



## The media in crisis

It was Bill Gates who famously predicted that everything would end up on computers, and thanks to the Internet, here we are. In the middle the worst cyclical downturn in decades, the conventional mainstream media is going through a period of revolutionary secular change.

Thanks to the Internet, which had no commercial applications only two decades ago, newspapers and over-the-air television outlets are losing both money and market share. The newspapers they used to charge for are now free on their own Web sites. Conventional television networks and local stations, once a licence to print money, are suffering from shrinking audiences because of the growth of specialty channels, the end of appointment television and the explosion in on-line viewing. More people watched Barack Obama's inauguration on the Internet than saw it on television. And why shouldn't they? It was the middle of the day. People were at their desks and watched it on their computers.

What's to be done for all this, and what's the future? This month, as we examine the media in crisis, we also try to look down the road ahead. Chris Waddell, associate director of journalism at Carleton University, writes that the combination of the recession and new technologies has finally resulted in an awakening among mainstream media. Robin Sears, born into a newspaper family, looks at the future of the newspaper industry — even as Web sites achieve record readership, owners are having a hard time commercializing them. His son, Matthew Sears, writes that content owners and providers must find a way to build bridges of trust with the iTunes generation. "All we ask for," he writes, "is a little respect."

Catherine Cano, former head of Radio-Canada news and now a globetrotting consultant, shares some thoughts on how television, and particularly TV news, can save itself. Iain Grant and his colleagues at SeaBoard Group consider the issue of "Net neutrality" and conclude it's not the regulatory way to go in shaping Internet expansion. And Philip Cercone, executive director of McGill-Queen's University Press, considers the future of the publishing industry in an era when books will not only be ordered on-line from the Amazons of this

## Les médias en crise

Tout se retrouvera un jour dans un simple ordinateur : cette célèbre prédiction de Bill Gates est maintenant devenue réalité, grâce à Internet. Et c'est au cœur de la pire récession des dernières décennies que les médias traditionnels subissent de plein fouet les contrecoups de cette révolution de l'information.

À cause d'Internet, qui ne comportait aucune application commerciale il y a à peine 20 ans, journaux et télédiffuseurs perdent aujourd'hui revenus et parts de marché. Les journaux payants s'affichent désormais gratuitement sur leurs propres sites Web. Les réseaux de télévision et stations locales, jusqu'à récemment de véritables planches à billets, voient baisser leur auditoire depuis l'essor des chaînes spécialisées, la fin des rendez-vous télévisuels et l'explosion du visionnement en ligne. Plus de gens ont regardé l'investiture de Barack Obama sur Internet qu'à la télévision. Pourquoi pas ? En pleine journée, la plupart étaient au travail et pouvaient suivre l'événement devant leur ordinateur.

Quelles conclusions en tirer ? Que nous réserve l'avenir ? L'analyse que nous proposons ce mois-ci de la crise des médias est à la fois actuelle et prospective. Chris Waddell, codirecteur de l'École de journalisme de l'Université Carleton, observe tout d'abord qu'il aura fallu une récession pour provoquer la prise de conscience des médias grand public face aux nouvelles technologies. Robin Sears, lui-même issu d'une famille de journalistes, pronostique l'avenir d'une industrie qui peine à commercialiser ses sites Web à l'heure où le lectorat en ligne bat tous les records. Et son fils, Matthew Sears, déplore l'incapacité des fournisseurs et propriétaires de contenu de s'attirer la confiance de la génération iTunes : « Un minimum de respect, plaide-t-il, voilà tout ce que nous demandons. »

Catherine Cano, ancienne directrice de l'information à Radio-Canada et aujourd'hui consultante internationale, examine comment la télévision pourrait assurer son propre salut. Iain Grant et ses collègues scrutent la question de la « neutralité d'Internet » pour conclure qu'on ne saurait façonner l'expansion du Web par voie réglementaire. Et Philip Cercone, de McGill-Queen's University Press, envisage l'avenir de l'industrie de l'édition dans un monde où l'on commandera non seulement des livres via des services

world, but will increasingly be read on-line with applications such as Kindle. A new way to read a book on the beach!

This month, we're inaugurating a new department, *The Economy*. It's not the economy, stupid, rather, it's the stupid economy. The economic moment we're living in, the worst global downturn in three generations, is a time to reflect on how to get through it and prosper on the other side. Phil Sorgen, president of Microsoft Canada, says welcome to the new normal of managing change, transformational change in tumultuous times. In tough times past, he writes, companies have made the best of bad times by investing in new products and in people. Canada suffers from a productivity gap, and it also has a shortage of skilled labour that is only going to widen as boomers retire and the Internet generation comes into the job market with skill sets of its own. As a companion piece, Heather Munroe-Blum and Peter MacKinnon, CEOs of McGill University and the University of Saskatchewan, respectively, write on Canada's innovation deficit, observing that Canada is not an innovation nation, and that we are dangerously underachieving on important benchmarks, including the number of doctoral graduates.

Elsewhere this month, two of our Contributing Writers send along their personal reflections and appraisals of important events. In a *Letter from Havana*, Jeremy Kinsman writes on the Cuban Revolution at 50 and Fidel Castro's remarkable half-century in power. Winds of change are blowing from Washington, with President Obama lifting restrictions on Cuban commerce and travel by Americans. From Geneva, where the Durban Review Conference on human rights quickly degenerated into a farce, Gil Troy writes that Stephen Harper's decision to boycott the conference was vindicated by events.

In other timely articles, Sean Maloney, back from another tour of Kandahar as an adviser to Canadian and NATO forces, notes the rising threat of the Taliban insurgency, and asks if Canada can compete with what he terms "Taliban governance." And just back from Vancouver and the Liberal convention, Paul Adams frames the leadership challenge for Michael Ignatieff — a public intellectual must become an organization man if he is to succeed.

Also following up on recent major news events, Daniel Béland, an expert in public and private pensions, looks at the dismal performance of Quebec's Caisse de Dépôt and considers the prospects for improvement under the new CEO, Michael Sabia. Finally, Luc Godbout, Canada Research Chair in Finance at Université de Sherbrooke, shares his insights on the harmonization of federal and provincial sales taxes, very much in the news in Ontario, which made a deal with Ottawa in its recent budget, and Quebec, which is looking to make one. It's mostly about the money, but in Quebec, it's also about constitutional prerogatives.

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Nous lançons ce mois-ci une nouvelle section intitulée *L'économie*. « C'est l'économie, idiot ! », disait l'affiche des bureaux de campagne de Bill Clinton. Aujourd'hui, c'est l'économie elle-même qui a perdu la tête, au point de provoquer la pire récession mondiale en trois générations. Comment la surmonter pour mieux prospérer dès l'amorce d'une reprise ? Phil Sorgen, président de Microsoft Canada, salue l'arrivée d'une nouvelle façon de gérer le changement qui prend en compte les bouleversements transformationnels propres aux tourmentes économiques. Lors des crises précédentes, écrit-il, les entreprises ont saisi l'occasion d'investir dans les ressources humaines et les nouveaux produits. Or le Canada souffre d'un écart de productivité et d'une pénurie de main-d'œuvre qualifiée qui s'aggraveront avec le départ à la retraite des baby-boomers et l'arrivée sur le marché du travail d'une génération Internet armée de ses propres compétences. Dans un article complémentaire, Heather Munroe-Blum et Peter MacKinnon observent que le Canada n'est pas une nation innovante et qu'il accuse un sérieux retard dans certains domaines clés, dont celui des titulaires de doctorat.

D'autres faits marquants ont retenu l'attention de nos collaborateurs. Dans sa *Lettre de La Havane*, Jeremy Kinsman propose une réflexion personnelle sur le cinquantième anniversaire de la révolution cubaine et le règne immuable de Fidel Castro, alors même qu'un vent de changement s'est levé à Washington depuis que Barack Obama a aboli les restrictions en matière de commerce et de voyage entre Cuba et les États-Unis. Et depuis Genève, où la conférence de suivi sur les droits de l'homme a vite tourné à la farce, Gil Troy constate que la décision de Stephen Harper de boycotter la rencontre s'est trouvée amplement justifiée par les événements.

Quatre autres articles traitent d'enjeux on ne peut plus actuels. De retour d'un nouveau séjour à Kandahar à titre de conseiller des Forces du Canada et de l'OTAN, Sean Maloney rend compte de la menace grandissante de l'insurrection des talibans et s'interroge sur la capacité du Canada de contrer cette « gouvernance talibane ». Quant à Paul Adams, de retour du congrès libéral de Vancouver, il recense les défis de leadership qui attendent Michael Ignatieff, un intellectuel reconnu qui devra se métamorphoser en homme d'organisation pour gagner son pari.

Enfin, Daniel Béland examine la désastreuse performance de la Caisse de dépôt, et Luc Godbout fait le point sur l'harmonisation des taxes de vente fédérale et provinciales dont on parle beaucoup en Ontario, province qui a conclu avec Ottawa une entente, mais aussi au Québec, où l'on souhaite parvenir à une entente analogue, pour des raisons financières mais aussi de prérogatives constitutionnelles.

# possibilities

## Q&A: BREAKING DOWN BARRIERS TO INTEROPERABILITY

The complex task of getting people, systems and IT to work together seamlessly in mixed IT environments is an important priority, and challenge, for Canadian governments and for governments around the world.

*Possibilities*, a Microsoft Canada publication dedicated to celebrating innovative achievements and fostering thought-leading discussions with the public sector, sat down with Theresa Pardo and Brian Burke from the Center for Technology in Government at the University at Albany, SUNY, to discuss their most recent research on interoperability in government.

### Q: What is interoperability?

**Theresa Pardo:** Interoperability is often associated with technology, but it's also about management and public policy. We know, for example, that the technology that enables the sharing of individual health records already exists. But from a regulatory or legislative perspective, the freedom to actually share that data is still limited. So if a government wants to pursue electronic health records or any other initiative that requires interoperability, it must first have the appropriate policies in place.

### Q: In your most recent research, you refer to interoperability as an "intense struggle." Why is it so difficult for governments to achieve?

**TP:** There are several reasons. The first is resource allocation. Agencies or systems can't connect to each other if there is no money in their budgets to support a broader interoperability agenda, and government budgets don't necessarily account for the co-mingling of spending and priorities. Generally speaking, there are no resource allocation models in place that actually support the kind of tasks that have to be carried out to create truly interoperable policies, practices and technologies.

**Brian Burke:** Another hurdle is getting leaders, whether in government or the private sector, to understand that the work that they do plays a critical role in making interoperability possible. Too often they'll say "the IT shop can't seem to get this major business process implemented across six agencies" when it's not an IT problem to begin with. It comes down to the people: the front-line managers, policy makers or agency executives. Finally, interoperability can be difficult to measure in traditional terms. Interoperability "wins" are not the kind of initiatives that traditionally get talked about in a press release. I think this is another challenge.

### Q: What's at stake? Why is it important to get interoperability right?

**TP:** Interoperability leads to a government worth having, a government that operates at a new level and demonstrates very visible benefits to its citizens. This is an important factor, as people increasingly expect the government to offer immediate and seamless services, similar to Amazon.com or eBay. We're already seeing results: look at New York, for example, where a business can apply in one place for all the permits they require from various labour and liquor boards. That's an example of something that has a tangible benefit for citizens.



Interoperability also touches things the citizen doesn't see directly, such as improving emergency response or public safety capabilities, or giving governments the ability to track vendors in a more informed way and ensure that the contracting practice is transparent. These are the kinds of initiatives that increase the value of government in the lives of citizens.

### Q: Can you point to some success stories?

**TP:** The criminal justice system is a great example, where the ability to share information across multiple criminal justice organizations and, therefore, improve public safety is quite evident. You see it as well in public health, in responding to disease outbreaks like the West Nile virus.

### Q: Are there any in Canada?

**BB:** Service New Brunswick, a one-stop portal for citizens who need information or a service from the provincial government, is a successful example of providing citizens with services they need, and it has everything to do with interoperability. New Brunswick has done customer satisfaction surveys and found that citizens are very satisfied with their government. That is a direct result of interoperability.

### Q: How do government executives go about solving the interoperability challenge to create more of these successes?

**BB:** As we said earlier, you can get there when an executive recognizes the need to create a truly interoperable government. During the initiative to combat the West Nile virus, for example, the commissioner of Public Health who led the project basically said to all of the state agencies, "You will work together to make this happen." It was amazing what happened as a consequence of that statement, and it's a great example of the kind of executive leadership that made it possible for agencies and local governments to come together in a new way and create a capability that didn't exist before.

For additional information about interoperability, visit [www.microsoft.ca/interop](http://www.microsoft.ca/interop)

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