Peer Progress and Regulation 2.0

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Hi, I’m Nick. I am the “activist in residence” at Union Sq Ventures and a visiting scholar at the MIT Media Lab in the Center for Civic Media. I work with internet companies and public interest groups to explore public policy and regulatory approaches that support innovation. My background is in the “civic tech” space.
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I may also be a sign of the coming Apocalypse, or the anti-Christ himself. I prefer to think of myself as someone who studies infrastructure - both real-world and virtual - and its effects on creativity and vibrancy, and also looks for new ways for individuals to use tech & media to engage with civic issues.
I describe myself as a “student of cities and the internet” -- today I’d like to talk about the increasing intersection of the two and what that means for public policy and regulation.
Together, connected, we can innovate, solve problems in new ways, and prosper.
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It’s easy to think of this as simply a new mode of communication. Looking back at the history of technological innovations, the arrival of peer production through networks is more profound than we might think.
But it’s actually a profound way of organizing work.

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But now... seriously weird (and wonderful) things happen when people are connected
But “networked” is not a monolithic term -- every network has its own architecture, which affects its ability to accomplish work and its power dynamics. The above diagram shows that in an MIT health study, clustered, redundant networks were more effective at changing behavior than scattered networks.
peer networks are creating fundamentally new opportunities in every sector.

health finance energy music publishing
transportation education commerce
workforce manufacturing food real estate government
etc. etc. etc.

peerprogress.is/everywhere
This diagram illustrates the recent proliferation of network-oriented platforms, which span every sector.

Source: http://blog.unstash.com/todays-peer-to-peer-economy/
Asthmapolis takes a networked approach to a major health issue, empowering patients and informing the public health discussion.
In 2012, Kickstarter has unlocked new funding streams for creative endeavors, and has created the market for crowd-funding in other sectors.
Opower has saved its users 2 terawatt hours ($220M) through its behavior-based efficiency network.

Save energy with your friends.

See how your energy use stacks up against friends and homes across the US. Join groups and discover how you can save even more.
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peer progress and tech policy
The notion of “safe harbors” has been critical to the success of peer networks on the internet. Section 230 of the Communications Decency Act provides safe harbor for sites that deal in user-generated digital content.
“We estimate that collectively we served and informed 10 times as many individuals by embracing an open strategy. That’s hundreds of thousands of people.”

NYC Chief Digital Officer Rachel Haot, on opening up storm shelter data to the network

The recent movement towards more publicly accessible and machine-readable data -- often coming from government sources -- has laid a foundation for networked collaboration and innovation.
This diagram shows frequency allocations of radio spectrum in the United States. The unlicensed segments of radio spectrum have born innovations such as Bluetooth and WiFi.
Recently, Formlabs -- a 3D printing company that raised over $1M on Kickstarter, was sued for infringing patents held by 3D Systems. Kickstarter was also sued, for facilitating the infringement.
peer progress and real-world policy

aka, the new intermediaries
As web-powered networks extend into more real-world sectors, they are often met with resistance from incumbents - both in the public and private sectors. Both because they often present low-cost, disruptive alternatives, and because they often operate in legal gray areas or don’t fit within existing categories.
Start-Up Chile

Shut down Cumplo

A Chilean innovator battles to stay in business

Oct 13th 2012 | SANTIAGO | from the print edition

CHILE’S government wants the country to be heaven for entrepreneurs. But it is putting one young start-up through regulatory hell. Since it was launched in May, Cumplo, a peer-to-peer lending business, has been embroiled in a legal spat that highlights just how difficult it is for newcomers to break into Chile’s lucrative financial-services sector.

Cumplo is the brainchild of Nicolas Shea, the founder of Start-Up Chile (see article) and the head of the country’s national association of entrepreneurs. Mr Shea says he launched his new business because he was shocked by the interest rates—sometimes 50% or more—that Chilean banks charge for small personal loans.
Airbnb, the peer-to-peer apartment rental service, has confronted regulatory challenges in many cities. Cities are working to understand the service and its impacts on neighborhoods and the economy.
There are many new innovations in network-driven transportation services, and nearly all of them have encountered difficulties in establishing their regulatory environment. Lyft & Sidecar (ride sharing) have faced a ban in California; Uber & Hailo (networked taxis) have had difficulty in many American cities.
regulation 2.0?

So… given that we have many “web 2.0” companies operating in a “1.0” (pre-digital, pre-network, pre-big data) policy environment, what are some of the biggest issues we’re struggling with?
As did user-generated digital content platforms in the 1990s and 2000s, today's real-world peer networks are not yet clearly defined as “direct service providers” or conversely as simply “information providers” (or messaging providers). Where this lands will have big impacts for liability, regulation, and information.
One way of looking at this is in terms of how we build trust. Peer networks (beginning with Ebay) have developed advanced internal trust systems to protect buyers and sellers. Could a similar approach, which makes use of the vast data produced by these networks, work for public sector regulation?
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Thanks!
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