are largely addressed by using Gramsci's work in the areas of the

role of the state and his broader understanding of the interrelationship of the state and other social actors. Gramsci offers a similar class-based understanding of the capitalist state, but in a consideration of the various ranges of state processes, his account of the hegemonic process permits a more realistic account of the dynamic and dialectic interrelationship of interests occurring on the terrain of the state, and the state's role to mediate, organize and manage these (Gramsci, 1971:182).

In a consideration of where change comes from, class perspectives together share, at a macro level of analysis, explanations involving power relations and systemic contradictions involving structural and ideological factors, as well as varying degrees of interaction between state, class and non-class actors at both the domestic and international levels. This is useful in addressing the broader context in which the state operates and how policies are formed. Gramsci's discussion of the historical consistency of hegemony, values and practices further reinforces how a natural view and understanding of society, featuring deep seated structural and relatively permanent practices and ideas condition the degree or scope to which change will normally occur (Gramsci, 1971:177, 178). However, Gramsci also offers ideas about progressive change, as opposed to regressive or reactionary change or maintaining the status quo, which tends to reflect the instrumental and structural class views. This is useful for analysis in the dissertations case studies involving the CRTC and government programs (Gramsci, 1971:59, 106).

Poulantzas (state relations) and Gramsci (state and civil society relations) combined provide a framework for understanding the different groups and interests involved in policy and regulatory matters. These approaches provide a methodology for accounting for the normative nature of the diversity of views, claims and contradictions, and at the same time, in accounting for the role of elites (power, decision making) in the state. In both these theoretical approaches, the state, as part of capitalist society, is a class state that reproduces class-based unequal power and economic relations (Gramsci, 1971:192, 247, 258).

With respect to the state and its roles in regulation and the creation of rights, Gramsci's and Poulantzas' approaches similarly see these functions as primarily serving to create and maintain a capitalist society. Social and economic organization is not left to chance, with much of the focus of law, rights and regulation involving economic forces and private property relations (Gramsci, 1971:264, 247; Poulantzas, 1978). Regulation and policy, as law, can create cohesive relations by reinforcing individual rights (both public and private), but at the same time, reinforces the class structure of society (Poulantzas, 1978:87-91). As such, part of the dissertations' analysis considers the degree to which overall state decision making benefits private property rights over public collective and democratic rights, and how specific initiatives, such as government programs or regulation, are likely to reproduce existing inequalities in specific activities, as well as existing contradictions and inequalities of the broader communities (society) in which they operate as opposed to overcoming these (e.g., industrial development, cultural development objectives).

In the area of communications, a substantive body of literature has been written which documents the privatization and marketization of public property, rights or common goods. This literature, discussed in the next chapter, is a useful guide to help document key aspects of the stakes for different interests in these changes, the actors and general descriptions of the policy and regulatory frameworks in the dissertation (Mosco, 1989; Schiller, 1989; Webster and Robbins, 1986; Raboy, 1990). Some offer more pragmatic and useful ways of conceptualizing public and private property through applying these concepts to the empirical level as opposed to Habermas' (1974) abstract 'public sphere' level of understanding. For example, Mosco's identification of the different commons and private forms of information and communication resources are comparable to the property conception (Mosco, 1989: 24). This way of seeing private and public property relations helps to inform an understanding of regulatory processes at the formal institutional level, such as the CRTC.

As argued by Clement (1988) and Macpherson (1977, 1987), in class theory, public property rights and democratic claims are less well accounted for, other than as part of a hegemonic consent process as part of governance in the capitalist system. Instead these can be argued as an equally justifiable set of claims extant of capitalism or any other economic system. For example, if a theory of regulation should account for the role of the state in addressing both systemic economic and social problems, change and other issues, then it is incumbent to first question whether all democratic claims derive only from a class-based society (Horowitz, 1989:5, 6, 9). It is arguable that while it is

important to address private property rights using the ideas of class, power and inequality in a capitalist system, and the role of the capitalist state, at the same time, the democratic private and public property rights of citizens which exist regardless of the economic system, and pre-existed capitalism, must also be considered.

The thesis considers private property rights as the right to exclude others from the use or benefit of something. I consider public property and democratic rights to include both common or collective property, and the individual right not to be excluded from access, or the benefit of, something. I use this distinction because, as the thesis demonstrates, both collective or common property and the individual property right of access have been challenged and narrowed by the state's expansion of private property rights, largely based on the goal of increased economic accumulation. As part of this, the concept of the public interest has also been changed and narrowed, as is further discussed below. This is why the work of Macpherson is brought into the theoretical framework. As argued by Macpherson (1977, 1987) while class theory is essential for understanding the state, social processes and decision making, it does not offer a complete account to understand and explain the full set of social relations and how public and private property rights and claims (political, economic and social) underpin these. But, while individual common rights pre-existed capitalism, they must be seen now in relation to how they are contested in a capitalist state and against private property rights, which are essential to capitalism and class

relations. Otherwise, issues of contradictions, power and inequality become lost in analysis and explanation (Poulantzas, 1978:73).

The detailed approach to analyzing interstate complexities and relations by Poulantzas (1978) combined with Gramsci's (1971) views on the state and civil society relations, in addition to the economic and structural, offers the most opportunities for a substantive accounting of the questions this dissertation explores. However, even this falls short. In particular, issues involving public or common rights, particularly those which have little to do with economic issues, and the interaction in decision making by non-class interests is problematic in the class approach. However, by bringing in Macpherson (1977), the class view of property dealing with the tensions and contradictions arising over liberal democratic goals in a class-based unequal society, can be complemented with a broader consideration of the purpose of property as understood extant of, and pre-existing modern capitalist society, as well as the development of democratic theory and rights within our modern capitalist society. In other words, democratic theory developed parallel to, and in response to, capitalist society as it developed (Macpherson, 1978:1, 84, 86; 1977: 15).

Chapter Outline

Chapter Two examines the literature on the public interest, communication and information, neo-liberalism and policy. Analysis focuses on developing a way of thinking about the public interest in terms of fundamental rights that also underpin our liberal democratic market society. This analysis is extended to ways of analyzing communication policy and social practices.

Chapter Three provides an overview and analysis of the claims of the communication industry, the public and government about communications, rights and the public interest. The Internet is discussed as an exemplar of duality and the public interest. The inherent tension or duality between the public and private goods is also discussed. In the context of the general themes of the federal governments' policy and regulatory approaches, the chapter also discusses the perspectives and claims of industry and public interest organizations about public and private rights, and the role of the state. The chapter also provides an overview of the market model and trends in the market place.

Chapter Four reviews neo-liberal policy in international and national contexts and how this has been applied to the communications sector. The chapter also explores how policy and programs are developed in the federal government. Analysis includes: how the public interest is conceived and determined through state processes; the role of agency; informal and formal policy/program development. Chapter Four also demonstrates Canada's formal policy and regulatory approaches to the Internet, public space and how the issue of dualities has been addressed. The chapter reviews the general legislative framework implemented by Canadian Radio-television and Telecommunications Commission (CRTC), and the CRTC's relationship to the government. A case study analyzes the regulatory approach adopted by the CRTC in relation to economic and social policy, and the Internet. The changes in, and application of, the CRTC's conception of the public interest forms part of this analysis. The

formal policy and regulatory approaches are contrasted with federal program initiatives in the case studies on the Community Access Program and Communication Learning Networks Initiative in Chapter Six.

Chapter Five analyzes the dualities of the public in the overall use of the Internet. Analysis is based on national and local quantitative research. The emergence of a dual digital divide and the implications this has for the public, industry and policy is explored. The chapter also examines the growing importance of online intermediaries in balancing the commercial and non-commercial communication needs of the public.

Chapter Six features case studies on the federal government's Community Access Program and Community Learning Networks Initiative. Analysis contrasts how the different conceptions of the public interest exist in different areas of government and how Internet-related programs developed from these. The chapter also explores different processes in formal and informal state decision-making and how agency plays an important role in policy and program development. Finally, this chapter demonstrates how different initiatives within the state can be in agreement with or contradiction to the formal regulatory and broad government policy frameworks. Analysis of these two programs also demonstrates how the duality of the public interest is expressed both in the development of these initiatives in the state, and in how the public uses the programs.

Chapter Seven summarizes findings and conclusions. This chapter also identifies further areas for research.

Chapter Two: Public Interest, Duality, Communications and Policy.

This chapter analyzes perspectives on the public interest, the concepts of public interest and public sphere, my concepts of public interest and duality, and how others and I apply concepts of public interest and duality to communications and information. The chapter also considers duality and the public interest in terms of neo-liberalism and policy.

Public Interest

Historically, communications, as a key infrastructure underlying economic and social activities in modern society, has been subject to varying degrees of government policy and regulation that have been concerned with matters of economic development, competition, social and cultural objectives, or political policy objectives. The degree to which the state has been concerned with, and applied, these policy interventions has varied depending upon the political and economic circumstances of each historical juncture (Horowitz, 1989; Reddick, 1999).

The role of the state in the communications sector, not unlike that of other utilities (e.g., water, energy) or other sectors (e.g., resources, financial services), has been characterized by the fairly abstract concept of 'public interest'. In the recent changes in communications, featuring more competition, less public and more private sector regulation of the market, etc., how the public interest has been conceived by the state and social actors, and how it is being applied by the state through policy and regulation, and is now being realized in social practice in

the market, have been the product of substantial pressure for change by agents from both within and outside the state.

Exploring the question of the different levels of duality (e.g., claims, practices) with communications and the role of the state in creating rights about these requires situating this idea of duality and these social relations within a broader context or framework. A main theme of this dissertation is that an inherent duality exists in the concept 'public interest' and, how this is realized or is being pursued in society has been subject to significant pressures and has been, of late, narrowed in meaning. In this duality, market rights have been extended with a commensurate erosion or narrowing of democratic rights.

'Public interest' is an important framework when considering a societal infrastructure, such as communications in this dissertation, because it is the justification or mantle used by interests making claims about access to, and the use of communications, for situating legislation and other government initiatives to create institutional frameworks for common services, and that describes the regulatory and governance processes affecting communications.

At the same time, what the public interest is, is also difficult to define. Attempts at a definition are very much bound up with: shifting values and claims by social interests as to what they think it is; changes in society; and the dynamic and changing nature of political objectives and the state, that must mediate, interpret and apply means to achieve defined goals or ends, all ostensibly to satisfy objectives 'in the public interest'. As will be discussed below, with communications and other services or activities in society, public interest is often

a received notion, or an understanding derived from a particular starting view of society different from that of other interests, whether this be economic, social, institutional and so on.

There have been attempts at defining a theory of the public interest, particularly in the 1960's. A definitive theory was not developed through these efforts; certainly not in any way that others working on the same problematic would agree! These efforts did, however, develop and identify some useful ideas about the public interest which if not sufficiently theoretical, provide conceptual frameworks and methodological attributes which, if taken in an inclusive way, suggest how broad or narrow understandings and applications of 'the public interest' can come about. Drawing on a number of these understandings to create a more inclusive or integrated conceptualization of what the public interest is and how this is achieved does provide a conceptual framework and methodological attributes which permit analysis of state processes and social relations, and to do so in a way that accounts for competing, derivative, broad or narrowed understandings of the public interest (Schubert, G., 1960; Friedrich, C., 1962).

Classical economists largely see the public interest in a derivative way, narrowly pertaining to the aggregation of individual utilities. Consumer satisfaction is the primary objective and is not only applied to the market, but elsewhere such as choice in the political system and social services as well (Niemeyer, 1962:1,6). Another derivative view sees the public interest as a legal or other procedural process that acts to legitimize something. It can also be seen

in very broad abstract societal or international terms, such as being the general welfare concerning all organizational and individual actions and activities (Griffith, 1962:14,15).

In a broader elaboration of these ideas, Wayne A.R. Leys attempted a positivist approach to the public interest. Leys argued that there were general and normative views of the public interest. The public interest can be seen as a common good, an aggregation of interests and the maximization of satisfactions; a view in keeping with economics. There are also procedural conceptions of the public interest. This is where goals and interests are in conflict and instead of pursuing goals or ends; procedure is used to resolve conflict. Arguably government regulatory bodies have this role in part. There is also the view of the public interest as a loyalty to a social order where both goals and procedures are controversial and the public interest becomes a consensus building exercise to avoid more serious social conflict. This view argues the need to link the concept of the public interest to behavior based on tools that permit empirical measurement; they must be finite and operational. In this view, a Rationalist approach to the public interest is rejected because decisions are made by others, not the participants or affected parties. An Idealist view of the public interest is also rejected because attempts to 'do good' or the 'right thing' raise questions about whose values determine what 'good' or 'right' are. The Realist approach, resolving conflicting claims, is rejected because resolutions may not link empirically to the real world (Leys, 1962:248; Schubert, 1960:218-222). These views are features of the neo-liberal understanding of the public interest.

A particular shortcoming with the work of Leys and similar views, beyond the obvious that there are basically no options left after having rejected the various approaches to the public interest is that their summary rejection of idealism is really a rejection of an ethical approach that brings in the right and justification of the maximization of powers. By their advocating a need for empiricism as the primary criteria for a valid approach essentially, they negate the qualitative aspects of individual life and freedom (capacities). Their rejection of the ethical approach is concerned with the prior "political socialization and ethical preconditioning of decision makers" and because it brings in issues above the basic processes of political and government decision-making. This begs a question of who should government or the state be neutral against? In their view, it is problematic to deal with values, ethics and issues of justice. However, not only are these issues an important part (powers, capacities) of one of the fundamental justifications of our society, the other justification, utility maximization, similarly brings in a higher set of issues and values, though Leys deems this acceptable because they are measurable. Such views miss one of the hallmarks of a democracy. This is participation in decision-making, which includes differing views and values, including the resolution of these (Schubert, 1960: 218-222).

Others have argued that it is important not to get bogged down with the processes of achieving the public interest because this will always be debatable and messy. What is of more value in this view is focusing on the end goals because this gives the concept of the public interest more clarity. So while

debate is necessary, at some point a decision on justice, freedom, goals and ways of proceeding needs to be made. In this Idealist view, an ethical approach is essential because the public interest is not just about individuals, but also about duties and obligations due to the interdependent nature of our society. So the main role of the state should be that of building consensus through mediation and forming common understandings of what constitutes the public interest. This approach separates us from alternatives, such as monolithic or theocratic determinations of what the public interest is. Moreover, in this view, to limit analysis to a utilities approach amounts to little more than advocating a paternalistic form of government or market where individuals select from choices (Cassinelli, 1962:47-53); Colm, 1962:121-123). This broaches on another view of the public interest seen in a quantitative way whereby the overall public interest is the same as the sum of the interests of all individuals. This view assumes, of course, that people don't differ in values or attitudes. In turn, however, this does raise the issue of ensuring that a consensus process achieves good results, and at the same time given the complexity of society, the public interest is not left to come to be simply defined by elites who manage or control decision making processes. As well, the state role in mediating and developing a consensus on the public interest also introduces the problems of power relations and inequality in representation and decision-making (Bodenheimer, 1962:209-211).

At the core of both the consensus and disagreement others have about what the public interest is and how it should be achieved, is a philosophical debate about how we should go about ensuring that individuals in modern

society are able to maximize their utilities or capacities. Another way of seeing this was advocated by C.B. Macpherson. In this view, the issue is less about an omnibus concept and practice of the public interest, and more about the dialectics, tensions and contradictions arising between the pursuit of private property rights, economic objectives and rationality on one hand, and public good, collective rights, non-market values, and democratic economic (economic justice) and social objectives, ethics and morality, on the other (Macpherson, 1978, 1985).

In Macpherson's view, all individuals have a basic right – a human right – that is also a property right to realize their fundamental nature (Macpherson, 1978:3). Furthermore, the justification of western democracy is based on the maximization of an individual's utilities and powers. This concept is of a freedom of choice for self-gain and betterment and is a central value of our liberal democratic market society. The maximization of utilities refers to the wide freedom of individual choice to maximize individual satisfactions, such as individual appropriation of goods. In this sense, individuals are consumers of utilities. The second justification or claim is that our liberal democratic society maximizes an individual's powers. In other words, maximizing powers means the freedom to fully develop and use unique human capacities. In this sense, individuals as creators and doers seek to enjoy the fulfillment of their human attributes, such as rational understanding, moral judgment and action, creative activities, and emotional activities. Civil and political liberties are tied to powers

(the democratic dimension), whereas economic liberties are tied to utilities (Macpherson, 1973:3-5).

Macpherson observes a duality and dialectic with these such that there is “an uneasy compromise between the two views of man’s essence, and, correspondingly, an unsure mixture of the maximizing claims made for the liberal democratic society” (Macpherson, 1973:5). Therefore, there is ongoing agency and a dynamic interplay by interests in society in attempting to realize the fulfillment of these. The weakness of these claims and goals lies in the unequal distribution of powers and resources, and the potential for increased access to these. There is also a weakness in the economic component, the market, in that it is limited by its very nature in being able to provide anything more than that, which is profitable. In turn, then, this implies a political and social response to satisfy the broader set of needs and rights (Macpherson, 1973:8).

This dissertation argues that it is this same duality that is being played out in communications, as well as for other goods and services in society. The foundation of the claims at the levels of networks, policy and people are rights seeking on the part of citizens, companies and others to maximize both their utilities and powers. Moreover, this is a messy undertaking, whereby while efforts driven by a ‘utility’ or ‘powers’ interest are at times easily discernable, they are just as often intertwined, complex, mutually determining, and, at times, inherently contradictory. The concept of the development of individual’s powers to maximize capacities or essential human attributes, and to realize a ‘good life’ in doing so, is

ethically based with a view to realizing some progressive human end goal. To realize this end requires access to goods, services, skills and other resources.

A major problem discussed by Macpherson in how this plays out in society is that in real life the unequal distribution of powers, resources, skills (e.g., literacy, education, etc.), control over decision making, and unequal exchange between interests, means that many people are either disadvantaged in their opportunities compared to others, or invariably have reduced individual freedom because they must transfer or surrender much of their powers to participate in society or gain access to some product, service or other good. In the neo-liberal model, with the capitalist state and the market, there is an assumption that all interests have equal power. However, in Macpherson's view this is flawed and creates a problem when the state creates rights. The resulting contradictions and tensions of the duality between the goals of maximizing utilities and powers must be resolved in the state. The state role is essential because while people have these rights, it is the state that must create them through the political process, where disputes are resolved and the rights are established in law or some other formal means. While this consideration of the state role does not provide us with a theory of the public interest, it does raise the issue of what the public interest is because this is often the justification offered by the state for taking actions involving our rights (Macpherson, 1973:5,8,9,11).

The derivative, institutional and other conceptions of the public interest by interests involved in changes in communications policy and practices over the past twenty years or so, whether, for example, from individuals, the market,

social groups or from within the state, stem from implicit or explicit close attachments to the underlying justifications of maximizing utilities or powers.

While the various models or ideas about the public interest discussed above can be categorized as ideal types, in real life we see examples of each in the debates about the public interest and government decision making about this. In practice these are mutually influencing as opposed to separate or isolated. One challenge is to determine how much of each concept of the public interest is used in the various processes and activities associated with determining and implementing the public interest. As will be shown below, many interests argue for what the public interest is as opposed to accepting that it is contingent and dynamic, and subject to change over time. What it is and how it is applied is subject to contestation and consensus, but the underlying goals and justification are fixed (development of utilities and capacities). This does not mean, of course, that how the public interest is defined or implemented at a particular juncture will be consistent with, or sufficiently meet, the underlying philosophical standard. So while the public interest and how it should be achieved may be broadly or narrowly defined in this context, this is only temporarily stable and is continually challenged and modified.

In my view, the state must be an ethical state to justly create rights for individuals, as well as in the processes of defining and implementing the public interest as this is broadly conceptualized. To achieve a better balance in the public interest it is necessary to strengthen and extend democratic rights. It is also necessary to develop and maintain public resources to diffuse democratic

practices in society and facilitate the public's involvement in these. The goal is to ensure the development of people's utilities and capacities or powers in a democratic, equitable way, one that balances with the maximization of utilities. The means to do this, in addition to the support of democratic institutions and practices, requires state policy, regulation and program support. Ethics and morality are essential given the need to achieve fairness, balance, and to address inequalities within the context of the broader goal of creating conditions whereby individuals are able to develop both their powers/capacities and utilities. For example, in a consideration of the ability of the market to meet the full range of values, needs and rights of individuals it very quickly becomes obvious that it is not possible to measure these only in economic terms, using criteria such as efficiencies or utilities. Many goods or services are valued and needed based on criteria other than, or more importantly than, economic. Moreover, these values and needs cannot be generalized and compared between people. Ethical and moral criteria linked to end goals are required to resolve and mediate disputes and competing views. While such processes will invariably limit the rights of individuals – some will lose and some will gain at different times – the settlements should be equitable. Moving from the level of individuals to that of social collective also adds the notion of obligation as part of the public interest. Obligation is a necessary concept and practice to balance the pressures of rationality, reason and the simple competition of ideas. The notion of obligation at a social level addresses the idea that a range of diverse needs can be met, and this can also be thought of as a right. Derived from Kant's view that morality is

beyond the utilitarian idea, it is instead a matter of will, a choice of ends and means on a moral basis, and that a moral and ethical framework is universal in the sense that all in society are bound to these objectives. However, I would extend this by arguing that, as Macpherson observes, the importance of including the ethical and moral aspects of the concept of the public interest, and the need for the state to be an ethical state as part of this, derive from the basic human right for individuals to be able to fully develop both their powers and utilities as citizens in society (Settle, 1976:100, 108, 113, 122, 142, 154).

Public Interest, Public Sphere and the State

In the communication literature there tends to be slippage whereby the public interest is seen less as a duality and more as a polarity between public and market spheres. In the 'public' view, public interest tends to be equated with non-commercial public expression. In the 'market' view, public interest tends to be equated with providing a range of services publicly, which are those things that people want, though based on the criteria of what it is feasible to provide and what they are willing to pay for.

Proponents of a public sphere tend to equate this with the public interest. While doing so, the need for a separate public sphere is justified in relation to problems with the market and the state. Bound up with arguments of the need for more support for the existing public sphere, or a reinvigorated new form of public sphere, there are also arguments by some for the use of regulation as a further defensive buttress.

Blumler (1998:58) argues that the public interest, public life, and public institutions and authority have been downgraded or threatened by broad societal changes. These changes include: individualization; consumerism; privatization; specialization and social complexity (i.e., more sub-groups); anti-authoritarianism; and globalization. Herman (1998:125-126) similarly sees the power of economic forces deepening and extending commercial rules and practices into previously non-commercial content, services and public space. However Herman conflates these into a somewhat narrow vision of the public sphere as “places and forums in which issues important to citizenship and democratic community are discussed and debated” (Herman, 1998:126). McChesney (1998:41) extends these views by arguing that the dominance of the commercial media model as this has been applied to the Internet also erodes the public sphere.

These public sphere ideas as a democratic means of communication are based on Habermas’ (1974) concept of the social or public sphere. Habermas has characterized the social or public sphere as “the realm of social life where public opinion can be formed. Access is guaranteed to all citizens Citizens behave as a public body when they confer in an unrestricted fashion” (1974:49-55). In other words, central concerns of the public sphere are freedom of association and expression. The institutions that we associate with these processes can be informal or formal. These institutions would include schools, libraries, cultural organizations, or more informal means of interaction, such as local groups. In Habermas’ view the problem is that the system is invading or

colonizing the life world. The life world features communicative interaction by people at the level of individuals or community to construct social meaning, exert their creative abilities, and achieve personal betterment and fulfillment. The system is economic and bureaucratic (market and state) in nature, and the media create context and meaning. Inequalities and dominance in the system are based on the distribution of power and money (McGuigan, 1998:92).

Some proponents of the public sphere as the public interest react against a state role or state involvement in the public. There are several reasons for this. One view sees the state and political decision-making against the public due to the power and influence of economically biased interests (Herman, 1998:125). Others consider community driven and managed public initiatives more democratically representative than anything fostered or supported by the state, whether through funding, regulation or other means (Keane, 1991:26; Leys, 1999:314).

Leys (1999), Keane (1991) and Golding (1998) provide characterizations of what is generally taken to be the public sphere in communications, as well as proposing new models. While these are useful in providing the essential attributes of what is valued as non-commercial in the public sphere view of communications, they are also limited. The models are closely associated with the idea of public interest and public sphere as expression and these are set in polarity to the market and leave little or no room for another layer or set of other public or non-commercial activities which bring in the issue of duality.

Keane reacts against the existing public sphere and public service model as being governed by undemocratic states and market forces. Instead he advocates “the development of a plurality of non-state and non-market media that function as permanent thorns in the side of state power, and serve as the primary means of communication for citizens living within a diverse and horizontally organized society” (Keane, 1991:xii). Such a system would feature individual empowerment, narrowcasting not broadcasting, and individual communication. In this view, the tools of communication would need to be socialized as public goods and information would circulate through public services (xii).

Leys (1999:329) argues for a media order with four publicly funded sectors: a public service sector catering to different socio-economic issues and interests (e.g., CBC); a social market sector featuring regulation and public funding to ensure that the under represented or other public needs are met (e.g., regulated commercial services); a professional sector in which support is provided for fiction, drama and public affairs; and a civic sector featuring state assisted channels and content for expression by community and other groups. The underlying rationale for this model is to create a non-market vision of society, with a society made up of many public spheres.

Golding’s (1998:140-143) views on four main areas of tension between a public and private Internet verge on the idea of duality but are posited as polarities. These tensions include: community use versus market, where exchange and use value are embedded in the evolution of the Internet;

integration of many different communities versus exclusion based on price and market rules; diversity of information versus conglomeration, or corporate content domination; and electronic democracy featuring widespread inclusion versus cyber-individualism, where elites dominate and the idea of democracy is eroded.

A major difference between the views of the proponents of a public sphere model is the role of the state. The essential argument of those advocating a limited role for the state is that there are many different publics or interests. As such, they can best govern the expression of their interests, and participation, as opposed to these being defined and mediated by the state. The state is problematic because it is seen as being subjected to unequal political and economic power and influence. While this problem does exist, this view fails to appreciate the important role of the state in the setting of rights pertaining to the underlying rights and societal justifications, i.e., utility and powers maximization. For example, Keane (1991:14-17) rejects historical justifications such as theological rights, natural rights (rationality), maximization of utilities and powers, and truth seeking, because they are state centric.

Others (Hamelink, 1998:69-70; Weil, 1952:153-156) see very important roles for the state. These include: using policy and regulation to create markets and competition as well as public services; the use of regulation to ensure that communication serves the objectives of human rights (self determination); establishing democratic institutions to realize rights; establishing democratic procedures and governance to enforce, apply and defend rights; and to use regulation with the market to ensure that performance meets non-market needs.

Such views argue for a mixed, more complex model of public and private, with a state that not only creates rights, but also embodies and reflects the interplay and complexity of the different claims of interests in society.

There is a rather disturbing postmodern theme with the idea of the proponents of a public sphere as the public interest where the state role is greatly removed or limited. This view amounts to a decentred pluralistic ineffectivity. It is decentred and pluralistic because it falsely presumes there are many diverse publics with different interests who each have the right to self-expression and determination without outside constraints or limits. This also presumes that there are no common values, issues etc. around which a centred consensus for effective political, social, economic or cultural action can or should be pursued. It is ineffective because it rejects instead of engaging the political and power relations of our capitalist society. In doing so, this view becomes functionalist because it ends up abandoning the field of effective agency and surrenders to those same dominant economic and political relations.

The recognition of the importance of regulation and institutions is a more useful approach because these are the means by which to formalize and legitimize support for public space, goods and services, as well as rights and needs. Through both the support of the 'public' and the regulation of the market to address non-commercial and commercial activities relating to needs, we are more able to address issues of the duality of values and needs. In this view, regulation and institutions are not just defensive of a shrinking public sphere, but

proactive to foster those elements that constitute a public sphere and related activities, as well as to pursue and achieve broader democratic end goals.

The conception and understanding of the public interest as public sphere is incomplete and abstract, and needs to be extended by the addition of the theme of a duality of the public interest and processes. This brings in the more realistic complexity and inherent contradictions of dualities expressed in the structure and use of networks, in policy and with the information and communication processes and practices of people.

There are a number of reasons why the “sphere” idea is a problematic treatment of public or common property and practices. Habermas grounds his arguments in conceptions of the state, class and society comparable to that of Poulantzas (1978) and Gramsci (1971). Habermas adds a detailed argument on the tensions and contradictions between the economic and state system, and private and public (life world) spheres (1987: 343). In this view, the individual and collective social and democratic benefits of the private/public sphere are in tension and contradiction with the unequal power and economic relations of the market and the state (1987:347). I agree with the idea of spheres in as much as this describes some aspects of what is conceived as being public and important for expression, freedom of thought, etc., such as state-owned broadcasting services (e.g., CBC, TV Ontario). Another example would be direct public funding for non-commercial cultural communication content. However, these examples, all exemplars of Habermas’ model, reflect a limited conception of what are public and developmental needs, and fails to adequately deal with the complexity of

social processes as lived by people. A main shortcoming in the public sphere model then, is the artificial compartmentalization (spheres) of different processes and practices in society. Instead, the mutually influencing or interactive conception of these processes offered by Gramsci (1971) and Macpherson (1977) tends to be much more compelling in being useful for application to the real world, and in particular, lays the groundwork to understand these naturally conflicting, parallel and intertwined relations as dualities (Habermas, 1987:357).

Mosco (1996) has usefully applied these ideas to communications and in relation to Habermas' public sphere idea. Mosco sees Habermas' concept of sphere as ideal, bourgeois and limiting. As opposed to Habermas' fixed ideal of a public sphere, Mosco sees the idea of a public or sphere as centrally involving efforts to "develop alternatives in social life to the market and commodification"(1996:169). For Mosco, commodification is the primary entry point for analysis because the capitalist relations bound up with commodification "gives public social processes shape and pattern"(172). So, in this view, what is public is not separate from the market, as a sphere, but is created from numerous interacting processes that "privilege the democratic over commodification"(172). Mosco sees a society where interests and activities are inextricably linked, what I call a duality, where the market, the state and the public are not identifiably situated in specific places. Instead, society and the actions of people are more accurately thought about as "social processes, social action that form different relationships in different dimensions of social life"(171).

The public in this way of seeing is “a set of processes that carry out democracy, namely equality and the fullest participation in the complete range of economic, political, social and cultural decision making” (Mosco, 1996:171). This is another way of stating Macpherson, namely an aspect of the right not to be excluded, and for the expression and realization of civil, social, political and economic rights. There are two aspects in which my work builds on Mosco’s view. Mosco tends to prefer processes instead of separate spaces or a public sphere. While Mosco sees such an ‘object’ approach useful in helping to identify how the public and market are opposed, he views this as too defensive a posture for those proposing a greater ‘public’. As well, he accurately notes that where public spheres are identifiable, such as with the alternative press, public service television, public computer networks, these are not free or cleanly public. They may exhibit bias and distortions due to funding (the state or the market), management (state or market regulation) or be constrained by class (inequality of access) or the market (169-170).

In my view, while I agree that mutually interactive processes or duality is a more realistic conception of life, there is also an important progressive role for institutionalized public spheres or objects. In approaching analysis from the entry point of commodification and the market alone, one risks a tendency of adopting a defensive view of efforts and expression of what is public. To the contrary, using a progressive or strategic view, there is an important need for identifiable public spaces or institutions (though not as ideals as in Habermas’ view). The formalization and institutionalization of these is necessary in a society that places

high value and importance on objects and institutions. Institutionalization, under public control, offers an important means to both protect and foster what is public, and to do so beyond commodification. These can be the repositories for public resources and the means to convey the ethical value and objectives of what is public. The alternative is to rely on abstract convention or ideals. This is risky because without institutionalization, convention is much less enforceable as a right.

The other area that I build on is the use of commodification as the entry point for analysis. Mosco usefully describes the interactions, relations and mutuality between public and private, particularly in the context of how the state-sanctioned, and market-advocated, process of commodification has led not only to great contestation over what is private and public, but also the commensurate erosion of the latter. While commodification is an essential entry point for analysis, it is not sufficient on its own. The important entry point that I add is that of inherent democratic human rights as an ethical view of human kind and society. Adding democratic human rights enriches and broadens analysis by equally positioning the development of powers and capacities to that of the maximization of utilities, and interlinking these.

This approach brings in a progressive dialectic, where the public is not defined only in negative terms when using the commodification entry point, as being defensively in opposition to the market. By putting it on equal philosophical footing, means that commodification must be challenged and defined by the democratic. While not dismissing the power or inequalities of capitalism and the

market, this view argues that these other rights precede our liberal democratic capitalist society, even though they have been continually redefined as part of it. But these democratic human rights would also be part of a social dialectic in other forms of society, such as a theocracy, hence their importance as an entry point. Democratic rights are an essential part of humanity regardless of the system. And they are likely to be inherently in contradiction because they are a part of the duality or indivisible from social processes in society. So, it is important that this justification of a right or claims in society be fore grounded in both strategic and tactical terms, and not only tactically in response to commodification. This approach also helps to understand why the market often takes defensive positions against the expansion of social policy and regulation, for example.

These views on duality and mutual processes build on Gramsci (1971). Gramsci's ideas of the values and objectives of interests being naturally in conflict in relation to others, and "objectively in contradiction" to each interests' own range of group memberships and activities in society, make possible a broader understanding of social relationships and practices, and the role and processes of state decision making, and takes as natural the broader dialectical processes of society (Gramsci, 1971). This dialectic and mutually influencing set of processes, as opposed to class or economic determinism, in other words a social totality approach, provides a more realistic way of seeing, and point of departure to analyze, decision making about, rights, policy, regulation and programs. At the same time, a social totality approach does not deny the

importance of the capitalist context of our society conditioning or setting a broad framework within which social relations occur. This approach also provides a way to explain and better understand the central concept and theme of the dissertation of dualities, and how these are exhibited in different processes and practices by state and non-state actors.

Gramscian analysis addresses underlying relations of power and inequality, contradictions in capital and property relations, as well as considering as natural the diversity and contradictory nature of values and objectives as opposed the interpretations of pluralism (dysfunction) and managerialism (crisis) (Gramsci, 1971:176, 182, 264, 354). In this view, capitalism and class power conditions much of the activities of the state, but at the same time a power or autonomy in governance is required by the state to gain consent and to perpetuate social and economic relations. This idea of power of governance permits analysis in the dissertation to provide an account of a form of managerial intervention by the state through regulation, policy, laws or other means, to achieve economic and private property ends (e.g., market development, economic rationalization). It also permits the concept of the ethical state, incorporating democratic, public good and non-class values into decision-making and the continually reconstituted social relations. The addition of the concept of an ethical state is necessary to properly analyze state activities and social practices. Together, these strengths of Gramsci are an entry point to better analyze and understand the dualities of policy and the practices of people and

the apparently contradictory nature of the relations involving these (Gramsci, 1971:249, 262, 263).

Applying Gramsci's concepts of consent, dialectics and passive revolution (progressive reform from within), and mediation also offers a rich approach to account for interaction or mutual influence by class and non-class interests representing private and public property claims, liberal and democratic rights claims, and the resolution of these in regulation and policy (Gramsci, 1971:59, 106, 176). The concepts provide useful entry points to consider particular aspects of the state, state agencies (e.g., CRTC) or programs, and how and why different actors were involved and to what effect.

A final word on the shortcomings of the ideal public sphere model is that it has a functional systems understanding of the state, its institutions, policies and practices. In this argument, the law (rights) is constitutive of the socio-economic framework, subject to contestation and is centrally concerned with money and power. Institutions such as the CRTC and government departments, would therefore serve a regulative function, which in part obscures the inequalities of legal relations and rights, while at the same time legitimizing these (hegemony). However, to the contrary, this view misses the mark because actual Canadian regulatory decisions and government programs suggest that these relations are not this simple. The complexity of the claims being made by interests in actual cases, and the relations (economic, social, etc.) within and between different interests cannot be easily divided into spheres. Moreover, contestation by different interests extends beyond formal structural components and sites and,

as is shown in the case studies below, final state outputs are not always predictable and can be in contradiction to each other (Habermas, 1987:363-367).

Duality, Communication and Information

To better understand the concept of duality it is useful to define what is meant by communication and information, their role, and the claims which have come to be made on these in a capitalist liberal democratic market society (CMS). For this purpose, I am going to use the term information in the following section because when we talk about communications, substantively what people are accessing and using is information content. The technology is also important, particularly from the point of view of the terms under which it is developed, made available and how this affects the availability of information. This is dealt with later in the dissertation in terms of the duality of networks.

Much of how we think about information is defined by how we think about society; our view of society and 'mankind's' place in it. The difficulty in defining information lies in attempting to separate what it is or where we find it, from what one does with it or what it should be used for. This difficulty is more clouded as one tries to abstract 'information' from the context of the political economic relations of the society in which we live. The structural context of our society, as discussed, above has often been posited in terms of spheres, for example the social sphere, the education sphere, the market sphere, and so forth. While, in part, this helps us in clarifying our views of society, as noted, it risks artificially polarizing or drawing lines between what are more aptly described as interdependent or mutually influencing processes and activities (Resnick and

Wolfe, 1987).¹ At a more complex level that brings in the concept of duality we can each be economic, political, social and cultural actors in separate processes and activities, and also do these things in various combinations or degrees. While these relations could be argued as being a multiplicity, they are more aptly described as a duality because the essential dialectic is between the maximization of utilities and power or capacities. The point is that, at times, with some of these, there is a preponderance of one type of activity or process over the others - more social than economic, or more cultural than social, let us say, but rarely are these divorced or isolated from the others. For example, improving literacy can be an educational act, but it can also have several other purposes, including acquiring skills to be able to participate in democratic expression, producing cultural artefacts or cultural products, participating economically in society or increasing one's earnings, or improving one's intellectual abilities and general personal development. These activities involve both the maximization of utilities and capacities or powers. Using an institutional example, books are available from bookstores on commercial terms and libraries on democratic public terms, and the use of the book from either source may be to maximize utilities, capacities or both. Using a product example, a documentary film may be concerned at a topical level with a social good issue, but it is treated as private property in commodity relations as part of the production, distribution and exhibition processes.

1. See Resnick, S., & Wolfe, R., 1987: 2,3,5,24,52 for a discussion on the process of over determination or social interdependency.

In thinking about society this way, there are a number of ways of conceptualizing about the 'public' as opposed to a 'market' view of information - what it is, what it should be, or how it is used. Herbert Schiller, who argued for the protection of information rights, sees information as central to the development of a democratic society. As Schiller writes,

information serves to facilitate democratic decision making, assists in citizen participation in government, and contributes to the search for roughly egalitarian measures in the economy at large (1991:42).

This view of information as a social good, a democratic resource, benefits the lives of individuals, and through its collective use, the overall governance of society. Indirectly, or as a subsequent step through its use, information provides economic benefits by providing people with the means and ability to participate and benefit from direct economic exchange. As well, information allows people to participate in a host of other activities, which by their very nature, provide the 'economic sector' with an 'informed subject'. By 'informed subject' I mean individuals who, through their ability to access and benefit from information (literacy, education, experience, etc.), are able to contribute to, and benefit from, the general economic, social and cultural production of society. They have a demand for the information and other products of society arising from their participation (Zuboff, 1988:9-10).² This conception moves quite apart from the more ideal type of 'public sphere' as a site of expression and public interaction. It

2. Zuboff has written about using information technology to informate individuals, in other words, the use of technology to create new information and, at the same time, increase the skill and knowledge levels of individuals as workers and citizens. See Zuboff, S., 1988: 9-10.

embraces more activities including economic, but from an economic justice perspective. This means that the maximization of utilities must be limited, conditioned and complemented by democratic goals linked to the development of capacities. This cannot be accomplished on a serendipitous basis, but requires political action and rule making. The above examples are just some of the democratic practices and processes being eroded by the extension of market rights under the neo-liberal model. To properly balance the public interest, beyond stemming the extension of market rights, democratic rights need to be expanded so the full set of needs can be met. State policy, regulation and fiscal support for democratic communications are the means by which to accomplish this.

Anthony Smith (1989), in a different view, does not see the public interest or the democratic rights contained in this as pre-existing or inherent to our liberal democratic capitalist society. Instead, he sees the public sphere idea as a state enabled add-on to balance the market centric rights of individualism (1989:335). The public interest in this view is a “valued collective good in opposition to other demands and interests” (1989:335). Noting the historical expansion and contraction of the idea and practice of the public interest in society, Smith argues the recent reduction of the state role through policy, regulation and other forms of intervention in fostering and maintaining rights to achieve collective benefits. Instead, a shift has occurred over the past twenty years or so to a reliance on market forces to provide a general good. Smith correctly observes that in this model collective interest is replaced by consumerism, public service is replaced

by consumer satisfaction, and society is defined in terms of service providers and recipients as opposed to class and other socio-economic variables and relations (equity, justice view) (1989:334,337). The role of the state through policy, regulation and legislation is critical and central to the creation and re-creation of these different rights (1989:338). Smith also usefully identifies a further major failing of neo-liberal model. Where earlier, economic liberalism advocated open markets to achieve social benefits, neo-liberals stop short of articulating this end objective and see the open, competitive market as an end in itself. This is an end to no broader purpose or acknowledgement of the limits of the market, or even the existence or veracity of other non-avaricious needs (1989:346). Reminding us of the problem of consent, Smith also takes the view that this is a temporary distortion, because the state will need to intervene again to construct some form of social balance to maintain legitimation and perpetuate hegemonic consensus about our model of liberal democratic capitalism (1989:346).

In as much as many observers find fault with the state and its actions in relation to the creation, fostering and support of public processes, spaces and institutions, and correctly so to a degree, because it is first and foremost a capitalist state, at the same time I would argue that one cannot lose sight of the fact that it is only the state that can create the rights. As the main terrain of contestation, this is where social interests must engage, whether employing oppositional, adversarial or reformist strategies to pursue broad ethically based democratic rights. Decentred and alternative public processes proposed by advocates of democratic forms of the public interest are useful in helping to

clarify the tension between different claims and rights, and serve as useful benchmarks or reference points. But, these are limited and likely to lead to marginalization and disappointment because they fail to engage with the central political and economic power relations in society.

Sunstein (2001), like Smith (1989), usefully contributes to this debate by identifying individualism and consumerism characterized as 'personalization' as a pre-eminent problem, though with the development of the Internet. For Sunstein, the market model that is coming to dominate the Internet and online information is not only becoming more narrowly consumerist, but is a trend towards social homogeneity and fragmentation. In the alternative, the potential for the Internet to meet broader needs, embodied by the principles of democracy and heterogeneity (shared experiences, understanding, etc.) requires a diversity of content. For Sunstein, democratic creation and access to a diversity of information and the media are central to social understanding and cohesion; in his words "the social glue" (2001:8-9). Sunstein also identifies an important institutional dimension as part of the process of achieving democratic goals. This includes the role of general interest intermediaries to provide for equitable content generation and access as opposed to narrow interest services (2001:11). These would emulate the information experience of living in a real community, and permit intended as well as a range of chance encounters with diverse information resources and shared collective experiences and understandings (2001:11). Sunstein argues for a public forum model where all ideas and information resources (public, private) are available as opposed to the increasingly controlled and packaged market

model (2001:30). For Sunstein, the important level of analysis is the state and regulation. He challenges the myth that governments do not regulate the Internet and identifies numerous examples of existing regulation by both government and industry. This regulation includes: computer code that affects choices and embodies rules of action; copyright; market entry and competitive frameworks; licensing; e-commerce regulations; and government grants and subsidies (2001:130). Sunstein identifies the need for innovative approaches by the state to policy and regulation, or new tools, to balance rights to ensure democratic goals are embodied in the Internet's continued development. His options include: public subsidies of sites and content; required industry performance behaviour and contributions; must carry rules; and conduct disclosure rules (2001: 169).

In reflecting on current trends in communication, including the Internet, Babe (1995) usefully reminds us that the development of the Canadian communications system since the 1930s has featured an ongoing competition in social relations and in the state between claims of pursuing rights for maximizing utilities and capacities, and some appropriate democratic balance between these. Moreover, views of early proponents of public broadcasting embodied the concept of the essential duality as opposed to polarity or public/private solitudes of communications and the public interest. Public broadcasting was seen as something that must serve more than commercial interests and self-gain, but "above all educational, democratic and community needs and a Canadian national purpose" (1995:211). This view extends that of Sunstein (2001) who tends to focus more at the individual level of analysis. It is a view that argues for

the individual democratic right and purpose in addition to this collective benefit. The importance of communication systems, the intermediary role of the media and the diversity of information/expression as a duality has been a core theme of the development of Canada's media (Babe, 1995: 213-215). For example, Graham Spry, an early proponent of a public communication model, saw important roles for the media for "the cultivation of public opinion, of education and entertainment, and make the home not merely a billboard, but a theatre, a concert hall, a club, a public meeting, a school, a university" (quoted in Babe, 1995, p. 213). Interestingly, the Internet offers the same potential, and has demonstrated that it can be used in many more sophisticated ways now, some seventy years after the development of the radio in Canada.

The potential for achieving balanced objectives using integrated contemporary communications (i.e., Internet, radio, television) still exists and is already in practise in many communities. However, the likelihood of maintaining and extending this risks being unrealised in full due to the pro-market skewing and vacuum in policy today. As will be demonstrated in the case example involving the CRTC below, the vacuum is the lack of clear developmental policy direction by the government that advocates social, cultural and civic resource development and use for the Internet and other contemporary media, in addition to commodity production. The governance reality for early media in Canada still holds true today, though the means may be different, as noted by Babe, "Canada as a nation, a community, as a social organization required a government role to coordinate and direct commercial and non-commercial activities" (1995:214). In

views echoed later by Smith, Sunstein and others, Babe reminds us that information in Canada's communication system is important because it is the essential means of integrating people in life. With the central importance of information/communication to all activities in society, how the media and information intermediaries are structured and operate matter. The systematic participation by all interests in the state over planning and rule making to achieve balance is necessary (Babe, 1995:215).

The underlying theme of these views is that information is first, diverse, broad, dynamic - a product of humanity and interaction - ideas in substance. Secondly, perhaps most importantly in terms of practise, and the battlefield in current policymaking, information is a public resource that allows for the achievement of some 'end' goals. In a market view, this resource is produced on a commodity basis for self-profit and gain. In a democratic view, these goals allow people to learn, express, exchange and interact in social and cultural ways for the sake of personal well being, development and understanding. It is that which contributes to being a citizen and to maximize one's individual capacities. There is also the economic dimension (economic justice) whereby information is also used by all individuals (equitable access to, and use of, resources) to maximize their utilities. The ability to do this requires that the above democratic freedoms and practices are also realized; that these capacity and utility components are constituent not separate parts. That this is messy and inherently contradictory is exactly the point of Gramsci, but it reflects a 'realist' view of society. The key is to recognize that there is imbalance due to the inequalities of

the distribution of power and resources in capitalist society, and this is reflected in rule making that privileges private property. The ethical developmental objectives, as end goals, must be defined through, and mediated by, the state. This places obligations on the state to be an ethical state in setting the limits on rights and also in intervening proactively (e.g., regulation, policy, programs) for developmental purposes, not just in reaction to social or market problems as they develop. This positive interventionist role is one that has been greatly reduced under the neo-liberal framework. This is a view of society (with end goals) that includes commerce (a means) rather than the inverse, a commercial market system that includes, and dictates the terms of, society. The corollary to this is that individuals are then able to participate in society and benefit from this. Whether a capitalist market society or some other form, in this view people can participate in activities and social relations which allow for 'production' that reproduces one's self and society to some end purpose. In our liberal democratic capitalist market society this means that some balance must be given to the two sets of property rights; the 'democratic' - civil, social, political rights and activities - and 'liberal' - economic activities.

An imbalance between the 'liberal' and 'democratic', whereby the liberal (market, economic) is given too much weight erodes an economic justice perspective underlying the democratic view whereby social norms and ethical values prevail over impersonal market values (Clement, 1988:14). In the hierarchy of individual rights, civil and political rights can be satisfied on an individual basis, though there is a collective purpose to these. However, social

and economic rights, which now, as with civil and political rights, increasingly rely on the ability of individuals to access and use modern communications and information to be fully realized, need collective property rights to fully develop and be realized (14). This is the basis of the current contradiction with our market system such that the imbalance favours individual private property. This imbalance needs to be corrected by the limiting of private property rights and restoring and extending democratic rights. It is also the duality whereby all these economic, social, public and private activities are bound up when people access and use communication technologies, regardless of who owns them.

How should we argue for and defend the democratic aspect of information? This could be done in many ways, such as using political or social rights arguments. In a market society, a most appropriate way of making the case can be done through an argument based on property. Our society values property over all else, and defines the right of property as being based on an individual human right. In the current debate and policy tensions over information, the rights to it, its use and access, can usefully be grounded in a theory of property that underpins our liberal democratic market society. Using property rights as an entry point for analysis permits a discussion of democratic objectives as well as providing the means to reveal and explore the inherent contradictions in the current market centred debate over information, and the possible resolutions of this debate. These possible resolutions can have democratic or anti-democratic consequences.

The work of C.B. Macpherson (1973,1978,1987) is useful for this analysis because it helps us position information as a fundamental human right and a property right. This work also sets out the role of the state and the tensions and contradictions arising in a capitalist market society (CMS) in the articulation and achievement of such property rights. The nub of the issue is the challenge of achieving some mitigation between an individual right to private property (market valuation) and an individual right to common (public) property (democratic valuation) as it relates to information. In the first, the right exists to exclude others from access unless certain economic terms are met. In the second, the right is to not be excluded from the use or benefit of something, though some limits over collective access may exist. These limits generally ensure measures of equality.

Where I differ from Macpherson is that I think the human right is a stronger right than property and should be argued as the context for decision making about state policies. Basic human rights precede capitalism and transcend other forms of society as well, e.g., theocracy, socialist, etc. If the main entry point is developmental capacities and powers as a universal human right, then issues of economic rights, social property, etc. become secondary and conditioned by this right as opposed to the reverse. Economic values, as both artificial and temporary in the long view of history, are illogical and inappropriate as the conditioning variable. While it is the economic that is problematic in the current imbalance in our society and therefore warrants analysis, this can be improved by stepping back to a broader ethically based framework informed by human rights.

Hamelink (1998:67-70) offers a useful argument of how the human rights justification applies to communication. In the context of the international consensus around a basic set of human rights, Hamelink links communications to one of the basic moral principles underlying human rights. This principle is that “external coercion or constraints that obstruct the self-determinism of individuals are not acceptable” (1998:69). As such, the idea that opportunities should exist for individuals to realize their potential means several things. One is that these should not be unduly restricted by private property or market rules and practices. Also, that democratic institutions are necessary to realize the right. Democratic procedures are necessary to apply and enforce rights, and democratic governance is required to defend the right. Communications is central to this because it is about the flow of information and ideas which affect everyone’s daily life, such as public expression, quality of life, participation in economic and social activities, and the realization of individuals’ potential (1998:69-70).

Neo-liberalism and Policy

The stakes have been high in recent policy making, as neo-liberal ideology has driven its agenda across a broad sweep of state responsibilities and initiatives (B. Clark, 1991).³ The contemporary debate about communication and information policy has been lopsided, dominated by a religious-like mantra from the proponents of the liberal market place. This mantra advocates private

3. Neo-liberal is defined as a current mix of contemporary liberal and conservative ideologies which together advocate reduced state power and a lesser role for government in society, and an increased reliance on market forces, competition and individualism. See for example, Clark, B., 1991: 83, 97, 119.

property relations as a panacea for the creation of an ideal market and the satisfaction of social goods and needs through a public service model. The objectives of the market view proponents risk the entrenchment of a radical policy agenda that would reduce society to that only peopled by economic producers and consumers. The policy agenda is radical because it marks a significant break with the traditional balanced or mixed policy approach followed by the Canadian state for much of the country's development. This agenda is a crude narrowing from a view of society, of 'mankind' and social practise, though not in any way in equilibrium, that included that of the *citizen in democracy*. Instead, an economic vision is propagated that takes the form of a religion because it claims to be the inevitable result of higher, more powerful forces than individuals or society; a god or gods – namely the market, technology, globalization.

This tension between market freedom and the need to set limits to achieve democratic, common freedom and opportunity is usefully summarized by Macpherson in the following statement:

When the individual property right is written into law as an individual right to the exclusive use and disposal of parcels of the resources provided by nature and parcels of the capital created by past work on them, and when it is combined with the liberal system of market incentives and rights of free contract, it leads to and supports a concentration of ownership and a system of power relations between individuals and classes which negates the ethical goal of free and independent, individual development (1978:199-200).

In communication, this liberal market narrowing occurs with the unequal relations involving exclusive control over, the creation of, the terms of access to, and use

of, communication and information. This includes access to technologies, e.g., networks, and the shaping and valuating of information and knowledge and how worth (economic or other) is determined.

Currently, the trend is to the privatization of information, the materialization of information into a thing that can be commodified, and the institutionalization of these inherently unequal class-based relations (legal, economic, political). People, in this liberal market view, are seen as 'market man', a maximizing utilizer of resources. This model of society features competing individuals - consumers and appropriators (extractors) - where the accumulation of property, in this case information, is an end in itself. Developmental possibilities for other objectives (e.g., social, cultural, political, common capital) are greatly marginalized or excluded in this view. This accumulation for self-gain equates at its most fundamental level with an end goal of freedom. This goal is shared with the democratic purpose of property, which the individual property right presupposes. However, privileging private property over collective property rights negates the achievement of the broader sense of freedom (Macpherson, 1973:82-86; 1978:46-47).

The current contestation over communication policy making fundamentally is over the morality of different property claims (duality). In other words, there is contestation over what information and the terms of its creation and access are, and ought to be. The underlying right is not contested by liberal or democratic proponents in this debate. But the basis of contradiction arises over the set of *economic claims* (private ownership) posed against *democratic claims* (not to be

excluded, common property). Historically in Canadian communication policymaking, there has been, and continues to be, agency or mutual determination in debate over goals and practises. Over time, this has resulted in a mix of economic and social policies designed to mitigate or balance such claims, e.g., the development of public broadcasting, or provincially and privately owned telecommunication networks, Canadian content, obligation to serve, etc.. But these remain inherently contradictory claims in a capitalist market system (Macpherson, 1978:3,5; 1987:84). Of late, however, the marked shift towards privileging economic property rights has not only eroded or threatened many social or public rights and practices, but threatens to limit future opportunities for people to fully benefit from the vast changes coming with communications in the near future.

There has been considerable discourse about the potential social and economic importance of the Internet. While these possibilities exist, it is important to consider that with these possibilities the Internet is not remarkably different from the potential possibilities described of earlier communication technologies. A brief reflection on the policy's toward, and social valuation of, these other technologies suggest lessons for policy and research approaches to the Internet as it matures. While there are functional differences between the Internet and other mainstream communication technologies (e.g., radio, television), at a broader conceptual level and in terms of real social relationships and activities, development and social cohesion, there are many parallels.

With the Internet several themes have been put forward to convey its potential and importance in society. These themes generally include: entertainment; citizen participation; universal and affordable access; lifelong learning and skills development; increased competitiveness and economic growth; the development of a diversity of Canadian cultural content; new forms of commerce; and access to government and other public services and information, among others (Canada, 1997c:46-51). These themes are not unique to the Internet, however, and are remarkably similar to the justifications offered for a mixed public/private approach to the development of radio and television in Canada (Babe, 1995: 213,215).

In this a view, social relations involving the Internet are a continuation of those involving other media and of federal policy involving communication, social and economic development and participation. From the outset of the development of modern communications in the early part of past century, it has been seen as essential for the achievement of such objectives as national unity, social development and cultural expression. Since the 1960's, national and economic development and cultural development and expression have formed the general federal policy framework. Some have criticized this policy as a myth because the tendency has been to favour programs and initiatives that supported industrial development over social development and citizen participation. In this view, there was a missed opportunity with communication technologies, such as radio and television, because the regulatory and policy focus was more concerned with economic development, industrial development and export than

local, regional and individual content needs and forms of expression. The convergence of telecommunications and broadcasting also featured a shift at the Canadian Radio-television and Telecommunications Commission (CRTC) in broadcasting policy from actions promoting cultural identity to an approach whereby the public was seen in consumerist terms. However, the early state of development of the Internet does break with this policy history. This is because there remains numerous opportunities to adopt innovative policy, regulatory and program approaches with the Internet that combine the social, economic and cultural objectives of different mandates and legislation across government to maximize equitable access, content and services for all users, and to facilitate the integration of this technology into social organizations and relationships in ways that support broad-based democratic social and economic development (Raboy, 1996: 1,3-6,9,15).

This battle over democratic and liberal ideals is being played out in many sectors of which communication and information is only one. Others include welfare state institutions and practises, education, health, transportation and finance, among others. The state's role is central in these changes. Only the state can make policy and manage national economic, political and social relations. Moreover, while individuals may have the rights of property, it is the state that creates or changes these rights and establishes the institutions (e.g., law) that protects these rights, sets limits on them, and authorizes or enables their articulation in social relations. The state is the terrain where contestation occurs over claims and the resulting output is policy in the broadest sense of the

term. Regardless that this class-based contestation has always been unequally weighted or tilted in favour of the dominant companies, the contemporary neo-liberal proponents' desire is to further erode the democratic potential and practices in communications by limiting the state's role and ability to seek some balance or mitigation between these claims.

The view of the proponents of neo-liberalism is that the state's role is a minimalist one - for the protection and stabilization of markets and individual economic liberty. This liberty takes the form of both producer rights and consumptive rights. In the long run, in this view, the public will benefit, but this tends to be measured narrowly using criteria of choice among products and prices. Consumptive rights are what I call "dollar democracy", whereas those with the most ability to pay have access as opposed to participatory democracy whereby all *citizens* rather than *consumers* have the right of access in order to realize personal benefits in some measure of equality (Reddick, 1996). The right of access does not mean free access, but reasonable and affordable means such that all citizens are able to have some form of access.

In the neo-liberal view, the public interest is equated with the consumer interest, and the concept of social is appropriated and narrowed to also mean consumerism. This theme is applied not just to communications, but most services in society. For example, with transportation, the consumer's main interest is seen in "the price, volume, and quality of the output..." (Stanbury, 1976:121). In this view, the criteria for measuring the public interest include: Price and Output; Technical and Managerial Efficiency; the Rate Structure; and

the Range of Consumer Choice and Quality of Service (1976:121). The role of regulation is to achieve allocative efficiency. In this view, market equilibrium (prices and outputs) would be destabilized by such interventions as social, cultural and civic policy and regulations. Ideal outputs would not be achieved with such externalities and public goods (1976:122). In this view as it applies to communications, allocative efficiency is the main criteria for determining what services/content should be produced, by whom and how. However this is a stark challenge to many products and services, which are produced because they are valued and needed for social and cultural purposes, and are extremely valuable in these terms, though economically inefficient to produce. In a broader view, what matters most depends on what one values and needs in life. For example, efficiency concerns easily disappear if you need a weather report to save a crop or make it safely to shore, or if you need emergency health care.

The static liberal view of 'mankind' and society sees social purpose and social relations as extractive (self-interest and gain). In the discourse of the day, the 'market' and 'competition', normally thought of as 'means' to an end, become 'ends' in themselves. In this view, information is a commodity to be accumulated or exchanged for capital. Social objectives involving information receive little official support where they are intended to be developmental and shared, whereby individuals have access with the goals of personal benefit, growth and development (Macpherson, 1987:57-58).

Change and the Market

If not technological or other determinisms, then what are the key factors behind the marketization of public information? Information has always been important as part of the economic and social capital of society. What is different in the current era of competition is the recognition, desirability and strategic purpose ascribed to information by decision makers in society, and in particular dominant members in business and the state. At the heart of the matter is the potential and the increasing ability to extend the control, production and use of information as an industrial sector in its own right. Two decades ago, the 'information economy' was seen by liberal theorists as a logical extension of industrialism (Bell, 1973). More recently, it has come to be defined as the necessary strategy to escape economic stagnation.

In the 1960's, proponents of an 'information society' or economy touted this as a goal that was a natural extension and growth of a market society. Theorists such as Daniel Bell (1973), an early apostle of the post-industrial society, saw information as the valued industry of the future. In keeping with a liberal market view, this extension of the market would result in efficiency, productivity and growth benefiting all. This has been shown to be true in the provision of some products, services, and information using economic criteria, such as efficiency, low cost, the profitable provision of commodities, product choice and pricing options. However, in matters of communications as core utility, infrastructure, public services or non-commercial social, cultural and civic goods and services, the value is based on use (human need) as opposed to

exchange or accumulation of wealth. As such, economic efficiency and viability is a secondary consideration, if one at all, in the provision of these goods and services. Moreover, as is demonstrated below in the case study on Internet access and use, the economic-centric approach fails to address structural barriers to access and participation for people due to fundamental inequalities in our society, including those based on class, access to resources, skills, education, and so forth. Public goods, to the contrary of a neo-liberal model, are available to all regardless of economic standing, market or social power.

As argued by Dan Schiller (1988), the importance of information in policy now is that it is “not just any commodity, but a fundamental source of growth of the market system” (1988:27). To understand information, how it is developed, used, and so on, requires an understanding of how it is a historical product of the interaction of social systems, activities and social institutions. In this view, the communications and information revolution is not, as neo-liberals would have it, a break from the past, but a continuing of many of the market and governance rules and practices of industrial capitalism. But the social reorganization has changed information so that it is now produced, used, valued more as a commodity and less as a resource, or public good. It is this production of information on a commodity basis that continues, as opposed to being a break with, the production (capital, labour) and market relations of the industrial era (Schiller, D., 1988:30, 32-33, 37, 40).

The information society, as a perhaps rather benign evolutionary expectation at the outset, has since become an ideological imperative considered

by decision makers as necessary for systemic survival in the face of economic crisis. The crisis has variably been described as one of over-production, too much low cost foreign competition, under consumption, rate of falling profit, and so forth. Responses have resulted in the restructuring of policy, economic and social relations and institutions, and features persistent high levels of unemployment or employment dislocation, a reduction in support for human services, and an embracing of an idealized notion of competition that is often myopic as to its purpose or capabilities. State policy has favoured redistribution benefiting the market at the expense of the citizenry, with a rather specific effort of narrowing and redefining traditionally de- or un-commodified aspects of life. For the market, this has meant less government control and oversight of corporate behaviour, a declining quality of work, and the removal of the traditional policy barriers that make market practises publicly accountable (three cheers for Enron!). Essential to the policy of escape from crisis (also euphemistically referred to as restructuring) is the pursuit of more competition, the creation of an idealized market utopia, and a focus on the development of an information industry (Webster and Robins, 1986:319; H. Schiller, 1986:30).

This is done while, at the same time, social and cultural activities languish. These meet individual needs but have no direct relation to commerce, other than the underlying cost of making them available. They have not, nor can they have by their very definition, commodity value in and of themselves in order to accomplish their intended purpose. Any attempt to privilege the economic or commodity criteria as more important, or better able to deliver the service, means

that only the most profitable rather than the most necessary or useful service is available. Where activities are closely tied (economic, social) and form the basis of development and participation, this bias and imbalance retards the ability to reach these objectives, at a long term cost to both individuals and society. A major issue here is a missed opportunity. With history as a lesson, and as the case studies below demonstrate, at some point government will need to intervene substantively in the communication market to address market failures, market abuses, and introduce regulation to ensure social and cultural policy objectives and real needs are achieved. As opposed to waiting for problems to arise in the future, a more responsible approach to governance would be acknowledging broad obligations and responsibilities and to proactively intervene now. Such interventions should be with a view of instilling social and cultural policy and practices in communication initiatives as part of a long term development strategy.

But these changes are not some instrumentally determined set of foregone practises and conclusions. Change involves social struggle and competing claims. This holds true with information and technology and for the broader social and economic policies and practises of society. As is demonstrated by the examples of the CRTC and government programs below, competing claims by social actors, though often made within a set of unequal power relations, nonetheless, influence, bend, and shape the final policy outcomes and social practises. Agency, which is the effectiveness of resistance or initiative by social actors, whether from within the dominant class against

others in this class, or arising from those in the subordinate classes, mutually influence (over determine) results (Foucault, 1972:162-163).

The current changes in Canadian policy are being led as much from within as from external outside forces. Such change approximates Gramsci's (1971) notion of reform from within or a passive revolution.⁴ As argued by Michel Foucault, the success of this 'reformed' hegemony, its permanence, requires its secretion into the conscious and subconscious levels of society and the citizenry. Foucault sees hegemony as society's 'glue' of understanding and world view. However, to quibble over recipes, I think a better descriptor is molasses, because molasses is hard to move and binds things together, but nonetheless is also malleable and changeable. The complexity of modern society relies on the use of technology and, increasingly, the control of information "to pervade the whole of the social body" (Foucault, 1972:156). The existing conglomeration and power relations of media/information ownership complemented by sympathetic state policy frameworks puts democratic claims at a particular disadvantage in the current period of change. The claims made by those advocating a dominant market model to support or validate these inequalities are done in a way, which ostensibly appeals to shared democratic ideals, but in reality cannot deliver because they are based on economic criteria alone. This ideology has power through its social dominance. It attempts to frame discourse and seeks to control opinion and ideas, define the acceptable parameters of discussion, of what is

4. Gramsci, A., 1971: 106-107.

possible. The goal is to determine how we are to see and value society and, as part of this, information and knowledge. Information is, therefore, not inherently just, equal or democratic. It must be constructed and shaped by social relations. For it to be democratic (in access, diversity, and use value) it must be defined as such, and the claims seeking this must be broadly recognized (social consciousness), accepted (political) and institutionalized (law and practise) (Foucault, 1972:162).

The case studies in the dissertation demonstrate the changes in policy and rights in communications in Canada. They also demonstrate the decision-making processes in government related to these examples. This shows how this is complex, that agency matters, and there is a competition of ideas and goals within the state, and between the state and outside interests. As well, the case studies demonstrate the role of the market and consumer organizations in the policy and program decision making processes, and how these interests' views and understandings about rights, the public interest and duality are represented and impact policy and program outputs.

To summarize, the thesis argues that for a conception of the public interest in a liberal democratic society to be coherent and progressive, philosophically it must be based on the underlying justifications for property claims and rights. These are the maximization of one's utilities and the maximization of one's powers or capacities. The duality of the public interest as it relates to networks, policy and people is a dialectic between these two rights. The neo-liberal model erodes democratic rights and has narrowed the public

interest. In response, democratic rights and public communication resources need to be extended. The means to do this primarily relies on the state, through policy, regulation and fiscal initiatives. The state plays a critical role in these relations because it creates rights in society, and is the site of contestation between interests in the establishment of these rights.

Traditional conception of the public interest are not adequate because they tend to be partial, focusing on specific processes used to achieve consensus or resolve disputes, and limit the concept to positivist measurements of maximizing utilities. A more realistic and ethically based conception of the public interest is required. It must be realist by including the maximization of powers and capacities, even though these are more difficult to measure and define, because this underlies many activities and needs of the public. It must be ethical because this is concerned with democratic end goals, issues of justice, duties and obligations. As such, the design and operation of purpose of activities, rules, structures and social processes need to be informed by these end goals as to have a properly balanced public interest. In this view, there is a mutuality and interdependency between these two rights. This view builds on other work in communications by extending the idea of adding property rights to the conception of public interest and linking this with the idea of a human right of access. The property right conception is important because government processes and the law are centrally concerned with property as the means for social organization. The human right justification is important because it is broader and stronger than property rights, it is universal, and places the democratic extension of rights (the

development of capacities and powers) as a broad, ethically based entry point for analysis. I claim that a duality of rights, such as public/private, commercial/non-commercial, and the right of access or to exclude access, is reflected in our communication and information practices and institutions. How people use communication and information is a complex duality whereby they can be economic, political, social or cultural actors.

Chapter Three: Industry, Public Claims, Policy and Contradictions

Introduction

This chapter analyzes industry and public interest group claims about communications with a focus on the Internet. These are discussed in the context of the duality of the network, the government policy framework and the developmental trend of the market.

Duality and Networks

Access to, and the use of, the Internet by the Canadian public is a useful example of dualities because the network and services are still at relatively early stages of development. As such, the operational and structural norms, regulatory and market frameworks, and user practices have yet to be firmly established and are still the subject of contestation or claims by different social actors.

The levels of duality, which are the concern of this work, those of networks, policy and people, are arguably more evident with the Internet than with the well established networks, such as television programming, due to this partial level of development. For example, with broadcasting the general structure and nature of the system is not challenged, but rather is accepted as is. Debate tends to focus on issues within the structure including such issues as editorial balance, the effects of advertising, diversity of culture, or strength of a public broadcasting component. The broader rationales and justifications of the overall role of the system are rarely debated or challenged in the mainstream. For analysis, the Internet as partially developed permits a foregrounding of

implicit and explicit challenges and claims about the potential and actual uses of a publicly pervasive, if not yet a public utility, communications network.

The network structuring and practices of people with the Internet reveal the inherent duality of interests and practices of people within broader society – the market and public goods. At the same time, the underdeveloped regulatory framework, operating under a regime of selective forbearance on the parts of both federal government departments and the CRTC, to date, have largely rejected public (non-commercial) claims relating to structural development and issues of control of the Internet. However, as noted below, some public interest groups actually supported no regulation as benefiting the public interest in the belief that this would prevent an extension of the existing dominance of the media industry to the Internet. This lack of overt public intervention (decision-making) has served to accommodate market claims and privileging market regulation because these interests possess and are able to devote more power and resources to developmental initiatives than other interests. As shown below, while this may provide some benefits, e.g., technological innovation, among others, there are also social costs or omissions.

I am not arguing that the federal government and the CRTC forbear from regulating the Internet. Nor is it to say that social interests do not challenge the private market view through both expectations and practices. The Internet is regulated and social interests have made substantial challenges to the market view. As to government regulation of the Internet, this does exist, and extensively in some areas. However, this regulation is focused in the areas of market

development and rule setting to encourage market development and competition. For example, the lack of content regulation affords company's full sway to develop Internet products and services where greatest commodity demand exists and to have the freedom to quickly alter their strategies as the use of the Internet changes or new technologies and services are introduced. As well, the CRTC has established regulations to ensure market entry and competitiveness. For example, third party Internet service providers are able to access the networks of incumbent cable and telephone companies to provide competitive service (CRTC Decision 96-1, 1996a). The introduction of regulations to create and stabilize a market also extends to other policy and regulatory areas. For example, copyright rules will be reviewed by governments in most countries to accommodate Internet business (Geist, 2001, p. B16). Much of this rule making has been guided by speculation, assumptions and ideology about what the Information Highway will, or should, be, largely on the part of industry, as opposed to being grounded in a close analysis of what networks and services are actually being used for.

However, as discussed in more detail in Chapter Five, a consideration of access to, and use of, the Internet by the general public usefully demonstrates the limits of the neo-liberal market model, particularly in being able to furnish public (social, cultural) goods and services. This also demonstrates that the richest and most rewarding use of the Internet for the public occurs when a full set of public and private goods or services are available. These neo-liberal limits have yet to be fully acknowledged and properly addressed through public policy

and regulation based on the broader claims and interests of the public. As such the opportunity to foster and institutionalize a mixed public – private model risks being missed. Consequently, while the neo-liberal model may fail in meeting its promises, the narrow model that it is propagating may prevail and dominate, at costs to both the market and the public. The cost to the market is that fewer people than potentially available will be consuming. The cost to the public will be the lack of a wide range of information resources necessary to meet their diverse needs.

Inherent Tension

A particular tension has developed along with the rapid growth of the Internet. This tension, not unlike that experienced with the development of the telephone, or broadcasting for that matter, concerns, on one level, the essential (importance for individuals) or optional nature of access to the services, and, on another level, the public service or private, commercial nature of the service. As regards to practices, these concerns are articulated in terms of whether the services, both infrastructure and content, are universally available at affordable or reasonable rates (a public utility) as posed against whether it is economically feasible to provide a service to all (a commodity or commercial service), and whether services are sufficiently diverse in content to meet an evolving set of collective and individual commercial and non-commercial content/user needs (a public service) as opposed to whether sufficient demand exists to economically justify the development and marketing of a service (a commercial service).

These tensions have been an inherent part of our other dominant forms of modern communications, broadcasting and telephony. Their resolution in Canada has resulted in a mixed public/private communication system. Networks and content services for these have been made available as commercial commodities and on a public service or public goods basis (Raboy, 1990; Rideout, 2002). For, on the one hand, these services are simply commodities available for a price in the marketplace on an optional basis for consumers. But, at the same time, aspects of these are also fundamental as social infrastructure, not unlike financial services or transportation, of which access by the public is essential for participation in society in any number of social, cultural or economic activities. Whether through public ownership, such as with some telecommunications systems or broadcasting concerns (e.g., SaskTel, TV Ontario), or through different forms of policy, regulation or financial subsidy, a variable and changing balance between public and non-profit objectives, and private and commercial goals and objectives, has been achieved. These accommodations have been driven by the broader societal objective of achieving an evolving set of economic, civic and socio-cultural goals. These accommodations have been made by government where not only debates and claims are played out through regulatory or policy development processes, but these have been institutionalized in laws, in the case of regulation, or legal entities in the cases of Crown corporations (e.g., such as SaskTel, CBC). In fact, a major reason for the success of the Internet to date closely parallels the reason for the successful development of the telephone, and this is social use. Like early

telephony, market proponents of the Internet have argued and justified its value and benefits in terms of a tool for business and commodity exchange. However, also like the telephone, the greater attraction, and use, of the Internet, and therefore the more important variable driving its success, is its social use and value (Rideout, 2002).

As different as the Internet and related Information Highway products and services may be from the traditional forms of modern communication, at the same time, the same tensions and contradictions about possible roles and benefits have become an inherent part of their development and use. Until the late 1990's, the Internet and related services were made available as optional services, initially of interest to elites in the public or special interests, such as researchers, educational institutions, government and industry. However, as a matter of government policy, at both the federal and provincial levels, as well as for many government agencies, and as a matter of economic strategy for many communications, content and service related companies, these services have since been increasingly designed and developed as a primary or essential means for conducting many social and economic activities in the near future.⁵

These tensions are more than evident in policy, program and regulatory approaches undertaken by the federal government relating to the development of the Information Highway to date. On the one hand, the preferred regulatory framework is one that treats these services as optional commodities made

⁵ See for example, Canada, 1996a, p. 24; Canada, 1997c; Canada, 1995; Stentor Telecom Resources Inc., 1993.

available by a number of providers in the market place. On the other hand, a number of programs have been implemented by government to facilitate access and the development of content [e.g., Community Access Program (CAP), Community Learning Networks (CLN), New Media Fund]. These and other programs were created, in part, with the acknowledgment that a commercial-only approach will not create the desired levels of access or diversity of uses intended by policy makers. A common theme underlying much of this support is ensuring that, as an Information Society is developed, a caste system of information “haves” and “have-nots” does not form. This bifurcation has existed since the Internet became publicly available and the likelihood of it becoming a permanent feature is great, but not due solely to anything inherent about the technologies involved. An emerging class bifurcation in the access, use and benefits arising from our communication infrastructure is part of the same expanding class bifurcation that has existed for several years in other aspects of our society, including employment, education, health services, among others.⁶ Rather than technological causes, decision making by people about the design, content, uses of new technologies, terms of access, etc., has a greater impact on how equitable our evolving communication system will be.

Much of the debate about the development, use and potential benefits and challenges surrounding the Information Highway has, to date, been the purview of elites, whether government, consumer or public interest organizations, or

⁶ See for example, Ekos Research Associates, 1994; or Ekos Research Associates, 1995a.

industry. However, there is now a general public awareness about the Internet that has arisen through general public discourse, e.g., the media, or actual use in the workplace, educational activities, and elsewhere. It is interesting that while the Internet is being layered on existing communications networks and services, many of the claims being made about it by both market and public interest groups diverge from the traditional mixed public-private model of communications in Canada, that features considerable policy and regulatory intervention by government. As shown below, however, as the Internet has evolved over the past few years, while the market has continued to promote an unregulated, competitive, consumerist market view, public interest groups have offered a diverse range of views, of which in part there is consensus (e.g., public space) and other areas that are contentious (e.g., role of the state, regulation).

Market Model

Commercial providers generally consider communications as a commercial infrastructure, capable of providing a wide range of commercial products and services, and as strategic economic investments. They focus utility investment and content development largely on the use of advanced networks and services by the business community and higher income consumer segments. Strategies to increase and generate new revenues from new networks and services, falling under the umbrella metaphor “information highway”, involve extending new technical capabilities and commercial products on an incremental basis to residential users as economics dictate. This strategy is predicated on the need to recoup investments and maximize returns to shareholders, and to do this

as quickly as possible (Reddick 1995a, pp.32, 33; Stentor Telecom Policy Inc., 1993; CCTA, 1994).

The theory of the market approach to networks and services, as opposed to the an equity or universality approach, is that networks and services are only developed and made available where capital investment is recovered and revenues are sufficient to maintain them. This ensures that economic resources will be used to their maximum efficiency. This view presumes that competitive markets, free of distorting public interference, induce firms to increase efficiency, introduce technical innovations, and reduce their costs. The most efficient firms become the market winners, and individuals, as consumers, benefit from the choice of products available and presumably lower prices. This is a view that is concerned with the maximization of utilities for companies and people as consumers.

A series of reports produced by Stentor Telecom Policy Inc. in the 1990's are fairly representative of the industry view about the development of the Information Highway. In this view the Information Highway is an important infrastructure in society, but one that should be largely built by industry and owned by industry. The main purposes for the infrastructure include: communication sector economic development; trade expansion; the creation of new business and government markets; increased productivity; reduced costs/increased efficiency for government and business; and new consumer products. The overall framework for the infrastructure is that of economic development, whereas social or individual economic, social and cultural

development and participation are either absent or defined in terms of the economic model defined by industry (Stentor Telecom Policy Inc., 1995).

The public is considered in this view solely as consumers, who are perceived as having an interest mainly in consumer products/services. Benefits for government from the Information Highway are seen largely in terms of administrative gains, such as improved service delivery. When social benefits are described, such as regional development, training, health care, they are considered from the perspective of efficiency in delivery, an economic activity, new product opportunities or a way to leverage public funds to help build and sustain new network based markets. While it is acknowledged by this view that there exist some essential services or certain needs that the market cannot provide, what these are, are never described, nor are the implications such circumstances may have for policy or regulatory intervention (Stentor Telecom Policy Inc., 1995).

Interestingly, while industry saluted government for reorganizing departmental communication sector related activities along industrial policy lines (i.e., the creation of the departments of Heritage and Industry in 1993), at the same time, it chastised government for not going far enough, particularly in the lack of some end goal or vision of what 'end state' or a fully competitive market would look like. Of course the vision or goal desired would be one that complemented the views of industry interests (Stentor Telecom Policy Inc., 1995, p.6.).

In a rejection of the traditional approach to balancing public and private interests, goals and objectives through policy and regulatory interventions, or even public ownership, the industry view is that all objectives, whether economic, social or cultural, should be pursued through the market, competition, and market regulation and decision-making. This would include pricing, content choices, quality of service, services offered, conditions of service, market structure and so forth. The industry view also argues for a narrowing of the scope and importance of social policy, and limiting the group of social policy objectives to such matters as cultural diversity and balanced editorial content. At the same time, it is proposed that an unfettered competitive market is the best way of achieving social goals or outputs rather than through policy, regulation or fiscal initiatives. Ironically, while arguing for giving primacy to competition and economic efficiency, and reduced public intervention in the delivery of economic, as well as social and cultural goods and services on the Information Highway, industry flip-flopped in the case of new media. While keeping a straight face, industry wanted the government to provide massive public intervention in the forms of direct subsidies, tax incentives and regulatory forbearance all of which would help them develop an industry that conformed to their market view. The industry made further claims that public objectives that have previously required non-market regulation, such as universal service, affordable prices, diversity of social/cultural content, etc., could be achieved through private market competition. However, industry did not account for how services or products that had no market value or could not be paid for (not affordable) by citizens could or would be provided. As

well, while industry claims it would provide social goods and essential services, it never identifies what, in their view, these actually are, or how these would be provided universally or at what cost (Stentor Telecom Policy Inc., 1997, pp. 6,7,11; Stentor Telecom Policy Inc., 1995).

The commonality of views in support of a neo-liberal approach to the Information Highway among different sectors of industry is really only differentiated when self interest is at stake, and even then there are similarities. The Canadian Business Telecommunications Alliance (CBTA), a lobby group representing telecommunications carriers and information technology manufacturers and retailers, made arguments comparable to those of Stentor. These arguments included: private sector lead in the development of the Information Highway; a government role limited to that of a catalyst or facilitator; competition with minimal regulation; choice among commercial products; and strong enforcement of property rights (economic only). As to social policy or rights, the CBTA argued against any initiatives that may result in costs or impinge on the market. Moreover, it argued for targeted subsidies for problems relating to access, as opposed to a universality approach. It also argued for a reduction in mandatory requests for content, plus rules to ensure that social content does not impact on competition or add costs. As with Stentor, the CBTA also advocated a market role for the provision of public good services, such as education and training related to the Information Highway, and, with a nod of self interest to its membership, noted that the industry was well suited to provide these and related activities (CBTA, 1994, pp. 9,38-40).

The Canadian Association of Broadcasters (CAB) concurred with the other industry sector views on competition and less regulation. They agreed that there should be competition, less government intervention, and a reliance on marketplace solutions. Where they differed was on the claim that communication policy change should stop short in the matter of subsidies for Canadian commercial content. In this view of a semi-neo-liberal market approach (semi in that only part of it should apply to them), the CAB argued for greater public subsidies to increase the quality and quantity of Canadian content, though this content was industrial in nature and for export, as opposed to non-commercial in nature for domestic cultural and social needs (Canadian Association of Broadcasters, 1996, p. i).

Monopolies can afford to be shameless, and the Canadian Cable Television Association (CCTA), representing the majority of cable television distributors in Canada, were not disappointing in their policy recommendations. While supporting the idea of 'sustainable competition' and reduced regulation, the CCTA also acknowledged that the existing market power of incumbent telecommunications and cable companies would lead to, at best, a duopoly model for the Information Highway, and monopoly for some services, e.g., local telephony. As such, they argued for liberalization of markets and regulation, but to the degree that their existing, and new, investments would not be at risk. This was comparable to the telephone companies' views. In the CCTA's view, again that of semi-neo-liberalism, the investments of the cable and telecommunications companies should be protected, with regulatory changes to permit competition in

new content and services, and reduced regulation for non-commercial social and cultural content. The rationale for this was that public expression, in the CCTA's view, could be improved by transferring responsibility for this to the companies, as opposed to funding non-commercial entities (CCTA, 1996, pp.3, 6-7,37-38).

Federal Government

As described below in Chapter Four, the federal government justifies the current shift from public regulation based on the notion of public interest, public service and related standards such as universality, to regulation by market forces, on the grounds that it is necessary to create innovation, develop new technologies, help Canadian companies compete in international markets, and reduce prices and increase choice for consumers. In practice, this means greater emphasis on market position and profitability, which is determined largely by audience size, advertising revenue and exportable products in broadcasting, and on investments in new telecommunications services to increase revenues and customers and expand in lucrative international marketplaces (Mosco and Reddick 1997:24; Industry Canada, 1997).

Access has come to be primarily defined by governments and industry as consumer choice so far as both levels of access and choice of content are concerned. These choices ostensibly are shaped by consumer power in the marketplace based on willingness or ability to pay. In the real world, however, life is not so simple, and people are certainly not so equal! This means that those with the greatest ability to pay have greater choice of means of access and content services. The alternative approach, favoured by most consumer and

public interest groups, is based on the ideal of participatory democracy. This approach calls for affordable access to both optional services and essential services so that individuals in their role as citizens, as well as economic actors and consumers, can realize personal benefits on a broadly equal basis (maximization of utilities and powers).

A plethora of government policy documents and statements over the 1990's similarly promoted this view of society and way of seeing technology and regulatory change. For example, in its decision on restructuring the cable and telephone markets in Canada, the CRTC saw telecommunications as "a tool for information management and a productivity enhancer for business" (CRTC, 1995, p.1). As opposed to any commensurate consideration of public goods services or content, the CRTC was concerned with universal access to technology and services developed for economic ends, the business and consumer markets.

Similarly, the introduction of the final report of the federal government's Information Highway Advisory Council (IHAC) pointed out the benchmarks for the new social reality in stating,

In the new information economy, success will be determined by the market place, not by government The private sector should build and operate the Information Highway (Canada, 1995:x).

From the public's perspective, the purpose of Canadian communication networks is much broader than a narrow 'information economy'. In this view, in addition to optional commercial services, aspects of the networks and content

services are considered as essential services. These are valued much the same as other essential utilities, such as gas, electricity and water. As public utilities, the major concerns of the public are affordable access to, and use of, the networks and services, and in particular a set of basic components (Reddick, 1995; Reddick, 1995a).

Public Claims

Public interest groups involved in the early Internet, largely comprised of communication elites within the array of public interest groups in Canada, made both conflicting and complementary claims about the Internet and modern communications. Other consumer groups were involved in some of the policy and regulatory activities that impacted on the development of the Internet, such as the Information Highway Advisory Council and CRTC hearings, but were less involved on an ongoing basis in other government policy and program initiatives.

There was both consensus in the views of the former groups on some issues and splits with others. The split in views occurred along the lines of whether these were traditional or new public interest groups. The former concerned with class inequalities and the government market liberalization and privatisation agenda, represented specific citizens (e.g., low income, seniors), adopted a Gramscian (1971) reformist strategy, and advocated a strong state policy and regulatory role and made claims about the Internet and convergence that addressed issues relating to commercial activities and private property access (the maximization of utilities) and collective public goods and individual democratic participatory rights (the maximization of powers). The new interest

groups, adopting an oppositional strategy, were less concerned with class-based issues relating to communications, and more concerned about claims relating to common public property and individual participation for democratic, non-commercial purposes. These new groups also advocated little or no role for government departments or regulation in public network development. In reacting against the growing commercial activities on the Internet, these groups made strident claims that the Internet was a public sphere or commons and that this needed to be maintained and controlled by communities. Moreover, it was argued by these groups that any market development should be contained within a public model or that these should operate as clearly separate spheres. These groups identified inequalities largely in terms of the power of the market and the influence of the market on regulators. The traditional interest groups, on the other hand, advocated a mixed public-private model, largely based on the view that the Internet and other convergence related technologies were extensions of existing political economic relations and that public interest objectives would only be attainable using policy and regulatory tools (Reddick, 1995a, pp. 74-78; Yerxa, S. & Moll, M., 1995; Coalition for Public Information, 1994; PIAC, 1995a; Canadian Library Association, 1994).

Examples of traditional organizations would include:

- National Anti-Poverty Organization (NAPO);
- Telecommunications Workers Union (TWU);
- Federation Nationales des Consommateurs du Quebec (FNACQ);
- Public Interest Advocacy Centre (PIAC);
- Ontario Federation of Labour;
- British Columbia Public Interest Advocacy Centre;
- Communication, Energy and Paper Workers Union of Canada.

The claims made by these groups have, and continue to be, concerned with issues of affordability, availability and access to basic media. A second grouping within the traditional groups tends to focus on a specific need or issue important to a constituency, such as Canadian content or technical requirement. Members of this grouping include the:

Canadian Association of the Deaf;
The Friends of Canadian Broadcasting;
Television Northern Canada;
The Canadian Conference of the Arts;
Consumers Association of Canada;
Canadian National Institute for the Blind.

A useful summary of what the various groups meant by a public sphere or commons, also called a public space, is found in a document produced by the Public Space Steering Group, created by a coalition of some of the traditional and new interest groups (see Appendix A). In short, public space on the Internet was conceived as a separate non-commercial sphere for information development, access and communication to meet daily social, cultural and citizenship needs. The development of local and nationally interconnected not-for-profit community networks was envisaged as the appropriate institutional model to foster this (PIAC, 1997a).

A common thread linking both types of groups is that their claims on policy are centred on the public nature of communication and the need for Canadians to have access to be able to participate in society.

The new interest groups were formed by academic and professional elites who were generally associated with institutions involved with information and

knowledge (e.g., libraries and education). These groups and their members (usually other elites or similar professional organizations rather than the general public) tended to be either early adopters of new technologies, or were pushed into information society practise by their employers, or those financing them; often provincial governments. The new interest groups would include:

- The Coalition for Public Information (originally an initiative by libraries);
- The Ontario Library Association;
- The Canadian Library Association;
- The Canadian Teachers Federation;
- Provincial Privacy and Information Commissioners;
- Telecommunities Canada (Freenets);
- Information Highway Working Group;
- Public Information Highway Advisory Council.

Some of these groups have been in existence for some time, such as the library associations. They and the others are considered 'new' here because of their recent interest and activities involving broad communication policy and because their previous or other activities or mandates were much less, or not at all, concerned with communications.

Those in the newer groups were less class aware, but argued for a more democratic structure and practise for an information society, a community or communities, than the traditional groups. Initially, while the traditional groups recognized the class nature of social relations, they did not attempt to argue for a different vision for social relations, so much as argue for welfarist forms of redistribution to ensure access. The views of both changed as the groups started working in closer coalition with each other during the late 1990s.

The other main differentiation between the traditional and new interest groups involved understanding of, and involvement in, policy, regulatory and program activities of government. The traditional groups and some from the new interest groups (e.g., Canadian Library Association) had a long history of involvement in formal and informal processes in government. The newer groups less experience and sophistication or naiveté about the policy and regulatory processes led to unrealised expectations and disappointments about an inability to effect substantive change or direction in government policy and regulation. This led to many leaving the field in the late 1990s, concluding that the public interest groups were unsuccessful in their overtures to achieve public interest objectives in policy and programs. However, as is demonstrated below with the CLN and CAP case study, the interventions by the groups did result in substantive results, though not necessarily to the degree or the way of what each group sought (Reddick, 1996, pp. 49-56; Clement, Moll and Shade, 2001, pp. 23-48). Moreover, the groups did in fact have impacts on policy, programs and regulation. These impacts took time, occurred when certain opportunities arose, and often occurred behind the scenes as some of the groups worked closely with, and lobbied, government departments on issues and goals.

It is interesting, that while advocating a public model or a public sphere to operate along side a commercial sphere, some of the new interest groups rather uncritically embraced of the utopian aspects of the possibilities of the information society. Often it is difficult to differentiate between this discourse and that of government and industry. For example, these objectives included the view that

the new technology should decentralize society, link everybody, provide a free flow of information, empower citizens and groups, create new, improved means of life long learning, etc.. These objectives were articulated as broad principles, absent of details of what they consisted of, how they should be implemented, or that the end goal (democratic participation, individual development) was different from the market's end goal (choice, consumption). In essence, these efforts became conformist with the market and government view. This approach created conditions such that the groups would undermine their effectiveness in representing a different view and the potential that they would achieve democratic end goals.

Their understanding was uncritical because the groups ignored or did not understand that the proposed online activities occur within a wider, centralized and integrated privately financed and owned structure. Adhering to the same framework as government and industry also brings in the implicit acceptance of the government preferred commercial approach. In this, economic criteria define what is a justified investment, what can be 'economically' provided. The increasing private control over information and networks also sets the limits and terms of this decentralization, and these are not designed for social ends. The tactical advocacy of a public sphere, needs to be complemented with a strategic engagement with market practices whereby public oversight and regulation are brought in to limit commercial practises with the goals of bringing fairness to market behaviour and conditioning market behaviour and content/services, where necessary, with public interest objectives. The exigencies of market

commodification on the Internet run counter to public objectives such as information products and services being emancipatory, or that public space and information resources be broadened and reflect social diversity. Instead, with the pressures of commodification, these will likely become narrowed, eroded and filtered. Gorz calls this emerging network infrastructure, one that extends to the private and leisure activities of the home, “the glue of serial impotence” (Gorz, quoted in Webster and Robins, 1986:322). In this view, people become a mass of linked, impotent consumers. By adhering to general principles and not better challenging market goals and limitations and defining, articulating and developing realistic strategies for the attainment of public goods objectives, their approach at times became complicit by default with the market agenda (Webster and Robins, 1986:321-23; Coalition for Public Information, 1995, pp. 1,2,4,5).

Some groups, such as PIAC, NAPO, and FNACQ, adopted an agnostic position with respect to the government’s policy agenda of a competitive marketplace. The goal instead was to get the details of competition right by reforming the government model. In many ways this served to undermine the potential to make more gains for public goods. This is because the lack of a strong adversarial strategy, coupled with the proposition of an alternative approach, meant implicit acceptance of the general framework of market norms and rules. Essentially, it is a position whereby you surrender the war at the outset, but continue with localized battles. Debate and arguments by such groups subsequently focused on technical issues of competition and consumer redress matters. These views were modified somewhat over time after these groups

worked more closely with some of the other newer organizations on the issue of public space. This shift was helped along as it became obvious that the market model would undermine many core public interest objectives.⁷

The need to engage the issue of the role of public oversight and shared decision making through policy and regulation over the development and ownership of networks as commercial entities is central to the argument of the duality of networks and the narrowing of the public interest. All individuals and organizations need to access, and pass through, commercial networks to access and use commercial and public content and services. In accessing these networks, people are undertaking activities to satisfy needs relating to the development of utilities and capacities. What they are accessing in terms of content and services includes common public property, non-exclusive property that all individuals have a right to access, and private property. Tensions against realizing this duality of need and use, and the need to balance rights in these activities, arise from the particular attributes of commercial networks, particularly as these become more developed and sophisticated. These emerging attributes with the Internet are comparable to those of existing communication networks, particularly broadcasting. These attributes include: the proprietary gate keeping structure; the terms of cost for access; the quality (e.g., speed, band width) of access based on the ability for people with different means to pay; the rules or control of navigation (what is available, or easily available, and how one gets there – the emergence of the intranet within the Internet); and decisions and

⁷ The author was an employee and consultant to PIAC during this time period.

control over diversity of content, and the privileging of some content or sites (associated sites and portals through contractual agreements) over others. As is discussed below, I argue that this “pseudo-broadcasting model” emerging for the Internet greatly risks diminishing the duality of purpose and benefit of network access in the absence of public decision-making and rules about this.

More sophisticated and effective policy and regulatory positions were put forward by public interest groups after they started working together in coalitions. Two of the more successful of these were the Alliance for a Connected Canada and the Public Space Steering Group.

The Alliance for a Connected Canada (ACC) was formed to deal with basic technical access, information content and employment issues. This coalition linked traditional and new public interest groups on a cross-sectoral basis as a strategy to give these interests more political clout on policy decision makers. This had some affect, with Industry Canada subsequently asking the group for briefings on its policy issues. As is discussed in the case study on CLN and CAP below, the formation of this coalition and the development of policy positions was beneficial in helping get public interest concerns included in internal government policy or program deliberations. As well, allies of public interest groups in government were able to benefit by including these views in their policy and program development work. This permitted these bureaucrats to push against the neo-liberal policy model from within government in an attempt to better balance it with democratic objectives. Strategically, the ACC was a means to create a democratic process for different groups for forming consensus and

action around core issues. In particular, they focused on inequalities relating to access (affordability), content development and diversity (non-commercial social, political and cultural needs), quality, and abundant levels of employment. The strategists of this alliance were largely academics or experts in the field of communications acting much like Gramsci's notion of counter-organic intellectuals. At one level, their publicized policy positions were creating an oppositional agency to counter the industry centric policy agenda. At another level, in working with allies in different federal departments, they were also attempting to reform policy from within. This coalition was the first occasion for the traditional and new interest groups to work together, overcome some key conceptual differences about the Internet and communication policy, and subsequently put forward objectives which included those concerned with public space issues. These policy ideas were, however, now grounded in the context of achieving these with the involvement of the state and, also engaging the challenges and inequities of the pro-market policy approach, again through the state (Alliance for a Connected Canada, 1995).⁸

The Public Space Steering Group was an offshoot of the ACC. Its goal was to create an institutional model for public space for the Internet. The underlying rationale behind this was that a coherent institutional model as

⁸ Members of this alliance by the summer of 1996 included the Public Interest Advocacy Centre, the Telecommunications Workers Union, the Communication, Electrical and Paperworkers Union, the Council of Canadians, Telecommunities Canada, the Coalition for Public Information, the Fédération nationale des associations des consommateurs du Québec (FNACQ), the National Library of Canada, the Information Highway Working Group, the McLuhan Program in Culture and Technology, the Canadian Library Association, the Canadian Teachers Federation, the Assembly of First Nations, and the Association pour l'avancement des sciences et des techniques de la documentation (ASTED).

opposed to an abstract idea would be easier to promote to government and industry, both of whom were prepared to deal with something concrete to address the concerns and increasing pressures for public interest objectives that many groups had raised through the myriad of information highway related initiatives (e.g., IHAC, CRTC proceedings, federal department consultations, etc.). There was also recognition by a majority of members that public space could not exist in some serendipitous way on the Internet, but that in a society of structures and rules, it had to be institutionalised in some way so that it could be established, maintained and expanded. The public space model developed by this group led to a number of a number of successes, including acting as a basis for a number of access recommendations in the final IHAC report; helping to justify and define the CLN program; helping provide some guidance to community interests across Canada who were searching for examples of how to develop public networking initiatives.

What is rather interesting is that a review of all the submissions made to the CRTC Convergence Proceeding and the Department of Communication's Access consultation laid out a preferred model by the public that, at an underlying level, reflected a broad set of claims or rights about democratic needs, including the ideals of a public sphere, and the essential duality of need and purpose for accessing commercial and public networks and content services (utilities, capacities). On a collective basis, the submissions indicated that the means to achieve these objectives was to engage the resolution of claims through the state, adopt a mixed public – private model, and ground the

Table 1: Preferred Public Model.

Utility	<p>A. Main markets:</p> <ul style="list-style-type: none"> • Essential public utility – social and economic needs/uses • Commercial and Public Space • Open, Interoperable/Interconnected (all networks) • Full competition • No capacity restrictions beyond basic requirement – upper level unbundling • Mandatory upgraded universal service – required basic – essential package at all levels; upgraded functionality • Choice of levels of service • Equal service regardless of location • Alternative local access sites <p>B. Small markets:</p> <ul style="list-style-type: none"> • Single, quality utility preferred as a minimum • Full content availability, competition • Mandatory service provision, Contributions • Public/Private roles, Partnering
Content	<ul style="list-style-type: none"> • Full competition, choice • Unbundled higher tiers • Optional access (basic or broadband utility) • Service displacement guarantees (e.g., off-air broadcast) • No exclusivity/supply arrangements, no centralized distribution monopolies • Basic package of Canadian broadcast, public service, information and utility functions • Support and service requirements for commercial and non-commercial content, including special needs • Expanded/ enhanced non-commercial and public space services and content
Pricing	<ul style="list-style-type: none"> • Flat rate, affordable for basic utility • Price caps for enhanced utility • Required basic/essential package for all levels of utility service, all locations • Competition for commercial/unbundled service • No measured service charges for basic access and essential services, non-commercial networks • Consumer rent/buy choice on interface equipment (e.g., set top boxes) • Supplier development contributions to access local loop

	PREFERRED PUBLIC MODEL (CON'T)
Quality	<ul style="list-style-type: none"> • Government led industry coordination on standards before major development • Network quality and service requirements • Government led proactive software/hardware design to meet specific or special user needs • Open platforms • Full interactivity
Regulation	<ul style="list-style-type: none"> • Government defines competitive and protected areas • Regulation/policy for pricing, access and availability of basic, enhanced utility, basic/essential service package, public space, non-commercial networks, commercial and non-commercial content • Flexible regulation: contributions, partnering, national funds, service requirements, leveraging, subsidies • Coordination of awareness programs • Communication Charter of Rights, consumer protection and privacy legislation • Special needs • Government determines content positioning in transition

Source: Reddick, 1995a.

framework in concrete policies and regulations (Public Notice CRTC 1994-18, 1994b; Public Notice CRTC 1994-130, 1994c; Department of Communications, 1995).

In this model, called Selective Competition, shown in Table One, the state was seen as the important terrain to adopt policy, program and regulatory initiatives to balance commercial and private individual rights, with common property and individual public or democratic rights. Public space and other public resources accessed through commercial and non-commercial means were seen as essential components, with a major state role in fostering the development of, and ensuring access to, these. The duality of access to, and use of, commercial

networks and services to meet developmental and participatory objectives (maximization of utilities and powers) were also embodied in the desire for a mix of regulation and policy in how commercial networks and services were designed, operated and accessed (Reddick, 1995a, pp. 71-78).

By 2001, this battle of conceptual view points (market, public) about the Internet was not over by any means, though at a structural level the greater power and extensive resources of industry had made a market model fairly dominant. However, the relevance and centrality of the public aspects of the Internet were reinforced by the collapse of the dot com industry in late 2000 and the creeping development of electronic commerce as opposed to the electronic 'gold rush' that was expected. But as importantly, if not more so, the claims (both implicit and explicit) by the general public and public institutions that have more recently emerged with their take up of the Internet, and how they have subsequently used it to meet a range of core every day communication/information needs, added a renewed and greater force to the common good and public property claims being made about the development and use of the Internet. In fact, the stumbling of the market model, and its reliance on public goods and services for its creation and development had, by 2001, created new opportunities for the public interest groups to intervene to establish components of a public model as part of the Internet's structure. Though, as discussed above, the withdrawal of many of these groups from the policy and regulatory arenas of government may result in a missed opportunity to affect social change (Rideout, 2001; Ekos, 2001a).

Market Trends

It is useful to consider market structure and consumer demographics to understand the impact that competition and commercialization are having on access as the new market framework rolls out. The federal government has been moving incrementally towards the structuring of a competitive market since the early 1980's (see, for example, CRTC Telecom Decision 82-14, Attachment of Subscriber - Terminal Equipment, Nov. 23, 1982). Content competition has existed in broadcasting since the 1950's, but, like telecom, distribution, other than off-air, has until recently been a monopoly controlled by cable companies. A major turning point in the industry was CRTC Telecom Decision 92-12 (1992) that permitted long distance telephone competition. Since that time, the federal government departments of Heritage and Industry (made up of the remnants of the former Department of Communications that was broken up in 1994), and the CRTC embarked on a multi year process to create facilities and content competition in broadcasting and telecommunications. In broadcasting, CRTC Decision 1997-25 (1997a) had the effect of rewriting the rules to create competition in the cable distribution of television programming to conform with the earlier changes in telecommunications regulation.

Consumers are now faced with a bewildering array of new services, such as: PCS (personal communication services - wireless digital telephone); cellular phones (analogue); MDS (microwave multipoint distribution systems - broadcasting, with Internet and telephony capability); Direct-to-Home satellite; video and audio streaming; digital television; and advanced cable and telephone

services. With convergence there has also been an extensive crossover by these companies into each other's traditional business lines. In addition to long distance telephone competition, local telephone competition commenced in 1998. However, unlike long distance competition, local competition has grown at a crawl due to such factors as consumer resistance to change and high cost of market entry for competitors. As with other new services, market entry by companies has focused on the lucrative, core urban markets.

In a market the size of Canada's, it is highly unlikely that a broadly based competitive market for many of these services will be maintained over the long term. It is more likely that an oligopoly market, dominated by two to three major communication companies offering a range of products and services will develop. Many long distance companies have already collapsed or been taken over by others. The long distance market is dominated by three or four companies, two incumbents (Bell Canada and Telus) with about sixty five per cent of the market, and the next two largest companies, AT&T and Sprint Canada following some distance behind. Market concentration is also occurring in broadcasting. For example, Star Choice, one of the DTH licensees, started as a new entrant but is now owned by an incumbent cable company, Shaw Communications Inc.. Bell Canada Enterprises owns another DTH licensee, ExpressVu, as well as the private broadcaster CTV, and operates its own proprietary Internet service, Sympatico (Reddick, 1999).

While there has been much ado about *how* consumers will get access, i.e., choice of infrastructure services, there is much less discussion about *what*

they are getting access to and *why*. The majority of companies are not taking big risks on innovative new services, with the exception of Internet infrastructure. But with Internet content, in fact much of the new content offerings tend to be existing products or services which have already proven themselves using other technologies (e.g., business telephone services, broadcasting) or in other consumer market formats, such as newspapers, reference materials, educational content, home shopping. The consumer products proving to be the most profitable early on have been music, games, pornography, gambling, niche shopping and government services. The products from other formats, such as newspapers, are repackaged in electronic format in an attempt to recreate these markets on-line. So while there is some content that is new, overall there is just more of the same available in different formats or channels. The existing information glut in society is quickly becoming just a bigger glut (Reddick, 1999).

One of the ironies of digital communications is that consumers will increasingly be faced with the need to buy new access technologies, or if they cannot afford these, access services through public access locations, just to continue to access traditional services, and to use new ones. This is very much a result of a process of 'product substitution'. Product substitution is where the market for a product is recreated by supplanting an existing technology with a new (upgraded!) and perhaps improved one; but not for reasons of obsolescence, just progress - read profits.⁹

⁹ For an example of product substitution, in 1979, 74.6 million records at a value of \$229 million were sold in Canada. Since then, CD's have been substituted for vinyl LP's. This strategy has not seemed to have been in the best interests of Canadian recording industry because in 1996 only

The shift in priority in communications policy to rely almost exclusively on commercialization and competition imposes an economic or class stratification on this sector. As is the norm with new commodities, the best market segments to recoup the high costs of developing new products and services are the business, professional and upper income consumer segments.

Figure 1: Networking Trend – Pseudo-Broadcasting Model.

The strategy being pursued by most communication companies in Canada is to target these business and consumer segments. The high end consumer segment, the Advanced Communication Household, tends to be an early adopter of a wide array of new technologies. This segment also has the most disposable

25 million CD's were sold at a value of \$284 million. Given the costs to both consumers and the industry for this switch, there appears to be little gain other than perhaps convenience (Canadian Recording Industry Association, 1997).

income for content services (Reddick 1995a, p.25; Telecommunications Workers Union, 1995).

As shown in Figure One, we are very much at a crossroads in the development of the Internet. Originating in a relatively open, disorganized, but arguably public model, the Internet is now being reformed through market-centric decision making (government and market interests) about rules, procedures, norms and objectives. Regulation through computer code, government rules, market rules and government inaction is supporting the institutionalization of the processes of commercialization, largely an advertising and subscription or 'pay-per' financing framework. This is coupled with a pseudo-broadcasting model, whereby central servers will provide content for mass consumption. Where this process differs from the traditional broadcasting model is that content can be streamed to a number of consumers independently, and content can be selected item by item by consumers. However, the centralizing of a repository of marketable information by market dominant information companies now approximates the decision-making, production and distribution activities comparable to the traditional broadcasting model. While surfing and openness remain as features of the Internet, increasingly activities are enclosed by the prepackaging of content and control of traffic flow (directed to companies that are associated through contract) by meta portals (essentially privately controlled intranets). The mass market Internet then is becoming less a separate network, but instead a technical protocol that takes its place among the other converging and established communication technologies (e.g., TV, radio). In the emerging

model, content is 'pushed' by companies to different consumer segments based on interest, subscription or previous purchasing behaviour.

This model is as yet not fixed, however. As demonstrated in Chapter Five, the greater demand and need by the public for public goods information services and content than commercial commodities, and the persistence of the open communicative model of the Internet, suggests that there is room for both models. This is, however, subject to the requisite public policy and public financial support necessary to foster and maintain this public resource dimension of the Internet. The uneasy coexistence of the two models will ultimately rely on a balance achieved through public policy intervention. To achieve this public interest duality, public policy is required to institutionalize, normalize and protect the non-commercial dimension of access and content provision, as well as market property rules and practices. It is also required to ensure equitable and affordable access by the public to necessary products and services that are made available on a commodity basis.

Contrary to the claims of the neo-liberal market model, the market approach and emerging economic-based stratification means that access problems for many citizens are created for both new products and services and existing products and services. Canadians risk being excluded if they lack sufficient income to afford the services or live in areas of Canada where it is not economically viable (profitable) to provide service (rural and low income urban areas). Even if services are provided in rural areas, these may not be affordable for many. With the current approach to price restructuring in the industry, where

basic service subscribers are increasingly paying the majority of the costs of local infrastructure regardless of how these facilities may be used by other services, many also face affordability challenges in maintaining existing services. The 'have and have not' bifurcations in Canada that already exists with many services, such as health and education, based on such factors as income, education, geographic location and so forth, now also exists in communication and information services.

There is a simple irony in the development of the publicly accessible part of the Internet. Growing out of the original Internet that was the purview of university, government and some industry researchers, the public component of the Internet was developed in the early 1990's by such interests as independent computer bulletin board services and community networks, such as the Cleveland Freenet (U.S.) and the National Capital Freenet (NCF) (Canada). Companies and commodities were largely absent. There was even early government support for the development of a public Internet in Canada, for example the former Department of Communications (DOC) gave a \$10,000 grant to the NCF to assist in its establishment.¹⁰ Subsequently, however, the public aspect of the Internet in Canada was largely left to develop on its own for the next few years, and contemporaneously became not only minimally supported by government, but subjugated as government and industry pursued Internet and Information Society development as industrial and market development policy initiatives.

¹⁰ The author was an employee of DOC at the time and arranged for this grant to be awarded.

While the neo-liberal model continues to dominate the development and operating norms of the Internet, it has been greatly weakened due to a series of events from 2000 through 2002. These changes featured the collapse of the dot.com industry, the near collapse of telecom and cable equipment manufacturers and networks, and the failure of integrated media companies to make convergence of different media services work. There are a number of reasons for these changes. In part, these events were influenced by a broader economic slowdown (less demand) or 'economic flu' in 2000. As well, many of the companies had over inflated value given the prospects of earning returns on investments. Other conditions included overbuilding networking capacity (over estimated demand) and the failure of online retail that has not become the 'gold rush' companies expected, and still accounts for a minor percentage (less than 5%) of overall sales. Finally, no one has figured out a way to make money from the Internet. The most viable market appears to be the business-to-business niche, but this alone will not provide a return on the investments made to date. The economic carnage has been massive and shows no sign of abating. AOL-Time Warner has lost half of its US\$106 billion value. Former 'blue chip' companies, such as Nortel, BCE, and Microsoft, have also lost record amounts. Across the industry, internationally, hundreds of thousands of 'knowledge worker' jobs have disappeared. New startups, such as 360 Networks, WorldCom Inc., and NTL Inc. have, or are about to, file for bankruptcy (Little, B., 2000, p. B7; Chu, S., 2002, p. B6; Stempel, J, and Reddall, B., 2002, p. B13; Decloet, D., 2002, p. FP1).

These failures suggest a number of important lessons. One lesson is that unregulated competition does not always act in the best interests of either the market or the public (e.g., society, employees, consumers). This is an old lesson that has been forgotten. Another lesson is that private market activities that involve the public in some way need to be accountable or else the system is undemocratic. The failures also illustrate that many of the assumptions about an open competitive market creating jobs, wealth, being efficient, and meeting all needs are fallacious. At the same time, these problems have also created opportunities. In particular, the failure of the model opens the door to extend more democratic information and communication rights and practices. The importance of social demand can be used to leverage more democratic policies and regulations as the government works to help industry resolve their problems. The state has an important role here because it must adjust policy and regulation to assist industry in resolving problems, and to address the gaps arising from these failures (e.g., lack of service availability, decline in competition and higher prices, disrupted labour and skills market, etc.). The neo-liberal model has not been abandoned by government or the market, even though significant pieces of it are in tatters. There is a retrenchment under way and the model is mutating towards an oligopoly pseudo-broadcasting model as the industry consolidates; an industry structure without sufficient public oversight and regulation.

The General Public

Perhaps one of the biggest differences between what has occurred since 2000 and the early 1990's is that instead of arguments about the public utility role

of the Internet emanating from elite public interest groups, who were largely marginalized by government (see above), claims for such a policy change were being made by mainstream public institutions and organizations (e.g., literacy groups, poverty groups, community service and development organizations). These claims were being exemplified by the every day online communication/information activities of citizens and public organizations. The online activities of most interest, most prevalent or desired by the public were, and still are, public not-for-profit social, cultural, community and government information sources that have some collective societal or individual benefit (Ekos, 2001a; PIAC, 1998). The elite public interest groups have not disappeared from these relations. A few, such as PIAC and FNACQ (now called l'Union des Consommateurs), play an important role in pushing at the margins in attempts to realize the more idealized conceptualizations of public spaces and public spheres. As discussed below, with the CLN/CAP case study, those groups who remained engaged with the policy process realized some policy/program gains by 2000, though not regulatory gains.

The continuing opportunity to realize policy change for the proponents of the public good objectives lies in the required involvement of different levels of government to develop and make available on the Internet many public services, such as general information, skills training, literacy training, and to ensure that people are able to access, use and benefit from these. To do this, there is a corollary imperative for government to institutionalize this support and role as part of creating the market framework and a government service delivery

framework. This can only be achieved by normalizing this public service role as part of the policy, regulatory and program processes within government.

The neo-liberal communication model fails from within for such services. This opens the door for public interest groups to push for the democratization of aspects of the Internet, as well as government support of non-commercial resources. Some of these public services, such as skills training, education, and literacy, are examples of where the extension of commodification is eroding democratic rights because these are not provided as collective goods for the full set of developmental and participatory ends, but as goods for profit. Attempts by the market to commodify these, undermines their collective public good form. By its very essence, the need to maximize profits, the market is unable to provide these services because most people cannot or will not pay for them. But it is not just to satisfy the needs of the public organizations or the public that the government is primarily driven to fulfill this public service role. This is because the story of the development of the Internet is also the story of classic market failure. Quite simply, without permissive regulation and massive government expenditures (public) through subsidies and procurement, or supplying funds to other public services for expenditure on ICT services (e.g., health, education) the market alone would not have been able to create or develop the Internet or online services. With the exception of business-to-business electronic commerce, which is fairly well established, this still holds true for the general Internet. This dependency by the market on public goods, in the idiom of economists, externalities, is not only market failure, but is an opportunity for public interest

groups to attempt to leverage a more balanced developmental and operational regime for the Internet in Canada. The weakness in the Internet is its economic viability – none has yet to be demonstrated beyond carriage (Sandra Schickele, 1993).

While the technology and services may be in the second phase, an early maturity phase, of development, many Canadians still have very mixed views on the importance and value of the Internet and the Information Highway, particularly because these have been discussed from a limited technical point of view. While this technical viewpoint is of some value in considering public claims, the value of online technology is conceptualized differently by the public organizations on the front lines and institutions that provide services to the public. These organizations as well as citizens consider how technology and content services can be most usefully incorporated into socially or individually relevant existing life activities, as opposed to being enamored by the 'technological' Internet (PIAC, 1998; Ekos, 2001a; Reddick et al, 2000; Reddick et al 2001; Rideout, 2001).

These interests see this technology as a constituent resource (resources that are part of a wider set of resources as opposed to apart and unconnected) in a broader set of social activities, and thereby meeting a wide set of societal and individual economic, social and cultural development and participatory needs. The introduction of these perceptions and valuation of the Internet and online services into debate and discourse has contributed to a shift in conception where the public good and common property aspects are coming to be seen as at least

as important as the private market processes, if not more so. For example, in 2000, HRDC did not acknowledge the existence of a 'digital divide'. By 2001, not only was this acknowledged but also the problems associated with a widely conceived 'digital divide' had become a central policy concern and priority of the department. Flipping the focus around away from privileging technology to locating technology as a resource within a broader social context allows analysis to more realistically exemplify the mutuality or interdependency of economic, social and cultural processes, as opposed to perceiving these as solitudes. But contrary to the claims of the early proponents of the 'public' Internet, the mainstream public does not perceive or use the technology as spheres but as interrelated, interdependent processes, or a duality meeting a range of complex, and at times inseparable, economic and social needs and interests, as conflicting as this may be at times. As Gramsci (1971) observed, it is a natural condition of humanity and society for people's activities and interests to be often in contradiction (Anonymous, Interview, 2002; Reddick et al, 2000; Reddick et al, 2001; Ekos, 2001a; Rideout, 2001).

This duality, while very real for people in their everyday lives and in how they are using and value the Internet as exemplified by online practices, has yet to be resolved in the state. Neither coherent policies nor regulation have been developed to address this duality of need and practice, though small fiscal (program) responses have been developed.

Perhaps one of the best indications of this policy retardation is the inability of the federal government to state outright, plainly and simply, that the Internet is

an essential communication service, comparable to that of basic telephone service. This is somewhat understandable, though becoming less justifiable, because such a determination would have fiscal and regulatory implications about how one would provide universal service to all households on an affordable basis and which content services were to be essential. It is becoming less justifiable because the need in future for citizens to be connected to modern online communications to remain successful participants in society is neither speculative nor a secret! What remains speculative are timing and the associated costs.

At the same time, through its actions the federal government treats the Internet as essential, for example by establishing such goals as “Canada will be the most connected country in the world”, or that “all Canadians will have access” (geographical as opposed to the household), or that the level of service and pricing in rural and remote areas should be comparable to that of urban areas (Canada, 1996a). This is not to say that government does not know the meaning of the discourse about the opportunities that can be realized through the use of the Internet, such as social inclusion, life long learning, education, improved health services, economic development, community and individual capacity building, etc.. But instead, it is to say that the government has been slow to understand, as have the proponents of the neo-liberal model have chosen to ignore, what the implications of these opportunities and objectives are in practice. Selective amnesia or myopia appears to go hand in hand with the model! Subsequently, the government has not taken the necessary steps to establish

and institutionalize in a democratic framework the norms, rules, procedures and practices to actually lay the ground work to achieve these in society. The problem is that at an institutional/bureaucratic level the machinery necessary to institutionalize and operationalize a balanced, integrated or mixed public/private Internet (largely what has already been created by civil society interests and their practices) was derailed and distorted by the pursuit of the neo-liberal competitive market policy agenda. The means for adjusting this machinery are still being developed in parts of the state and are still very much subject to contestation by market interests and by other areas of the state.

At some point, as the adage goes, if it looks like a duck, walks like a duck, flies like a duck, it must be a duck. With the Internet, if it is considered essential by the public, is used for essential services and activities, and is accessed by a majority of Canadians, it must become at some point essential. While we may not be quite there yet, the Internet has certainly moved beyond the walking, looking and flying stages, though the content dimension (the 'quacking') is rather underdeveloped.

This chapter demonstrated that because the Internet is still at a relatively early stage of development its nature as a private or public good, or some mix of these, has yet to be resolved.

Market norms and practices have predominately held sway in the more recent period of its development. Unequal power relations permitted an industry view to be privileged over a public model in the formation of a broad Information Highway policy framework by the federal government. However, challenges to

this model continue from within the state, by areas in departments which have supported public model initiatives through program funding, and by public interest groups who challenge the policy framework at regulatory and policy fora. The market model has been undermined by the collapse of the dot com industry, the slow growth of e-commerce, and the inability for it to provide the diverse array of non-commercial content and services that are in high demand and use by the public.

While a number of the public interest groups that were involved early on, the public interest group elites, have left the policy and regulatory fields, other interests are replacing them. A few of the original groups, primarily the traditional interest groups, have remained engaged in government decision-making processes. A number of the newly involved public groups and organizations are actively involved in providing front line public content and services (e.g., training, community services, etc.) and, in doing so are also beginning to provide the substance that would inform a policy framework (social, economic, cultural, civic) that could result in a more balanced democratic communication model.

Neo-liberalism sees the market providing for general social and individual good defining these in terms of consumer choice, competition, efficiency and individualization. The end objective of this framework is an open, competitive market justified with ideas of freedom based on the maximization of utilities. However, the model developing for the Internet belies this claim. Instead this can be described as a pseudo-broadcasting model. In this model, the trend is towards a few media companies dominating the market, controlling access,

packaging and distribution of content. The model derives revenue from advertising and user pay fees, and features one-stop service. Beyond the interactive functionality of the Internet, in these other respects the model is an extension of the traditional broadcasting model, however without regulation or public oversight.

The federal government has justified the policy shift, and change in public interest rights with claims that this will help Canada overcome its economic problems and develop a new domestic market. The government defines public needs and goods in economic terms. In this new model, reduced prices and increased choice replace social regulation, social expenditure and public goods.

Public interest groups have made claims that the Internet model should be a public good structure, based on democratic rights. The market would be a subset of this. There were major conceptual differences between public interest groups about what the public interest is (i.e., a sphere or set of processes). These differences, and the perceived inability for them to form a consensus by government, meant their representation in policy activities was weakened to some degree. However, their ability over time to form some degree of consensus, created conditions whereby they were able to have progressive impact on the development of government program initiatives that operated in opposition to neo-liberal policy, and attempted to reform it.

Chapter Four: Neo-liberalism, Policy Processes and the Public Interest

Introduction

The first section of this chapter provides an overview of how the neo-liberal policy framework has been established and permeated throughout the federal government, how the policy/program development process works at a general level within the government, and how the concept of the duality of the public interest plays out in this framework. This overview of the structures, processes and power relationships for policy dissemination and program decision-making in the federal government establishes a context in the thesis for situating and analyzing the policy and program initiatives in the case studies (Poulantzas, 1978; Gramsci, 1971). Analysis includes a discussion on the role of agency, both within the federal bureaucracy and, between agents outside and inside the state. The role of individual agency, particularly involving senior managers is also included in this analysis. The concept of the public interest is understood in different ways by departments and employees in the policy and program development processes. The chapter examines how some of these conceptions play out in policy and program development. This includes a discussion on how exceptions to the normal policy and program development processes occur. This has relevance to case studies on government programs later in the thesis. The second part of the chapter illustrates how the formal government policy framework is expressed through regulation and what the concept and practice of the public interest is within this. This includes general analysis on the broad federal policy framework and how this is articulated in

regulation as guided by the Telecommunications (Canada, 1993) and Broadcasting Acts (Canada, 1991). The chapter discusses the relationship between the CRTC and the government. Analysis also considers how neo-liberal communication policy was fine tuned and focused in the mid 1990s arising from the work of the CRTC on convergence and the IHAC. This is followed by analysis on the CRTC's approach to Internet regulation in the context of the duality of rights. This analysis provides a contrast between the application of formal policy and regulatory frameworks and the informal program initiatives of the departments of HRDC and Industry Canada, analyzed in Chapter Six (the CLN initiative and CAP program, respectively). This includes a consideration of how public space or community networks were dealt with by the CRTC, and the implications for the public. Analysis also describes how industry attempted to create a market version of public space, and how the formal regulatory structure facilitated this over the public model, but without success.

Policy Framework and Program Development

The policy and governance processes are important because policy, legislation and program decisions by the state (departments and agencies) set the rules and property rights for the diversity of interests in society. As a liberal democratic capitalist society, our social relations are conditioned by an economic imperative and private property rights. The analysis below shows that under the policy framework of the past ten to fifteen years the public interest has been substantively skewed or biased to favour private market (economic) rights, more so than the immediately preceding period. None-the-less, there is still a duality of

the public interest in the activities and decisions of government. This duality is, however, not in any way equitably balanced. It is situational and contingent with the type of department (e.g., economic, social) and the type of initiative involved, as well as the degree of agency involved in the decision-making.

There are considerable differences in power relations and views about the public interest within different parts of the state, and between individuals in the state interacting with each other, and with individuals and organizations outside the state. The big 'P' policy framework (broad framework) tends to be determined and imposed in a very general and broad way. However, there is considerable struggle by interests over different goals and values in the implementation of the general policy framework. But while there is a dynamic, dialectical interplay of interests, factors such as the imbalance of resources between non-state interests, access to power and decision makers, skill and expertise in working with the government system, structural rigidities of the state processes, and departmental mandates condition the possibility for different types of economic, social or other outputs.

With apologies to political scientists, the analysis below is not intended to provide a detailed institutional and policy development structure of the federal government, but rather provide some insights into the complexity and dynamic nature of the government decision making process and how the concept and practice of the duality of the public interest currently plays out within this.

As discussed above, at a broad contextual level, domestic and international factors (e.g., trade, economic, production stagnation, technological

changes, etc.) have been associated with national political economic shifts in social relations from industrial to industrial information societies.¹¹ Trade agreements (e.g., NAFTA, WTO) and international relations are important in setting a context for, and conditioning, national policy and practices. Trade agreements work alongside specific global institutions such as the World Trade Organization (WTO), the World Bank, the International Monetary Fund, as well as institutionalized planning organizations such as the Organization for Economic Cooperation and Development. These institutions help manage global economic relations and negotiate the terms of international development and underdevelopment. Trade agreements, such as those under NAFTA and the WTO, are essentially economic constitutions that integrate national economic rules. These institutionalize the rights and power of markets and firms operating internationally over certain domestic public rights. In addition to affecting domestic rules making, these agreements add a new layer of international rules making. Key features of the trade agreements are rules aimed at liberalization of markets, the reduction of restrictive policies and licensing requirements, and ensuring nondiscrimination measures. Unless countries explicitly identify reservations or exemptions for freer trade or reduced policy and regulatory oversight, then these international rules can place limits on the scope of domestic regulation and policy, including public interest policy. In essence, trade agreements make business rights and commerce the primary criteria for setting

¹¹ I do not consider Canada to be in a post-industrial society or an information society, but a society that features both.

social and public policy. However, the lack of specificity and detail about democratic rights and social policy, coupled with exemptions and reservations established by Canada to date, permits considerable state flexibility in social policy and regulation (Rideout & Reddick, 2001: 268-269). Others in the field have provided extensive analysis on the international level and the role of such agreements (e.g., Winseck, 1998; Herman & McChesney, 1997; McChesney, 1995). The international level of analysis is not the focus of this thesis. Instead, the thesis adds to this work by focusing on the role of the Canadian state. This is because, in my view, the state plays the most important role in creating rights and administering these through policy and regulation. Analysis on changes in the public interest and rights at the international level would be a useful extension of this work, but would need to be pursued as a separate project.

In Canada, implementation of neo-liberalism was somewhat delayed by the deficit/debt crisis of the early 1990's. As with other capitalist countries, economics has an important contextual role for our social relations, particularly so in times of crisis or restructuring. The period of change from the mid 1980s through the 1990s saw a reduction in social policy/social goods spending and policy emphasis. While these were not abandoned by any means they were greatly reduced. At the same time, with the introduction of neo-liberal ideas, there was a commensurate increase in emphasis by the federal government on economic and market centric policies and approaches, primarily with the goal to

achieve national economic development objectives (Interviews, Anonymous, 2001).

The federal neo-liberal policy context, with a core dimension including economic development relying on communications, closely parallels the broad policy objectives and definition of what the public interest is as set out by a number of international trade organizations of which Canada is a member. The International Telecommunications Union (ITU) promoted the theme of moving telecommunication markets to deregulation and competition in the 1980s and 1990s. The defined objectives for this were framed in economic goals, such as fostering competition, non-discriminatory pricing, preventing anti-competitive behaviour, etc. In this view, the productive relations of industrialism are to be applied to information and communications technology (ICT). ICT, then, is intended to be the motor for growth through their incorporation into established industries, as well as the development of an ICT component in the economy and broader society. Social goods and uses of telecommunication services were seen as inclusive in communications but were narrowly defined. They involved issues of regulation and subsidy to deal with matters such as reasonable cost access to basic service and the availability of service where the market could not do this feasibly (International Telecommunications Union, 1993, p. ix). For the International Telecommunications Union (ITU), the public interest is defined in neo-liberal, private property terms and includes sectoral development, economic efficiency and competition, increased choice for consumers, and an undefined preservation of important social and community interests. The ITU potentially left

room for a broader (duality) approach to the public interest in communication by seeing the overall objective as serving the interests of citizens including “their economic well-being and social equality” (ITU, 1996, p. 41). Mechanisms to achieve these undefined goals could include public funding, regulations and other tools. At the same time, beyond the obvious contradiction of pursuing both regulated and unregulated methods to achieve objectives, an imbalance or skewing of the balance of economic and democratic or social was advocated in the report to maintain consistency with an efficient market approach. For example, the ITU narrowed the idea of the public interest by defining universality in economic terms alone (reasonable, affordable cost) on a geographic (community) as opposed to household basis (1996, p. 14).

The Organization for Economic Development and Cooperation (OECD) and the World Bank, like the ITU, saw economic and social benefits intricately tied in communication services. As well, at least at the level of discourse, the OECD acknowledged the need for governments to address both the economic and social well being of people. Social issues were narrowly construed as universal service of basic telecommunications service. Both organizations advocated a market approach (deregulation, competition) with the main objectives for policy to improve economic allocation and efficiencies, innovation, increase employment, and benefit consumers through better choice and prices. This last set of economic and consumer objectives comprise the public interest (OECD, 1997, pp. 8, 17-18; World Bank, 1992, p. 7).

These same themes are parroted as part of Canada's broad neo-liberal policy agenda and are reprised in both general communication policy objectives and department mandates. For example, the Action Plan goals for Canada's Information Highway include objectives of "creating a competitive, consumer-driven policy and regulatory environment that is in accord with the Canadian public interest and that is conducive to innovation and investment by Canadian industry in new services on the Information Highway", and "realizing the economic and social benefits for all Canadians of the Information Highway and allowing them to participate fully in the emerging Information Society" (Canada, 1996a, p. 2). How the conflict between pursuing economic and democratic rights is to be resolved is not addressed. The default position for the government's neo-liberal policy approach is to primarily rely on market forces.

Industry Canada is one of the lead departments responsible for the Information Highway in Canada, if not 'the lead' department given that it has outpaced other departments with initiatives in this area and has responsibility for public access to the Information Highway. The department's vision was created in the context of the neo-liberal agenda and is "sustainable growth through increased productivity and competitiveness in Canada's private sector" (Industry Canada, 1995, p. 3). Part of the department's mandate is to "make Canada more competitive by fostering growth of Canadian business, by promoting a dynamic Canadian marketplace and by advancing consumer interests" (Industry Canada, 1995, p. 3). This departmental framework fits into the broader New Economy framework of the government that embodies much of the neo-liberal policy

agenda. The New Economy framework is concerned with Canada's competitiveness in the face of such things as globalization, service sector growth and communication-based economic activity as the main area of growth and change. The core policy problems identified include: a trade gap; an investment gap; an innovation gap; and a human resources gap (Industry Canada, 1997a). Industry Canada is also responsible for consumer policy in the federal government. The neo-liberal framework as it affected consumer policy (a reduction in intervention based on social policy) was usefully articulated by a departmental representative to a consumer group in 1995,

Globalization and technological change have changed the dynamic of the market place. This market place is increasingly consumer driven. Consumer power and judgement, consumer acceptance of products and feedback dictate to companies now. Consumers have a stake and role in the economy. In this new economy we want nimble producers and, as well, we need nimble consumers. The focus of Industry Canada is on the market place now. The challenge is to get this framework right. We need an efficient, competitive market and as a result we will end up with quality products and consumer choice. The premise for this policy is to make sure that the market works. The new consumer policy paradigm is that the government will intervene as an exception not as the rule where there is market failure. The goal is to get the market and competition working right (Reddick, 1996, p. 57).

Any issues relating to non-commercial needs or democratic activities were not only absent from this policy direction, but also discouraged. In fact, consumer groups were instructed by the consumer branch of Industry Canada in the mid-1990s that such terms as 'have and have not', 'poor', 'class' and 'vulnerable consumer' were not to be used, and replaced with the term 'market failure', but only where this was clearly the problem (Reddick, 1996, p.58).

The federal neo-liberal policy agenda has been pursued through broad policy frameworks. This does not mean that there has been a simple, ubiquitous replacement of operational policy and practices of government with a new policy agenda. The Liberal policy agenda has overlain existing activities, responsibilities and obligations of the government. There is nothing homogenous or ubiquitous about how operational policy and decision-making occurs within broad frameworks. Instead, there is evidence of considerable opposition to, attempts to bend or shape, and subjectively interpret and apply the new policy framework. Agency in these relations is complex. It involves the issue of consent between state actors, with external interests interacting with the state in decision-making, and in terms of public response (public acceptance of government policy direction). How these relations play out create strong pressures both in support of, and in opposition to, the policy agenda (Interviews, Anonymous, 2001).

So, while on the one hand a neo-liberal agenda exists at a broad systemic level – a policy atmosphere if you will, there are pressures against this, and these include and are often based on the tensions of public/private good, and the idea of the duality (utilities, capacities) of the public interest. This does not mean, however, that the relations and influence between social, cultural and economic issues and interests are by any means equal across the range of state decision making and initiatives. Social, economic and cultural dimensions affect or are part of most policy and programs, some more directly than others, depending on the issue, department, etc. Agency, both inter and intra-government is an important part of how decisions and initiatives unfold. From a strategic point of

view, possessing sufficient resources and an understanding this complex play of relations in the state becomes essential for interests to be effective in realizing their goals within the broader policy environment. The shifting sands of governance also mean that both state actors and others need to learn how to be not only patient and strategic, but also opportunistic in undertaking efforts to affect state decision-making. It is necessary to understand how to articulate an idea, how to package it, develop support in strategic sites in government to promote it, develop allies, link it to the right policy framework and in the right department, and to do all this while waiting for the right opportunity to proceed with an initiative. These were some of the problems and shortfalls experienced by public interest groups in not being able to more effectively push democratic rights into the policy framework for the Information Highway. In addition to engaging in the normal flow of policy activities, opportunities for change may arise from any number of sources: a crisis in government; the need by the government for a good political or public initiative; market failure; public opinion; the need by departments for innovative ideas to define or implement policy responsibilities or changing mandates; or just plain good luck in getting the right idea to the right people at the right time (Interviews, Anonymous, 2001).

At its core, the New Economy neo-liberal agenda focuses on economic development, trade and competitiveness. A central theme of this policy is greater reliance on the market and business as the main engine of growth for national development. A major component of this development is the communication sector and the Information Highway. The reliance and focus on business for a

major role in development does not maintain a strong social role or social agenda for the federal government in this framework. As opposed to being a primary component of the overall agenda, instead, under this model the responsibility for social policy has shifted to, and is developed by, central agencies, such as the Privy Council Office (PCO), or it is enshrined in existing statutory obligations for the government. This does not preclude social and cultural ideas or objectives being packaged in broad political statements, but normally these are just that, statements or discursive sop as opposed to hard and fast policy (Interviews, Anonymous, 2001).

The general political policy mandate and policy frameworks are set by the government. The main vehicles for this include party platforms (e.g., Liberal Red Books), Speeches from the Throne, the Budget, etc. Also, within this broad policy framework, each department has its own mandate and objectives. Each of these has a different focus or role, such as more economic, social or cultural. In the neo-liberal context, with this structure of policy, activities and decision-making occur in a context of subsidiarity trend. This means that the policy and program approaches which are developed are informed (to a degree constrained) by the broader view (government preference) of how the federal government can intervene in a way that would have as little distortion on the market as possible, because under the model the market is seen as more effective than government.

So in this broad policy framework, where government intervenes for social reasons, the justification for doing so invariably falls to legislative/mandate responsibility (e.g., pensions), public demand/pressures, social policy where the

market is not effective (e.g., health) or where there is market failure (Interviews, Anonymous, 2001). For other social and cultural policy needs or initiatives, in the past it was the normal course for government to intervene justified by social or democratic rights. Instead, these areas have either been abandoned or left open for provision by the market. In this way, market rules and private property rights are extending into, and eroding, democratic rights. The 1993 and 1997 Liberal Red Books and the 1997 Speech from the Throne provide examples of the broad policy view from a political perspective. In addition to mentioning social and cultural objectives and frameworks, these discuss a need for innovation, economic growth, job growth, expanded trade and a focus on a communication based economy (Liberal Party of Canada, 1997, pp.28-37; Liberal Party of Canada, 1993, pp. 43-48; Canada, 1997a, p. 6).

But while setting broad goals and objectives, how these are refined in more detail through the secondary policy frameworks, the budget, etc., give more emphasis and weight to some objectives and methods over others. Throughout, however, it is important to remember that in the current government, those who really decide what programs and policies go forward and who gets what money are the Prime Minister and the Minister of Finance (and their respective advisors). Both are subject to lobbying, influence or other agency as part of the decision making process (Interviews, Anonymous, 2001).

Within this general framework, the trend in the federal government is also to broad secondary policy frameworks that cut across departments. The expected benefit by government is that this approach will create a framework that

can accommodate various views and interests on a horizontal basis within government. Of course, there is some optimism on the part of its designers here given: the propensity for departments to protect turf; a general lack of experience or will to move from 'stove pipe' processes and decision making to lateral relations; and that the pure volume of work in each department leaves little time to build such new cooperative relationships. The frameworks are designed to dictate how money is divided between departments and to be spent (broad parameters). Essentially, the intent is that policy frameworks set out a way for competition of ideas and competition between departments. Ideally, this means that broad policy can potentially be more inclusive and representative of the different interests in government and society. However, on the other hand, this change is also a means to deepen and extend neo-liberal policy. This is because these frameworks are informed by the overall government political agenda, and this can impose constraints or limits on decision-making and potential initiatives if these come into conflict with political objectives and underlying neo-liberal assumptions or expectations. One of the important communication policy frameworks is the Connectedness Agenda (Information Highway) (Canada, 1997b). Under the broad New Economy policy, the government established the Information Highway Advisory Council to provide cross government and external consultations, input and recommendations on Information Highway development in Canada. The cross-departmental policy framework arising from this was the Connectedness Agenda (Interviews, Anonymous, 2001).

Of course, this said, political parties do not always find it easy to impose massive policy sea changes on the government bureaucracy, operational policy's and processes and this leaves room for initiatives that can challenge or mediate broad policy. The political capital and resources to do this would limit the ability for the Prime Minister's Office (PMO) and Privy Council Office (PCO) from doing much of anything else. An employee of a central agency has likened government programming, for example, to a moving elephant. With such a huge bureaucracy, complex processes, statutory obligations and mass of every day activities, no government can be ahistorical and simply ignore the past or wipe the slate clean. With occasional exceptions, the best a party/government can hope to do is to try to shape things, with a few major priorities; to essentially move the elephant along and steer it as opposed to stopping and changing direction. This sets up a tension between the new that a government would like to do and the old, as well as what they cannot do (Interviews, Anonymous, 2001). For example, a former employee of the PMO arrived on the job with the goal of making over forty significant policy changes. At the end of their tenure several years later, only four of these had been realized due to the structures, processes, limits, blocks, etc. of departmental bureaucratic procedures and policy development (Interview, Anonymous, 2001).

But this is not to imply that the government does not, by and large, get its way on many issues or with an overarching ideological view – it does. It does mean, however, that outputs can be highly unpredictable and variable due to the complexity of processes and the diversity of interests involved in the

development and implementation of policy and programs. Moreover, while the government sets broad policy, the details of how this is put into practice is left to the departments and agencies. This leaves considerable room for agency and flexibility by departments in how they proceed with lower level policy and programs in carrying out statutory and political policy agendas. This means that there are opportunities to challenge the extension of private rights, as well as extending democratic rights by modifying policy and regulation, and how government spends money through programs (Interviews, Anonymous, 2001).

General Policy Genesis

In general, there are four usual methods for the development of policy in government (there are many other ways, but these comprise the 'norm'). Statutory policies and programs provide a fairly detailed existing layout for government, who may tinker with, or change, these in response to social conditions or political agendas. While there is a myriad of ways for new policy and programs to be developed, the normal general categories include political, masterminds, and departmental initiatives. As mentioned above, policy statements (e.g., Speech from the Throne) provide broad policy outlines, but not the details. A second route is from masterminds. Most often the Masterminds are also senior management and senior policy advisors (e.g., Deputy Ministers, central agency employees, etc.). In this scenario a policy or program that is considered important is pushed forward. These types of initiatives are usually very general policy frameworks without operational details. The third process is departmental interpretations of policy frameworks, political goals and the ideas of

the masterminds. The departments attempt detailed implementation of the policy frameworks and objectives. The usual lack of specificity of policies provides a fair degree of flexibility for departments to propose a range of initiatives. The lack of specificity, detail and clarity of broad policy sets up the potential for very unpredictable results. As such, this can result in a messy program, or a good program. Examples of these frameworks would include the Skills and Learning Agenda and the Innovation Agenda. In these departmental processes there is potential for considerable agency, consultation, competition of views, etc., though within the constraints of what is permissible or possible under the broader policy context. The outputs from these programs can be useful or poorly done owing to the lack of specificity of the broad policy frameworks. The departments have to guess at what will be a useful initiative at times, and don't always get it right. This is not a major concern at the political level, however, because it is the perception that the government is addressing an issue, e.g., skills, unemployment, that matters more than the details of how well an initiative has actually worked. The lack of specificity can also create opportunities for bureaucrats. The careful use of the discourse or language used in a policy framework when crafting an initiative helps towards its realization, even though the actual activities and details may be, both in appearance and description in the vernacular, remarkably different (Interviews, Anonymous, 2001).

The lack of specificity of detail in formal policy and the fair degree of latitude in interpreting and implementing these provides opportunities to push different ideas and values as part of operationalization. This means that

economic, cultural or social objectives could be a significant part of an initiative. At the same time, such opportunities are conditioned by other factors. For example, social or cultural objectives are easier to advance in a department mandated with such responsibilities. As well, the power relations within, and between, departments have an impact on how likely different values or objectives will be favourably received. The CAP and CLN case studies below are examples of how this flexibility can be used for socially beneficial gains.

In addition to broad political policy frameworks, there are other important mechanisms used by government to disseminate political party objectives. The most important of these are management contracts, management meetings and consultations, Cabinet decision-making and the budget. These are important structural tools for controlling bureaucracy and imposing a major policy agenda such as neo-liberalism on government practices. Mandate letters between the Prime Minister and Ministers detail the several key political policy objectives each department is expected to achieve. Similar objectives and shared management goals are contained in contracts between the PCO and the Deputy Ministers of each department. These are augmented by formal and informal weekly meetings, where both department managers and PCO (main policy center) push their respective agendas. In departments, contracts stipulating deliverables or objectives stemming from the senior management and Ministerial agreements extend to the Assistant Deputy Ministers (ADM). The normal policy flow then, can be summarized as follows. The PM sets objectives that are turned into goals for Ministers and DM's. The Minister and largely the DM's turn these into strategies

that the ADM's handle. The Director Generals (DG) provide the tactics to achieve these strategies and the directorates implement projects that are part of the tactical framework. This hierarchical structure imposes considerable control and limits on what is and is not possible to achieve within government. However, while this helps to explain how ideas and policies are disseminated and enforced in government, such rigidities can also work in the reverse. For example, if a democratically progressive idea is accepted into the mainstream then this institutionalization makes it difficult to dislodge. An example would be the need to address the 'digital divide' for social, cultural and economic reasons (Interviews, Anonymous, 2001).

Government decision-making and support for programs is generally framed by either policy authority (PM, Cabinet) or resource authority (Budget). Department authorities (e.g., legislation) and mandates are the basis for departments to develop small 'p' policies and programs. Policies are usually more directly, or transparently, related to rights than programs. But both policies and programs can be justified on the basis of a right (Interviews, Anonymous, 2001).

There are, of course, many exceptions to this normal policy and program flow. Examples include a policy or program by fiat (e.g., Department of Finance directive), someone acting quickly on an opportunity that meets a government objective, or someone puts forward a great story that is well promoted and received, meets a need and has critical mass support (Interviews, Anonymous, 2001).

One central agency employee likened the policy/program process to that of baking a pie. The PMO and PCO determine the flavour. Finance determines how big the pie will be. Cabinet (with oversight from the PMO) determines how big each slice will be for each portfolio. Treasury Board works on the ingredients, the crust and the amount of salt allowed in the filling. The departments disburse bits of the pie within the approved framework, but there is give and take in this disbursement process (Interview, Anonymous, 2001).

Policy, Programs and Public Interest in Departments

In departments, policy branches hold the main responsibility to create ideas and develop program initiatives to address statutory or political policy requirements. An understanding of how these structures and processes work is essential for interests working inside or outside the state in order to be successful in getting their ideas into policy or programs, or to push against ideas or initiatives that may be detrimental to their interests. As demonstrated below with the CAP and CLN case studies, actors inside and outside the state who understood these structures and processes used them to both advance ideas and also knew how to avoid their constraining aspects to achieve a desired goal.

The process of internal department approval is complex, but major features include consultation with other branches, and approval from the ADM and DM levels, and the Minister's office. Policy and program ideas are evaluated in terms of department priorities and may require deal making with other departments. From the department, the approval process usually involved Treasury Board, the PCO (main role), the PMO and Cabinet. At times, Ministers

and DM's need to make deals with other departments to achieve support for their initiatives (Interviews, Anonymous, 2001).

The ability for a department or branch to develop an initiative depends on a number of factors. These include: demonstrated public/industry support or buy in; support from other departments at times; conforming to a policy framework; the amount of money available in the department for the initiative (government priority setting); the chances of success for an economically or socially oriented proposal at Cabinet; public perceptions/public opinion; political implications; capacity for the department to deliver an initiative successfully; and the departmental, PCO and Cabinet approval processes (Interview, Anonymous, 2001).

These provide several possible entry points for government and non-government interests to engage in the policy/program development process. This can involve a competition of ideas and values in a more open process. Or, if someone in government is seeking a preferred outcome, facilitated, directed or controlled interventions with those who are likely to support a similar view. The entry points include consultation, influencing the views of a competing department to garner internal support for an interests' views, lobbying central agencies during the course of the initiatives' flow through department and agencies, and public opinion if an interest can use the press or other means to develop awareness of an issue and support for a view. But as noted by Gramsci (1971: 59,106) such change from within can be either progressive or regressive.

Agency is acknowledged by many in government as a central component of this process. There is an essential tension in the federal government between different views (e.g., public interest; economic and social priorities, etc.). This diversity of views exists at all levels, including Cabinet, PCO, between departments and central agencies, between branches in departments, between managers, and between policy advisors (Interview, Anonymous, 2001).

The public interest is played out in several ways in these processes. At one level, public interest criteria are framed by the mission and nature of a department or even the view of the government. Economic departments (e.g., Industry Canada) see things through economic eyes, cultural departments (e.g., Heritage) see things through both a cultural point of view and an economic point of view, and social departments (e.g., HRDC) tend to see the public interest from a more social point of view. In this sense, there is a derivative view of the public interest that employees in departments bring to issues, policies and programs. This sets up tensions between departments and provides opportunities for actors with specific objectives to seek out allies in government. An example was the Public Space Steering Group (Chapter Three) that worked closely with allies in the departments of Human Resources Development Canada (HRDC) and Industry Canada (IC). However, the relative power of each department in relation to others has implications for how effective an approach through different departments may be. As will be discussed below, there is also the political neo-liberal view of the public interest (the broad political policy level) that overlays this. This can condition or limit alternative ideas, or force actors to seek

innovative means to pursue their objectives. Individuals involved in the policy/program processes also have varying views of what the public interest is and how it is achieved. These ideas compete both within and between departments. The natural state of affairs in the federal government policy/program processes is that there is a competition of ideas (within accepted frameworks) between people, departments, etc. But while each department has a particular view, mandate and role that affects the emphasis and approach taken with an understanding and application of the public interest, this is not absolute. In an economic department, for example, social and cultural dimensions will be part of the policy mix, though secondary to the primary framework (economic) (Interview, Anonymous, 2001).

In addition to the conceptual dimension of the public interest (a received or predetermined view) in government there is also a process view of the public interest. This is in keeping with the positivist understanding, discussed above with Leys (1962) and Niemeyer (1962). In this view, public interest is considered as being achieved through consultations with interested parties inside and outside of government. As well, in spite of the formal separated mandates and authorities of departments with responsibility for specific types of initiatives (e.g., economic, cultural), public interest as articulated as economic and social theory and, as public and private goods and rights, are pervasive throughout all policies. Of course these could be progressive or regressive policies depending on one's point of view. Some policies may also be more economic or social than others. Some policies or programs may only be economic or social. In a consideration of

the duality of the public interest (utilities, capacities) in the relations involving policy, programs and different departments, one central agency employee observed, “this is all complex because it is not categorical, you can not draw a line between social and economic policy even though institutions are structured around that very often” (Interview, Anonymous, 2001). However, as to the imbalance of current policy (favouring economic rights) as part of neo-liberalism, it is useful to add that the broad political policy context and frameworks importantly inform the weight given to economic and democratic/social in policy/program development, and how such initiatives are likely to be received throughout the approval process. As well, the question of the relative power and importance of each department is a significant factor. Where economic is the most important variable in the broad policy context, economic departments and initiatives are likely to hold more sway in government approval than democratic/social (Interview, Anonymous, 2001).

This overview of the policy and program processes highlights that the playing out of government decision making from the point of view of the public interest is, overall, far less a ‘sphere’ set of relations, and instead processes of mutual interaction, conflict, mutual determination and interdependency. Though under a neo-liberal agenda there is an imbalance favouring private rights, nonetheless, outputs are subject to challenge and are contingent. Beyond the base power relations of requiring consent from elsewhere in government (e.g., social, economic, cultural departments, central agencies) to get policy/programs through, the nature of the initiatives reflect an essential duality of public/private or

economic/social. This has an important lesson for public interest groups that are promoting a view to government. This is that instead of always promoting the actually desired outcomes using their preferred discourse and conceptual models, instead, these should be repackaged to complement the governance processes and official discourse. In doing this, the groups would know that, all the while, the final outcome would be malleable enough to achieve the desired results.

The public interest is therefore multidimensional and a dialectic in policy/program setting or a duality. One federal employee characterized it this way: if a policy/program were envisaged being at the centre, these relations are seen as operating in a star pattern around this. The points of the star exhibit variables such as economic, social, cultural, unity, political, etc.. The final look of the star involves a process of negotiation and trade offs, and no two stars will be the same. Political ideology as context ensures some general form of the stars and ensures that they don't become unwanted planets, or heaven forbid, oppositional asteroids or meteors! Just as 'dark matter' holds the planets and stars together, hegemony and consent is the glue that holds this governance process together.

A recent Memorandum to Cabinet (MC) by the Department of Heritage that resulted in \$75 million in funding for digital content development is a useful example of how policy/program initiatives are packaged, marketed, as well as exhibiting the duality of a program or policy. The initiative will fund cultural content, new media electronic commerce industrial development and initiatives to

promote Canadian identity. As to policy framework justification, the MC links to digital culture references in the 1999 Speech from the Throne, the report *A Sense of Place, A Sense of Being* produced by the Standing Committee on Canadian Heritage (November, 1999), a study by the Commissioner of Official Languages (*The Government of Canada and French on the Internet from the Commissioner of Official Languages*), and the February 28, 2000 budget. The MC also links the initiative to the Connecting Canadians Agenda. The wide range of consultations and studies supporting the need for such an initiative is also provided. The duality of the initiative is extensively spelled out in seven pages of analysis that summarizes gaps and opportunities. This analysis frames the initiative with interlinked and integrated technological, economic and social activities and benefits. The MC also highlights how it “reflects a horizontal approach across federal institutions, public and private sectors...” (Canadian Heritage, 2000, p. 16).

There are two other interesting things about this MC. First, beyond support for public institutions such as museums, the initiative marks the first really significant foray by the department into substantive support for community and non-government organization non-commercial content on the Information Highway. The department has lagged considerably behind other departments, such as HRDC and Industry, in this regard. Secondly, Heritage cringed through the 1990's at the idea of close involvement and partnership with Industry Canada on sharing lead or many activities on the Connecting Canadians agenda, largely due to Industry's electronic commerce focus. While the digital content MC does

evenly appropriate the funds between commercial and non-commercial content support, overall the department's policies and programs have been greatly weighted to industrial development policy (e.g., New Media Fund). As such, the broad thematic policy framework of Heritage conforms to the government's overall New Economy Agenda (PIAC/CLA, 1999).

Different departments with different mandates can have overlapping interests and this can further impact on specific policies and programs to varying degrees. As discussed above, the involvement of external interests, as well as the diversity of views of internal state actors, are other dimensions that affect outcomes. The pragmatism of requiring a multidimensional policy approach requires a final comment here because it will help explain below why policies and programs developed by a department with a particular mandate (e.g., economic) seem to be more than what they are by appearance, but less than what they are in practice. As will be discussed in the government program case studies below, this can lead to misunderstanding and confusion on the part of non-government interests. This also has implications for outside actors in needing to learn how to recognize opportunities and obstacles in the realization of goals, and their ability to effectively participate in and affect the policy/program processes.

As mentioned above, while many policy and program initiatives are developed in formal structures and processes, there is enough flexibility in the system for innovation and for innovators at all staff levels to make changes. Of course, these must still be linked to a broader policy framework of some kind, even if this is tenuous. At times, such less 'formal' initiatives are undertaken to

avoid 'policy blocks' or bureaucratic drag that can bog down new ideas for years if an attempt is made to push them through the system using normal procedures. The CAP case study below is an exemplar of such an approach. The rationale of one manager in opting for an entrepreneurial as opposed to a standard program approach was that "it is better to ask for forgiveness than permission, because you won't get permission" (Interview, Anonymous, 2001).

Both formal and innovative policy/programs are difficult to sell on a unidimensional basis. These need to be packaged and linked to broader policy agendas to get the required support and buy in from a diversity of key external interests (e.g., industry, non-government organizations, public interest groups, etc.) and internal government interests (allies) to help push the initiative along and to prevent opposition within government. This means that, generally, you need to package, position and argue policy/programs with degrees of economic, social and cultural policy that are clearly linked to activities and interests in society. Linkage to the broad policy agenda also creates the means to justify the initiative and to link it to existing approved financial reference levels (Budget, Cabinet allocation) even if these linkages are tenuous at times (Interview, Anonymous, 2001). This strategy also holds true for initiatives that are in opposition to the broad neo-liberal policy framework. These may be veiled in discourse that makes the initiative to appear to conform to accepted policy. However, the initiatives proponents know full well that the outcome will be different than that described. However, the processes for acceptance and approval are the same.

Much of the success of program approval relies on a good marketing strategy. So while, for example, cultural and social dimensions get written into an Industry Canada initiative, or economic into an HRDC initiative, this is not just window dressing, but real to a degree. It must be real to some extent to get the support of internal and external allies. At the same time, one should not lose sight of the fact that how real these turn out to be in practice may be highly variable because they are secondary to the main rationale (Interview, Anonymous, 2001).

These types of anomalous policy/program initiatives and processes should not be simply dismissed as a sleight-of-hand or subterfuge by bureaucrats as a strategy to end-run the normal process to get a policy/program through, though sometimes they clearly are. But more substantially, given the importance and reliance on a wide range of interests (internal and external to government) to achieve such a goal, such examples illustrate the inherent public interest duality and inclusive (multidimensional) nature of many initiatives or activities (e.g., public/private, economic/social). For example, government funded literacy and learning initiatives may largely be public goods, but are also essential for the prospects of individuals gaining employment and personal economic gain. These are also indirect benefits to economic interests (a skilled worker for employers). Or, in another example, where federal funds are invested in an information highway network, such as CANARIE, for economic development objectives, at the same time, non-commercial users and non-commercial content intended for social good purposes also benefit from such investments and are not easily

separated out from this, if at all. There is, of course, inequality of representation and balance in these types of relations and the primary justification will invariably benefit more than any secondary goals or 'free riders' (Interview, Anonymous, 2001).

Traditional Regulation and the Communication Acts

"CRTC: What concerns you concerns us".

CRTC Motto, 1998

"CRTC: For Communications in the Public Interest".

CRTC Motto, before 1998.

In addition to departmental policy and programs, the other major means of implementing government policy, and creating or supporting rights, is through regulation. The Broadcasting and Telecommunication Acts are the major pieces of legislation that affect public communication. A consideration of the role of the CRTC and the regulatory framework it applied to the Internet in terms of market and democratic processes and rights is a useful example because as an agency of the government, the Commission implements the formal policies of the government, including neo-liberalism. Analysis of the shifts in the mainstream policy of the CRTC demonstrates the broader governmental policy shift to neo-liberalism. The impact on networks and communication practices resulting from the Telecommunications and Broadcasting Acts, and the broader government policy framework, further illustrates how traditional relationships and uses of the networks by the public, as a duality of purpose, have also changed.

Importantly, the neo-liberal policy approach has meant that the regulatory oversight applied to traditional networks has not been extended to the Internet,

and the practices associated with this relating to public goods or public space. In this chapter, public space and public lane are used to refer to the democratic, public good (collective or common property, and the individual right not to be excluded) activities and claims made by the public. Community networking is a part of the public space concept.

The main role of the CRTC is to implement the Telecommunications and Broadcasting Acts. These Acts establish a fairly broad policy framework. The details or implementation policies are left to the CRTC to determine. The overall mandates of the Acts are fairly proscriptive about what the CRTC can and cannot do. However, the lack of specificity on how much emphasis is to be given to specific parts or objectives of the Acts means that there is a subjective dimension to what gets treated with the greatest importance. In addition to the mandates of the Acts, the Commission is conditioned in its development of sub-policies by such factors as the views and values of staff and Commissioners, public processes where different industry interests and citizens participate in making claims over their rights and interests in communications, and also by social legitimacy, regarding what is possible or acceptable by the public or industry in the implementation of the mandate of the Acts. On this latter point, there is always a question of how far the generality of the Acts can be stretched before industry or the public rebels. As such, there tends to be an incrementalism and conservatism on the part of the Commission about the interpretation and application of the objectives of the Acts. This will be demonstrated below in a discussion about the lack of regulation of the Internet or New Media.

In practice, many of the non-economic objectives of the Acts have less play and impact because they are pursued in the context of a predominately commercial marketplace, and the majority of the issues which the Commission must address involve inter-corporate matters, pricing or corporate activities in the market. This tends to be more the case in telecommunications than broadcasting. However, there is a particular tension in broadcasting between content and structure. The industrial dominance of the system means that content, especially involving issues of diversity, is often weakened or subjugated to the exigencies of being produced and distributed in a commercial system. This creates limits and constraints on the potential to realize a true diversity of content and expression to meet the full set of public needs. For example, the increasing concentration of ownership and centralization of production in the industry has resulted in a commensurate reduction of local programming and democratic expression (CRTC Public Notice 2001-129, 2001). This said, the Broadcasting Act does permit a broader application of decisions or rules than the Telecommunications Act, which may not make economic sense, but are justifiable on some other basis, such as social or cultural policy (Interview, Colville, 2002).

Canadians' communication networks are largely privately owned, but publicly regulated. In the case of telecommunications, the networks have been traditionally viewed as public utilities, with, until recently, extensive regulation addressing technical and financial activities to ensure the availability and reasonable pricing of telephone service on a universal basis. This featured

broad-based cross subsidization of prices for most residential subscribers. The justifications for this were based on a clear duality of need and purpose (rights) between the companies earning a revenue, and the public accessing and using the system for essential economic, social and cultural needs. As discussed below, this has changed in the past few years whereby basic telecommunications service is provided on terms like any other commodity, save some targeted subsidies where clear market failures occur. In broadcasting, while the networks and licensed programmers are largely privately owned, there has, and continues to be, extensive regulation on content (its production, subject matter, and quantity) based on a wide set of objectives relating to economic, social, cultural and political objectives. While the networks have not been considered essential, the availability of certain types of content and services (e.g., Canadian Broadcasting Corporation, community cable channel) are considered important components of the system. As a criticism however, while the quantity and availability of channels or programming is highly competitive, the expansion of democratic expression and a true diversity of content have been less successfully achieved because the majority of the recently licensed hundreds of channels were commercial (Canada, 1991; Canada, 1993; Lawson, P. 1993a, pp. 1,2; Lawson, P., 1993b, p. 48).

In terms of scope of issues, the public interest in telecommunications has a narrow focus, largely concerned with reasonably priced access to voice and data grade networks. The regulatory approach to telecommunications matters tends to be more objective in nature compared to that of broadcasting, being

primarily concerned with legal and technical matters. In broadcasting, the public interest in terms of scope of issues and content is very broad, diffuse and subjective. It is applied within the context of a largely commercial production and distribution industry. Informed by Section Three of the Broadcasting Act, public interest objectives cover a wide range of social, cultural and political content related objectives. These are very much crafted at an abstract, generalized level, closely approximating an ideal of social diversity. Though, as noted above, the commercial nature of the system continues to narrow this diversity considerably in practice. There is another aspect to the concept of public interest, discussed more below, that deals with how decisions are made.

The CRTC Role in the State

The CRTC is a quasi-judicial agency that operates at arm's length to the government. The agency's main role is to implement the policy of the government as is defined in the Telecommunications and Broadcasting Acts. The *Acts* are fixed pieces of legislation (only occasionally amended) that provide fairly detailed guidance to the CRTC. The dynamic nature of social relations does require shifts in emphasis and changes in the policy frameworks of these Acts at times. Policy changes arising from such factors as changes in the industry or social needs, the changing goals and objectives of the government, and so forth, are often accommodated through specific policy directions to the CRTC. Another approach the government can use to change policy and regulatory focus, while remaining within the broad mandate of the Acts, is by formally requesting the CRTC to report on an issue. This process both provides information to the

government to assist it in defining or refining a policy, and signals the CRTC on the direction the government wants to see policy and regulation move. For example, the government request to the CRTC to report on convergence served both these functions (Order-in-Council 1994-1689, Canada, 1994).

The CRTC has a fair amount of autonomy from the government. There are not formal or close, direct regular ties, relationships or pressures between the government and the CRTC. The CRTC has a fair degree of discretion and latitude to operate and make decisions within the general mandates. Close consultation between the government and the CRTC does occur when the government intends to make a formal Direction to the Commission. In addition to the Commissioners, Commission staff is also consulted. In addition to these special consultations, on a normal operating basis, there are regular interactions between Commission staff and the staff of federal departments where policy and regulatory issues are discussed.

This is all to say that the basis for the preferred federal government communication policy framework, currently that favouring a market approach, was set in the amended Broadcasting (1991) and Telecommunications (1993) Acts. These provide the mandate and general direction preferred by government. Fine-tuning of this occurs through policy directions, requested reporting by the government, and informal consultations at the staff levels. This is augmented by the personalities and ideologies of the Commissioners and staff. Each brings its own values and beliefs to issues, and these can vary greatly. However, at an institutional level of analysis, there is usually consensus by staff and

Commissioners about the overall policy direction of the government and the purpose and roles of the Commission (Interview, Colville, 2002).

The degree of autonomy the CRTC has in pursuing policy objectives tends to vary depending on the issue. The government often prefers the Commission to have some latitude to deal with matters, particularly contentious changes in policy, because this deflects political flak away from them. An example is the shift to competition. The CRTC was, in some ways, a little ahead of the government in moving towards a more competitive approach in communications. The CRTC, in responding to pro-market trends in the United States, the United Kingdom, and in responding to the issue of the risk of Canadians companies bypassing the Canadian telecommunications system due to high rates, introduced part of the new agenda when it made its first pro-competitive telecom decision in 1979. This involved the interconnection of CNCP's data networks with Bell Canada's. This shift was also informed by a broad shift in government's overall direction towards competition, during the same period. The new pro-competitive Telecommunications Act and revamped Broadcasting Act were not in place until the 1990s. The communication Acts and policy statements of the 1990s clarified and formalized this broader policy in communications (CRTC Decision 79-11; Interview, Colville, 2002).

The Broadcasting Act was designed to accommodate the pre-existing mixed public\private broadcasting system in Canada but opened the door for more competition in the system. Though a mixed system, in practice the system has featured a majority of privately owned broadcasters who provide the majority

of the content, and privately owned cable companies who provide most of the cable distribution facilities. The 1991 Act reaffirmed these existing relations and industry structure. The major policy and regulatory changes in broadcasting following the extension of the neo-liberal policy framework were the introduction of competition in distribution (satellite, terrestrial-based cable and wireless distribution), the substantial increase in the number of broadcasting and programming licenses, and the ability for companies regulated under broadcasting rules to expand into telecommunications services (Public Notice CRTC 1997-150, 1997b).

The revamped Telecommunications Act (1993) was, comparatively, more of a break in terms of adopting neo-liberal themes. These were included as part of the nine policy objectives of the Act (Section 7). These objectives identified goals involving the use of basic telecommunications for: social and economic objectives; affordable and reliable service; Canadian ownership; the use of Canadian facilities; growth in research and development; responding to the economic and social requirements of users; the protection of privacy; the enhancement of efficiency and competitiveness of Canadian telecommunications; and to foster increased reliance on market forces (Canada, 1993). Informed by neo-liberal policy, however, much of the work and interpretation of issues by the CRTC throughout the 1990's was guided by Section 7 (f), the reliance on market forces. It has only been of late with the failure of the market to meet certain objectives, such as reasonably priced

telephone service in high cost serving areas, that democratically based objectives have been applied (Telecom Decision CRTC 99-16, 1999a).

The objectives of enhancing efficiency and competitiveness, and, more importantly, the reliance on market forces, were a clear break and demarcation from the more balanced approach of the past. There is a particular ideological muddying of the waters with the inclusion of section (f) the reliance on market forces, because unlike the other objectives, which are end goals, this one is actually a means to an end – though it is set up as an objective in and of its own in the legislation. The inherent contradiction here is that the market, or industry, is responsible only to its shareholders and not for broad economic and social policy. The market is therefore concerned with the maximization of profits by only providing service where a good business case exists. Foregrounding or over-emphasizing this ‘market forces’ objective precludes, and in fact makes it impossible by relying on this method, of achieving many of the other objectives of the Act. This is because on the one hand there is no market incentive or mechanism to do so, such as with section 7 (a) enriching and strengthening the social and economic fabric of Canada and its regions. On the other hand, the basic rationale underlying market investments and decision-making is naturally in opposition to these objectives, such as section 7 (b) affordable service to Canadians in all regions, or 7 (d) Canadian ownership. Broad economic development in the national interest, social development and regional development are public policy matters, not the concern of any company. Affordable service is contrary to marketing objectives of maximizing profits, and

service in lower margin regions is a poor business decision. Canadian ownership has national importance, but can be counter to the best interests of shareholders (Canada, 1993).

Where different observers fall on this debate depends on one's interpretation and understanding of these objectives in general, and some of the specific terminology used, such as the word 'social'. In a broader understanding, comparable to that used in the Broadcasting Act, the market and regulatory approaches that have been pursued under this legislation fall short of the test (any test!). However, if one adopts a narrower view, in kind with the neo-liberal perspective, focusing largely on the availability of basic phone service as a commodity, then these objectives are easier to satisfy. The Commission has adopted a narrower, conservative and economistic interpretation of these objectives, and this in turn has limited the services that are included in essential service regulation to those associated with basic local telephone service and data grade signaling. Essentially, the Commission views telecom as being concerned with carriage, not content, and voice and data quality signaling. As discussed below, this has had implications for the issue of the regulation of new media and the Internet. In the context of neo-liberal policy, the end goal of restructuring the telecom market based on competition is to benefit consumers over the long term through better service, more choice and reduced prices. In this context, in the view of the Commission, this is the social policy outcome. This is the definition of the social goal or social objective for the CRTC in the

implementation of the Act (Canada, 1993; Interview, Colville, 2002; Reddick, 1998).

The market agenda has also been applied to the restructuring of the broadcasting sector. In the past, and in recent CRTC proceedings, the public argued for a wide set of rights or claims in using networks and content services to meet a range of needs. However, in spite of these interventions, the trend in broadcasting and telecom Decisions has been a narrowing of the public interest which, in addition to these being treated simply as commodities, the rights of companies have been greatly increased. This includes the addition of new, flexible corporate rights over how they meet corporate obligations and public rights (e.g., terms of service, availability of service, types of content, etc.) and the power of market regulation (market decision making) supplanting that of public oversight. This features a shift away from broader public goods and purposes, and is replaced by that of a primarily commercially controlled network commodity ostensibly featuring for all Canadians increased choice, better quality of service, and lower pricing. In the previous mixed public/private communications model, the demand for rights of access to the networks was not only based on a duality of purpose for individuals, but also was a shared claim over the value of the networks with those of industry. As mentioned above, these claims were recognized in regulation with rules setting such things as price, availability of service, quality of service, and in broadcasting, content quotas, and prices for basic cable access, and service availability. On the telecom side, regulatory decisions central to this shift include long distance competition (CRTC Telecom

Decision 1992-12), rate rebalancing (CRTC Telecom Decision 1994-19), local competition (CRTC Telecom Decision CRTC 97-8, 1997c), and on the broadcasting side, *Broadcasting Distribution Undertakings (BDU) Access Rules* (CRTC Public Notice 1996-60, 1996b), and new regulations for BDU's (Public Notice CRTC 1997-150, 1997b). As mentioned earlier, to address market failures, a targeted subsidy proceeding was conducted by the CRTC to deal with high cost telephone areas (CRTC Telecom Decision 99-16, 1999a).

A refinement in communication policy that brought this closer in line with the federal government's overall New Economy policy framework, and focusing and clarifying outstanding competitive issues in communication, occurred in 1996 with the release of the Convergence Policy Framework. This policy was developed from several sources, including recommendations from the IHAC, input from bureaucrats, whose views are reflected in the government's Information Highway action plan, Building the Information Society: Moving Canada into the 21st Century (Canada, 1996a), and the CRTC's convergence report, Competition and Culture on Canada's Information Highway: Managing the Challenge of Transition (1995). Much of this policy was not new, so much as a pulling together and formalizing of existing government initiatives, smaller policy decisions, and regulatory changes which had already been implemented, or were being planned. The major contribution of this policy was setting a framework for convergence between the broadcasting and telecom sectors. In keeping with the broad federal neo-liberal policy framework, public interest objectives were narrowly construed economic outputs, such as competition and consumer choice

(Canada, 1996c, p. 2). An opportunity to extend democratic rights arose as part of the recommendations of the IHAC's final report. But these were not included in policy. There were two reasons for this. Officially sanctioned recommendations in the report dealt with federally initiated programs dealing with access, such as CAP. Secondly, senior management opposed other recommendations because these were counter to, and undermined, the principles and assumptions of the preferred competitive, market model (Canada, 1995:41-55)

The Public Interest and the CRTC

How the public interest is conceived and how it is achieved is a matter of some complexity at the CRTC. As discussed above, the very different scope of the Acts means that on the broadcasting side the public interest is conceived more broadly than in telecommunications in terms of seeking a mix of economic, social and cultural content outputs. However, in recent regulatory changes, the concept 'public interest' has paralleled the broader government policy framework and, as opposed to pursuing a true diversity of content to meet a full range of needs, instead it has come to mean more choice through a profusion of commercial channels and choice over the means of distribution. As noted below, in the discussion of the recently announced Community Media Policy (CRTC 2001-129, 2001), there has recently been some recognition by the CRTC of the problems of concentration of commercial programming ownership, and homogenization of content. This proposed new policy is intended, in part, to reestablish diverse local, non-commercial community expression. On the

telecommunications side, as discussed beforehand, public interest means more choice in services, provider and pricing.

In operational terms, the CRTC is structured as a pluralist institution, and the public interest is also perceived as a pluralist process. In this conception, the public interest means achieving some balance between different interests and claims. This is closely tied to the formal means of achieving this, public proceedings, whereby any interest is able to participate and put forward their views and arguments.

In reaching decisions based on public processes, the procedure is fairly straightforward. The Commission receives evidence; the staff summarizes these materials and conducts analysis based on this and other research, and make recommendations to the Commissioners, who make the final decision. Commissioners involved in a proceeding may undertake their own analysis. For broad policy issues, all Commissioners would be involved in a decision. For specific regulatory decisions, a panel consisting of a few or several Commissioners would be established (Interview, Colville, 2002).

In theory, this pluralistic approach ostensibly provides an equitable opportunity for all interests to be represented. However, inequalities of power and resources have meant that it is difficult for many public interest groups to intervene and to do so effectively. In turn, the Commission has found that this makes it somewhat difficult at times for them to achieve well-informed, fair and balanced decisions. In the CRTC's experience, there is a real problem in Canada with the imbalance of views expressed at proceedings. The result is that the

great weight of representation and evidence is put forward by industry. This creates conditions for the industry view to dominate in policy making and regulation. There is good representation by a few public interest groups, but they tend to represent specific constituencies (e.g., Public Interest Advocacy Centre – low income, seniors).

The wide diversity of public views missing from representation is attributable to several factors. For broadcasting, unlike telecommunications proceedings, cost awards are not available to consumers or groups that represent them. This means that these interests are not able to develop sufficient quality evidence and submissions, and thereby justifications, to fully inform the CRTC on the public's needs and claims. The availability of cost awards on the telecom side has permitted a small number of groups and individuals to achieve some of their goals. However, since their claims or goals (social policy) challenge the principles of open competition, and regardless of how well they may be received by the Commission, their impact on current policy (economic) trends has been marginal. A greater problem arose from an initiative stemming from the neo-liberal policy framework in the 1990s. This was a government decision to end core funding for public interest groups. Groups relied on such funding for a range of activities including: overall operating costs; development of expertise; maintaining a constituency; the development of policy positions and documents; and participating in policy and regulatory activities. The absence of funding has resulted either in groups ceasing operation, or narrowing their activities to a few issues and activities, often without the resources to participate in government

policy or regulatory activities (Interview, Colville, 2002). One of the reasons this funding ended was that government did not have control over how the funds were used and did not welcome the oppositional and alternative policy ideas that were being developed. This funding has been replaced by project grants. These are grants for specific research projects that must be approved by Industry Canada. Proposed projects that would analyze or challenge the neo-liberal or competitive market model are rarely funded.¹²

The Commission has taken some steps to address this information gap. For example, it has increased analysis and assessment of diverse citizen needs. The Commission staff research different public points of view and build this into the decision making process. Commissioners also attempt to fill this gap by considering evidence, submissions and issues from the perspective of different public interest groups (Interview, Colville, 2002). Of the thirteen Commissioners at the time of writing, two (Cram, McKendry) had experience working with consumer groups and in the communications industry. This experience permitted them to bring an understanding of consumer concerns to Commission deliberations. Of the remainder of the Commissioners, about half had worked for the broadcasting or telecommunication industries. The others had little or no experience with industry or consumer groups, and instead were appointed for political reasons. The result was that the consumer view was largely in the minority, and those without a good understanding of the industry, were not very

¹² The author has experienced these changes while working for the Public Interest Advocacy Centre since 1995.

effective in contributing to the regulatory or policy setting processes. While the efforts of Commissioners to act for consumers is laudable in intention, the limitations and inappropriateness of this are obvious; the Commissioners really can't fulfill the role as surrogates in representing the experiences and needs of the diversity of citizen interests. Secondly, Commission staff is likely to find a paucity of public views when there are few groups with the resources available to develop views in a sophisticated way. Moreover, the imbalance in representation means that in spite of best efforts by the Commission, the industry view and agenda, backed by the objectives of the neo-liberal policy framework, has a great advantage in conditioning what issues are deemed important, the context in which they are to be considered, and how they should be resolved. Coupled with the neo-liberal policy framework, the ability for democratic rights (individual, collective) to be fairly and fully represented or realized is greatly diminished.

An example of this imbalance and how the CRTC can easily fall short of public inclusion involved a Commission study evaluating competition in broadcasting distribution in 1999. The research sought out views on competition, horizontal and vertical integration, marketing, corporate strategies, and recommended changes to policy and regulation. These are issues that would be of interest to both consumers and industry. However, initially only industry was interviewed for this research. Consumers found about the study by accident when the Canadian Cable Television Association (CCTA) mistakenly faxed the survey to PIAC. Consumer groups were added to the consultation after complaints were filed with a CRTC Commissioner (CCTA, 1999).

In addition to formal submissions, industry's ability to have influence on setting the agenda or context for decisions is assisted by extensive lobbying. The CRTC (staff and Commissioners) see this form of industry contact as useful to better understand issues and trends in the industry. Staff and Commissioners do not consider that they are easily swayed or captured by this lobbying. But the Commission does realize that this can have a distorting effect, because the public views are severely under-represented. As such, the CRTC makes an effort to research the public views to improve the Commission's overall understanding, but even they acknowledge this can fall short. In contrast to the daily lobbying, visits and meetings between industry and the Commission, the CRTC meets a few times each year with consumer groups. The Commission is available to discuss matters more frequently, however most consumer groups do not have the resources to do this (Interview, Colville, 2002; CRTC, 2001a). The contrast between the available resources of consumer groups and industry means that industry is more able to consistently, and extensively, convey their views directly to the Commission. This cannot but help to create the potential for industry views to have some influence on the Commission's understanding of issues.

Market Models

Much of the work of the Commission throughout the 1990s involved reregulation affecting industry structure, technical matters of network development and interconnection, rules of competition, and rules and initiatives involving content development (Table Two). The competitive framework adopted by the Commission is more open and competitive than the incumbent telephone

and cable companies, and some new entrants, would have preferred, including a continuation of regulatory initiatives to address such issues as universal service (e.g., technical upgrades, targeted subsidy). However, overall the constellation of issues of concern to the Commission and industry were much the same, including the lack of initiative with regard to public space. As discussed in Chapter Three, the consumer Preferred Model also addresses a number of the same issues, but envisaged a mixed public/private model with considerably more regulatory emphasis on a basic package of telecom and broadcasting services, public space and not-for-profit content.

Table 2: CRTC Issues 1997-2000 (selected list).

Local Number Portability
Inside Wiring
Competitive Access and Co location
Price Caps
Contribution Rates
Carrier Tariffs
Forebearance (e.g., inter carrier, Internet, toll)
Unbundling Service Rates
Local Competition
Broadcasting Distribution Undertakings Policy
ISP Cable Access
Telephone Companies as BDU's
High Cost Telephone Service
MDS Licensing
New Media Policy
Television Policy Review

Source: CRTC, 2001a.

Leading up to, and into this period, the cable and telephone industries' main focus was on the technical details of regulatory changes to facilitate an

incremental move to competition (mainly to protect their market shares). As with the CRTC, the proposed changes were closely tied to the parameters and mandates of policy as contained in the Telecommunications and Broadcasting Acts. As shown in Tables Three and Four, the models for competition advocated by industry sought to protect their existing market shares, profitability and investments, while opening new areas for growth on an incremental basis.

Table 3: Mixed Monopoly-Competitive Model.

Utility	<ul style="list-style-type: none"> • Choice of provider – duopoly – separate local facilities • Double wiring, no sharing • Interconnected networks, but proprietary control • Capacity restrictions on access • Transition to full competition in future • Competition mainly in new services, not all existing services • Continue monopoly in small markets • No upgrade of universal service, or definition • Open standards
Content	<ul style="list-style-type: none"> • Monopoly in some traditional services • Competition in new services • Transition to full competition • Choice of services provided by incumbent, not third party users • Centralized distribution control • Canadian content support for commercial content, export • Existing levels of support for local, non-commercial content
Pricing	<ul style="list-style-type: none"> • Price caps on some services • Non-commercial services at user cost
Regulation	<ul style="list-style-type: none"> • Regulated competition during transition • Support for commercial culture and content • Define access, universality, contributions • Flexible regulation to meet needs, e.g., rural, remote.

Adapted from Reddick, 1995a, p. 69.

The models in Tables Three and Four do not represent a model of a particular company, but are composites of firms that shared similar views. Cable companies tended to be closer to the model in Table Three, while telephone companies were closer to the model in Table Four.

Table 4: Competitive Oligopoly Model.

Utility
<ul style="list-style-type: none"> • Main markets: open competitive networks • Immediate competition • Capacity restrictions on access, some unbundling • Interconnection and interoperability • No basic or essential service defined, no universal service upgrade • Government coordinate standards • Open platform • Rural: single network, partnering, content competition
Content
<ul style="list-style-type: none"> • Full content competition • No exclusivity arrangements • Commodity market focus • Content support for commercial content • Minimal existing support for non-commercial networks/services • Canadian content packages, but not part of basic service • Immediate competition
Pricing
<ul style="list-style-type: none"> • Price caps for non-competition services • Unbundled and price on demand • Non-commercial services at user cost
Regulation
<ul style="list-style-type: none"> • Government managed; stipulate competitive/non-competitive areas • Rules on access, affordability contributions • Flexible to meet different needs • Regulation determines content positioning • Regulation for Canadian commercial content

Adapted from Reddick, 1995a, p.70.

The cable companies preferred a slower, more market protected move to competition than the telecommunication companies. Both models would result in continued dominance by the incumbents. In the market view, social and cultural goals and initiatives are considered to be of secondary importance other than in the area of the industrial development of content.

Overall, the industry was closely aligned with the CRTC's mandate and view that the regulatory role of the Commission should be for incremental change largely focused on the details of market structure and operating rules as mandated by the legislation. Broader and innovative social and cultural objectives, such as public lanes or public space, in these views, would not receive special or enhanced regulatory treatment or support, unless there was a policy change, or a change in policy direction by the government.

This was logical in the context of the Acts, and because a new regulatory and policy framework addressing broader social and cultural issues was not put forward by the government. However, in a long-term view, it disadvantaged non-commercial networks and content because these were essentially excluded from CRTC and industry planning and, industry development of the new information highway framework. In essence, there were no limits on market operating rules and procedures to protect or foster the social rights and claims of the public and there were no rights established to achieve democratic ends.

The opportunity, as part of this development of a new information highway market framework, to condition and balance commercial and non-commercial interests and goals through a new regulatory structure was, therefore, lost. This

means that it will be much more difficult in future to change both market structures and operations, and regulatory rules, to accommodate these social and cultural online objectives and practices. As well, public interest groups had to rely instead on modest government program funding, and funding from other sources to develop and maintain community-based non-commercial networks and content. At some point, as these public space resources become more sophisticated and develop credible institutional form, the government will likely need to revisit its approach to regulation. This is because as mature services, these will become substantive challenges to industry services and rules. The existing tension between the use and demand of non-commercial services, and the commercial network they are carried on, is likely to be aggravated and increase in the future, not only due to the underlying clash of principles, but the propensity for industry to introduce more and more restrictive rules (e.g., gate keeping, carriage terms, access terms, etc.).

Industry was not oblivious to the claims for public space. However, rather than supporting or accepting the public group's model and approach, some in industry (Bell Canada, Telus, Western International Communications (WIC)) attempted to create their own public lanes or public space. One can speculate on the reasons why they attempted to create public space, but some would include: a suggestion by the CRTC that it would like to see such innovative forms of expression for community expression (CRTC Decision 1997-150, 1997b); these could be of value to the industry by attracting new customers; and the success of

community networks had created a market of sophisticated users from which the industry could draw for commercial services.

Regulation and Public Space

An analysis of the treatment of the concept of public space by the CRTC and a call for its inclusion in the regulatory framework for the information highway, as a complement to market practices, provides insight into the inability for the neo-liberal framework to address non-market needs and practices without acknowledging the weakness of the model. This also underscores the contradiction that while a market and private ownership model has been deepened and extended with networks; it is the duality of use, democratic claims and benefits for the public (economic and social, democratic needs and purposes) that over time will weigh greatly on the viability and profitability of these. A tenet of the neo-liberal model is that it will only provide services to the public where demand exists. Demand exists for public space or non-commercial services, but the public will not pay for this. Without the ability to make money from public space or non-commercial services, the companies have no incentive to provide these. However, there is a benefit to companies for having a wide range of public services available online. These services help draw people to the Internet, and keep them there. This helps to create a mass of users who also have varying levels of interest in purchasing commercial services. So, in the long term, the failure to create a mass of users seeking to satisfy economic/commercial and non-commercial needs through the Internet will mean that only a small instead of a potentially large market will be created for

companies. This, in turn, will undermine the commercial viability of many services (Reddick et al, 2001; Reddick & Boucher, 2002; Public Hearing CRTC 1996-14, 1996c; Decision CRTC 1998-499, 1998a; Decision CRTC 98-493, 1998b).

When one adds democratic rights and practices to the neo-liberal model, you no longer have neo-liberalism, even in a distorted form, with its essentialism based on private rights, market autonomy, decision making, competition, and resource use based on exchange value. Instead one has something more associated with liberal democracy. This is closer to Macpherson's (1978, 1977, 1973) ideas of liberal democracy, which reflect a limiting, and balance of liberal and democratic rights (right to exclude, right not to be excluded) and social practices, with these seen as interdependent processes or dualities.

This analysis of the formal policy/regulatory application of the government policy framework contrasts with case studies below of programs in different federal departments that deal with public and private space, and the public's overall access to, and use of, the Internet.

Public Space Claims

Various public interest groups participated in a number of CRTC proceedings from the 1995 convergence hearing through to the Community Media Policy proceeding (CRTC, 2001), and, while doing so, promoted the importance of public networking, non-commercial content and public space on the Internet. The goal was to ensure that people could have an opportunity to realize their full economic and social development and potential when using the Internet. These groups viewed this public space as a right, and at an underlying

level, this view conformed to the right as both individual and common property. But while there was general consensus on the need and importance of public space on the Internet, the groups differed about the roles for regulation and of the CRTC. Some groups took the view that, in face of the structural market rigidities being formed in the development and operation of the Internet by both companies and the CRTC, there should be a significant regulatory role to counter balance this, and to enshrine public rights in law (regulation) (e.g., Public Interest Advocacy Centre, Action Réseau Consommateur). Others took the position that the CRTC should not regulate the Internet at all, in the belief that existing public initiatives (e.g., community networks) would flourish in an open market. This concern was coupled with a fear that any regulation would impose a market controlled broadcasting model on public expression (e.g., Telecommunities Canada, PIHAC) (Reddick, 1995a, pp. 82-88; CRTC, 1998c; Public Notice CRTC 98-20-1, 1998d; Public Information Highway Advisory Council, 1995).

Some groups such as PIAC and ARC, argued for a comprehensive regulatory intervention, an extension of both the Telecommunications and Broadcasting Acts, to provide institutional protection, and to foster the development, of public space. In this view, public space could only be fostered if it was protected by law (regulation) and this, in turn, required the development of a formal, institutional approach to public space. Other goals included regulation to ensure affordable universal access and, that industry be required to financially contribute to the production, distribution and access to not-for-profit content for democratic purposes. These groups also recommended that the funding model

for the community cable channel (five per cent of gross annual revenues) be extended to telecommunications companies to fund: high cost telephone area access; sustaining community public access initiatives; the development of not-for-profit content; and to augment the funding of new media development funds (PIAC/ARC, 1999, p.8.).

Such public space claims were made by groups for a number of proceedings over several years, including the convergence proceeding (Order-in-Council 1994-1689, Canada, 1994), Broadcasting Distribution Undertaking (BDU) proceeding (CRTC Public Notice 1997-150, 1997b), Television Policy proceeding (CRTC Public Notice 1999-97, 1999b), the New Media Proceeding (Telecom Public Notice CRTC 98-20-1, 1998d), and Community Media Policy (CRTC Public Notice 2001-129).

Regulation and Public Space

A clear indication of the CRTC's intended approach to the issue of public space and the Internet in the context of the pro-market policy framework was set out in the convergence report. On the one hand, the Commission steered fairly closely to the mandate of the Acts, though adopting a conservative understanding and application of the pursuit of social and cultural goals, and the question of extending these from the Broadcasting Act to the Information Highway (Internet) at large. In keeping with the neo-liberal model, in its convergence report, the Commission noted that competition was the preferred means of "stimulating choice, innovation, efficiency, better service, lower prices and economic growth" (CRTC, 1995, p. 12). But, leaving the door open to

existing social and cultural objectives (broadcasting) and potentially new initiatives in the future, the Commission conditioned this market-centric view with the observation that other objectives of the Acts must be taken into account, such as some form of subsidization for access to the Information Highway. But, instead of relying solely, or primarily, on regulation to achieve these objectives, the Commission identified government initiatives as integral for achieving these (p. 12).

The Commission observed that social goals might not be attainable using traditional methods particularly accessibility and affordability. Universal access at affordable prices would require support in some areas. Moreover, in addressing the duality arguments associated with a public lane, and universal access to this, the Commission stated that this would need to be realized “through various means, including market forces, subsidies and cooperation” (p. 43). Government programs, such as SchoolNet and CAP were identified by the CRTC as important means, other than regulation, for achieving the goal of universal access to the Information Highway (p. 43).

So, in the near term, during the developmental period of the Information Highway, the CRTC saw an important program role for the government to deal with the issues of access and the public lane. The Commission also indicated that in future, interactive online service may become essential, but in the interim they would only consider telephony and a data network quality of service as essential. Rather telling about the still unresolved issue of whether the Internet is an optional or essential service, the Commission also observed in its

convergence report that any extension of funding or initiatives to new infrastructure and service development (e.g., public lane) would require a policy decision by the government. Such a policy decision has not been forthcoming (p. 43).

Following the Convergence Report, the federal government's Convergence Policy Statement (Canada, 1996c), that constituted the Government's policy framework for communications, was absolutely silent on the issues of public space or a public lane, as well as government programs in support of such initiatives. Information Highway social and cultural objectives that were closely tied to the traditional activities of broadcasting, or new industry-based services, such as video-on-demand, were identified in the policy framework. The policy laid out a general framework that addressed market structure and operating rules, as well as implementation principles, including the desired regulatory approach, and a preferred market decision-making approach. Issues addressed in the policy framework included: facilities; standards; content (broadcasting); new programming services; navigational systems; new content services; social values (e.g., violence, sexual stereotyping); competition; competition between telephone and cable companies; and competitive safeguards (Canada, 1996c).

Limitations of the Acts and Public Space

One of the issues that faced the government, the CRTC, the public and industry was whether the existing Broadcasting and Telecommunications Acts were sufficiently flexible to accommodate new Information Highway services, or

whether new legislation (amending these Acts or separate) was required.

Overall, the Acts have been flexible enough for the Commission to address most economic and competition related matters. However, there are some gaps and definitional issues (i.e., Internet as broadcasting or telecommunications) that contributed to the inability of public interest groups to have public space issues addressed and included in regulation. The obvious gap was the Internet. The definitional issues involved efforts by industry and the CRTC not to stretch or extend broadcasting or telecommunications definitions to the Internet. It was, and still is, a matter of interpretation and choice!

As mentioned above, public interest groups submitted evidence at numerous proceedings in attempts to realize funding or other regulatory initiatives in support of democratic communications and public networking. This was unrealized for several reasons. Some of the more important of these reasons were: the narrow scope of the Acts; the definition of broadcasting used by the CRTC; and that such a regulatory intervention would contradict one of the essential assumptions or principles of neo-liberalism, that an unregulated market would meet all needs.

There are many examples of the narrow scope of the mandate of the Acts limiting public space objectives. Two that are fairly illustrative of an overall pattern are the Broadcasting Distribution Undertaking (BDU) Decision (Public Notice CRTC 1997-150, 1997b) with its new model of community expression, and the New Media Decision (Public Notice CRTC 99-14, 1999). For both proceedings, public interest groups submitted fairly sophisticated and detailed

models for public networking and not-for-profit Internet-based content. For the BDU proceeding, industry (e.g., Canadian Cable Television Association, Stentor Telecom Policy Inc.) also submitted proposals for Internet-based community expression models.

BDU's include cable television, local wireless television distribution and satellite television distribution. Two of the main purposes for changing the BDU regulations were to facilitate competition between telephone and broadcasting distribution undertaking companies (BDU's) and, the development of new Information Highway related services, such as video-on-demand, Internet content, access and distribution. Regulation of the community channel was also a significant part of this framework. As part of the review, the CRTC invited innovative approaches and ideas, including the use of the Internet, to expand community expression by building on the traditional community cable channel. Telephone and cable companies proposed new models for the community channel, with the telephone companies, led by Stentor Telecom Resources Inc., advocating a community network model similar to that of a FreeNet model. Consumer groups used this opportunity to push for major regulatory changes that would allow not-for-profit community organizations to operate both traditional community cable channels, as well as Internet community networks. The groups further argued that industry financial contributions should be required by regulation to pay for this. The goal for the consumer groups was to develop a democratic model of community communication that would contribute to

individual and community development, in addition to public expression and participation (NAPO/FNACQ, 1996).

The Commission accepted the idea of changing community programming from that of the traditional cable community channel, to a more flexible “community expression’ model” that added the Internet and other new media forms of expression. However, this had to be done within the purview of the Broadcasting Act. Under the Act, those providing BDU services, including local expression, had to be licensed by the CRTC. In the absence of a policy permitting the licensing of community expression on a stand-alone basis, these services were included as part of licensing for media companies (e.g., cable companies). A real weakness in the BDU Decision, in addition to what amounted to the privatization of the community channel, was that the Commission allowed companies choices of whether they even offered any form of local community expression, and if they elected to, choice about what form this would take, and from where it would be produced. As a result, over a period of time, many communities lost access to their community cable channel, or faced much of the content being produced from a central location (e.g., Vancouver, Toronto). The new souped-up channel content under this model largely benefited the interests of the cable companies, not communities, by promoting their products and services (Public Notice CRTC 1997-25, 1997a; Public Notice CRTC 1997-150, 1997b). As discussed below, the problem of public interest groups not being able to establish their public space community expression services under regulation

may be somewhat rectified in a new policy on community media to be established by the CRTC in 2002.

Industry made several attempts under the CRTC's new vision of community expression to operate successful Internet-based public community networks. For example, Bell Canada received a BDU license to conduct market trials in Repentigny, Quebec and London, Ontario. Part of these service trials included pseudo-community networks (public space). This aspect of these services failed because the company controlled who could provide information on their service, and the type of information that was available. This gate keeping, or censorship, created little value for the public, and subsequently little interest in, or use of, the service. The public could access more information from other sources, and at less cost. Telus Multimedia also conducted similar service trials in Calgary and Edmonton. The market trials were primarily concerned with marketing cable, television-on-demand and other new media services. Bell abandoned their trials and has since relied on their satellite service (ExpressVu) for competition with cable. Telus continues some BDU service, but dropped digital services (Public Hearing CRTC 1996-14, 1996c; Decision CRTC 1998-499, 1998a; Decision CRTC 98-493, 1998b).

In addition to the CRTC's expectation that other forms of funding (e.g., government programs) could provide support for public space, a key reason it did not regulate to support this was a decision not to extensively regulate the Internet pursuant to the Broadcasting Act. The CRTC did conclude that the Internet falls under both Acts. The Commission determined that what is defined as

broadcasting in the Broadcasting Act is broadcasting when it is transmitted over the Internet, but also decided to exempt it. Furthermore, the CRTC concluded that the Internet is a telecommunication service as defined by the Telecommunications Act. Public space, including its objectives and the claims upon which it is based, was seen as a good idea by the Commission. However, it had accepted a broader principle of the pro-market agenda of not extensively regulating the Internet. Therefore, in the Commission's view, it was not only hard to justify regulating a smaller part of the Internet for public space, but this would in fact, compromise their accepted principle of not extensively regulating the Internet. The social outputs of public space did not seem as justifiable as market objectives in the context of the preferred regulatory approach. Moreover, the CRTC held the view that the market could satisfy some of these needs, and other support was available from government programs (Interview, Colville, 2002).

The second important factor underlying the CRTC's view on the lack of need for extensive regulation was that much Internet content did not fall under the definition of 'broadcasting' as defined by the Broadcasting Act. As a result, the CRTC chose to forbear from regulation. This definition of broadcasting was one of the issues under debate as part of the New Media proceeding. Under the definition of broadcasting, at least the way in which it was interpreted by the CRTC, most of the Internet content was alphanumeric so it was automatically excluded, parts of it were interactive or broadcasting, and the Commission elected to exclude the former and exempt the latter. The reason being: that they did not want to regulate the Internet. In the context of the Telecommunications

Act, the CRTC has only imposed minimal regulation because, in the view of the Commission, the Act is concerned with carriage and not content. As a result, regulation has been imposed where matters relating to fair market development or operation are concerned, such as third party access for cable Internet service (Telecom Public Notice CRTC 99-14, 1999; Interview, Colville, 2002).

The door is not closed on possible CRTC regulation of the Internet in the future. The Commission will periodically review the Internet with a view to possible regulation and will assess whether “the circumstances in either the technology or the way it is being used in the market place have changed to the point that one would conclude that there is broadcasting, and we should do something about it” (Interview, Colville, 2002).

The problem with all this lies in the definition of broadcasting. The definition used by the CRTC foregrounds a technical definition, while ignoring the developing structural trends of the communications market and the Internet in this, as well as the substantive nature of Internet content. As discussed above in Chapter Three, the Internet is developing in a pseudo-broadcasting model whereby increasingly information resources are being assembled, packaged and marketed or ‘pushed’ to a wide number of users. Whether this received by a mass of users or on an individual basis is irrelevant from a substantive perspective. This is a form of technological determinism. Moreover, traditional broadcasting also features this technical capacity. The developing structure of the Internet featuring increasing gate keeping, central servers, and centralized programming, buttressed by new copyright rules, is subordinating the original

Internet model of distributed (individual) sending and receiving. The structural change of the Internet driven by media companies as intermediaries operating at the levels of network access, information production, information portals and meta sites, is a clear adaptation of the traditional broadcasting model for the Internet.

This is a contradiction of the neo-liberal model. The Internet has been treated as something new and different by the CRTC from traditional broadcasting or telecommunications. Applying the neo-liberal view, the ideal policy approach is to let the Internet develop and operate freely in a competitive market. In this way, ostensibly, it will develop into an open communicative form that is different from that of the monopolistic broadcasting and telecommunication networks. In doing so, it will satisfy the majority of user's demands. As argued in the thesis, though, instead the Internet pseudo-broadcasting model is not open, competitive, efficient, and increasingly offers less content choice and price flexibility. These types of corporate created structural rigidities, and the need to meet a wider set of content objectives than what the market is prepared to do on its own, were important contributory reasons or justifications in the past for public oversight and legislated performance requirements on traditional networks and content through the Telecommunications and Broadcasting Acts. The inability of the neo-liberal Internet model to deliver what was promised means that the same types of performance requirements and regulatory limitations will need to be extended to the Internet at some point. This will be necessary to meet objectives

beyond those of the companies, to those of the public, such as broad societal economic, social and cultural objectives.

In the Broadcasting Act, the technical definition of 'program' as part of the definition of 'broadcasting' is most problematic. Part of this definition introduces the substantive purpose of media, namely "to inform, enlighten or entertain". This opens the door to the broader objectives of the Act dealing with the full range of economic, social and cultural values, goals, objectives and rights (utilities, capacities) tied to content development, and public access to, and use of, media. However, the definition shuts this door by ending with a technically narrow and antiquated concept of excluding visual images consisting predominately of alphanumeric text (Canada, 1991). In practice, this has created circumstances whereby decision making about the development of the Internet has been left to the market, while at least half the use and value of the Internet (public, social, etc.) has no official representation, regulatory support or protection.

In practice, the nature of the content of the Internet straddles the Telecommunications and Broadcasting Acts, and at least from a networking dimension, it is more telecom (data) in nature. However, the Commission limits its definition of telecom to carriage, with content under broadcasting. This is an artificial and limiting view, but one that reinforces the policy framework and neo-liberal ideology as opposed to responding to social practices. Traditional telecom content, voice, may have had no obvious relevance to carriage, but data content is different. It is substantive in ways that include elements of broadcasting, and new forms of content that require redefining telecom as more than carriage.

Moreover, this new type of content, in both broadcasting and telecom, is related to economic, social and cultural uses and needs, and this is consistent with a broader conception, understanding and interpretation of the objectives (e.g., social) of the Telecommunications Act.

This issue will need to be addressed either through a different definition of broadcasting set by the CRTC, or by government policy (an order to the CRTC). A new definition will need to consider the Internet and its content as both telecommunications and broadcasting, so both regulatory frameworks can be applied with a view to balancing the interests of industry with the public, around economic and democratic rights.

One way to address this shortcoming would be to amend and modernize the term 'program' in the Broadcasting Act. In the New Media proceeding, the consumer groups the Public Interest Advocacy Centre and Action Réseau Consommateur suggested a way to do this would be to replace 'program' with 'content'. The rationale for this by these groups in their submission to the CRTC was:

With respect to the objectives of the Acts, PIAC/ARC submit that other elements should contribute to the development of Canadian programs, and that the Commission may need to expand or vary the definition of "program" to include some new forms of content, i.e., some types of new media. A contribution regime, under convergence, should also be extended to include the *Telecommunications Act*. Social obligations under the *Telecommunications Act* in a new media world, whereby access and content are provided as much by as through telecommunications and broadcasting, needs to be extended in meaning and practice to include the sustainable development of not-for-profit content to complement the existing for-profit content development funding initiatives (programming and new media), and affordable and universal access to these content resources. Under convergence, the above Acts cannot be considered in

isolation. Increasingly, programming and distribution undertakings, as well as telecommunications providers, are providing services/content as part of a broader set of proprietary network services which, either through the means of delivery or substantively, straddle both Acts. Exempt and non-programming services, broadcasting and distribution undertakings, Internet Service Providers, telecommunications service providers, and major commercial Internet site hosts are developing and/or making available new forms of content, often which is complementary to, and often jointly marketed with, conventional forms of content, including broadcasting. These commercial organizations are increasingly playing an intermediation or 'gatekeeper' role in the access to different forms of content (e.g., data, video, multimedia). As part of this trend of intermediation, the Internet is becoming less of a separate network and more of a technical protocol offered as part of a proprietary set of services and networks. As well, service providers, as well as those producing new forms of content (e.g., multimedia) are packaging content in the form of what the industry is increasingly referring to as 'channels' or 'programming', not unlike that of the broadcasting model. Such strategies help create proprietary 'brands' of service; 'push' content services, often in customized packages, to consumers (not unlike the model of conventional television programming); and offer consumers an option to that of surfing the net for this information. To properly deal with this evolution of service, PIAC/ARC believe that the concept of program should be updated and extended to reflect its underlying meaning in our evolving communication environment – *content*. Conceptually, the notion of Canadian content as it relates to the Information Highway includes traditional broadcasting as well as new media and other services. In future, the Commission needs to consider the application of a broader concept of content as part of its deliberations, whether conducted under the *Broadcasting or Telecommunications Acts*.

PIAC/ARC, 1999, pp.18,19.

The CRTC refusal to regulate public space, Internet content and community networks, etc., may actually be a short term win for the public groups. In the near term, the closing the door to the regulatory option improves the case for an argument for government program funding. Secondly, program money is channeled to the public interest groups directly involved in these initiatives. This means that the groups operating public networking have a fair degree of autonomy in managing these services, and developing non-commercial online

resources. On the other hand, if funding were to be created through regulation by the CRTC, there is a high risk that the model adopted would be an extension of, or similar to, the company controlled and funded production and community cable television funds. In these, the funds are collected, managed and spent by industry. Therefore, in the absence of an institutional form for licensing non-commercial public networks, any regulated funding for these would risk being handed to industry, who in turn would likely advance an industry public access model rather than funding the public model.

In the long term, as the public groups that operate community networks and other public space initiatives become more sophisticated, and established as credible institutions, coupled with more political and market power, then a regulatory option may be easier to justify and be appropriate. Under these circumstances there would be less risk that companies would automatically assume a management role of community networks, and control over the funds. Of course, this would still require a conceptual shift on the part of the government and the CRTC. They would have to retreat from their principle that the market can meet all needs. The new Community Media policy initiative is an indication that the CRTC may be open to the idea of the regulation of public space in the future. The likelihood for an increase of public regulation of the Internet by the CRTC in the future to address market failures such as corporate control and domination (gate keeping, market control), offensive content, copyright, etc., may also provide opportunities to revisit the public lane issue.

Reregulation

Now that a more open, competitive market has been in play for some years, its limitations have started to become evident. The CRTC has addressed some of these in the telecom area, but again these responses have been partial in nature, conservative and incremental. This is in part due to the narrowness of the Acts, as well as the Commission's interpretation of these. The narrow scope and ideological constraints of the broader federal policy framework also informs the CRTC's approach.

One example of such problems is the apparent inability for an effective government response to the review of, and subsequent identified need for, rural broadband service. That service in these areas has not developed is both a failure of the neo-liberal model and the market. The inability of the government to accept that regulated monopoly service in some locations may be not only the best, but the only solution, denotes this policy myopia. The CRTC cannot deal with this issue unless it extends its definition of basic telecom service to include the Internet, and this will probably require a Direction by the government (Canada, 2001).

With an example closer to the issues of this thesis, the CRTC's proposed policy framework for Community Media (Public Notice CRTC 2001-129, 2001) corrects some of the imbalances created by what essentially amounted to the privatization of the community cable channel in 1997. These imbalances included degradation of local programming and less public access. The proposed new policy creates some opportunities for an increase of the diversity of public

expression through the use of new and traditional media. These media include Internet, low power television, and low power radio. The rationale for this new policy was based on the problem of the reduced amount of programming from commercially owned community channels reflecting local and community concerns and issues arising from such factors as media consolidation, cross-media ownership and the centralization of production of community cable channel programming.

But while implementing a licensing policy for these new services, one that, at the time of writing, would permit both commercial and non-commercial interests to hold these licenses – a problem in itself because commercial ownership has created this problem in the first place, the CRTC has not addressed the issue of the funding base for the ongoing operation of these services. This is a problem when the content is intended to be widely diverse, non-commercial, and geared towards community social, cultural and citizens needs (use value) as opposed to commercially driven. The CRTC has recognized the potential problem of the outright commercialization of the community cable channel, as well as the proposed new forms of community media. In response, the CRTC has banned advertising, but permitted sponsorships. However, the new forms of community media, if operated by non-profit community interests as public goods, would need to be ensured financial sustainability by some form of redistribution (through a fund established by the Commission or government). The lack of resolution of the problem exemplifies the inability of the proponents of the neo-liberal market model to acknowledge its

failures in full, or an ability to adapt policies or other measures to resolve problems or address needs involving social and non-economic cultural policy. To do so would be a contradiction of the model's essentialism (Public Notice CRTC 2001-129, 2001).

This is another example of the failure of the neo-liberal model. The model ostensibly, will meet demands. The CRTC is implementing a new policy for community media due to high public demand. However, the CRTC is implementing this policy because the market failed meet this demand, and instead, created a different service (a corporate channel) out of self interest, for self gain, of which there was little or no public demand. As part of this, there had been an assumption by the CRTC in setting its new BDU policy that an unfettered market would provide a diversity of information resources. This did not occur. Moreover, the content most desired by the public, as discussed elsewhere in the thesis, is based on use, as opposed to exchange, value. As such, this has little interest to the market, but to be available on a sustainable basis, such resources will require some form of public funding.

In summary, Canada's shift to a neo-liberal policy framework has been influenced by external and internal factors. Shifts to neo-liberal policies in other countries and the extension of trade agreements and international trade or economic development organizations provided significant external influences. However, the decision to shift to neo-liberal policy, and the form that this took, was very much a decision of the state and dominant actors within the state. This policy framework was also influenced by social actors interacting with the

Canadian state. This neo-liberal policy framework and that the state is capitalist state, sets a context and limits, within which changes in communications policy and the conception and implementation of the public interest occurred. This framework also conditions how state actors respond both in the implementation of formal policy, and in devising ways of operating around, or in opposition to, this.

The neo-liberal policy agenda of the state has narrowed the public interest so that it is primarily concerned with the maximization of utilities. Exemplars of the model include privileging market rights, liberalized trade, individualization of consumption, competition, the extension of consumerism and reduced support for non-economic initiatives, such as social programs. The government creates rights in a number of ways with the predominant means including policy, legislation, regulation and programs. The shift to neo-liberal policy has meant that the government has introduced a number of policy and regulatory initiatives that change rights through these different means, to the benefit of the market, and private property.

The concept of what the public is, and how it is to be achieved, is very complex in government. It is informed by ideology, values, processes, agency, mandates of legislation, and there is a constant struggle throughout government over the concept, its inclusion in policy and how it is played out in day-to-day activities. Its meaning and application is highly contingent and situational (e.g., by department, issue, degree of agency involved, etc.). The public interest is multidimensional and a dialectic in policy, regulation and program creation.

However, while it reflects the duality of practice, it is by no means in balance in the state. The capitalist nature of the state and the over-arching neo-liberal policy agenda have narrowed public interest considerations to favour market rights, and degraded democratic rights, such as in the area of social policy. There are many pressures against this trend. There is competition of ideas and values about the public interest and, the benefits and limitations of neo-liberalism. These are based on different conceptions of the public interest and rights. Outside interests can have a significant impact on state decisions about the formation and implementation of policy, and in opposing formal policy if they meet such conditions as: timing and opportunity; finding allies in the state; understanding government policy, regulatory and program development processes; and possessing sufficient resources. The historical traditions of government also made it difficult for substantive and quick policy changes or major changes of direction for government. These relations mean that the successful and complete diffusion of the model in government is contingent and highly contestable. The variable power relationships, structural complexities, and bureaucratic flexibilities and ingenuities also permit policy and program initiatives to be developed that counter government formal policy. The competition of ideas and values of state actors, the differences in orientation of departmental mandates, and the interaction and reliance by state actors on outside interests for policy development, means that there is a duality of the public interest expressed in most policy initiatives, even though neo-liberal objectives remain as a dominant theme.

Regulation changes made by the CRTC exemplify how the formal neo-liberal policy agenda is imposed. Changes made by the Commission clearly benefit the market and private property rights, in spite of the fact that the communication Acts contain a broader set of objectives, which if fully implemented, would be more representative of the duality of the public interest. The narrow interpretation of broadcasting rules and the adherence to the principle of an open, unregulated market with the Internet exemplifies how the neo-liberal model has been imposed, in spite of the interventions of public interest groups. While the CRTC is structured as a pluralist organization, ostensibly including a wide range of representation of outside interests in decision making, the over riding policy framework and outright contrast in resources between public interest groups and industry, have meant that democratic rights and communication practices have been narrowed, or remain undeveloped in the Internet regulatory framework. However, it is important that the public interest groups participated in such proceedings, and remain involved even though victories have been few or absent. This is because failure by the market to achieve desired state objectives, and their own promises, has created conditions whereby the CRTC must reenter the market to effect corrections and change. For example, ensuring that democratic ideas about the development and regulation of the Internet for democratic purposes have had some influence on the Commission's approach to Community Media Policy to correct market failure. Contrary to the imagined open, competitive market model espoused by neo-liberalism, the market models preferred by industry are that of oligopoly and

duopoly. Companies have no interest in risking existing market shares or investments, and desire a regulatory approach that ensures the extension of their market shares and control in new communications services, and the activities of the public. In the view of industry, there is no room for democratic communications or citizens' rights that erode or challenge market rights in any way.

Chapter Five: The Public and the Internet

Introduction

Over the past several years, the Internet has joined the basket of core communication services necessary for full participation in society. The Internet has been integrated as a resource in the every day social relationships and activities of an increasing number of individuals and organizations. More recently a significant amount of the investment in the Internet has involved commodification of its delivery, as well as content and services. As described above, this has been supported and encouraged by government policy and regulatory frameworks. Central to these two commodification trends, a number of tensions have emerged relating to how the Internet is being developed, who has access and how it is being used by the public. While the integration of the Internet into social relations offers numerous opportunities for the public and for public policy, there are also a number of existing, and potentially other drawbacks.

This chapter analyzes the diffusion and use of the Internet from several perspectives. The first section assesses where the public is in using and deriving value from the Net. This is partially concerned with the emergence of a digital divide. Next the chapter explores the mutuality of online content and how content can meet a duality of needs for the public, embodying private/commercial and democratic/public needs. Analysis of community organizations as intermediaries demonstrates the potential of the Internet as a democratic resource for

addressing digital divide issues and, for integrating social relationships and facilitating the development of social infrastructure, social capital and social cohesion. In this broader view of focusing on social relations, instead of technology, analysis demonstrates the potential and limitations for using the Internet as a resource in social and economic development.

Internet Access Overview

The general approach taken to date by researchers and policy makers to the diffusion of the Internet and related new technology has largely occurred at a level of analysis of individual access to the technologies, utilizing individual socio-economic variables to inform or explain differences in access. In this, individuals are defined as part of social sub-groups and class. This has been useful in telling us stories about trends of a new technology, systemic inequalities, and in providing some social and economic indicators about the diffusion and use of a technology. The ways the Internet is being made available, how people do or do not use it, the perceived benefits and drawbacks of use, and how these have changed over the early evolution and maturity of the Internet, become entry points to a broader understanding of the Internet. This broader understanding is achieved by moving away from a technological point of view concerned with diffusion, and instead seating the technology within social activities. This matters because the design, use and value of any technology is not neutral, but is informed by decision making by companies, government, organizations – people, interacting in social relationships. The social context of how the Internet has been introduced and received by the public helps us understand the commensurate

emergence of a digital divide at the level of analysis of technology, as well as individual's and social group's expectations, attitudes and patterns of use, or desired use. This analysis points to the importance of a broader social story about obstacles, problems and opportunities involving the technology and its integration and use in society.

The increasing commercialization and commodification of the Internet, at the levels of the network (access) and content, has implications for what is available and at what terms. The neo-liberal market model of the Internet requires that people have a certain level of financial and other resources. These other resources include access technology, the skills and abilities to use the technology, and the capability to apply the acquired information in some beneficial way. However, the inherent inequalities of a market-based system introduces biases that lead to disadvantages for some (individuals, communities). This also has implications for the broader potential uses and benefits of the Internet.

Inasmuch as there is an economic push, specifically that of consumerism, about the Internet as it matures, both in terms of access and content, there is also a growing maturity of social demand, and potential for social development opportunities, with information-based resources to meet existing individual and collective non-commercial needs. There are also other emerging and contingent opportunities for the integration of the Internet, content and services into many existing social and economic activities, institutions and social networks that could benefit individual and community social and economic development, and

cohesion. In turn, if successfully planned and developed, the strategic use of these technologies could possibly address to some degree other already existing structural inequities based on class, or other factors, such as gender and location. At a broader level, other possible secondary social benefits that could be pursued would include fostering greater regional and national unity, social cohesion and development.

This is contingent because to do this successfully depends on a democratic, participatory approach to decision making about how the Internet and content are designed and integrated into social institutions and social relationships. As a complementary resource, the Internet can offer many opportunities and benefits. It is also contingent because the Internet is just a technology, a tool that is not endowed with any magical or divine powers. Its role and impact depends on decision making by people, and there is nothing in this that suggests that it will lead to electronic emancipation or a utopia as imagined by many silicon hucksters. As a resource it may aggravate existing inequalities and disparities, or if the consumerist or market model extends too deeply into social relationships, it may actually foster greater individualism and become disruptive of social cohesion and undermine social relations and institutions.

Where the Public Is

After several years of government promotion and market development, by 2001, about half of Canadians had access to the Internet from home. However, Internet access has not developed in any uniform way across social sub-groups. The majority of Canadians had geographical access to the Internet from some

public location near where they lived, such as a public access site in a library, school, community centre or Internet café. As shown in Figure Two, by 1999, and firming as a trend by 2001, different levels of access from home had developed based on such factors as class, geography, gender and age.

Figure 2: Individual Access from Home - Plateau in 2000.

Source: Ekos Research Associates Inc., 2001b.

By far, however, class, and in particular the barrier of cost (income/affordability), was the clear determinant or predictor of whether an individual or household had access from home. Not only had this digital divide formed early on with the public's use of the Internet, but also overall access had started to plateau in 1999. In the near term, there are only prospects for moderate growth in home access. In the context of the neo-liberal model, the

market was working as it should. Those who wanted it and could afford the Internet could purchase it. From a policy perspective, however, the goal of the government is to create an information society in which all Canadians are connected. In this respect, the results have fallen far short. This was even after four years of promotion through the CAP program and other means.

Usage of the Internet from any location, shown in Figure Three, which could include public access site, work, home, a friend's house, among others had also started to plateau by 1999.

Figure 3: Access from Any Location (Individuals).

Source: Reddick, Boucher, & Groseilliers, 2001, p.8.

Figure 4: Main Reasons Why no Internet from Home.

The main barrier to access by 2001 was cost, with lack of perceived need and lack of interest largely accounting for the balance of reasons why people were not connected or Internet users (Figure Four). Closely linked with cost for lower income Canadians, was the barrier of low literacy.

An interesting shift in the relative importance of each of these reasons occurred from the mid-1990s to 2001. As the Internet became part of the every day societal lexicon, and experience, in more people's lives, and the potential value of its content and services became more recognized by the public, more non-users came to perceive a need to use the technology either for their own personal benefit or for someone else in their household. So while the lack of perceived need fell dramatically as a reason for not having access, cost which is a latent barrier for many of those who stated that they were not interested or didn't need access earlier on, became manifest when the decision about requiring access had been made.

Table 5: Reasons for Not Being Connected From Home, Individuals.

2000	Cost (1997)	Interest	Need
<\$20k	45% (35)	28	26
20-39k	38 (28)	33	29
40-59k	39 (28)	26	34
60-79k	41 (23)	34	26
80+k	38 (26)	26	37
Total	38 (27)	30 (30)	32 (43)

Source: Reddick et al, 2001, p.16.

At the same time, a core of about one third of non-users continued to have absolutely no interest in online technologies and perceive no benefit from access (Table Five).

Cost, lack of interest and lack of perceived need as barriers are not restricted to lower income households, but cut across demographic groups. However, overall the majority of those not connected come from the lower social economic strata, while a majority of upper middle and upper income households are connected from home.

The Dual Digital Divide

The issue of access to the Internet is more complex than whether or not someone is connected or unconnected. A more accurate description is that of a

Dual Digital Divide.¹³ The first divide comprises the differentiation between those connected and unconnected. Those not connected are not a homogenous group, however. They tend fall into two broad subgroups (the second divide). The first, Type One ('Near Users'), are those who would like to be connected but face major affordability or literacy obstacles. The second group is largely comprised of those who indicate a lack of perceived interest or need for connectivity.

Table 6: Main Reasons for No Home Internet Access, Individuals.

NEAR and FAR users Main Reasons for the Lack of Internet Access from Home			
INCOME	Cost	Interest	Need
1997			
<\$20K	35%	20%	46%
\$20-39K	28%	32%	39%
\$40-59K	28%	25%	47%
\$60-79K	23%	36%	41%
\$80K+	26%	32%	42%
Total	27%	30%	43%
1999			
<\$20K	56%	27%	17%
\$20-39K	41%	33%	26%
\$40-59K	49%	30%	21%
\$60-79K	39%	37%	25%
\$80K+	27%	33%	40%
Total	42%	33%	25%
2000			
<\$20K	45%	28%	26%
\$20-39K	38%	33%	29%
\$40-59K	39%	26%	34%
\$60-79K	41%	34%	26%

Source: Reddick et al, 2001, p. 16.

13 See Reddick, A., Boucher, C., & Broseilliers, 2000.

These have been categorized as Type Two and Type Three ('Far' or 'Distant' Users'). Cost, literacy and technical barriers also exist with Type Two and Three non-users, but the lack of relevance, perceived benefit (Type Two), or interest (Type Three) are the main reasons that these citizens are not online (Reddick et al, 2000, p. 8).

Table 7: Regional Differences in Internet Access, Individuals.

REGIONAL DIFFERENCES: Level of Access						
		Internet		Main reasons why no Internet access from home		
		In past 3 months	At home	Cost	Interest	Need
n						
1999						
BC	663	56%	44%	32%	51%	17%
AB	486	56%	42%	39%	29%	32%
SK	179	47%	30%	52%	24%	24%
MB	191	52%	38%	41%	35%	24%
ON	1886	56%	46%	44%	28%	28%
QC	1210	40%	29%	42%	36%	22%
NB	124	40%	35%	43%	30%	26%
NS/PEI	177	49%	33%	46%	27%	27%
NF	90	51%	40%	50%	42%	8%
Total	5006	51%	40%	42%	33%	25%
2000						
BC	647	66%	57%	43%	21%	36%
AB	481	62%	49%	38%	26%	37%
SK	163	57%	48%	40%	27%	33%
MB	183	53%	44%	38%	25%	37%
ON	1831	65%	59%	34%	30%	36%
QC	1222	51%	42%	40%	36%	24%
NB	126	53%	43%	40%	27%	33%
NS/PEI	181	58%	46%	35%	32%	33%
NF	90	48%	41%	24%	36%	39%
Total	4924	60%	51%	38%	30%	32%

Source: Reddick et al, 2001, p.27.

Type One non-users tend to be younger (age 44 or less), and include many lower income, less educated Canadians who see potential education, employment and social benefits from Internet access.

Type Two and Three non-users are more likely to be older than 45 years, with seniors likely to be in the Type Three group. As well, there is a clear gender difference in access. Men are more likely to be online than women, though this gap narrowed by 2000 (Reddick et al, 2000, pp. 2-3).

A more detailed analysis undertaken in 2001 of the reasons why people were not connected, demonstrated that the important predictors of household access to the Internet are income, education, gender, age and location. As shown in Table Six above, income was by far the most important factor for access (Reddick et al, 2001, p. ii). There is also a deep divide based on the type of job an individual has. 'White collar' workers are much more likely to be connected from home, in addition to having access from their place of employment than 'blue collar' workers. As such, the option for 'blue collar' workers to have access from work when home access is not affordable, as has been assumed by some policy makers, is proving to be little more than uninformed wishful thinking. Not surprisingly, in geographical terms, the 'have-not' provinces in Canada (Saskatchewan, Quebec, Atlantic provinces) are well behind the 'have' provinces (B.C., Alberta, Ontario), as shown in Table Seven. On a generational level, youth identify cost as the major barrier, whereas seniors identify lack of interest or need for reasons why they are not connected. While cost remains a major barrier for lower educated Canadians, by 2001 even those

who were not connected who had higher levels of education identified cost as the main barrier for them. Cost was also the main barrier for women, while men who were not connected cited lack of need. So as the Internet has become part of the mainstream of society and perceived as being more necessary, cost has become increasingly an important issue for all Canadians regardless of social class (Reddick et al, 2001).

Differential Levels of Access

In a broader view, differential levels of access to the Internet based on class mirror those of other products and services in society. In fact, as opposed to overcoming inequalities or being an emancipating revolutionary technology, as has been promoted by government and industry, many of the existing inequalities in society appear to be reproduced in online relations. Common barriers to many services for the public include class (bringing in income and affordability), literacy, location, education and skills, gender and age. These inequalities are not anomalous, but reflect the longstanding inequality of access to power and resources, as well as to social participation, of our capitalist market society (Rideout, 2001).

In a comparison to other products and services, for example, while the number or magnitude may vary somewhat for each social segment, the same general pattern of differential levels of access and participation can be found to that which has developed for the Internet, as shown in Figure Two (see Table Eight, Figures Five and Six below). We should not be surprised by this emerging

pattern. Instead, we should be surprised if the Internet home access pattern was different, and uniform, across all social strata!

Table 8: Average Household Expenditures by Income Quintile, 1997.

	Average	Lowest Q	2 nd Q	3 rd Q	4 th Q	5 th Q
Communications	\$973	605	777	957	1127	1400
Education	\$762	268	301	590	872	1779
Reading Materials	\$275	119	189	259	330	477

Source: Statistics Canada, *Spending Patterns in Canada, 1999*, August 2001, p. 57.

Figure 5: Household Cable Television Penetration, 1995-96.

Source: Reddick et al, 2000, p. 16.

Figure 6: Household Home Computer and Internet, 2000.

Source: Ekos Research, 2001b.

Moreover, it will not simply just be a matter of time before Internet diffusion or access has been established in all households, as many have assumed. For example, it is apparent from the level of penetration of home computers that Internet home penetration will shortly reach a ceiling unless either all households are provided with computers and Internet accounts, or unless commercial Internet providers, e.g., telco's, cableco's, etc., provide basic Internet service through a home device or software as part of basic television or cable service at no extra cost.

While the Internet is still not considered an essential service by Canadians regardless of demographic group (see Table Nine), nonetheless it has joined the core basket of communication services for many households and is considered either essential or somewhat important by two thirds of Canadians. At the same

time, the great majority of those who are not connected do not perceive this lack of access to be a major problem (Reddick et al, 2000, pp. 20, 21).

Table 9: Essential for Household Access.

N=1974	<\$20k	20-59k	60-99k	100k+
Local Telephone	93	97	99	97
Long Distance	70	83	86	91
PCS phone	10	19	26	35
Internet	30	32	47	49
Cable TV	39	42	42	40

Source: Ekos Research Associates Inc., 2001b.

As Canada continues to build an information society, a rather interesting dilemma for government has recently arisen about Internet home access. It is one thing to face the challenge of getting everyone online. However, a quite different problem has emerged whereby some half million Canadians or 232,000 households have actually dropped home Internet service. The reasons for this, not surprisingly, involved cost, lack of perceived value of content, lack of interest, and lack of a home computer. The lack of a significant response to this trend by the market or government is intriguing. This is because if this had been any other basic utility service, such as basic local telephone or bank accounts, and this many Canadians dropped the service; it would be a public policy crisis (Statistics Canada, 2002, p.6).

Mutuality of Content

During the development of the Internet, as discussed above in Chapter Three, a considerable debate has raged about the degree to which the Internet

should be a public space or a commons, and a marketplace. However, the polarity of the views of the proponents of the different sides of this debate is not so clearly reflected by the communication practices of individuals and communities using the Internet. Instead, these information practices reflect a much greater complexity, best described as a duality and interdependency between private and public activities, and commercial and public content. These activities and interests, or processes, are often mutually linked, mutually influencing and mutually dependent. In conducting their daily life activities people do not exclusively shift from clearly separate public and private spheres. Instead, while there are instances when these may be separate spherical activities, they are also mixed and overlap. The reasons, or need, for conducting various activities are linked to either immediate or long term objectives. For example, an education activity, ostensibly a public sphere activity, can also be a prerequisite for participation in economic activities, or to maintain an economic role, such as keeping a job. These patterns are exhibited in the use of the Internet, but interestingly research on the Internet demonstrates that public information and services are more valued than commercial information and services (Ekos, 2001; Ekos, 2001a; Reddick & Boucher, 2002; PIAC, 2000).

At the same time, this is not to say that the need for clearly separated public and private institutions, property, spaces, content and the like is not a necessary condition in a liberal democratic society; it is. The rationales, end purposes and relations of these are very different. Moreover, a 'public' or 'private' type of activity or process, constrained by the limitations and objects of its *raison*

d'être, is not able to achieve the intents of the other. So in as much as the neo-liberal market model is unable to deliver social policy goods and services, non-commercial or public institutions are also not ideally suited to deliver neo-liberal market outputs – not that they would necessarily want to! However, how these are lived and experienced by people in life, while sometimes often clearly separate, are also clearly inseparable.

From its inception to early maturity in 2001, the attraction of the Internet has largely been driven by public content and services, for common use and benefit. By and large, this is the 'sticky stuff' that attracts people to the Internet and keeps them there. At the same time, commercial or private property content services are also valued and consumed by the public. At a broader level, the reasons why people access and use certain types of content speaks to the broader complexity of the duality of public and private, and how this is exemplified by mutually linked and influencing processes in their lives (Ekos, 2000; Ekos, 2001b).

For example, an examination of electronic commerce activities on the Internet reveal that the market is narrow as compared to the physical marketplace and that a majority of Internet users have yet to purchase online or to do so consistently (see Table Ten). Moreover, the same class bifurcation occurring in access also appears with respect to electronic commerce as shown in Table Eleven. The types of products and services people consume online have changed little over the past few years (Table Twelve) with entertainment-based, low priced products dominating.

Table 10: Have you every purchased a product or service over the Internet?

N=3054. Source: Ekos Research Associates, 2000.

	All	<\$20k	20-39	40-59	60-79	80-99	100k+
Yes	31	22	22	33	37	39	45

Table 11: How often do you use the Internet for comparison shopping?

N=3054. Source: Ekos Research Associates, 2000.

	All	<\$20k	20-39	40-59	60-79	80-99	100k+
Never	46	52	53	45	37	44	35
Occasionally	43	41	40	44	50	43	50
Regularly	11	7	7	11	12	13	16

Table 12: Types of products and services you have purchased on the Internet in the last year?

N=842. Source: Ekos Research Associates, 2000.

	All	<\$20k	20-39	40-59	60-79	80-99	100k+
Books/mags	42	36	27	40	43	54	41
Software	23	14	22	23	20	30	28
CD's	20	37	16	22	16	22	18
Travel	11	7	10	12	9	10	17
Clothing	14	12	13	12	15	12	18
Concert tickets	8	2	10	7	12	10	10

The duality of the interests and lives of people is clearly reflected in what they use different communications technologies for. The question of whether the technology is owned or managed privately or publicly is less of an issue for users than whether it serves as a means for people to access required information or services, though this 'ownership' issue matters with issues such as diversity of content. For example, research on which different types of communication approaches or technologies people used to access different types of information or services demonstrated that choices were very much based on specific needs and circumstances of the individual, the type of information sought and the type of organization they were contacting (Figure Seven). Interestingly, both Internet users and non-users required a range of choices for means of access depending on their needs and capacities.

This needs-driven diversity of access has been reflected in different federal government information policies involving the Internet and other means of access. For example, the Connecting Canadians agenda, the Government On-Line initiative and Human Resources Development Canada all have as a core policy objective the provision and access of information and services using a variety of means, including online, telephone, in-person and mail (HRDC, 1998; Canada, 2002, p.2).

Figure 7: Preferred Methods of Contact with Government, Individuals.

Source: Reddick et al, 2000, p.24.

Much of what influences people's choices and activities online are driven by how relevant the content or services are to meet their daily needs. The most popular activities cut across what is considered 'public' and 'private', but much of the public is not offered by the private market place or the web sites of commercial providers, underscoring that the public/private claims and tensions exist not just at the level of content, but also in terms of networking as well. The networking level becomes increasingly important from the public utility view, because the blending of ownership and decision making of commercial content producers and networks (carriage) risks narrowing the options and choices of how online communication services will be used and which needs can be met;

whether these will be consumerist in nature, or also a broader set of social and cultural needs as well (Reddick et al, 2000; Reddick et al, 2001).

If we flip the analytical perspective around and, instead of starting with technology, consider how technology serves as a resource in a broader social context, used to meet a wide range of socio-economic needs and activities, then a more critical understanding is possible. This understanding permits analysis of how new technology may be used as a resource to meet existing and changing needs in a real life social context. This is opposed to the 'utopian' approach that has been overly abundant about the Internet. This view conveys the idea that this new technology is some panacea that can meet all needs, whether people know it or wish it or not. Such claims are made in the absence of any empirical support or context to justify them.

As the access and use patterns of the research described here demonstrates, the fetishization of the Internet (being all things to all people) is patently false. For some the Internet has value, for others it does not. Others again do not know if it has value or not because they cannot afford to go online. As opposed to being a democratic medium, exhibiting a diversity of information to meet different needs, instead it developing in a pseudo-broadcasting model, featuring homogenized commercial content, accessible to about half the population.

Many of the more recent new users of the Internet have gone online not because of the hype, though this may have piqued their initial awareness of the Internet, but because they see a potential for the technology to meet some

existing need of themselves or someone in their family. As opposed to the upper income households which have largely gone online to meet some general need such as education, entertainment or work/business activity, many in the other social categories consider how the technology meets what I call one of their CHEEF needs (Reddick et al, 2000, p.19). These individuals must make tough choices about what they spend their disposable income on, an amount that is much less than upper SES households. CHEEF needs, which form the building blocks for other activities in life, are: **C**lothing, **H**ousing, **E**ducation, **E**mployment, and **F**ood. The key question for many is how will online service help improve their potential for meeting their needs in these and related areas? It is particularly for these individuals that the neo-liberal model has the least to offer (while the Internet could have a lot to offer) and can be potentially more damaging. This is because there is little market value in this sub-groups' information needs, and the commercial provision of the Internet and online services will cost these citizens more for access comparable to others in society, with little benefit or return.

This mix of needs, and the role of public in addition to private resources in meeting these, is more than evident in the online activities of Canadians. For example, as shown in Table Thirteen, when we consider the use of the Internet for a range of different activities over a year, social and cultural activities were the most popular, some general market activities are also popular, and

Table 13: Use of the Internet for searching for information on the following activity in the past 12 months, Individuals.

N=719.

Local Work or Career Opportunities	64%
Work or Career Opportunities in Another City	76
Training/ Education	76
Store or Company in Yellow Pages	32
Government Services/ Program	61
Trip or Vacation	73
Product Price Comparison	60
Cultural Events	61
General Information on Canada	75

Source: Ekos Research Associates, 2000.

some activities that have a non-commercial and commercial overlap (training/education, job seeking) were also important. Evidence of this duality has been demonstrated by a number of studies over the past few years. This includes research conducted at the national, regional (e.g., Atlantic Canada) and local levels (Rideout, 2001; Reddick and Boucher, 2002; Reddick et al, 2001; Ekos, 2001a; PIAC, 2000; PIAC, 1998). This trend is not unique to the use of the Internet in Canada, but is also evident other countries. (Benton Foundation, 2001).

This duality of use/need is even more pronounced for those Canadians who are least likely to be connected to the Internet and have traditionally been on the socio-economic margins of society (low income, low literacy, lower levels of

education, recent immigrants, etc.). The Public Interest Advocacy Centre led a team that studied a group of individuals who either had never used a computer or the Internet before, or were very recent users of one of these technologies. The group was interviewed over a six-month period as they completed a pilot project on computer use and Internet access. The results clearly demonstrated that the participants were most interested in using the technologies to improve their personal social and economic opportunities. As shown in Table Fourteen, at the outset of the study, technological literacy was an important issue, however by the end of the pilot, while improving technical skills was still important, general information seeking activities had gained in importance (PIAC, 2000).

Moreover, as Table Fifteen demonstrates, interest in socially relevant or personal development/needs information and services were the main reasons for individuals to go online, and in fact, the magnitude of their involvement in these activities exceeded even their initial expectations.

Even as this study demonstrated that a segment of lower income, less educated Canadians were highly interested, and saw potential value in using the Internet as a tool to improve their lot in society, many others in the community saw no relevance or value. Moreover, the long-term problem of affordable access for those who did and could benefit from the technology has not yet been addressed (PIAC, 2000).

Table 14: Reasons for using public access/training at St. Christopher House?

•Reason	Start	End
•To learn about the Internet	67%	5%
•Improve skills in using computers	61%	25%
•To search for jobs	37%	18%
•To learn how to do word processing	35%	--
•To improve your skills to get a job	33%	--
•To find information	6%	50%
•To use email	2%	28%
•Other	7%	16%
•* "What is the main reason why you want to use the Internet at this CAP site?" Entrance (n=54); Exit (n=40)		

Source: Report on Local Residents and the Internet, PIAC, 2000, p. 44.

Table 15: St. Christopher House: Intended versus Actual Activities.

•Activities	Intended*	Actual**
•Searched for work or new career opportunities	68%	74%
•Searched for medical or health-related information	58%	74%
•Searched for information on training and other education-related activities	48%	85%
•Searched for information on government services or programs	53%	69%
•Compared prices between different products and services	44%	70%
•Searched for information on community groups and services	8%	59%
•* "How likely is it that you would use the Internet in the next year for the following activities?" Entrance (n=54)		
•** "In the past 3 months, have you done any of the following activities on the Internet at St Christopher House?" Exit (n=40)		

Source: Report on Local Residents and the Internet, PIAC, 2000, p. 45.

Broader Digital Divide

By 2000, other digital divides had been identified and were gaining currency in policy discussions. These include divides between connected and unconnected businesses; between the developed and developing nations; between those using narrow band and broad band; and divides based on demographics such as gender and age, among others. Attention to the Internet

divide has been somewhat over represented in debates about Canada as an information society. Internet and computer access and competency are key constituents of successful participation in technology-based social and economic activities. However, these are building blocks linked to a broader complexity of just as important, if not more important, capabilities.

To continue to rely solely or primarily on the neo-liberal market model means that the Internet and content services will be developed and made available only where this is more profitable. This means that upper and upper-middle income groups will benefit the most. It also means that the content that is made available will increasingly be defined in terms of what is of the most value to these segments, as opposed to the rest in society, regardless if the needs of these others differ. Moreover, the market model will intensify the commodification of information as it strives to solidify a consumerist information society. To be economically viable, the market will need to ensure content homogeneity to reduce investment costs and to maximize returns. This will also lead to increased individualization of consumption around the preferred tastes and styles of individuals, and content will be packaged and sold to consumers in profitable niches. Overall, this fragmentation trends to erode broad societal or collective objectives, including shared development goals. It also erodes democratic communication resources that citizens, individually and collectively, can benefit from through greater participation in society. The development and diffusion of these non-commercial resources will not be profitable. They will, however, require an investment to be attained. These investments must come from public

monies, as part of the public responsibility for the creation of public goods. However, some of the funds should be derived from the market as part of its obligations and responsibilities to society. This alternative model of democratic communications implies that democratic rights must be entrenched and expanded in communications relations. This means that the public and communities must be engaged more in decision making about such change, but as well, the state must rethink (or start to think) about how to alter its policies and interventions to create a balanced duality with the Internet. In doing so, the Information Society will embody this duality, so that both the rights of the market and citizens are realized.

Access to the Internet from home is the ideal, particularly where in our society those who have the lowest incomes, low levels of skills and training, and low literacy are least likely to have affordable access, and could conceivably benefit from this. But this technological focus, while a useful indicator and good first step, is alone, not enough for analysis. We need to ask, the integration of computer and Internet technologies to what ends, purposes and objectives? We certainly need to modify and update the public policy objectives and ends established over the past five years given the significant progressive and regressive developments with the Internet. What needs to be done to realize the potential opportunities that have arisen with the maturization of the Internet? Do we have the economic and social information resources and supporting institutions in place to achieve a broad set of modified or new objectives? Who should bear what responsibility in setting development goals and roles to achieve

these? To help address these questions, it will be necessary to take a broad, comprehensive view informed by what people are already doing in real life and online. We need to ask where in these relations do we find obstacles and opportunities, successes and failures, and what has been the role of information technology in these outcomes? In a broader social context, immediate issues that emerge include content, value, relevance and how online communications augments other services, or operates as a complementary channel to other means of access and information exchange, and how online communications meets needs or offers opportunities in innovative ways. At the same time, analysis must be concerned with the issue that the introduction and integration of information technologies does not recreate existing inequalities, or create new ones, and does not downgrade other important skills and activities of people and their relationships. Without this type of considered approach, human capital, social capital, and social infrastructure, all underpins of social and economic development, risk being eroded by an imbalance or overemphasis given to online in relation to other modes of communication and information exchange.

Individuals need to be literate on several levels, including numeracy, prose, interpersonal communications, and have different levels of technical proficiency in order to function in society and the workplace and have the flexibility to continually adapt to changes in work and society. Successful development and participation also relies on a host of other factors, such as health, education, etc., and access to, and the support of, formal and informal civic, and other organizations and institutions, at the community and other levels.

The Internet and computers, used properly, have a role in this diverse basket of supportive resources that facilitate development (including ongoing learning), and participation (Schuller, T., 2001, pp. 18-24).

In this broader view, the digital divide encompasses the ability of individuals, social organizations, businesses and communities to effectively respond to changes in an 'information society' and participate successfully in economic and social relations. This also means that the required information resources must be available and accessible. Digital divides, involving individuals as well as organizations; necessarily raise the question of inequalities relating to income, skills, education in the broadest sense, geography and region, information and communication technologies, and content resources. Digital divide inequalities also concern the capacity of community groups and organizations, businesses, and local government to implement activities for individuals and community-wide social and economic development. Due to the structural inequities of our capitalist market society it is highly unlikely digital, or other, divides will be completely closed. However, public initiatives to address these are necessary to provide people, as a matter of fundamental equal human and civil rights, with opportunities for development and participation. People, unlike inanimate assets, cannot simply be 'written off' (Reddick & Boucher, 2002)!

Individuals rely on social institutions and social infrastructure to acquire the necessary skills and develop their capacities to be able to effectively participate in society and realize their potential capabilities. Social infrastructure

includes the diverse and broad array of institutions and services that provide for the commonly held and specific individual needs. Individuals rely on a number of community-based, regional and national organizations for this development, both formal institutions (e.g., schools) and informal (e.g., community service organizations) (Reddick & Boucher, 2002).

Well funded and properly developed social infrastructure is a key component to help individuals and communities overcome some of the economic and social divides. Social infrastructure and social literacy ¹⁴ are constituent components in realizing individual societal development (Sen, A., 1999).

At a conceptual level, beyond the levels of individual and community economic and social development, these relations also centrally contribute to social cohesion. The scope of these resources and relationships range from the local, through the regional, to the national. This has implications for both intermediaries involved in these processes, and for governance. In a normative view, social cohesion largely involves relationships, particularly at the community level, that underpin or are constituent of all of our social and economic activities. However, bringing in more of a sociological as opposed to economic perspective on cohesion, a tight relationship exists between social cohesion, human capital and, social and economic infrastructure. In particular, economic development relies on these others being well developed, progressive and sustainable over the long term.

¹⁴ I define 'social literacy' as the ability for people to both learn skills and apply these to opportunities in society to the benefit of their every day lives. The creation of social literacy relies on individuals benefiting from education, literacy, NGO support, community content services, employment skills training, etc.

As is evidenced by research on public uses of the Internet, and the importance of the support for community networking initiatives in the following Chapter, the processes of development very much involve intermediaries (social and economic organizations) at the local, as well as the regional and national levels. At the same time, there are also roles for different levels of government to support these activities for development purposes. Such initiatives have secondary benefits for governments in the areas of maintaining legitimacy and social consensus. Where social cohesion involves ideas of a sense of belonging, participation, identity and connectedness to others, one's community, one's country, there are new opportunities to build cohesion around national identity, national development and national social and cultural integration and harmony. The legitimacy and hegemony created through consensus (cohesion) then not only creates the potential for greater cooperation and support for concrete community and market development initiatives, but also offers opportunities for broader national consensus, understanding and objectives (J. Dayton-Johnson, 2001:3, 8, 65, 92).

The role of intermediaries is critical in these processes. A considered and well planned incorporation of online technologies into the activities of these organizations at the local level may create opportunities to greatly enhance existing initiatives and to create new ones. This potentially adds a new layer of service and role to the traditional intermediaries. Moreover, community intermediaries can also play an important role beyond their immediate service

activities. This role is to help expand democratic rights with the Internet. These intermediaries could be literacy training organizations, community centers, cultural groups or formal governmental institutions. There are many instances where national goals and local goals and initiatives overlap, for example with culture and content. For example, traditional national programs and institutions would include: the CBC, the National Film Board, national museums, the Canadian Heritage Information Network, among others. In the pursuit of similar objectives with new Internet-based initiatives, the federal department of Heritage has recently created programs targeted to both the national and local levels, such as the Canadian Culture Online Program and the Canadian Arts and Heritage Sustainability Program (Canadian Communication Reports, 2001, p.5; Canadian New Media, 2002, p.4). But against the democratizing potential of intermediaries and the Internet, there is also a tension against this with the activities of commercial intermediaries. This problem is further aggravated because no matter how one accesses the Internet or content, they invariably must use a commercial network or portal as part of this process. This circumstance will increasingly beg for public oversight and regulation in the future. This will be necessary to ensure that a balance exists between the needs and rights of companies and the public. The issues bound up in this range from affordability and access, to control of routing, content diversity, shelf space, information packaging, privacy over the collection and use of personal information, and other related gate keeping activities and issues.

The extensive and growing body of research on skills, the digital divide and the Internet has consistently demonstrated the important social dimension of the Internet in realizing development goals and participation.

The activities of community-based organizations, such as the not-for-profit community networks, literacy groups, and many of the community service organizations who have been involved in providing public access and developing integrated community approaches to using the Internet, illustrate the important role of social infrastructure and community groups (intermediaries) as part of individual and community economic and social development (Reddick et al, 2001, p. 48; PIAC, 1998; PIAC, 2000; Rideout, 2001).

At the same time, careful thought will have to be given on a continual basis to an inherent tension with the Internet and the issue of the diversity of information. The technical design of the Internet that facilitates personal consumption provides extensive choice and opportunities for customization. But as discussed by Sunstien (2001), this also creates a regressive potential for increased individualization, fragmentation and homogeneity. On the other hand, depending on who decides, the distributed and open nature of the Internet offers opportunities for collective development and access to resources that support democracy, shared experiences, learning and understanding. While the former is conducive to the development of the consumerist market, the latter is suited for individual and collective benefits or development. But to accomplish these ends, individuals and organizations need to have available specific and general interest intermediaries (whether for online information, local training, literacy skills, etc.)

that can ably and competently fulfill needs and demands. General interest intermediaries expose people to a range of ideas, experiences, and resources that complement cohesion and development (e.g., government, community networks, libraries). Specific intermediaries fulfill more specialized roles for individual social and economic activities (e.g., literacy centre, Media Awareness Network). Success will depend on a commitment of substantial resources by the federal and provincial governments to these intermediaries for their full range of activities, not just technological, and this will need to continue over the long term (Reddick et al, 2002).

Economic and social community and individual capacity building requires a partnership approach that links different levels of government, public institutions, community organizations and business. As opposed to having development strategies parachuted in from outside, national or provincial initiatives, an approach that builds on local capabilities and capacities (social, economic infrastructures, resources, etc.) guided by a comprehensive needs assessment is more likely to have a better chance of success because it is based on socio-economic realities and also permits the participation and buy-in necessary for legitimation and cohesion. Many communities across Canada share similar obstacles and opportunities, but the capacity for individuals and communities to respond to these varies greatly depending on their socio-economic contexts. While communities and community organizations have a good idea of their needs, and have social relationships in place, for many a need exists for outside resources (funding, expertise, information, etc.) to help facilitate

progressive change at the levels of the individual and community (Rideout, 2001; Reddick & Boucher, 2002).

A Cautionary Note

The context of common public use and benefits, and individual benefit as part of this is an important factor in the public's acceptance and use of a new technology. For example, researchers in the U.K., comparing the Internet and other technologies, have demonstrated the importance individuals place on the degree to which a technology benefits existing values or activities (the social value). They used the example of earlier technological improvements, such as washing machines and the microwave oven, which improved some household activities, largely saving time. However, contrary to the claims of industry in promoting such new technologies, the traditional technologies or ways of doing things (e.g., stove top, conventional oven) were not displaced. The take up of new technology is not based on speculative benefits suggested by their promoters, but on whether a technology satisfies existing needs and can be easily and affordably incorporated into an individuals activities. Technological possibility does not necessarily mean social or individual desirability. At the same time, social and individual desirability, when it emerges, may, as with the case of the Internet, diverge in use value, intent and purpose on the part of the public considerably from that of its promoters (D. Morrisson, M. Sveneig, J. Firmstone, 1999:63-67).

An informed approach to the introduction and proliferation of a new technology like the Internet, and the expectations and rules about this are also

important to ensure that existing opportunities and capabilities, the duality, are not unnecessarily downgraded, thereby undermining broader democratic developmental objectives. For example, previous research has demonstrated that a literacy problem is developing through an over reliance or sole reliance on computers and the Internet for access to information, education and training. Technological over reliance has meant that other forms of learning and social capacity development have been reduced or displaced altogether. In education, the over reliance on technology has resulted in a deskilling and increase in illiteracy in the traditional basic areas of reading and writing, as well as in the capacity or capability of individuals social, community and general life skills and abilities. Youth, for example, as major technology users, now have downgraded skills and abilities in the fundamental use of the arts, sciences, and the ability to socially interact and participate in a meaningful way. This raises important questions about who decides how technology will be developed and used, who creates the content and accessible at what terms, and how the duality of needs and rights of different interests are balanced in these processes? To date, much of this decision-making has been either left to the market, or dictated by the narrow view elites. However, the increasing social use and valuation of the new technology is also bringing forward a diverse array of public goods claims, which seriously challenge these processes (R. Uptis, 1999:153-172).

One also must be realistic about the potential for progressive cooperation between groups and organizations at the community level. A number of organizations that are involved in Internet access are inherently un-democratic,

such as schools, in terms of public activities and decision-making about these. Moreover, there is competition and politics between groups and individuals within communities that prevents consensus and collaboration on many issues and activities. This is good; it is a feature of democracy. But also, it is a message to those involved with planning programs and initiatives relating to access, training, development, and so forth, that a number of initiatives and approaches will likely be required in each community, and these may not be complementary in institutional terms, but effective for the public participants. Another caution is that the increased focus and delivery of Internet access, and other forms of training and development does not become an excuse for governments to off-load responsibility and costs to communities as a neo-liberal sleight of hand. Such initiatives will cost all levels of government as much, if not more, in resources, and if anything responsibilities will become more complex not lessened (Rideout, 2001).

A challenge to the market model is being exemplified by the ways that the public actually uses the Internet, and how this reflects their every day lived reality. The complex interdependency of economic, social, cultural and other activities and needs of every day life is being reproduced in the use of the Internet. As such, a duality of public–private is being created. As opposed to either a public or market model as advocated by public interest or market elites concerned with the development of the Internet in the earlier stages, the emerging ‘public’s model’ as exemplified by use is a mixed model. The claims, both implicit and explicit, being made on how the Internet should be developed

and used, now that it is in a stage of maturation, have yet to be satisfactorily addressed by the federal government through policy and regulation. In light of the apparent failures and limitations of the market model, opportunities to advance a mixed model to seek a better balance, in other words reflect the dualities, currently exists.

We are still very much in the development phase of the Internet. The need for legitimization of the use of the Internet to meet the full range of democratic social, cultural and economic objectives means that our social contract will require a changed government role undertake a range of social, cultural and economic policy initiatives, including market stabilization, protecting the property rights of the market, the development and availability of non-market information resources. To help expand democratic rights, government support is also required for public not-for-profit intermediary organizations that pursue democratic objectives. As with other media, the need for social legitimacy is becoming an important variable with the Internet.

Chapter Six: Dualities of Policy and Programs and the Internet; Case Studies of the Community Access Program and Community Learning Network Initiative.

Introduction

This chapter analyzes case studies that are examples of dualities of the policy process through program creation and, in the claims and practices of the public. These claims and practices are exemplified by the use of not-for-profit networks in communities.

The chapter explains the views and participation of public interest groups in interaction with the government departments of Human Resources Development Canada, the former Department of Communications and Industry Canada. In particular, analysis is concerned with the development of the Community Learning Network Initiative (CLN) and Community Access Program (CAP). This analysis includes the roles of state and market actors, and how mutual interaction with public interest groups occurred in the development and shaping of these two programs.

The CLN and CAP examples are also somewhat unique in that they exemplify two different types of programs that operate apparently in contradiction to the formal government neo-liberal policy framework that promotes a market approach to Information Highway development. The chapter analyses the decision-making processes behind the development of these programs and the degree to which each reflects social, economic and cultural dimensions of the public interest.

Views and Early Roles of Public Interest Groups

The degree to which outside interests, such as companies or consumer groups, have an impact on policy making and regulation is always a matter of debate. For industry, victories are often fairly clear, such as the right to enter a market or raise rates, etc. For public interest groups, while there are some clear victories, success can be more difficult to determine, particularly in a neo-liberal policy environment where policy favours a corporate rights approach. With something like privacy legislation, gains are obvious. Other times, an impact may occur, but it may be minor, or not evident until some time has passed. As well, a series of small initiatives may lead to a greater impact at some point in the future. The experiences with the Internet also demonstrate that it is important to persevere and stay in the policy and lobbying game over the long term in order to maintain pressure and await opportunities to realize a specific goal or result. As well, success may be realized, though not specifically in the terms of what a specific group wanted. Instead, a result may be beneficial to other members of the public. The examples of CAP and CLN are exemplars of such processes. In particular, CLN was a more direct victory, whereas CAP became a success in some ways for the public over time, but not comparable to any way that was intended at the outset. There are also failures associated with both programs.

As discussed earlier, public interest groups were actively involved in Information Highway policy and regulatory initiatives throughout the 1990s. These included CRTC proceedings, activities with provincial governments, and representation on, and to, the Information Highway Advisory Council (IHAC),

among others. Groups were represented on the IHAC panel, and also had membership on a number of working groups, such as the Access group. For both, their representation was in minority compared to that of industry. Public interest groups were also constantly lobbying and consulting with several federal government departments, including Industry Canada, the former Department of Communications, Canadian Heritage, to push their views and ideas. At times, these representations were made to, or facilitated by, state employees who were sympathetic to the public interest and public good goals of the groups.¹⁵ This agency by the groups helped put the discourse about public goods and democratic rights onto the agenda of many government initiatives (e.g., IHAC, CAP, CLN). As discussed below in the case studies, there was mutuality in these processes; government departments also used the presence of some of the groups, and the themes of their arguments, to support and help justify policy or program initiatives. However, a considerable amount of what the groups asked for, particularly a national access strategy and the structural form of the public network model was not realized. When there were victories, some groups were not pleased because the output was not exactly what had been envisaged.

Of course, the same holds true for industry. Representatives of industry were centrally involved in regulatory and policy processes, as well as lobbying different branches of departments behind the scenes. Most of the time their views found favour, though again not necessarily with the desired outputs on

¹⁵ The author was an employee of two federal departments and with colleagues assisted several groups in these activities.

each occasion. Actors within the state mediated these views with those of the public interest groups, or championed only one viewpoint over others. The final results were never fully predictable, though, due to the dominance of the overall neo-liberal policy framework, the market approach was the predominant model. Take, for example, with the access issue during the final IHAC round of meetings, industry supported the view of one national commercial Internet, whereas public interest groups advocated a network of networks of which many were public space or public lanes. In the end both were realized, but not as intended. The overall Internet is commercial, but highly contested between a few companies. The commercial context of the network conditions access, content and related activities. At the same time, there exists many other 'public' networks and services which operate independently of, and collaboratively with, commercial interests (Notes, 1997).

Early Internet and a Public Model

In the early 1990s, when the Internet was jointly funded by public and private resources, primarily for research purposes, beyond simple electronic bulletin board services, the first significant public use was as not-for-profit community service networks, designed as a public space.

These community networks or Free-nets had the goal of developing free access inter and intra community computing, based on the sharing of public information and improving service delivery (National Capital Free-Net Organizing Committee, 1992, p. 1). The first community network had been developed in Cleveland, Ohio in 1986 (p. 3). The national goals of community networking in

Canada addressed a broad range of possible uses and needs of the public, including: network access for all Canadians; developing information technology skills; creating a diversity of information and ideas; creation of an affordable national infrastructure (public); provide access to isolated communities; and encourage innovation in software development. In addition to a \$10,000 seed grant to the National Capital Free-Net (NCFN), department branches in the federal government that were sympathetic to this initiative provided a range of support including facilitating presentations across government, support for software development, conferences, and national studies (Industry Canada, 1994a).

Interestingly, at this stage of development any dispute over commercial or democratic claims and rights about the Internet had yet to emerge. The established commercial media largely ignored it. Moreover, there were no public or private market policies in place that guided, restricted or limited Internet use or development. The creators of community networks realized at their inception that they were in a race against time, because as a growing mass of users went online, commercial market opportunities would draw companies. Subsequently, public and private market regulatory frameworks would develop. Strategically, the discourse and practice of public networking was seen as necessary to stake out turf for the public space and public good dimensions of networking before commercialization occurred. The potential communicative, participatory and democratic opportunities of the Internet needed to be fostered and maintained,

so the Internet would not end up emulating the practices of the existing mass media (Weston, 1994, pp. 4-6).

The efforts of public interest groups (including academics, community networking representatives, library's, etc.) in raising the profile of the Internet and promoting the public good ideas about this, found allies in the federal and provincial governments. However, in repackaging these ideas, a different model from the pure public good or public space model emerged in the federal government, largely due to the need to fit the concepts into multiple policy frameworks. To win internal approval, the early government version of the model posited the Internet and public networks as a duality in regard to the economic and democratic purpose, and the needs that would be addressed. The duality blended the use and benefits of networking to include social, economic and political (civic) rights and activities. The mix of commercial and not-for-profit organizations in the development, and operation of, emerging new communication services was also introduced into this framework. However, the overriding theme was still that the Internet should be a public as opposed to a commercial good, one that was commonly held, shared, open and accessible (Department of Communications, 1991; Department of Communications, 1993).

Acknowledging the public/private tensions that would shortly emerge and the important role of the state in settling claims and establishing rights, one internal government discussion paper noted, "While there will be uneven development and use of new networks and applications during the early stages, it is important at the outset that a policy framework be created that clearly

establishes the principles, structural arrangements and operational norms which lead to an efficient system that achieves broad democratic goals that serve and balance public and commercial interests” (Industry Canada, 1994b, p. 8).

Instead, following the development of the New Economy policy framework, convergence policy and related initiatives as discussed above, a competitive market approach became the preferred government approach. Ideas are not outputs in government, and while some department branches in the former Department of Communications and Industry Canada supported the public model and lobbied internally for this, another branch that had a different view of the Internet was the only successful one in securing program funding, and this led to the CAP program. This program thereby set the de facto policy approach for public access.

It is interesting that while there was senior management support for early department involvement in developing community networks and public space (in fact one Assistant Deputy Minister attained his first Internet and email account through the NCFN), after the Information Highway Advisory Council (IHAC) process had been convened and the commercial approach to the development of the Internet had been decided, the same senior managers delayed approving initiatives to further foster, develop or protect public space or public lanes. The stated justification for this was that these concepts were too ill defined or abstract and lacked credible institutional form. In contrast, commercial development fit well into the New Economy objectives of industrial development, trade and

competition policy, and, as another important factor, this was measurable using economic criteria.¹⁶

While Industry Canada pursued the CAP program as part of its Internet development strategy, public interest groups, both those involved with the Internet and others in communities across Canada involved in skills, learning and training initiatives, pressured HRDC for innovations to skills development funding programs to permit the incorporation of information and communication technologies (ICT) and the Internet. As discussed below, these efforts had success in the funding of a public not-for-profit model, though not the same as the model envisaged by the public interest groups (Interview, Anonymous, 2001).

During the early stages of public Internet use in Canada, public interest groups, such as Telecommunities Canada, held that view that the Internet was a public space and were opposed to a policy approach that would lead to its development as a commercial model. If commercial services were developed, the view of such groups was that these should be subsumed in a public space model. After the failure of this strategy, it was decided by a number of public interest groups (e.g., PIAC, FNACQ, National Library of Canada, Telecommunications Workers Union (TWU), Canadian Library Association) that basing arguments for a public good model of the Internet, public space or a public lane needed to move away from abstract principles to some formal structural form in order to be received credibly by government and industry. As

¹⁶ The author was an employee of two federal departments in the early 1990s, and was involved in negotiating public space and public lanes for radio communication licenses for Local Multi Point Communication Services in the 1996-97 period.

well, an institutional form permitted the protection and further development of this public good because this form would allow claims and rights to be embodied and exist in a more finite way as property. There was barely consensus about this approach, but it prevailed because the alternative had not worked. Going forward, each group had differing views on what constituted public space and how it should operate, be managed, etc. These differences were not overcome, but a partial consensus about a generic model, at least to be used for discussion purposes and as an exemplar of a model, was achieved. The institutional model was therefore considered a starting place, not a final result. Many models that were a variation on the theme, such as Free Nets and community networks, already existed. However, some of these had lost credibility with government and industry. This occurred for several reasons, including views by government and industry that a free public space or Internet was unrealistic, did not conform to the federal neo-liberal or communication policy frameworks, these were unsustainable on their own, and that the lack of a well organized, credible national organization meant that there was little effectivity in representing the cause, value, success and potential of community networking. Over time, many community networks survived in spite of these circumstances, and others have been created, though in different variations from the original Free Net model, largely due to community interest, support and funding from a range of sources, including community organizations, different levels of government, and to a minor degree from business (PIAC, 1998).

The need for a variation of the original community networking model was also driven by the success of the public interest groups in convincing industry and government that some measures were required for a public lane or space as part of legitimizing and realizing some grudging consensus from public groups about the developing commercial model supported by IHAC and the government. The Public Space Steering Group (PSSG) was formed to develop a more sophisticated model for strategic purposes. In part, its formation was also pushed in response to requests from a company, WIC Connexus (Western International Communications), for assistance in designing a public lane or public space with its new local multipoint communication service (LMCS) initiative.

Members of the PSSG were drawn from the membership of the Alliance for a Connected Canada based on organizations that had a membership and national organizational presence. These criteria served two ends. First, it helped give the group some credible stature with government. Also, it provided a means to lessen antagonisms in making progress on a model by reducing the number of public interest groups involved. There was a view by some groups that some of the other groups had to be excluded because it would be impossible to reach consensus on any model or initiative intended to complement the development of the commercial Internet or the government policy framework. As well, the view that the Internet should be a public space, as an inviolable principle was also strongly held by some that were excluded. The members of the PSSG are listed in Appendix A. Another important factor in the split in the groups was that the majority of those in the PSSG had a significant membership base, whereas those

adhering rigidly to principle did not. As a matter of pragmatism, to address the needs of these constituents, the member-based groups were prepared to compromise on the principle to a degree in an attempt to realize some benefits in policy or from programs.

In my view, the position of the groups that argued for the Internet to be a public space with commercial activities subsumed within this was philosophically correct. However, their broader model lacked coherency, and was internally contradictory, because they also argued that government should have no role, including regulation of the Internet. There was an assumption that this open model would prevail. There was a naiveté or ignorance in this view about the power, resources and strategies of industry, and how these could shape and control the development of the Internet and its operation. In this sense, there was a pragmatic elitism about the formation of the PSSG, largely driven by the groups with the required resources and staff to support the initiative. The strategy employed by the group was that of attempting to reform (Gramsci, 1971) the direction and outputs of policy and programs from within government. The goal was to negotiate democratic actions as part of these. Though, as with any constellation of groups working together, it proved difficult to gain consensus on issues. This sometimes created problems gaining the confidence of government and companies with whom the groups worked. Both complained on several occasions about the inability for public groups to provide coherent messages and goals. This impinged on the groups' potential effectivity. One organization likened the consensus forming process to that of herding cats. Of course, the group

dynamics of public interest groups is not different from that of the market, as the break up the Stentor Telecom Alliance Inc. lobby group due to member differences, one of the organizations with which the PSSG was negotiating, attests to!

In addition to developing a model, the PSSG negotiated public space/lane agreements with both WIC and Clearnet Communications (PCS carrier). WIC reserved part of its wireless frequency for a public lane (16 MHZ) and Clearnet offered selected libraries high speed Internet in exchange for the right to use library roof tops for cell sites (towers). The WIC public lane was to be used for connecting non-profit organizations at the community level, for knowledge and skills upgrading, and the online delivery of health information to Canadians. There were a number of benefits to the companies for these commitments. They gained good public relations. Second, and probably most importantly, the commitments created potential market capture opportunities for them by associating public benefits and services through their commercial systems. Attracting users to their systems for public services would bring potential customers. The competitors technologies were not interoperable, so this really would be market capture. Thirdly, the companies believed in the public good and saw the contribution as part of good corporate responsibility and obligation to communities (Canadian Library Association and Clearnet, 1997; PIAC, 1996; Industry Canada, 1997b; PIAC, 1996b; PIAC, 1996c; CellularVision, 1996).

For the groups, these commitments were viewed as interim steps to be used as leverage to gain credibility for a public space model, to convince other

companies and, to convince the federal government in particular, to support such a model through regulation, policy and program funding. Beyond promoting this model, a number of groups (e.g., PIAC, FNACQ, NAPO) continued to push for government regulation of commercial activities, and funding through regulation, to balance the public not-for-profit rights and activities with commercial rights in the development of the commercial aspects of the Internet (access and content) and the use of commercial services. These claims reflected the duality view of the Internet, not just in terms of utilities and capacities, but the need to limit the rights of commercial activities and to extend democratic rights to achieve public good ends (PIAC and ARC, 1999).

There were considerable difficulties with the members of the PSSG in reaching a consensus on the model. While it was still in development, some members of the group circulated the draft model to certain interests in government to capitalize on a number of opportunities to affect policy or programs. The document was provided to some of the bureaucrats working with the IHAC Access subcommittee. These efforts, combined with the efforts of representatives of public interest groups on the subcommittee, led to many of the access recommendations in the final IHAC report. However, senior managers at Industry Canada never intended for this report to be much more than a 'dust collector'. In other words, the report was something to point to as an example of public consultation and inclusive policy development, but nothing that would be acted on. As well, the PSSG collaborated closely with representatives of CAP and HRDC. There were positive results for both collaborations. CAP adopted a

community network approach as the preferred model for its urban CAP program. However, this was later derailed by the Deputy Minister of Industry who opted for a different approach in an attempt to quickly realize the target of 10,000 access sites that had been previously announced by the Minister. Never make a Minister look bad! The public space model was very useful in validating much of the representations being made to HRDC for the CLN program. In this respect, the answer from HRDC to the idea of a public good model of not-for-profit community networking and content was 'yes'. However, as was noted by an HRDC employee as the program was being implemented, many public interest groups, particularly the elite groups (e.g., Canadian Library Association, Telecommunities Canada) who had been involved in the early development of the Internet and public networking found it difficult to take 'yes' for an answer. This was because the CLN model wasn't exactly the same as their ideas and the program didn't necessarily provide them with funding the way they wanted it. The model required a collaborative or partnership approach at the community level as a criterion for funding and this also limited some public interest groups that wanted to proceed with their own initiatives on a solo basis (Interview, Anonymous, 2002; Interview, Anonymous, 2001).

Community Access Program

The CAP program is an interesting example on both a substantive level involving public versus private claims and benefits, and at a process level of government decision-making in the development of such an initiative. On a substantive level, CAP is a federal initiative developed with unintended

consequences. CAP resulted in community and individual use of the Internet along the lines of a duality with a heavier emphasis on social benefits. This contradicts broad federal neo-liberal policy focusing on industrial and economic objectives, featuring little government involvement. From a government decision-making process perspective, CAP was an anomaly and was largely successful because it evaded the normal procedures and rules for approval, as described in Chapter Three. However, later this came back to haunt the program when follow up funding became necessary to extend the program beyond its initial conception and for the sustainability of sites. The extension of the program required going through central agencies and normal program approval channels, which required a policy framework. CAP had never been adequately linked to a formal policy framework.

CAP was initially conceived as a social policy initiative with secondary economic benefits. When it was formalized as a program, in order to conform to the economic mandate of Industry Canada and the neo-liberal view of appropriate roles for government, it was repackaged as an economic initiative with secondary social benefits. After implementation, it evolved again, however this time, driven largely by the actions of community groups and individuals. Contrary to the program model (industrial, economic) at Industry Canada, after development and operation by communities, CAP came to embody a duality model, with greatest emphasis, use and value on the public and social goods dimensions, and secondary economic emphasis.

Public interest groups, which had been promoting a public model for the Internet, as well as their allies in government, were both surprised and initially none too pleased when CAP surfaced as a funded program. The creators of CAP and the public interest groups had little awareness of each other's efforts. While the public interest groups were promoting a sophisticated public space model of networking and public access and use, the CAP creators also envisaged a social good model for Internet use, though the scope of this was very narrow at the time.

The branch in Industry Canada that developed CAP largely stumbled onto the Internet and its potential for social and economic information uses. The branch was initially looking for an effective way to make Canada Scholarship forms available to high schools. Using the mail, most forms were being thrown out before they got to the students. While doing a successful pilot with 12 schools it was realized that the Internet could be used for a host of other government information and services. Much of the value and purpose at this early stage was envisaged in the delivery of social content and benefits. In broadening to forty pilots with partners that included HRDC, and provinces of Saskatchewan, Manitoba, Nova Scotia and New Brunswick, goals of the initiative were expanded to include government information, linking schools and students, and making the schools available for public access. There was some private sector involvement in these early pilots. Telephone companies, through the Stentor Telecom Policy Inc. alliance, provided free phone lines to each school for the pilot sites across Canada. The benefit to the telephone companies for this contribution was

speculation that this could lead to future revenues. The cost to the phone companies for the pilots was minimal, for example Bell Canada's cost was about \$5000. In terms of the government decision-making process, this initiative was too small both in scope and dollar amount to be an issue with senior managers or agencies involved in the program development and approval processes. The next stage of development of the initiative into the CAP program required both a change to the focus and rationale of the program, to an economic model, and an anomalous method of securing program approval (Interview, Anonymous, 2002).

There were three main difficulties in extending the original pilots into a full program. One was that overall government policy saw telecommunications as the engine of future growth for Canada, and that government should stay out of this as much as possible. Justification for the program based on how it was actually being used and the benefits derived would be problematic. Second, government was in a period of major budget cuts and down sizing, and the prospects of creating a new program were poor. Thirdly, the normal policy and program development approach would not have worked with CAP because at that time most people did not know what the Internet was, or what kind of social and economic impacts it could have. The normal response by bureaucracy to such initiatives is to say 'no'. In the view of one of the participants of the time, they needed to move ahead and evade the program blockages because otherwise they would still be arguing five years later about whether the Internet was a good thing or not and if government should be involved (Interview, Anonymous, 2002).

To complement the federal policy agenda of the time, CAP was repackaged as an economic initiative. Its stated goal was to attract telecommunication companies and Internet service providers into rural communities, usually the last to receive new technologies, by creating a mass of subscribers. This would be done by creating temporary public access sites where the public could try it, and if they liked it, buy it from home. In this new rationale, the social dimension had been subsumed to the economic. For justification, the program was not linked to a broad existing policy framework (none existed that the program could fit into), but to a government strategy developed for the 1993-94 budget that focused on innovation, telecommunications and, research and development. This was generally referred to in government as the 'Brown Book'. To garner some support and validate the model, some public consultation about the CAP program was undertaken at the time. CAP had evolved out of the SchoolNet program. This initiative featured an advisory board made up of representatives of the education community, provinces and some public interest groups. A separate advisory board was later created for CAP, but as with the SchoolNet advisory board, their real impact on the programs was limited to general advice. Their greater value was in being able to demonstrate to management that diverse support existed for the initiative from public interest groups that represented different social sectors (Interview, Anonymous, 2002).

Characterizing the CAP program in relation to the neo-liberal policy framework is complex. At the level of discourse, the program conformed because it was described and packaged effectively in the department as an

economic/industrial development initiative. However, there was a reformist aspect to the program in how it actually operated and the services that it supported. Its creators had really intended it to provide public access, basic skills Internet training, and public (education) content. In this sense, there was an attempt to alter or change policy through practice. This was made easier due to its administrative structure. All operating and management responsibility, and content authority, was transferred to program grant recipients (largely comprising not-for-profit organizations) in communities. This removed direct government control, and therefore, operational goals and activities of the CAPs from government. There is also an oppositional dimension to the program because the model of CAP developed by most of these community organizations was a democratic public service model, featuring content and services that were largely aimed at social benefits (e.g., literacy, job skilling, community content, public expression). These are associated with the development of capacities. Much of this content and use was also intended for individual and community economic development and participation, so there was also a 'maximization of utilities' objective as well. This duality of public interest in design and use, the growth and maturity of these services, plus increasing demands back to the government for more funding to maintain and expand the services, has increasingly brought CAPs into opposition to the neo-liberal model. One of the best indicators of this is that there does not exist any policy framework in the federal government to link and justify continuing support for the program. In fact, at the time of writing, it is estimated that up to twenty five percent (2500) CAP sites will close due to a lack

of sustainability funding from the federal government. Several studies have demonstrated that community non-government organizations (NGO's) and not-for-profit network organizations have been successful in creating community communication networks and services that meet needs more in keeping with the duality model than the neo-liberal communication model. Moreover, as these groups have matured, they have increasingly put policy pressure back on the federal government to sustain and expand these models (PIAC, 1998; Ekos, 2001; Ekos, 2001a; Reddick et al, 2001; PIAC, 2000).

As an innovative idea, to get approval and funding required the support and blessing of innovators or 'masterminds' at senior levels of management. Because CAP didn't involve much money at the outset and was not a formal program, but officially a pilot, the usual approval process involving management committees, Treasury Board, and Finance could be avoided. Instead, the proponents could skip over to their allies in central agencies. This means that the program idea did not come into direct challenge with the neo-liberal agenda or Program Review (government downsizing and budget cutting). The Deputy Minister of Industry supported the idea and promoted it to the PMO and, senior management and the Ministers' office in Finance. The format for the proposal was also unique. As with the original SchoolNet program from which it evolved, the CAP program was outlined on a single page. Normally such documents are ten to twenty pages in length. This was the main document used for approvals across the different 'innovators' in government (Interview, Anonymous, 2002).

There was also a political dimension to the program's approval. CAP was a good story at the right time; it fit a problem the PMO was trying to solve. The government was in the midst of making major budget cuts and down sizing. There was no new money available, but the New Economy agenda was starting to emerge and the government needed to appear responsive. The program was not expensive and identified a trend that was happening elsewhere (e.g., California has announced everyone would be connected to the Internet by 1998). With support from the PMO for the idea (a 'pressure') and its concordance, at least at the discursive level, with the innovation theme for the budget, the Department of Finance identified a delegated 'money bin' for the expenditure. Delegated bin funding is available for these types of initiatives because they can fit into broader funding approvals or use extra, year end money that has to be spent. The policy approval for the program came in the form of CAP's mention in the budget speech. This was tenuous but sufficient; it meant that the program had to be funded. The communication strategy used at this time to help sell it to the central agencies and the PMO was also political in nature. It was euphemistically referred to as the four "C's" – Chretien, Children, computer and camera. The success of the program's approval was also helped by the fact that the financial request was below \$100 million. Though not a hard and fast rule, amounts below this are spare change for the federal government, and usually don't require consensual discussion between the PCO, PMO, Treasury Board and Finance. The first funding for CAP (\$30 million) was considered at the time, in the context of the cutbacks, great value for the money. This is because in a

period of no new spending it allowed MP's "from across Canada to go out and cut ribbons and gain a lot of political capital" (Interview, Anonymous, 2001). However, some years later, after federal finances had been better balanced the view of the central agencies to the program would be different. Now if the program idea came up, they would hold approval until after they had seen analysis on its effectiveness and the long-term implications for a government commitment and risk (Interview, Anonymous, 2001; Interview, Anonymous, 2001; Interview, Anonymous, 2002).

The initial CAP program planned on establishing one thousand sites in rural areas (1994). This was later expanded to five thousand rural and five thousand urban sites. This was to complement the SchoolNet and LibraryNet programs that would connect sixteen thousand five hundred schools and three thousand four hundred libraries. The CAP program was to assist in the creation of sites on a partnership basis with community groups. Local organizations assumed all financial and operating responsibility for the sites. There was no provision for ongoing federal funding over the long term for access or other purposes. CAP found a general policy framework for its activities with the establishment of the government's Connectedness Agenda. CAP was placed into the Canada Online section of this agenda. The other five sections were: Smart Communities; Electronic Commerce; Canadian Governments Online; Canadian Content Online; and Promoting a Connected Canada to the World (Connecting Canadians, 2000; Industry Canada, 1997c). Other formal approvals for the program were references in the Learning Strategy approved by Cabinet (Canada,

1994a), the policy “Building a More Innovative Economy” also approved by Cabinet, this included the community access extension of SchoolNet (Canada, 1994b) and the Speech from the Throne (Canada, 1994c) that declared the Canadian Information Highway as a national priority. But these approvals still did not attach CAP to a formal policy in and of itself.

In addition to provinces, other federal departments supported the CAP program because, as it developed, it started to serve their needs. Many did not like the economic focus of CAP, but saw the program as useful because it helped to further their agendas, for example, HRDC relies on CAP sites as part of its CLN program. There is also support because, as discussed earlier, as part of the normal, formal policy and program development and approval processes, each department trades off this support for Industry Canada support of their programs. This permits the other departments to identify a linkage to CAP, as ostensibly an important part of the neo-liberal policy agenda, which in turn gives them more flexibility in pushing other objectives (e.g., social, cultural) (Interview, Anonymous, 2001).

There was a missed opportunity by public interest groups (e.g., National Capital Free Net, Coalition for Public Information, Telecommunities Canada (TC)) who were involved in the early development of the Internet in Canada to host or roll out CAP when the CAP program started. The community network interests, represented by TC, approached the CAP program about administering the delivery of sites. There was, however, at that time, an unresolved difference in viewpoints. The community network interests approach to the Internet and

connectivity, as discussed above, was based on a model and principles that were different than those of Industry Canada. They considered the Internet to be non-commercial public space. The groups view was that public space needed to be extended with links to people and organizations, the public should have access to this from home by computer, and that community groups should develop these resources as they saw fit to meet their needs. Industry Canada wanted more. In the government's view, the Internet and access technology needed to be easier to use, there needed to be public access points for those who could not afford to have computers, and there needed to be a proper dissemination plan. The groups wanted the funding, but were not prepared to guarantee public access sites. This was probably the biggest problem for the CAP designers at Industry Canada because in their view (and this was not the department's view), the federal government had an obligation to ensure that Canadians could access the Internet; that this was a right of citizenship. There was also a major strategic mistake by the groups that probably aggravated this early relationship. They were perceived as adopting what CAP thought was a right wing view in that they were not interested in the mixed economic, social and cultural public policy objectives that had to underline a program like CAP, and as well, they were antagonistic to a government role, essentially adopted a position of being anti-bureaucracy. If the public groups had to come to terms on public policy goals (meaning accepting the economic in addition to social mandates, something anathema to them), the role of government and public access sites, then not-for-profit community networks probably would have been chosen as the main

program vehicle for the CAP program. This use of traditional providers in the field was the preferred approach by Industry Canada for other programs (such as LibraryNet, SchoolNet). As mentioned earlier, while the program was packaged as economic, its creators, to a degree, did this strategically knowing full well that something social would not get through managerial approval. Somewhat ironically, later, in order to get buy in and support from other departments, they increasingly brought in the social and cultural dimensions and benefits into its rationale and activities (e.g., content development, skills training). This is ironic because, as discussed earlier, CAP started on a social footing (Interview, Anonymous, 2002).

However, CAP changed and evolved again into a program that was more of a duality (economic, social). This was due to several circumstances, some internal to government, others arising from communities and some public interest groups. Many of the interest groups concerned with public space on the Internet were of the view that this was the only game in town and started to work closely with the CAP branch. To some degree, this was correct because the departments of Heritage and HRDC, that later became involved with the Internet, had no plans to do so at this earlier time. As well, the New Economy framework focused on market rights and development, and a policy framework for support of not-for-profit social and cultural initiatives did not exist. The groups (e.g., PIAC, National Capital FreeNet) were more flexible than others on accepting the federal policy frameworks, with the expectation that they could refocus these from within. At the same time, the CAP program design was flexible enough to support many

of their initiatives relating to the development of public space. In fact, using evidence of the changes in how the public was using CAP sites, a number of the groups (e.g., PIAC, CPI) were contracted to assist in the design for, and roll out of, both rural and urban parts of the program (Interview, Anonymous, 2002).

Another, and probably more important, reason early on for why the CAP program changed focus had to do with its reception by the business community. A number of telecommunication companies and commercial Internet service providers saw CAP competing with them in Internet connectivity. To resolve this problem, CAP's official goal was changed. It still maintained an economic component, for example facilitating the development of electronic commerce, but in substance adopted a socially driven goal of universal public access, and using access to further people's access to learning, health care and so forth. The shift to these issue areas was justified as necessary to improve the delivery of government services. This put Industry Canada closer to HRDC's mandate for learning, skills, training and, individual and community capacity development. However, CAP's efforts were really complementary to HRDC as opposed to competing. This is because CAP's budget was miniscule in relation to the actually required levels of funding to do this properly, and in relation to HRDC's budget. So rather than actually doing these things in substance (e.g., capacity development) CAP's role became one of promotion, with HRDC and others providing the substance (Interview, Anonymous, 2001; Interview, Anonymous, 2002).

CAP was reinventing itself from inside to avoid industry flak at the same time that many community groups and organizations that were operating CAP programs in communities evolved these beyond simple access sites to provide a wide range of services. A number of CAPs developed further into not-for-profit community networks. This was driven by several factors, including financial sustainability problems and, the demands community groups and public users put on the sites to provide information and services to meet a range of social, cultural, economic and civic needs. This included the need to interconnect community groups and organizations to provide access to, and exchange, information. The pressures emanating from communities back to Industry Canada for more and ongoing funding for CAPs also created pressures to continually modify and extend the program. By 2001, two thirds of rural CAP sites were involved in community partnerships and one in five belonged to a broader community network (Ekos, 2001a).

The range of services and activities of CAPs demonstrates that they were meeting the needs of citizens relating to the development of their utilities and capacities. In a census of all CAP sites, the types of services made available across Canada included: Internet access (99%); printing/copying (96%); software applications (89%); email (85%); online community information (70%); distance education (49%); training (29%) and education resources (7%) (Ekos Research Associates Inc., 2001, p. 22). The main uses of rural public sites were for personal, social or recreational purposes; learning and training; and accessing government services. Commercial purposes were also important, but secondary

compared to the social purposes. Community benefits included using the Internet to market local industry and improving communication, shared information resources, and improving the quality of life (Ekos Research Associates Inc., 2001a, pp. 54, 117, 119). Research on the CAP sites concluded, "the most notable impacts on individuals have been increased access to and awareness of IT, more access to information, improved communications, access to employment and training opportunities, skill development, and personal growth and self esteem" (Ekos Research Associates Inc., 2001a, p. 119).

The pressure on Industry Canada for continued and expanded funding for CAPs was considerable. The lack of ongoing sustainability funding, still unresolved in 2002, was a major failure of this program. Research showed that only forty one per cent of sites would be able to continue providing services at the same level without ongoing federal funding. The remainder would close, reduce services, start charging fees, or reduce training. At the same time, CAP sites were faced with increasing demands for existing and other services (Ekos Research Associates Inc., 2001, p. 26).

As originally developed, CAP somewhat conformed to the governments New Economy policy framework. However, once it evolved into more of a socially oriented program, with a major goal of providing access to those who are on the wrong side of the digital divide, and also created a pressure on government for ongoing sustainability funding instead of winding down after three years, it moved into the area of contradiction. One contradiction is that CAP was originally designed to encourage individual consumption of commercial network access

and online content. The goal was to help create a mass of consumers, purchasing standardized products and services from the market and government (e.g., educational courseware). This was successful to a degree because many using access sites did so to browse or purchase online commodities, whether books, software, etc. however, use patterns also exemplified a duality of purpose and need because people also sought out, and used, collective public goods content, and used both commodity and non-commercial content to meet utility and capacity developmental objectives. These latter needs and demands demonstrate that the market model is unable to satisfy these, or what it does provide is insufficient. Moreover, this demonstrates that there will be an ongoing tension between the commercial Internet model and a democratic model. The commercial model pushes fragmentation, individualization and homogenization. The democratic model features collective and individual needs and activities relating to democratic goals associated with the development of community and individual utilities and capacities. Another contradiction is that the market model has been unable to provide access and services to all citizens. Many people are not able to participate due to class and other inequalities. This has been exemplified by the emergence of a digital divide. This was discussed further in Chapter Five (Reddick & Boucher, 2002; Ekos, 2001; Reddick et al, 2001; Ekos, 2001a; PIAC, 2000).

The weakness of the programs' institutional structure, particularly its reliance on third parties to deliver the program, became a strength for realizing public goals with respect to community networking or the development of

different forms of a public model. In terms of governance, a real problem continues to exist. The original program cut corners in its creation and funding. As such, it barely fit a policy framework in its initial incarnation as an economic project, and not at all when it changed into a social program. Further substantive funding (sustainability, public access for digital divide, etc.) has not been forthcoming. Instead, the program has been given minimal funding, basically at the level of life support, while Industry Canada attempts to come up with a new story and policy linkage to go forward. The fact that it is more of a social program is not the problem for government. But Finance and Treasury Board have blocked extension and expansion of the program until the issue of the lack of a social policy framework for the program is resolved. For these central agencies, the economic framework of the New Economy policy does not provide for the continuation of such a program because in the neo-liberal view the types of problems CAP addresses either should not exist, or are no longer public policy issues or obligations. At the time of its inception, CAP was supposed to 'exit' with no further government responsibility after 2002. A trend in government during the past ten years is that programs should have clear 'exit' strategies so they don't become entitlements or go out of spending control over time. It was no secret that the CAP program was insufficiently funded, or that it would not wind down in 2002 when it was established. It was a known risky gamble at the outset. The hope was that once proven successful, more funding would be forthcoming. Working within the confines of government thinking, that usually kills innovative ideas, the strategy of CAP was also in part driven by the theme, "better to ask

forgiveness than permission”, because in government if you ask for permission, the answer will invariably be no (Interview, Anonymous, 2002). So while there is a need by the public for the program to continue, an even greater need than when it started, and the program has evolved into something very different than envisaged by government (at least some in government), by 2002 it had stalled over a major policy vacuum. The new story for CAP requires a social policy context and has to be about how these resources are used for access and to meet social, cultural, economic, and community development initiatives and goals. However, the neo-liberal economic and competitive market essentialism of the New Economy policy framework is not able to easily handle these social practices and demands. As noted by one government employee about the problems that arose with the CAP program in 2001, the “government has yet to develop a good social, economic and cultural policy framework to situate this in” (Interview, Anonymous, 2002). I would argue that another reason central agencies have not been supportive of further funding for CAP is that the agencies are applying accountability standards to how the initial program funding was used. Having avoided these formal processes when it was created, CAP is now being disciplined for this. Moreover, the central agencies are also disciplining CAP for continuing to be devious in seeking follow up funding.

Community Learning Networks

The Community Learning Network (CLN) program of the federal department Human Resources Development Canada (HRDC) is a useful case study for a consideration of the duality of the public interest for several reasons.

First, the substantive community activities supported by the program embody the duality of relations or processes of people. Also, the establishment of the program, a public good initiative, occurred within the context of the broad neo-liberal policy framework, demonstrating opposition and diversity of policy views and practices within government, highlighting the view that governance is not a monolith under a specific general policy framework. Third, the example demonstrates agency on the part of individuals and organizations outside the state, and individuals inside the state, both with the goals of achieving equitable, progressive social policy objectives.

The CLN initiative was introduced as a pilot program (1999) and provides funding for staff, content development and non-capital operational funding to not-for-profit community networks (community organizations working together). The CLNs are intended to provide learning and training opportunities, community information, and other information resources that facilitate individual and community capacity development. The terms 'learning' and 'capacity development' are meant in the broadest sense of their meanings (social, economic, civic and cultural). Approved in 1998, in the first three years of the program, twenty nine million dollars was made available in amounts of up to two hundred and fifty thousand dollars per project, on a cost shared basis. By 2001, some sixty projects had been funded across Canada, with another one hundred and fifty applications pending. The initiative is particularly concerned with those who, lacking skills and resources (digital divide), risk being marginalized in the New Economy (Interview, Anonymous, 2002; HRDC, 2001).

The program is intended to benefit those who are clearly disadvantaged due to inequalities in the market place (e.g., low income, low skill levels, low literacy, disabled, rural, etc.). The program's design and the official discourse created about it for use within the department, facilitated its inclusion in the broad mandate of HRDC and a core theme within this of "supporting human development, supporting issues of inclusion, supporting issues of citizen's engagement" (Interview, Anonymous, 2001). This program is distinct from the CAP for several reasons, but one of the more important because CAP "focused on e-commerce and really was seen to be largely a means of increasing Internet traffic at the community level, though it was often wrapped in concepts of social development and, learning and inclusion" (Interview, Anonymous, 2001).

CLN was created by a few individuals working in a branch of HRDC, the Office of Learning Technologies, as opposed to the normal program developmental process involving wide departmental consultations and approvals. As a new group working on innovative projects, the branch operated a step out of the mainstream of the department. Instead of reporting through the normal channels of the department, OLT reported to an Assistant Deputy Minister and to a Senator appointed to head the branch. As discussed below, this structure was of benefit in the programs' creation and approval.

There were several factors that led these individuals to create the program. Pressure by public interest groups from two main sources identified issues and needs relating to universal access to the information highway and, public good-based networking and content services to meet a range of

interconnected individual and community development needs. One set of groups operated at the national level (e.g., literacy, training, community development), the other at the community level (often counter parts to the national groups). Another factor that led to the creation of CLN was a belief that the series of broad recommendations on access for social policy purposes in the final IHAC (1997) report should have been acted upon. The final IHAC report recommended support for community networks, public space and public content. These recommendations were the result of the work of the Alliance for a Connected Canada, the Public Space Steering Group and, to a lesser extent, the Canadian Coalition for Public Information. As proponents of social policy and social rights, the decision to create CLN was a reaction against the neo-liberal policy approach being used to drive the development of the Information Highway. Industry Canada and the CAP program used the recommendations as part of the justification, and to promote, the CAP, SchoolNet and LibraryNet programs. However, the vision and initiatives arising from these programs fell well short of the IHAC recommendations.

Continuing pressure by public interest activists on universal access led to the establishment of a working group to explore ways of dealing with the issue by the departments of Industry, Heritage, HRDC, Health and the Rural Secretariat of Canada. HRDC further developed an interest in community networks as a means to address social concerns in both public policy and at the community level. The model developed by the PSSG helped to promote these ideas and helped validate the need for a government response and a 'public space' and inclusive

model at the community level. The second area of pressure came from community-based social or 'equity' groups and organizations of whom OLT was already working across Canada. The existing individual and community development programs offered by HRDC were seen by these groups as too rigid to accommodate innovative uses of information technology in communities for learning and development purposes. The success of a number of organizations in different communities using information technology for formal and informal learning and development purposes, as well as community networks, further gave credence to a social good or social policy model for OLT. To help define the program, OLT conducted research on community networking models in Canada, convened a national forum that brought in a number of the groups that had created local networks, and consulted a wide range of expert, public interest representatives. This included consultations with HRDC's equity groups on program design (Interview, Anonymous, 2001; Interview, Anonymous, 2002).

Public interest groups, particularly those who had been advocating a 'public' model or approach to the development of the Internet and community networking had realized a major victory through the creation of CLN and had played no mean role in this. The model was a reaction against (opposition to) the neo-liberal reliance on the market, competition, and a reduced role for government for the provision of public goods. It was also a rejection of a commodity approach for the consumption of online goods and services. Instead, the model presumed that there would be little likelihood for social or economic development and participation without a strong social infrastructure and a set of

democratic individual and collective resources and practices (Interview, Anonymous, 2002).

However, as with CAP, and somewhat perplexing, a number of the public interest groups that had been advocating for a public space model did not see it this way. The groups either failed to recognize a win or were not satisfied with the outcome because it did not meet their vision. This is not to say that complete consensus by public interest groups on policy approaches and program models should be the ideal or norm. A diversity of views, goals, and interests are essential in representing the varied views and differences of people and organizations in society. Policies and programs need to be inclusive of these, or be malleable enough to permit needs and differences to be included and reflected. Part of the problem underlying its negative reception by some groups was that the CLN was designed using the discourse of government in order to garner approval of the government within the HRDC mandate. This discourse may have been misread or misunderstood by some groups. Beyond the surface layer of the discourse, however a close reading of the program policy guidelines shows that the program was designed to be sufficiently flexible to accommodate most interests, needs or visions of the different public interest groups. The terms “community”, “learning” and “networks” were so broadly and generally defined that one would be hard pressed to identify exclusions, beyond commercial and private initiatives (HRDC, 1999).

It was some of the elite public interest groups operating at the national level that had been involved with IHAC, CRTC proceedings and other policy

initiatives that were reticent, or at times problematic, with respect to the development of the CLN program (e.g., Telecommunities Canada, CLA). Some were working closely with Industry Canada's CAP program, and were either focused on changing or benefiting from this program instead of embracing CLN; it had been, after all, the only show in town for a time. It was therefore problematic for these groups in being able to shift attention and allegiances, and to recognize the potential opportunities of supporting the very different model to that of CAP that HRDC was developing, even though the model more closely approximated what the groups had been arguing for. Moreover, where CAP provided a maximum of about thirty thousand dollars per project, the CLN provided ten times as much. Moreover, the split between Industry Canada and HRDC over visions and values (embedded in the CAP and CLN models) also contributed to public interest groups becoming too wedded to particular camps. Some of the public interest groups chose not to support the CLN model because it did not exactly conform to their model, or was not felt to be a substantive enough policy response from the government. For example, some groups did not want a program because it was a partial solution, and advocated for a broader, cross government national universal access strategy, a strategy that would largely be guided by the groups themselves. The rigidity of these views became a cant to HRDC, such that one government employee observed, "some public interest groups were so strident that their voices actually hindered the approval process. As a result, instead the final IHAC recommendations were used to support and justify the initiative" (Interview, Anonymous, 2002).

This type of opposition by public interest groups reflects a healthy democratic process of debate and interaction in developing initiatives for positive social outcomes. However, there is a question about what the appropriate venues are, as well as timing, for such debates. To a degree, public interest groups were weak on strategy and naïve about the government decision-making processes. They were also had a weak understanding of the risks involved by not supporting models that their allies in government were able to develop. In the context of the development of a democratically progressive initiative, such as the CLN, such weaknesses of strategy and understanding can be ill served because the resulting apparent lack of consensus can be used as an argument against other preferred approaches. Additionally, such a lack of understanding and consensus can be used as a justification for a neo-liberal model, and in this no debate is required because all consumer, providers, etc. are treated as having equal opportunity, under a uniform model. Differences are a matter of choice, not equity or other causes.

OLT encountered similar problems some time after the program became operational. Some of the public interest groups (e.g., some community network organizations, library associations) were approached to work with OLT to help develop CLN's and enhance these by using them for delivery of government services and information. As mentioned earlier, this, in part, led to the observation by one government employee that these groups, after years of pushing for a public model, couldn't take 'yes' for an answer in response to the implementation of CLN. While some of these organizations embraced and

implemented CLN projects, others showed little interest or understanding. For example, one government employee observed, “the library association just didn’t seem to understand” (Interview, Anonymous, 2001). Interestingly, the Canadian Library Association had been one of the core members of both the Alliance for Connected Canada and the PSSG, and were very much involved in the design of the community networking model that was adapted into the IHAC recommendations, and that subsequently helped inform the design of the CLN model. While proceeding to work with those libraries and community networks that did get it, OLT turned to the many existing community organizations with whom HRDC had been working with for years in the delivery of social programs to do CLN’s. These groups included community centers, senior groups, literacy groups, colleges, low income groups, among others (Interview, Anonymous, 2001). There was some involvement by the private sector in CLN initiatives. This involvement was minor, occurred at the community level, and usually involved providing some minor supportive resources. In some instances, companies were more involved as partners, for example, in providing training or apprenticeship opportunities as part of supporting a training and skilling aspect of a CLN (Interview, Anonymous, 2001).

Approval and Policy Framework

The approval approach and funding for the CLN program was not the norm. However, the department’s mandate is broad enough to permit a fair degree of flexibility in program development. The small group of individuals who created the program undertook a considerable amount of groundwork, including

research and consultations, to develop the program and establish justifications relevant to the departmental mandate, as well as discursive linkages to the New Economy (training etc.), the IHAC recommendations and the Connectedness Agenda. Garnering support in HRDC required getting the idea to the right allies and managers, and to do so when the right opportunity increased the chances for success. The department was looking for innovative ideas relevant to the broader information highway policy framework. OLT managed to find an ally at the Assistant Deputy Minister level to help move the initiative forward. However, as a special pilot group within HRDC involved with literacy, OLT reported to a Senator, Joyce Fairbairn, as well as the Minister. Fairbairn had previously been appointed as the government's champion for literacy. Having direct access to the Senator, a senior member of the government, permitted better access to approval than through the usual machinery of the Ministerial route. Instead of seeking funding from the budget as part of fiscal policy and program approval, OLT opted instead to approach the Employment Insurance Commission (EI). Part of the EI funds are earmarked for research and innovation in training and skills development for employment. The EI Board approved the expenditure for the program. The other approval authority required was from Treasury Board, and this was forthcoming (Interview, Anonymous, 2001).

The degree to which CLN conforms with, or is in contradiction to, the government's broader neo-liberal policy framework, could be argued, is a matter of perspective. In the context of the department's mission and mandate, OLT was able to fit the program within these. Specifically, CLN was positioned within the

mandate of learning and literacy as social policy and social development. At the same time, the focus of the program was still something innovative (Internet related) and different from the usual type of HRDC program. This very much meant that the program was not being informed by the overall mandate of the department, but being fitted in by its creators. The program did not set off any concerns that may have led to its being blocked because it was below the radar of policy scrutiny, it didn't cross onto anyone else's turf, and many in the department did not understand the program or its implications with respect to the use of information technology and networks, learning, literacy and, community and individual development. It was only in 2000-2001 that these issues became central concerns of policy in HRDC (Interview, Anonymous, 2001). However, from a broader view that brings in neo-liberal policy and regulatory changes that advocate less public oversight, government intervention, regulation and public funding, the program does challenge the assumptions and practices elsewhere in government.

Since the HRDC Grants and Contributions scandal in 2000, there has been a shift in governance policies at HRDC that affect the autonomy of branches, such as OLT, to develop innovative programs. An increased rigor over decision-making means that initiatives that are new or risky face more obstacles in approval. As well, the neo-liberal market approach has increasingly impacted on HRDC decision making, whereby much of the policy discussion in the department has shifted to 'economic' from 'social'. In fact, the new wisdom in HRDC is that the department should not be in the advocacy business for any

disadvantaged group. Instead, adopting a neo-liberal view, those who are not connected to the Internet, or do not have good skills, have done this as a matter of choice and therefore will not be of a concern to the department (Interview, Anonymous, 2002).

The social policy mandate of HRDC provided a means to create CLN. CLN was created very much in response to the inability of the market and neo-liberal policy to provide means of ensuring that non-commercial as well as commercial rights were realized, that everyone had the means to access and benefit from the Internet for a duality of needs, and that as part of this, that the development of the Information Highway networks and services permitted the development and use of public spaces, processes and goods to complement those of the market. The CLN continues as a program at HRDC, but probably could not be created now in the shifting department policy environment (Interview, Anonymous, 2002).

Contrast Between Models

A good indication of how the CLN stands in contradiction to neo-liberal policy is exemplified by the tensions between the CAP program and its objectives, closely tied to a neo-liberal policy framework, and the CLN.

The tensions and contrasts between the CAP and CLN programs also further illustrate both the duality dimension of information technology and networks in how there needs to be a balance in development and use, and the tensions between the CLN model and the neo-liberal policy framework.

A key difference between Industry Canada's CAP and HRDC's CLN program approaches was that the CLN was 'bottom up', based on the interrelated economic and social developmental needs of the public, whereas CAP was 'top down', driven by numerical targets concerned, at least at the outset, with supporting market development.

At the outset of the CAP program, there was an effort to do this as a partnership between HRDC and IC. However, the very different philosophies of the departments, and the practice of HRDC to take time to consult and work with community organizations and HRDC regional offices in developing an initiative based on needs, largely ended the partnership. CAP was moving very quickly because delay would risk encountering those normal program shackles that management resorts to when confronted with innovation from below (Interview, Anonymous, 2001).

There was also a considerable difference in philosophies between the programs in that CLN was very much a 'public good' whereas CAP was an 'economic good', at least until it was modified by community interests through implementation. CAP in its initial incarnation complemented the neo-liberal agenda. HRDC had been moving away from economic development as a major focus and towards a mission of human development and supporting people in the work place and their communities. While the broad policy approach of the government is to emphasize and create horizontal partnerships across departments, bridging cultures and mandates of departments such as HRDC and IC, with very different histories and practices, is a real barrier to realizing this

goal. But as these case studies have demonstrated, these institutional relations are also an obstacle to the easy dissemination or imposition of neo-liberalism throughout all aspects of the machinery of government. This gets even more complex because a department such as HRDC interacts closely with public partners at the national, regional and local levels. These interests advocate and practice a more balanced or duality approach (interconnected needs and uses, processes) to information, services and programs. This is reflected not only in their dealings and representations to HRDC, but also in a host of other ways that pushes back on neo-liberalism, such as interacting with other departments and other levels of government, public opinion, through elected representatives, and in dealings with other institutions, both commercial and non-commercial (Interview, Anonymous, 2002).

The attempted partnership between the departments of HRDC and IC was formalized using an MOU (Memorandum of Understanding). This was done to placate PCO (Privy Counsel), which was pressuring departments to work more closely together. Industry Canada (IC) did not agree with the community-based approach, nor did it consider CLN to be a big enough partner. The contradiction between the CLN program and the neo-liberal policy framework can be usefully summed up by a participant who observed, "the whole concept of a community network owned and operated locally to promote lifelong learning and community participation was not part of the sanctioned government agenda" (Interview, Anonymous, 2002).

What really matters, as they say, is where ‘the rubber hits the road’. As with CAP, it is community organizations and individual members of the public that are on the receiving end of these programs. Whether CAP or CLN, much of the time, the same community interests deliver the two programs. These interests do not operate in ‘stove pipe’ activities as government programs are structured. Instead, they work in different constellations of groups, adopting holistic approaches, aggregate local resources, and attempt to shape, bend and use these programs to meet their needs. This is not always a simple or clean process at the community level, and the politics can be just as bad as it is between and within government departments. Often local politics and past relationships in communities mean that there is competition and differences between community interests over government programs and initiatives. But this noted, community interests see these programs as useful in supporting linked, interdependent, social, economic, cultural and civic processes. Networks and information technology content and services are seen as resources, embodying the duality of needs and purpose, to achieve collective and individual objectives. As argued earlier, these objectives concern both the development of utilities and capacities and bring in the conflicting set of liberal and democratic rights, but these are worked out through processes at the community level. In the end, social practice can close the circle on policy and programs, if the policy and programs emanate from the public’s needs and practices as opposed to being imposed from elsewhere, driven by external special interests, whether these be informed by economic, political or ideological essentialisms (Rideout, 2001; PIAC, 1998).

Chapter Seven: The Duality of the Public Interest.

This thesis provided a comprehensive examination of the concept of the public interest in communications and how it is expressed as a duality at the levels of networks, public policy and the attitudes and practices of people. Through a review of different conceptions about what the public interest is, and how this is achieved, the thesis examined the two primary underlying claims and justifications that separate understandings about the public interest. This is a duality, whereby on the one hand there is a set claims concerned with private property rights and economic objectives, and on the other, property as collective or public good rights and, democratic and social objectives. Based on this, the thesis analyzed this duality of claims over the access to, and use of, communications in Canada specifically focusing on the Internet.

The thesis argued that for a conception of the public interest in a liberal democratic capitalist society to be coherent and consistent, philosophically it must be based, at least in part, on the underlying justifications of property claims and rights which are either the maximization of one's utilities or the maximization of one's powers/capacities. The duality of the public interest, as it relates to networks, policy and people, then, is fundamentally a dialectic between the maximization of utilities and the maximization of powers or capacities. The state plays a critical role in these relations because it creates rights for companies, organizations and individuals in society, and is the site of contestation between interests in the establishment of these rights.

Traditional conceptions of the public interest tend to be partial, though together they offer a fairly accurate description of different dimensions of the public interest. Such different dimensions include, the legal or institutional processes to resolve something, a general societal or welfare view of objectives, a plural consensus building process, or the common good as an aggregation of interests to maximize utilities. The thesis demonstrated that these conceptions are not sufficient because in social reality and practice the right of the maximization of one's powers underlies many activities and claims of the public. This means that one must take an ethical approach to the public interest because this is concerned with end goals, and issues of justice, democracy, duties and obligations. In this view, there is a mutuality and interdependency between these rights.

In this model, conflict may exist over whose values determine what is ethical ('good' or 'right'), which is part of democracy. Such a qualitative dimension is necessary to move beyond the limited empiricist approach to rights that only includes 'things', or the maximization of utilities. This means that the public interest will remain, however, contingent, changeable, contested, and only temporarily stable, but the underlying goals, justification (rights) and ethic are fixed.

The thesis builds on other work on the public interest and communications not only by extending the idea of adding property rights to the concept of public interest, but also by linking the public interest with the idea of a human right of access. The rights between the economic and non-economic for information and

communication need to be seen, and justified as underlying property rights because of the importance of property in our society. Furthermore, governance processes and the law are centrally concerned with property as the means for social organization. To achieve some measure of equality in relations involving communication and information, the 'right to exclude' and the 'right not be excluded' need to be balanced. But the thesis argued that a human right justification is also important. This right is broader and stronger than property rights under capitalism because it exists extant to this or any other system; it is universal, and it identifies the development of people's capacities and powers as a broad, ethically based entry point for analysis.

The thesis has demonstrated how the duality of rights, such as public/private, commercial/non-commercial, and the right of access or to exclude access, is reflected in our information and communication practices and institutions. How people use communication and information is a complex duality whereby they can be economic, political, social or cultural actors. People can be seeking or using information and communication for these purposes and doing so for very different reasons (maximization of utilities or capacities) separately or concurrently.

Market Model

In spite of the Internet's short history, analysis has shown that a major shift has occurred in its' structure and operation, from a wide open, uncontrolled, unmediated means of communication to an increasingly structured, commodified, and mediated system. The thesis argued that the developing form of the

Information Highway can be described as a pseudo-broadcasting model. In this emerging model, dominant integrated media companies are increasing their control over how people access and use the Internet, as well as in the packaging and distribution of content and services. This trend to centralized aggregation of content, advertising-based and user pay revenues, one-stop service, gate keeping, and the creation of intra-nets (or sub-networking within the broader Internet) closely approximates the traditional broadcasting model. In spite of this, there is still no public regulation of the development and operation of the Internet in Canada, other than to facilitate the creation of a market place (market rights). The thesis demonstrated that this is in part due to the limitation of communications legislation, the ideology of the CRTC and, a definition of broadcasting that is inappropriate and unworkable in the content of the Internet.

The research has demonstrated that, as opposed to the revolutionary new communication juggernaut suggested in its discourse, the market has developed new networks and content services on an incremental basis based on products and services, and customer bases that are most profitable. The main market for the industry is the business segment as opposed to consumers. In retail, there is not a lot that is new in terms of content, with much of this already existing and sold in other forms, advancing commodification. There has also been a considerable effort by industry and government to deepen and extend commodification into government and other public services (e.g., health, education, training, etc.).

Neo-liberalism sees the market providing for general social and individual goods, defining these in terms of consumer choice (supplier, price), competition, efficiency and individualization. The end objective of this theoretical framework and policy framework is an open, competitive market justified with ideas of freedom based on the maximization of utilities.

Public goods, such as regional development, training and education, health, etc., are reconceptualized in the neo-liberal model, by both industry and government (e.g., IHAC, Convergence Policy), in economic terms as products or commodities important for economic growth, competitiveness, and in terms of the efficiency of delivery. These are also seen as means to leverage public funds to underwrite and support the development and sustainability of a commercial Internet. The market view also advocates limiting social policy in communication to such matters as cultural diversity and editorial content. Goals, such as universality, affordable services, diversity of content, etc., are seen as being achievable through competition. Ironically, at the same time, industry demands from government changes to regulation, policy and subsidies to support and extend market rights. However, this research has demonstrated that lightly regulated competition is resulting in the re-development of monopoly, or duopoly and oligopoly markets, depending on the service (e.g., cable, telephony, etc.), where prices continue to increase, and service and content are only provided where they are most profitable.

The thesis has demonstrated that this neo-liberal model is unable to deal with inequalities, provide for non-commercial (social, cultural, civic) needs, or

deliver goods and services where there is a limited or no business case. As explained, the production and distribution model that has developed with the Information Highway is stratified along the lines of class, gender, age and geography. This model is imbalanced towards commodification that tends towards social homogeneity and fragmentation (individualization) as opposed to being balanced with democratic rights and practices that support diversity and cohesion.

Another major weakness identified about this model is that it ignores the importance of social infrastructure. Attributes of social infrastructure, such as public goods, general skills, non-commercial information and communication activities, are important variables not only important for individual and societal democratic ends, but also important for the market. This is because there is a dependency by the market on social infrastructure, and a large number of people using communication services, to support and maintain demand and consumption.

However, at the same time, just as it seemed that this model was about to become permanent, a number of crises occurred. One crisis is that companies have overbuilt networks, web sites and other infrastructure in relation to demand. Another crisis is that convergence is not working. Thirdly, it has proven difficult to make money on the Internet. Another problem is that the emergence of a digital divide has meant that a large customer base has not formed. Electronic commerce has floundered because many people online do not make electronic purchases and those that do, don't buy as much as expected. There is also the

problem that most of the content people want is social and non-commercial in nature, that has yet to be fully developed for the Internet, which in turn has meant low interest and demand in the Internet. A more recent problem is that the Internet is starting to be seen by the public as little different than other household communication technologies, a tool as opposed to a revolutionary device. Industry is seeking government intervention (policy, regulation) to help overcome these failures and limitations of the neo-liberal model. In this context, the thesis argued that there is a great opportunity for public interest groups to use these problems to their advantage by pressuring the government to make changes in policy, regulation and market practices to better balance the rights and interests of the market and citizens (economic and social dimensions) in the future development of the Internet.

The State

The federal government has justified the shift in emphasis on rights and the public interest based on claims that this will help overcome our economic problems (e.g., innovation, competition, trade) and develop a new domestic market. Public needs and goods are redefined by government policy in economic terms; so reduced prices and increased choice replace social regulation, social expenditures and public goods. These traditional activities of government are now considered as a distorting influence on the market. At a broad policy level, both government and industry promote an *information economy*, whereas in expectation, use and practice, the public sees an *information society*.

The thesis argued that the state must be an ethical state in creating rights for people and organizations. At the level of broad policy and regulation, evidence demonstrates that this has not been the case in the recent changes in communication policy and practice in Canada. However, the state is not a monolith, and in a number of smaller policy and program initiatives (in some sites in the state and with some state actors) an ethical and democratic approach has been pursued. The thesis has demonstrated that overall, the neo-liberal policy agenda of the state, and in turn the general policy and regulatory frameworks, coupled with activities of the market, have narrowed the public interest where it has come to be primarily concerned with the maximization of utilities. In communications, exemplars include reregulation favoring market rights, privatization, free trade agreements, individualization of consumption, an extension of consumerism and reduced state support for non-commercial and democratic forms of communication and information.

The overemphasis in policy and regulation on private market rights with the Information Highway, has helped create market practices that have frustrated the ability for many in the public to access and use the Internet and new content services. The thesis demonstrated that this has been exemplified by such indicators as problems relating to differential levels of access based on class, individualization and commodification of content, the availability of service based on geography and profitability, and the underdevelopment of relevant social non-commercial content. Ironically, in a classic example of market failure, the successful development of the Internet has not been based on a purely open,

competitive market, but instead on social use, permissive imbalanced regulation and massive government expenditures (subsidy, procurement) to benefit industry.

With policy biased to the neo-liberal model, there is another aspect of government complicity in this failure. Public goods require the custodians of the public interest, the government, not only to establish rules or rights about the operation of networks and the market place, but as well to be involved in the development of these goods, and to ensure that people are able to benefit through access to, and the use of, them. However, this research shows that government has largely supported the development of content and services that benefit the market as part of industrial development policy. Moreover, federal initiatives directed towards access and social use (e.g., CAP, CLN, skills and learning, literacy, social content development) have been minor in comparison to the policy, fiscal and regulatory support afforded industry.

In Canadian communication networks (e.g., broadcasting) a broad conception of the public interest was applied. This reflected a duality of rights and claims, though overall the system was predominately commercial. However, the thesis demonstrated that not only has the public interest been narrowed with traditional networks, it is barely present in formal policy and regulation with the Internet. However, in a partial contradiction to this model, public good ideas and the concept of a duality are integral to a number of government Internet-related programs.

Analysis demonstrated that these differences in how the public interest is conceived and applied in policy, regulation and programs could be explained in several ways. There is considerable competition of ideas and values (agency) within and between departments, and these are based on different conceptions of the public interest (and rights). Each department has a particular mandate (e.g., economic, social, cultural) and to a degree this conditions the approach and understanding staff takes with respect to the implementation of broad government policy, and statutory legislation and mandates. Linked to this, the historical traditions or conventions of government are not easily changed by a shift in macro-policy views, and therefore the successful and complete diffusion of the neo-liberal model in government is contingent and highly contestable. The contradictions of the neo-liberal model also require continual government response, whether in the form of policy changes or program initiatives. These limitations of the model also weaken its diffusion across and throughout government, and mean that how it is actually implemented can be highly unpredictable. Such agency within the state is also complemented by the agency of outside actors. Outside interests can have a significant impact on state decisions if a number of conditions are met. These include: timing and opportunity; finding allies; understanding government policy, regulatory and program development processes; and having sufficient resources.

Government creates rights in a number of ways with the predominant means including policy, legislation, regulation and programs. The thesis demonstrated that recent policy and regulation have overtly favoured private

market rights to the detriment of social, democratic claims. In many instances, policy and regulation are even silent regarding these rights, which amounts to a de facto transfer of policy and regulatory decision making from government to the market. Rights setting in programs is relatively weak as compared to policy and regulation. However, the case studies on CLN and CAP demonstrated that this form of support may have unintended consequences for the government. At one level, these programs operate as measures to diffuse opposition, gain consent or address some of the more obvious shortcomings of the neo-liberal model. Creators of the programs have justified them in government by arguing that they complement the neo-liberal model by addressing externalities that support the market (e.g., skills and training, creating demand for online services, etc.). At the same time, a major part of the rationale for the development of these programs was opposition to the neo-liberal agenda. Moreover, because these programs operate at the local level, controlled largely by public organizations that provide services to meet primarily non-commercial needs, many are developing in ways that conflict with the market model. As an unintended consequence, federal funding is helping to create formal not-for-profit social institutions. As the community access services mature, become stable and develop some political sophistication, they will be able to use their institutional basis to make a strong case for democratic, social rights claims in the access to, and use of, the Internet and its content. Coupled with the increasing problems of the market in the communication sector, and ongoing pressure from public interest groups

operating at the national level, opportunities may increasingly exist to change the market-centric Internet development model.

Democratic Rights and the Public Interest

The thesis has demonstrated that the narrowing of the public interest due to neo-liberal policy in communications has eroded democratic rights. The thesis argued that in response it is necessary to expand democratic rights and democratic non-commercial communication institutions based on property justifications, to balance these with market institutions and rights. I argued that the most effective way to do this would be for the government to change policy and regulation to institutionalize the public good dimension of the Information Highway, protect this through law, and foster it through fiscal policy. In essence, as part of the formal policy, regulatory and program processes, the government needs to normalize the public service role of the Information Highway and limit the rights of the market.

Property and rights claims by the public over the use of networks and content are both explicit and implicit. Research on expectations, attitudes and actual uses of networks and content demonstrated that people undertake these activities as citizens to satisfy a range of economic, social, cultural and civic needs. At an explicit level, the needs (claims) made by the public are articulated as social activities, such as skills development, learning, employment, seeking public information, etc. These activities are important for both the maximization of utilities and capacities. Additionally, people also access networks as consumers to purchase information commodities (e.g., programming, software, etc.). These

use patterns reflect a duality of value and purpose of the networks by the public that is in contradiction to the goals of the market. The broad range of needs reflected in these use patterns have been expressed by the public at CRTC proceedings and in government policy processes. These demands for government to set operating rules that accommodate the public's interests and needs, in addition to those of the companies who largely own and operate the networks, met with little success in formal policy and regulatory initiatives, but fared better with government programs.

The thesis has also shown that at an implicit level, the justifications for these communication practices and the claims by the public in being able to undertake them are based on the rights of the development of both their utilities and capacities. The pursuit of these rights may be inherently contradictory at a philosophical level, but nonetheless reflect the reality of how people actually live their lives.

Many public interest groups involved in changes in communication policy and regulation, as well as many writing about this in the communication literature, have argued that social relations and the public interest are best viewed as spheres. In this view, a public sphere (non-commercial, democratic) is opposed to the market sphere (commercial, private). The thesis has demonstrated that this both too limiting, as well as artificial, a view. The actual communication and information attitudes and practices of people are much more complex. There is often no clear separation along such abstract lines, but instead they are dual, mixed and can be inherently contradictory at the same time. The concept of a

public sphere is not inaccurate, but only a partial description. It is useful for characterizing some aspects of what is public, particularly in terms of common property (e.g., public broadcasting), involving freedom of public expression and thought, and in providing a useful means of identifying contradictions about, and alternatives to, the market.

The thesis also built on the idea of public and private spheres with the idea of a duality of the public interest (embodying rights relating to the maximization of utilities and capacities). Evidence involving the general public use of the Internet, and experiences of the public with Community Access Program services and Community Learning Networks demonstrated that this is a more realistic description because life is more a mutually interactive set of processes (e.g., economic, social). These are social processes or social actions involving relationships and needs that can embody some or all of economic, social, cultural or civic activities. The duality approach links, instead of polarizing, the maximization of utilities and ethical democratic end goals (development of capacities, participation) of property rights. This approach also foregrounds the tension between the competing sets of rights and the need for the state to resolve these in a more democratic and balanced way. The thesis also emphasized the importance of adding human rights and democratic property rights to commodification as entry points for an analysis of communications in capitalist markets. This is necessary because using commodification alone tends towards analysis that is a defensive reaction to the extension of private economic rights, whereas bringing in human rights and democratic property rights

(maximization of capacities) strategically positions these on a par (equal justification) with economic rights (maximization of utilities). The thesis argued that the strategic dimension is important because democratic public rights can be institutionalized as property and backed by law, and in turn operate in progressive opposition to market institutions and rights.

The research has demonstrated that in spite of the discourse by industry and changes in regulation by the CRTC, there remains a duality with communication networks, particularly with the Internet, even though it is developing with less regulatory oversight than other networks in the past (e.g., radio, television). Communication networks in Canada are largely commercially owned, operating with the goal of profit. However, they are made available for public use, not just by choice on the part of companies, but through policy and regulation because in addition to commercial activities, all organizations and citizens need to access and pass through these networks to use both commercial and non-commercial content and services to meet a range of needs. Evidence has demonstrated that these needs involve the development of utilities and capacities and require using commercial networks to access and use the full range of resources (common public property, non-exclusive property, and private (exclusive) property).

There has been considerable agency on the parts of both industry and public interest groups involving policy, regulation and programs. Industry concentrated most of its efforts on formal policy and regulation, with minimal involvement in program initiatives. Public interest groups spread their initiatives

across all areas. In addition to their power, the commonality of views of industry with the broad government policy framework meant that industry views and representation dominated most formal policy and regulatory initiatives, such as IHAC and CRTC proceedings.

The thesis has also shown that agency by public interest groups was both oppositional and progressive or reformist. There was opposition to the market-centric communication model but this was largely ineffective. Public interest group agency was also progressive and reformist in reaction to the government communication policy framework, largely with a view to moderate the regulations and smaller implementation policies as they were being developed. Public interest groups were also reformist in working closely with state actors in different agencies and departments in the pursuit of a democratic, public good Information Highway model through program funding.

The inequalities of power and resources of these groups in relation to commercial interests, however, meant that whether through CRTC regulatory proceedings, or government policy processes, they were not able to stop, or mediate to any great degree the broad communication policy and regulatory frameworks. However, some public interest groups working with a number of state actors who shared similar views and values about a broad inclusive conception of the public interest were able to influence the development of a number of program-based initiatives (e.g., CLN, CAP).

This research shows that there were major conceptual differences between the traditional (class) and new (issue) interest groups about a general

communication model. The new interest groups advocated a public sphere or commons clearly separated from economic and market activity. The traditional groups advocated a mixed model, and argued for policy and regulation that supported the duality of practices and rights. The weakness of the position of the traditional groups' was that government policy and the Internet would still be largely dominated by 'market rules' and decision-making, though some democratic rights would be set in law. The potential benefits of this approach are that as contradictions and problems of the market approach unfold, there is an existing policy and regulatory basis for social intervention, or extending democratic rules and initiatives to resolve these failures and better balance rights. The weakness of the public sphere model, as discussed above, is that it is idealistically utopian, it supports the preferred government and industry model by abandoning a good part of the Internet to industry decision making and control, there is no legal or institutional basis to promote or protect underlying democratic rights, and it does not engage the market model by advocating political and economic rules in an integrative framework that limits and balances the rights of the public, government and industry.

Over time, consensus tended to develop among the public interest groups at the national and local level on the underlying reasons or justifications (rights) for advocating a democratic model of communications for the Internet. This was ethically based, focused on the democratic and human rights of individuals, and social participation and development as a complement to market rights. However, the differences between the groups in how to achieve this objective

(i.e., roles of government, policy and regulation) weakened their potential to affect broad policy and regulation.

What is somewhat ironic, and unfortunate, is that at the very time that the market model is fracturing and failing on several fronts, and government is beginning to search for resolutions to the problems, a number of the public interest groups who were involved in communication policy and regulatory activities over the past several years have left the field. The main reasons for this are a lack of resources and a lack of confidence in being able to affect change. The groups that have remained engaged with the government (largely the traditional public interest groups) have made some gains, with more opportunities likely to appear in the future. Examples of where opportunities are opening include: rural broadband service; the digital divide; new media content; and community media policy.

It is useful to conclude with a few more comments on the role of the state, the setting of rights and the duality of the public interest. The Canadian state is not a weak state with these neo-liberal changes at a broad policy level, or at the level of communication policy. While people may have rights, it is only the state that has the power create rights. A strong state is required to change policy and regulation to create and maintain a new market place, to resolve problems as this unfolds, and to address issues related to legitimacy and consent about the new model.

We are still in a period of contestation over different property claims about the Internet. The market model has been dominant, but it is also unstable and

contingent. The limitations of this model have already created major economic and social problems. The final shape of the Canadian communications market will likely continue to be predominately commercial in nature because it exists and operates in a capitalist market society. However, as a matter of legitimation, the dichotomy between the communication practices of people, and the goals and practices of the market, mean that a consensus about the communications infrastructure for Canada should rely on a better balance of the public interest, or rights.

The concept of a duality of the public interest is not foreign to government or its practices. This thesis has demonstrated that the concept of what the public interest is, and how it should be achieved, is very complex in government. It is informed by ideology, values, processes, agency and legislative mandate. There is also constant struggle throughout government over the public interest concept, its inclusion in policy and how it is played out in day-to-day activities. However, its meaning and application is highly contingent and situational (e.g., by department, issue, degree of agency involved, hegemonic consent, etc.). The public interest is multidimensional and a dialectic in policy, regulation and program creation. It reflects the duality of social practice. Hegemony (consent) holds the governance process together. Over time, the government will need to achieve broad consensus about the neo-liberal model across all sectors, not just communications. However, as the Nortels and Enrons of the world are starting to indicate, the neo-liberal model is failing from within, as much as, if not more, due to external pressures. These circumstances offer both challenges and

opportunities to proponents of a broader conception of the public interest. There are challenges because the goals of the market are antithetical to many of the democratic goals of the public. There are opportunities, however, because both sets of claims or goals are based on the same underlying rights.

There are a number of areas for further research relating to issues discussed in this thesis. There is a major gap in research and analysis on the neo-liberal model in general and at the level of communications. This involves analysis about the claims, coherency and outputs of the neo-liberal model. There is a need for more research on the role for commercial and non-commercial intermediaries in developing and providing access to a diversity of information and communication resources. Such research would include what the roles of government and the market should be, and how public goods should be provided on the Internet in a sustainable way. There are a number of policy questions related to these issues. We need to ask, the integration of computer and Internet technologies to what ends, purposes and objectives? What needs to be done to realize the potential opportunities that have arisen with the maturation of the Internet? Do we have the economic and social information resources and supporting institutions in place to achieve a broad set of modified or new objectives for Information Highway policy? Who should bear what responsibility in setting development goals and roles to achieve these? Further research also needs to be conducted on the impacts of the integration of the Internet into companies, public organizations, and labour. There is also a need to extend analysis on the idea of the duality of the public interest to international trade

relations involving both communications and the neo-liberal model in general as it affects other sectors.

Appendix A

Proposed Model for Consultation and Comment on Public Space Community Networks

This is a preliminary working model, drafted for the purpose of consultation. The goal is to define a flexible model which can be adopted by communities across Canada. The purpose of a common model is to help facilitate the development and sustainability of public space community networks. The model is being developed by public interest groups concerned with community networking and public space, working under the umbrella of an informal national electronic public space Steering Group.

1. Introduction.

In Canada's emerging information highway environment, citizen groups have begun to create electronic public space, also known as a "public lane" or an "electronic commons". As the new practises, norms and "rules of the road" are established over the next few years for the Information Highway and the introduction of new, innovative commercial services, it is also important that electronic public space being developed is made widely available to meet Canadians' daily social, cultural and citizenship needs. Electronic public space is a shared learning space. It is the community that is the network, not the technology. The creation of a community network extends the idea of community into a shared electronic public space, a new not-for-profit transaction space where the impact on community values and social interaction is worked out in new ways.

2. Defining Public Space Community Networking.

Public Space Community Networking facilitates the further growth of a national system of interconnected local (e.g., electronic or computer-based communication) networks which are to be used for full public participation and interaction in computer mediated communications forums and in the production, dissemination and use of not-for-profit communication and information resources between: individuals; not-for-profit organizations and institutions; different levels of government and their agencies and institutions; and community groups. (Note: "local" is a flexible concept which can mean a single community or could include a number of communities or locations across several hundreds of kilometres where necessary, i.e., rural and remote locations, or a province-wide system, e.g. an Atlantic province).

The role of community networking is primarily to ensure open access by members of a community to a not-for-profit public space, facilitating self-expression, education, learning and social and cultural participation. The importance of this shared electronic public space does not derive from the technology, but from the ability of community members to interact and participate in not-for-profit information and communication activities in new ways. This includes: the production of public information content; access to, the exchange and use of, information; broad-based education and learning; literacy and skills training. These networks serve social functions that are not in competition with private commercial service providers. Rather they serve to achieve an equitable balance among economic and democratic concerns.

3. Local Administrative Model, Objectives and Operating Procedures.

The local administrative models for electronic public space should be flexible to accommodate the different needs and institutional practises of each community.

Community networks should, where circumstances permit:

- Be administered at the local level by an incorporated not-for-profit organization, with an elected board which features both not-for-profit community organizations and institutions and individual citizen representatives. Organizations may also wish to establish a

membership. Communities will determine the most appropriate mix of local public organizations to be represented on their boards. Provision should be made, where circumstances permit, to include: existing community networks; community health; education; publicly funded libraries; municipalities; labour organizations; volunteer and community services; and individual citizens. The mix of organizations should reflect the broad community interest. Private groups which do not represent the broad community interest, such as political parties and religious groups, should not be Board members;

- Engender a high level of citizen participation and community involvement in the design and operation of the network and in content development and availability;
- Facilitate self-expression through free and open access by members of the community, within the laws of Canada;
- Alone or in partnership with public or private sector organizations, provide training and facilities and other forms of assistance for the creation of local content and to facilitate learning and literacy. Where feasible, this should include the establishment of a local content production site, availability to the public of required equipment, staff assistance, and training;
- Provide for the delivery, access to and use of: government information; community and community organization information; publicly funded library services; education and distance learning; employment training; community health; and cultural information resources which are free or primarily not-for-profit in nature;
- Provide access to public information resources available at the national or regional levels, or other communities in addition to local information resources;
- Administer operational policies for acceptable use of electronic public space community networks;
- Enter into partnerships, cooperative or similar arrangements with commercial interests, different levels of government and others where this does not impinge or undermine the overall public interest purpose of these services;
- Provide separately, or with public and private sector partners, affordable and different forms of technical access, where necessary. This may require a process that resolves issues surrounding apparent competition over access among ISP's and community networks ;
- Produce a public Annual Report with audited financial statements;

4. Commercial Activities:

Public Space Community Networks are intended to operate as not-for-profit services.

With respect to commercial activities:

- community networks should not provide for the commercial exchange of information,
- where financial transactions for products or services do occur (e.g. government documents, membership fees, cost recovery transactions), these should be undertaken on a not-for-profit basis (full or partial cost recovery);
- commercial advertising would not be permitted, however, commercial sponsorships

should be permitted. Sponsorships will be one of the necessary means of generating operating revenues for these services;

- all revenues from sponsorship should be reinvested in community networks for such purposes as the operation of the networks, content development, training and learning activities, among others.

5. Interconnection:

Interconnection of local community networks and content services into a national Public Space Community Network system is integral to computer-based public networking, which facilitates both geographically defined and "virtual" communities. Interconnection is a prerequisite to ensure all Canadians are able to access local, regional and national public information resources, and therefore benefit from these services.

Local networks should ensure that all community organizations using a particular local network as an originating site, receive priority in terms of menu position (availability and access to content) over regional, national or other services.

6. Access:

Generally, the main purposes of Public Space Community Networks should be those of access to, and participation in, the creation and exchange of public information, content development and availability, broad social and formal education, learning, and training.

With respect to access as physical connectivity rather than participation, these networks should, where possible, provide different levels of technical access (quality of service) to accommodate citizens' needs, including addressing the affordability barriers which exist for individuals and locations. These networks should also, where possible, provide different types of technical access, including telephone-modem, cable-modem, wireless and other means of interconnection between different networks, service providers and users.

For content development, given that network management resources may be limited, local networks should give priority to working with citizens and the community at large in the development of the types of local content which should be produced to meet local needs. The local network organization should ensure that no group or individual dominates in the production of content, as the subject of the content.

Public Space Community Networks should be sensitive to and reflect the bilingual and multicultural nature and characteristics of their communities. Efforts should be made to meet the needs of people with disabilities and other community groups.

7. Financing and a Not-For Profit Model:

Some communities may decide that the organizational model which offers the greatest funding opportunities is that of an incorporated not-for-profit charitable organization. Some communities may decide that a basic not-for-profit model meets their needs, and that charitable status may limit their potential role.

In either approach, using a cooperative model, community networks may be able to realize cost savings by aggregating funds (demand) and by entering into transactions in a collective way for products and services. For the purposes of fundraising and other forms of support, a not-for-profit institutional structure will permit community networks to pursue a range of different means of securing resources to meet developmental and sustainability needs.

Depending upon the not-for-profit model adopted, financing and other forms of support could

include, among others:

- local resources and contributions;
- different levels of government;
- private sector partnerships and contributions;
- donations;
- cost sharing/contributions from organization members;
- memberships.

National Administrative Model

1. National Administrative Model, Objectives and Operating Procedures.

A national Public Space Community Network not-for-profit organization will be required to undertake a number activities and roles which are not possible at the community level. These include such activities as: liaising and making representation with the federal government on policy and regulatory issues; liaising with other levels of government; liaising with private sector partners who operate at the national as opposed to the local level; and undertake other initiatives where there is a continuing need for the development and redistribution of different forms of support and contribution. The national organization should also act as a conduit among local organizations, and act on their behalf, where appropriate, at the national/regional levels.

As with the local administrative model, the national organization should be an incorporated not-for-profit, and administered by a small staff. The Board should be comprised of members of national agencies or organizations representing the interests of the local not-for-profit organizations and services. Membership on the Board should rotate on a regular basis to ensure that the wide range of public and consumer interests have the opportunity to be represented. Representatives from the wireless, cable, telephony and satellite industry should be included as observers and resource persons to the Board and should be selected from companies who are actually sponsors of community networks. Proposed public interest and consumer organizations would include: publicly funded libraries; public education; community networks; community health; labour; volunteer organizations; community services; consumer and public interest groups; groups representing people with disabilities; municipalities; public arts and cultural organizations; public museums/archives, among others.

In general, the mandate of the national organization should be to:

- support communities in the development and establishment of local networks;
- promote the establishment of local organizations to manage and operate networks at the local level;
- negotiate for financial and other forms of support with governments, the private sector and other public sector organizations;
- develop methods for the redistribution of resources accrued at the national/regional levels to local networks or, to organizations producing content for these networks;
- engage in other activities which are in the interest of promoting or developing these networks.
- produce a public Annual Report with audited financial statements;

Steering Group Members Include:

Public Interest Advocacy Centre

Telecommunications Workers Union

Canadian Library Association

Canada's Coalition for Public Information

Telecommunities Canada

La Fédération Nationale des Associations de Consommateurs du Québec

National Library of Canada
Canadian Teachers Federation
Association pour l'avancement des sciences et des techniques de la documentation
Canadian Federation of Municipalities
National Anti-poverty Organization

Appendix B

Methodological Approach

The thesis combined quantitative and qualitative methodologies for analysis of several goals. The methodologies employed included document analysis, in-depth interviews, participant observation, and quantitative survey data analysis.

Objectives

A central theme of the thesis was the concept of the public interest and how this is understood as a duality, both conceptually and through the communication practices of people. The thesis was also concerned with how the public interest is understood in terms of how the state creates rights. To address these issues, an understanding was required of the different perspectives of the public interest by public interest groups, the state and industry. The thesis also investigated neo-liberal policy and how this has been articulated at the international and national levels, and implemented by the Canadian state. Understanding how the concept of the public interest has been narrowed by neo-liberal policy so that it privileged market rights was also an important objective. Another objective of the thesis was to explain how political authority is expressed in the state, as well as the processes of policy making, regulation and program decision-making in a neo-liberal context, and the role of agency in these processes. This included understanding how the public interest was defined in formal state initiatives, such as regulation, and how opposition or resistance to the formal policy framework occurred.

Methods

The documents used in the thesis were comprised of: academic books and articles; official government documents; internal government working papers and briefing documents; industry reports, submissions to government and regulatory filings; reports, regulatory filings and submissions to government by public interest groups; statistical surveys from government and non-government sources; documents from international organizations; and newspaper articles.

Interviews were conducted with six individuals who work at the CRTC and the federal government. These were key informants whose positions in government afforded them with a good knowledge of the processes involving policy-making, regulation, program development, and impacts of political decision-making in government. Some of the individuals also had knowledge about issues related to the case studies. As required by the Tri-Council Ethics Committee, written consent was obtained from each respondent. With the exception of a CRTC Commissioner, all other respondents requested that their identities remain anonymous.

Quantitative statistical analysis on Internet access in Canada was chosen to demonstrate use patterns of the Internet by the public to meet varying needs, the market development trends of the Internet, and how the Internet is being used by community organizations.

Participant observation was also an important method for gaining information for the thesis. The researcher had occasion, through professional

activities over the past decade, for close access to, and participation in, a number of the policy and regulatory activities discussed in the thesis.

Approach

Several methods were used to analyze the different ways that the public interest has been conceived, how this relates to the purposes of information and communication, and what the implications have been for policy and communication practices with the shift to a neo-liberal policy framework. Research was undertaken on the views of industry, public views and government.

Industry documents and reports were selected that presented views on the public interest, the role of government and a vision of the Information Highway for Canada. These materials were selected from companies or industry associations that were dominant in, or representative of, the industry, and were involved in the policy and regulatory processes in a substantial way, such as Stentor Telecom Policy Inc., the Canadian Cable Television Association, and the Canadian Association of Broadcasters. Together these organizations represent the predominant views of industry on the issues dealt with in the thesis.

Documents submitted to government as part of policy or regulatory consultations, as well as public policy reports that were particularly important for research, include: Ensuring Canada's Competitive Neutrality, Submission to Public Notice CRTC 1996-69 (CCTA, 1996; The Information Highway: A Road Map to Canadian Success (CBTA, 1994); Competition and Regulation (Stentor, 1997);

The Information Highway: Canada's Road to Economic and Social Renewal

(Stentor, 1993).

Public views on the public interest were represented by documents, policy and regulatory submissions produced by public interest groups, quantitative statistical research from Ekos Research Associates Inc., and secondary documents that summarized and analyzed these views. Public interest group documentation was important because a number of these groups represented specific public constituents, and were actively involved in policy and regulatory activities. Secondary sources provided information about broader views of the public that were expressed through government consultations about policy, and through community organizations involved in issues related to the Information Highway. Statistical data supported the information from these other sources. Important sources included: Public Space Community Networking (PIAC, 1997a); Submission to CRTC New Media Proceeding (PIAC/ARC, 1999); Community Networking and Access Initiatives in Canada (PIAC, 1998); Sharing the Road: Convergence and the Canadian Information Highway (Reddick, 1995a); Submission to the Department of Communications Consultation, Access Affordability and Universal Service on the Canadian Information Highway (CPI, 1994); Brief on the CRTC Hearing on Convergence (Public Information Highway Advisory Council, 1995).

Several government sources were used to understand how the public interest is defined as part of policy at a general level, within specific departments, and by individuals within branches of departments. The relevance of the

perspective and efforts of individual actors within the state was also important because of the role of agency in defining the public interest and contributing to the policy process. This analysis was important to understand how the consensus process plays out (conformity, opposition) and how rights are created. In-depth interviews were important to gain an understanding of the complexities of the processes involved, and to clarify the actual relations from the discourse of government of how things appear to be. The interviews were structured around key questions about the public interest, the creation of rights, neo-liberalism and communications. The interviews were also open ended to facilitate comment by respondents. Formal government documents, policy statements and working papers were also used. Together with the interviews, these documents demonstrated the diversity of views and approaches in the state. Important documents included: Connectedness Agenda (Canada, 1997); Preparing Canada for a Digital World (Canada, 1997); Building the Information Society: Moving Canada into the Twenty First Century (Canada, 1996a); Competition and Culture on Canada's Information Highway: Managing the Transition (CRTC, 1995).

Academic literature was used to analyze the different ways that the public interest has been conceived, how this relates to the purposes of information and communication, and what the implications are for communication practices and democratic goals with the shift to a neo-liberal policy framework. Important sources included: World Communication: Conflicting Aspirations for the Twenty First Century (Hamelink, 1998), The Public Interest and Telecommunications

(Smith, 1989); The Political Economy of Communication (Mosco, 1996); and Macpherson (1977; 1978; 1987).

In the thesis it was important to describe the neo-liberal model adopted by Canada because this informed the policy framework and market practices that have eroded democratic rights. Reports from international organizations (e.g., ITU, OECD) and federal documents were selected to establish a context of the shift to neo-liberalism internationally and domestically, how this applied to communication policy and state decision-making, and the impact this had on the public interest. Internal government documents provided information on policy changes, and rationales behind the change in rights. Important documents included: Telecommunication Policy for the Americas: The Blue Book (ITU, 1996); The Changing Role of Government in an Era of Deregulation (ITU, 1993); Report on Regulatory Reform (OECD, 1997); Building the Information Society: Moving Canada into the Twenty First Century (Canada, 1996); Department Overview (Industry Canada, 1995); Presentation of Cabinet Committee on Economic Union (Industry Canada, 1997c). This research was augmented by interviews with key informants in government. These interviews provided details about policy change and neo-liberalism over the past several years, as well as information about opposition and challenges to policy frameworks, particularly how these can be expressed through policies and programs, as exemplified by the case studies on CAP and CLN. Interview subjects were chosen using several criteria. Some individuals have knowledge of issues related to the case studies or regulatory changes made by the CRTC.

Others were selected based on their expertise with formal and informal policy and program processes and, expertise in understanding state processes involving rights and the public interest.

Understanding the creation of rights in relation to the public interest through policy, regulation and programs was an important part of the thesis. Case studies on the CRTC, the CAP and CLN programs were used as part of this analysis, as well as to examine neo-liberalism and its contradictions. The CRTC case study examined the establishment of rights with the Internet through regulation. The CAP and CLN case studies were used to contrast formal rights setting through regulation at the CRTC and to demonstrate informal rights setting through policy and programs. These case studies also examined the limitations of neo-liberalism through analysis of how the programs were designed in government and used by the public. Analysis of the creation of rights examined the positions and roles of different actors (state, industry, public interest groups) and included analysis on formal policy and opposition to this. Interviews with key informants were important in gaining an understanding of the rights setting processes. These interviews documented that there is a duality of the public interest in policy and rights creation, even though this occurs in a broader neo-liberal policy context, and the context of a capitalist state. The dynamic of these processes was exemplified by the very different views on rights expressed through government policy and documents, industry documents and regulatory submissions, and documents and regulatory submissions made by public interest groups. Important government documents included Convergence Policy

(Canada, 1996); Telecommunications Act (Canada, 1993); Broadcasting Act (Canada, 1991); and Competition and Culture on Canada's Information Highway: Managing the Transition (CRTC, 1995). Useful regulatory filings included: Submission to Order-in-Council P.C. 1994-1689 (CCTA, 1994); Submission to CRTC Public Notice 1996-69: Call for Comments on a Proposed Approach for the Regulation of Broadcasting Distribution Undertakings (NAPO/FNACQ, 1996). Other useful documents included: Public Space Community Networking (PIAC, 1997a); Connection, Community, Content: The Challenge of the Information Highway (Canada, 1995); and Canadian Digital Content Initiative (Canadian Heritage, 2000).

The duality of the public interest (practices and claims) was exemplified by several sources. These included documents produced by public interest groups to affect policy, regulation and program development, academic literature dealing with this issue (e.g., e-commerce vs. e-commons (2001)), reports (e.g., Rideout, 2001; Reddick et al, 2000; Reddick et al, 2001; Reddick and Boucher, 2002), as well as quantitative statistical analysis (e.g., Ekos, 2001; Ekos, 2001a; Ekos, 2000). Ekos Research Associates Inc. data was selected because it is the most extensive research in Canada on the Internet and the Information Highway. Statistical analysis on the public's use of the Internet, as well as research as part of the CLN and CAP case studies, demonstrated the tensions between how the public uses the Internet a public good utility whereas the industry and government view it as a commodity. Moreover, this research exemplified the duality claims of the Internet through usage, and that the neo-liberal model not

only fails to live up to its promises, but is creating an undemocratic, inequitable communications structure. The CAP, CLN and Internet case studies also were used to support the argument for a need for the extension of democratic rights as part of a balanced public interest through government policy, regulation and fiscal policy.

The duality of the public interest exists in the state and is a feature of state decision making about rights. Interviews with key informants in the state documented how this duality of the public interest plays out, and the importance of power relations, policy authorities and mandates in the state as part of these processes. Useful internal state documents included Canadian Heritage's Canadian Digital Content Initiative (2000), the Department of Communications' documents Public Information Network Communications (1993) and Communication Bill of Rights (1991), and the Industry Canada publication A Canadian Public Information Network (1994b).

Participant observation was important to address the objectives of the thesis. The researcher has worked as a policy advisor to the federal departments of Communications and Industry, as an employee of the Public Interest Advocacy Center, a public interest organization, and as a policy consultant. The government role afforded access to many official and unofficial documents, briefing materials and discussions pertaining to changes in the policy frameworks, department mandates, the Internet and community access, IHAC, CRTC regulatory changes, liaising with non-government interests, program development, among others. The researchers' role with PIAC included

conducting research on policy and regulation and, liaising with government, the CRTC, industry and other public interest groups. Government relations and consumer coalition activities involved communications policy and regulation, and government programs, including the CLN and CAP programs. The researcher was also a key participant in the formation of consumer coalitions involved in the Internet (Alliance for a Connected Canada, Public Space Steering Group). As a registered lobbyist for the Public Interest Advocacy Centre, the researcher had regular access to state actors at all levels, including departments and central agencies, such as the Prime Minister's Office, Treasury Board, Department of Finance, and the Privy Counsel Office. As a policy consultant, the researcher has worked for federal departments involved in Internet related policy and programs (HRDC, Industry) and, with Ekos Research Associates Inc. on national and regional research studies on the Internet. The close association of the researcher to the subject matter, individuals and organizations that were studied afforded opportunities and insights not easily realized by other researchers. As to the issue of potential bias due to this close involvement, these professional experiences have influenced the researcher and the research to a degree. However, as previously published work demonstrates, the researcher has maintained a consistent critical perspective on matters relating to the public interest, rights, democracy, public policy and the Internet throughout his previous professional associations.

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