

# ISOC Global Internet Report on the Future of the Internet

## - Concept note v. 14 May 2018 -

### Introduction

In the 2018 Global Internet Report, the Internet Society will take a closer look at how perceived trends of consolidation in the Internet Economy – including growing forces of concentration, vertical and horizontal integration, and fewer opportunities for market entry and competition – will shape not just the ways in which the Internet is used by people around the world, but its future technical evolution in the next three to five years. It will investigate the impact of consolidation on [the Internet’s fundamental properties](#)<sup>1</sup>, as well as opportunities it might bring to users. These properties include, among other things, interoperability, collaboration, flexibility, accessible, permission-less innovation, and the notion of global reach. They make the Internet, enabling people to connect, to share, and to innovate.<sup>2</sup>

To investigate how these trends will shape the Internet and impact peoples’ lives in the medium-term future, the Internet Society is gathering community and expert input through literature reviews, surveys, round tables, and focus groups. **This research will explore the impact of consolidation in the Internet economy using the “[Drivers of Change](#)” identified in the [2017 Global Internet Report](#). Through this lens, the goal is to investigate what consolidation means for the future of the Internet, and specifically its technologies and the different roles stakeholders can play in the next three to five years.**

### Background

Last year, the Internet Society published a comprehensive study to better understand the forces of change that will shape the Internet over the next five to seven years: *The 2017 Global Internet Report: Paths to Our Digital Future*:

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<sup>1</sup> ISOC refers to these Internet properties as the “Internet invariants” – add reference

<sup>2</sup> ISOC Abilities link

*ISOC's Internet Futures project presents an opportunity to take a look back at our roots and, most importantly, to look ahead to the future. This is an ideal moment in time to reflect on the Internet's meteoric rise and to imagine its future direction.*

- Kathryn Brown, President & CEO, The Internet Society

The 2017 report highlights a number of “driving forces” that will be important for how the Internet will evolve in the next three to five years. These forces, or “Drivers of Change”, were identified through extensive consultations with experts within and outside the Internet Society’s global community. They encompass technological, economic, regulatory, security, and network-related opportunities and challenges for the Internet of the future. From market developments to cybersecurity, to the relation between new technologies and the actions of governments, the report identifies important dependencies and implications that are key to the future evolution of the Internet. The Drivers include the Internet and the Physical World (including the Internet of Things); Artificial Intelligence (AI); Cyber Threats; the Internet Economy; Networks, Standards and Interoperability; and the role of Governments.

Of the six Drivers in the report, it became clear that the ways in which the Internet Economy could evolve in the future could have significant implications for the other Drivers, and in particular Cyber Threats, the Role of Governments, and Networks, Standards and Interoperability.

### **Focus of the 2018 report: How consolidation of the Internet Economy will impact the Internet's technical evolution and use in the future**

Consolidation is not a new phenomenon, but often an expected evolution as industries and markets mature. Opportunities to reduce costs, expand market share, and enhance scalability are intrinsic incentives in any economic domain where companies acquire competitors or subsume parts of the production chain. This is also true for the Internet Economy, understood as those economic activities that either support the Internet (e.g. Internet Service Providers) or are fundamentally dependent on the Internet’s existence (e.g. video streaming services).

The fact that a few corporations dominate large parts of the Internet is not news. Today, a handful of actors play a significant role in our increasingly-connected societies. In this context, there is a growing concern about the dominance of a small number of corporations – typically Internet platforms – shaping the online world and its use. For some, the concerns relate to the lack of competition in specific markets, its impact on future investments, while also raising question if some economic actors are “too big to fail”. Other commentators and the media make use of colorful acronyms, such as the “GAFAs” (Google, Apple, Facebook, Amazon), “FANGs” (Facebook, Amazon,

Netflix, Google), or “the BATs” (Baidu, Alibaba, Tencent) to describe a limited number of players dominating innovation and opportunities online.

While new entrants may appear in the future, to many people these Internet giants have become the primary means for gaining access to the Internet, for education, for news, for finding jobs, for shopping, or for staying in touch with loved ones. To some, they are an important part of making the Internet relevant to everyday life.

By using consolidation of the Internet Economy as a starting point, the 2018 *Global Internet Report* will look towards the future and investigate the impact of consolidation on the other “Drivers of Change” identified in 2017. It will notably take a closer look at its technical implications and whether the forces of consolidation are hampering or enhancing users’ ability to choose the services they want, to protect their privacy, and to share information unhindered<sup>3</sup>. Through the lens of its impact on the Drivers it will explore questions such as the potential consolidation of network traffic and an evolving Internet architecture, its impact on cybersecurity, and what consolidation of the Internet Economy means for regulation and a centralization of power in the next three to five years.

The 2017 *Global Internet Report* found that our community is optimistic about a dynamic Internet economy in the future, but is also concerned that the lack thereof could have severe implications for the Internet’s technical evolution and use. **The Internet Society’s 2018 *Global Internet Report* will study several questions linked to an increasingly consolidated Internet economy, including understanding the potential benefits and challenges of consolidation – to its users as well as to the Internet’s fundamental technical properties. The report will also look into how this trend is shaping the future role of Internet stakeholders including governments.** In doing so, the report will be guided by the Internet Society’s mission to promote the development of the Internet as a global technical infrastructure, a resource to enrich people’s lives, and a force for good in society.

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<sup>3</sup> ISOC sees these abilities as critical to the social value that the Internet provides to people. For more information see ...