Project

Internet Governance: Strengthening the Voice of SMEs

Bringing SMEs and Internet Governance together: lessons learned – shared experiences? (Draft)

Ideally, Internet Governance should reflect the views and positions of a multitude of stakeholders from various backgrounds. However, the voice of small and medium sized enterprises is often missing in the discussion on Internet Governance[1].

This is somewhat surprising, all the more in economies which depend on the performance of SMEs as much as Germany where they represent 95 percent of all enterprises. Practical obstacles prevent SMEs from getting involved, not least of which is the notorious lack of time and personnel. Thus, they have little opportunity to look at the regulatory framework for the digital development of their firms despite the fact that the results of governance processes massively influence their room for manoeuvre. The obstacles mentioned also prevent them from spotting the opportunities that changes to the regulatory framework could create.

Aiming at strengthening SMEs' voices in Internet Governance, our team - Wolfgang Schulz from Leibniz Institute for Media Research|Hans-Bredow-Institute and Friederike and Thorsten Grothe from Grothe Medienberatung - has been addressing these issues in a project effort supported by the German Federal Ministry for Economic Affairs and Energy. In a practice-oriented approach we employed various methods to find out what SMEs need to tackle the challenges of digital transformation and how they can be encouraged to take part in Internet Governance discussions. The results were documented in the form of key points and observations.[2]

To further learn from different experiences, we turned to institutions in other countries in search of similar approaches to bringing the spheres of Internet Governance and SMEs together. However, we found that there are currently rather few initiatives in this direction, very often because the Corona pandemic has made networking projects almost impossible.

We are still very much interested in sharing and learning from each other. Due to the international nature of the internet itself, we would welcome an exchange around the globe, with academics in particular. The following text intends to contribute to such a process of exchange by passing on to interested parties in other countries our lessons learned, summarizing what, from our experience, needs to be considered when involving SMEs in Internet Governance processes.

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[1] Internet Governance is defined for the purpose of this project as the sum of rules relevant to the internet. This includes all principles, standards, decision-making procedures and programmes for the further development of the internet, regardless of whether they are developed by national governments, intergovernmental agreements, the private sector or civil society actors, or by all of them together.

[2] Grothe, F., Grothe, T. & Schulz, W.: Focus topics of digitisation - observations and key points. April, 2021.

Lessons learned

1. **The concept of "Governance" needs translation**

   Governance is a well-established concept to describe regulatory structures in complex societal fields. The normative order of the internet can only be described based on that adequately. However, for SMEs it is already hard going to monitor the relevant legal frameworks, to see private ordering and even technologies as part of the framework of rules in which they operate is even more challenging. Meaningful discussions with representatives of SMEs need a translation of the bird's eye view on structures into concrete normative options that might slow down or accelerate the companies' activities depending on the choice. This demonstrates to the SME representatives why it might be helpful to get involved in the governance debate.

2. **For SMEs, Internet Governance translates into tangible digitalisation endeavours**

   Since it is hard to draw a clear line between internet-based developments and digitalisation at large it might be helpful to focus on the latter, broader term in communication with SMEs. Owners and managers of small and medium sized enterprises certainly want to have a say in the conditions under which they develop digitally. But their main concern in each and every case is keeping their business competitive and thriving. They are therefore interested in practical improvements to reach that goal, particularly regarding digitalisation.

3. **Connect via practical issues**

   Getting in touch with SMEs will only be successful if and when the subjects addressed are of practical relevance. We found that putting key topics of digitalisation (such as platform economy and cloud computing) on the agenda was helpful because discussions on such issues showed at the same time the generalizability of firms' experiences and the variety of possible implementations, depending on the individual business.

4. **Be prepared for intensive individual interviews**

   The SMEs community is highly divers, so it takes intensive one-on-one meetings to find out if a company is a candidate for an event and can provide input that is interesting to others. The networks that prove helpful in the end are also diverse and difficult to predict. For example, it became clear to us that some SMEs would like universities to have more incentive to cooperate through research funding. Others showed interest in concrete patterns for security settings by the responsible information security office. Both requests we did not foresee.

5. **Expect (and be prepared for) a wide-ranging variety of digital experience at SMEs**

   For some entrepreneurs digitalisation means working with calculation software or with apps and tablets to improve customer service. Others are transforming their business model to become digital firms. It is important to welcome each individual effort towards adaptation, modernisation or transformation. There should be no evaluation in the project telling "better" from "worse" because firms will find their ways based on their individual predispositions and related goals or they won't find a way at all. Negative allusions to SMEs

and their alleged digital underperformance are counterproductive. This is all the more true when the regulatory framework for digitalisation is addressed.

6. **Make participation in your events valuable for SME leaders**

It is a general observation that to "sell" an idea it is not enough to demonstrate its value for the organisation, you need to create personal benefits for those that invest their time. We found the following tools helpful in dealing with SME leaders:

- create learning experiences
  - offer opportunities to learn from others
  - invite experts
- offer networking opportunities
- invite representatives of the political sphere so that SMEs' needs are heard right away

7. **Create small-scale stakeholder dialogues when inviting entrepreneurs**

The first step to give SMEs' representatives an authentic impression what Internet Governance means and why it might be relevant lies in creating small-scale stakeholder dialogues, which:

- add diversity of perspectives
- help self-determined evaluation of participants' own digitalisation efforts
- offer opportunities for tying in with Internet Governance folks (the latter should be in the minority, though)

8. **Support SMEs in becoming part of the Internet Governance Community**

The Internet Governance Community is open to new perspectives, however, traditionally the "industry" stakeholders comprise mainly of IT companies. The more Internet Governance does not focus on domains but in a broader sense on data and even content related issues the views of an extended range of actors are called for. SMEs might not be aware that they can join the national IGFs, to take an example, thus creating formats suiting SMEs and explicitly inviting their representatives on panels is helpful for the whole community.

9. **Include trusted partners when networking**

There is a wealth of knowledge about digital transformation in chambers of commerce, digital hubs, trade associations and the like. Partnerships in the promotion of SMEs' digital transformation including those institutions, science and research have proven quite fruitful. The German Government has created so-called "SME 4.0 competence centers" which offer services for the SMEs in their respective region and which were extremely helpful partners for us. Each partner in the network can contribute their USPs, most of them are well known among small and medium sized enterprises and together they can establish a strong network catering to SMEs' practical needs, beneficial to many in individual situations.

10. **Build on the independence of your institution**

Coming from scientific or other backgrounds that are not tied to political institutions or the aggregator tasks of trade associations can be helpful to express SMEs' interests. While all stakeholders have their specific and indispensable functions, as an independent actor one may have the chance to bring the original statements directly to the Internet Governance community and to politicians. While essential in other settings, there is no need for independent actors to consider proportional representation of interest groups or celebrities in the field. This might also add important day-to-day knowledge and hands-on experience to discussions, and it might lower the threshold for SMEs to participate in Internet Governance processes because members of their peer group are already on board.

What is your experience?

Comments and questions are welcome!

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About the Project