



THE MIDDLE WAY:

A Sustainable Approach to Standardization

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WHY BE CONCERNED

“The noisiest of those competitive battles will be about standards. The eyes of most sane people tend to glaze over at the very mention of technical standards. But in the computer industry, new standards can be the source of enormous wealth, or the death of corporate empires. With so much at stake, standards arouse violent passions.”

The Economist, 27 February 1993

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THE ROLE OF STANDARDS

- ❑ Standards Are Social Policy Tools
 - ❑ They are “Impure Public Goods”
 - ❑ They can Balance or Manage Social Growth
- ❑ Standards Have Multiple Economic Roles
 - ❑ They can be used to Create and Regulate Markets
 - ❑ They can set Industrial Policy
- ❑ Standards Are Also Management Tools
 - ❑ They aid in change management
 - ❑ They allow structured market development

SOCIAL POLICY TOOLS

- ❑ Standards are “Impure Public Goods”
 - ❑ Standards have long term social impact
 - ❑ The Government MUST manage them to:
 - ❑ Prevent private sector from exploiting power
 - ❑ Prevent markets from being regulated too much
 - ❑ Comply with WTO and Technical Barriers to Trade
- ❑ Standards Must Serve Society
 - ❑ Permit and encourage social growth
 - ❑ Allow sharing of ideas and economic growth
 - ❑ Permit Nation to grow and develop internally

AS ECONOMIC DRIVERS

- ❑ Standards Create Markets
 - ❑ Market Growth Follows Standards Adoption
 - ❑ Stabilized Application and Use
 - ❑ Allows Innovation on top of Standard
 - ❑ Becomes a purchase requirement for users
- ❑ Industrial Policy Creator
 - ❑ Standardization a major part of Industrial Policy
 - ❑ How are standards are created and deployed
 - ❑ Intellectual Property Regimes
 - ❑ Mandatory or Optional use of standards
 - ❑ Governments use to advantage national interest

AS MANAGEMENT TOOLS

- ❑ Standards help manage change
 - ❑ Allow the market a way to adjust and adopt
 - ❑ Permit use of “third party agency”
 - ❑ Standards mediate between government and market
 - ❑ Standards provide neutral and protected venue
- ❑ Standards enable certification and inspection
 - ❑ Can be used to cause technologies to fit together
 - ❑ Can require objective tests and conformance
 - ❑ Validates standardization claims
 - ❑ Causes participants to cooperate

CURRENT ICT SITUATION

- ❑ Information and Communications Technology
 - ❑ ICT is “different” from other environments
 - ❑ High rate and speed of change
 - ❑ Little regulatory use of specifications
- ❑ Multiple Standards Setting Organizations
 - ❑ Different types of SSOs
 - ❑ Different rules and processes
- ❑ Very little Government involvement
 - ❑ Private sector has the experts
 - ❑ Private sector has the motivation

ICT SSOs

- ❑ Five Major Types of SSOs (Process Based)
 - ❑ Trade Associations (ca. 1900)
 - ❑ National Formal Organizations (ca. 1930)
 - ❑ International Formal Organizations (ca. 1945)
 - ❑ Consortia (ca. 1985)
 - ❑ Alliances/Open Source Movement (ca. 1995)
- ❑ All are “Pay to Play”
- ❑ All are controlled by Large Vendors

THE SITUATION

- ❑ No coordination between organizations
 - ❑ Specifications may or may not not interoperate
 - ❑ No control of who does what with what
- ❑ No common philosophy of management
 - ❑ IPR is left to discretion of participants
 - ❑ Unfettered capitalism
- ❑ No common vision or strategy
 - ❑ Social impact not understood
 - ❑ Governmental role deliberately minimized

THE PROBLEMS

- ❑ Private sector standardization is failing
 - ❑ Based on “pure capitalism” model
 - ❑ Public good no longer served
 - ❑ WSIS indicates high dissatisfaction
 - ❑ IPR and legal issues used to control system
- ❑ Social standards (European Privacy Model)
 - ❑ Too restrictive for business
 - ❑ Limited to specific economic and political areas
- ❑ No model exists to move forward

THE MIDDLE WAY

- ❑ Accept and embrace the best of both models
 - ❑ Thesis-antithesis produce a synthesis
 - ❑ Accept some of the capitalism
 - ❑ Impose light, but enforced, social requirements
- ❑ Implement the New Standards Model
 - ❑ Use regulation lightly
 - ❑ Control the SSOs
 - ❑ By controlling source, process is managed
 - ❑ By managing process, output is managed

THE MIDDLE WAY

- ❑ Authorize organizations
 - ❑ Create rules for SSOs
 - ❑ IPR, openness, structure, testing, interoperation
 - ❑ Certify legitimate organizations
 - ❑ Legitimize output of these organizations
- ❑ Build procurement systems around standards
 - ❑ Enforce buying only standardized products
 - ❑ Provide incentives to private sector to participate
 - ❑ Provide incentive to the buyers, providers will follow
 - ❑ Makes build out of economy much faster, coordinated

THE MIDDLE WAY

- ❑ Allows market dynamics to occur
 - ❑ Organizations can compete
 - ❑ Competition based on coherent and managed processes
 - ❑ Competition for resources and programs
 - ❑ No different than market itself
- ❑ Control points are “social good”
 - ❑ Ensures that “everyone” can play
 - ❑ Counters the current problems
- ❑ Can act as model to other national programs

“It is not enough that you should understand about applied science. Concern for the man himself and his fate must always form the chief interest of all technical endeavors; concern for the great unsolved problems of the organization of labor and the distribution of goods in order that the creations of our minds shall be a blessing and not a curse.”

Albert Einstein

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