

## **HKITJC's Comments on**

# **“<2014 Digital 21 Information Technology Strategy> Consultation Paper”**

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### **Abstract**

HKITJC acknowledges the Government's efforts in working out the long awaited<sup>1</sup> “2014 Digital 21 Information Technology Strategy” consultation document (hereafter referred to as “D21 Strategy”), and would like to presents our comments in this paper. It is divided into two parts. Part 1 gives our overall comments of the D21 Strategy and Part 2 lists out our comments on its specific sections.

## **PART 1: Overall Comments**

### **(A) The Present**

The D21 Strategy appears to adopt a rather restrictive approach which mainly proposes extensions of existing IT facilities (e.g. city-wise WIFI) and projects (e.g. PSI). It does not appropriately keep track of the latest advancements in IT and how they should be developed in competing with our nearby cities for maximum benefits of Hong Kong. For example, while Big Data is a buzzword mentioned in the document as one of the key technologies, it is unclear how it would be widely promoted and broadly used (e.g. through introduction of incentives, promotion programs, etc.).

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<sup>1</sup> The last D21 IT Strategy was published in 2008.

In essence, the D21 Strategy is more like a short-term/mid-term IT project plan of the Government rather than an IT strategy plan for Hong Kong society.

The D21 Strategy has suggested to pursue a number of development projects, e.g. digital certificates, interconnected sensors, collaboration with Mainland, etc. For accountability of the expected values and benefits of the investments needed, it is advisable and important for the Government to include measurable targets, i.e. KPIs, for these projects. While the Government has stated the scale of the city-wide WIFI project, namely 20,000 hotspots, no quantifiable targets have been made for the others. Just like Government's strategy and plans on housing development, KPIs are necessary for the Government administrators, as well as the general citizens, to gauge the implementation progress of the D21 Strategy and more importantly to provide a review reference for the projects and define a timeline for the next strategic planning cycle. Examples of the needed KPIs for the D21 Strategy would be "percentage of transactions making use of digital certificates in comparison with those using traditional means", "R&D investment to GDP ratio", "industry to Government R&D investment ratio", "number of granted patents per 100 active researchers", "GDP due to Innovation Technology industry", etc.

HKITJC would not object the choice of Government in engaging IBM for the consultancy work leading to the current D21 Strategy document. Nonetheless, we disagree with the Government in over-publicizing IBM's involvement which may lead to misconception of the public, both locally and internationally, that the future of HK IT will be driven and dominated by IBM. For avoiding possible favoritism or such views by the public, HKITJC suggests the Government to enter into an agreement with IBM with the mutual understanding that since they are the consultant of 2014 D21 Strategy, they will not participate or will not be invited to participate in any design or implementation projects proposed as any of the D21 Strategy initiatives.

## **(B) The Future**

As a strategy document, the D21 Strategy should focus on how IT can assist the future development of the Hong Kong society and its economy (say in next 5 years). For instances,

- Hong Kong is facing an aging population. How can the Government serve the elderlies better with IT?

- It is evident that Hong Kong's medical and schooling systems are under growing pressure, e.g. due to the recent problem of non-resident Mainland pregnant women (雙非孕婦) that calls for the additional service demand in future for Mainland children resident (雙非兒童). How can the Government make smarter use of IT to achieve an efficient social system to cope with the new service demands in society?
- How can IT help solve the daily cross-border school kid problem, which shows no sign of any solution for years?
- The population of the “digital natives” is growing and their daily habits are changing. How can the Government help them live in the digital world smartly and safely and also help them integrate with the physical world healthily so as to avoid the “homebody” (宅男/宅女) problem.

The digital world is very different from the world in which we are living [see Don Tapscott: “Grown Up Digital: How the Net Generation is Changing Your World”]. But inevitably it is the future of our next generation. While the D21 Strategy has suggested several infrastructural projects for addressing short- and mid-term societal problems (referred to as the HARD environment), it did not pay enough attentions to the SOFT environment of the digital society in Hong Kong. For instance, recent concerns and debates in “treatment of parody under the copyrights regime”, “data privacy issues signaled by the USA Whistle Blower (Eric Snowden)”, “e-book and e-learning policies”, etc., which have led to heated discussions in the Internet community, have not been properly addressed in the D21 Strategy. HKITJC believes that unless the development of the SOFT environment is in synchronism with that of its HARD counterpart, the advancement of Hong Kong's digital economy will be hindered. We urge the Government to consider plans for developing a more digital-ready legislation system and nurturing a healthy digital culture in order to timely accommodate the rapid behavioral changes in a digital society.

## **PART 2: Specific Comments**

It is worth mentioning that the following specific comments are mostly collected from the HKITJC HKSTP Joint Forum on 2014 Digital 21 Strategy which was held in Science Park on November 18, 2013 and attended by over 70 IT professionals.

### **Chapter 3: Empowering Everyone**

Section A. HKITJC agrees that with the proliferation of e-business applications, commercial and governmental alike, there exists the need for digital certification. We welcome Government's suggestion of offering them free. It is, however, noticed that similar initiatives have already been started several years ago but the result was found to be unsatisfactory. This was mainly due to (a) insufficient applications; and (b) the interface was very un-user-friendly. Although the Government has attempted to solve these problems recently, but the result of improvement was not apparent. It is very unclear from the D21 Strategy how the Government could improve the situation. HKITJC suggests the Government to propose a few, say three to five, e-government applications as pilots with clearly defined KPIs (such as "number of active users", "number of transactions", etc.) for assuring and assessment of their success.

Section B. "Digital Connectivity" is a must in a sophisticated city like Hong Kong. But in doing that, the Government must carefully designed the hotspot distribution network so as to avoid the existing problem of poor QoS (Quality-of-Service), e.g. users often cannot access the WIFI network in busy spots and even if they could do so the downloading speed would be quite slow. HKITJC suggests the D21 Strategy to clearly specify measurable targets (KPIs) for the QoS level, performance of the infrastructure, and the expected increase in the number of active users and usage hours.

Section D. HKITJC agrees that "Programming in Every Child's Education" would be important for the development of logical thinking in children. But in order to do this, the following three key attributes are essential:

- (a) A comprehensive and updated curriculum guide, stating clearly the objectives, teaching and learning strategies, and assessment tools;
- (b) Practical and functional resources and support, e.g. software tools, IT personnel and web-based apps;
- (c) Teacher development and training in computer programming.

Moreover, in parallel to the technical side, students must be exposed to “IT ethics” and “IT in society” issues so as to enable their understanding on the proper and legitimate use of IT in modern society. These elements of IT education would help prevent them turning into “pure techies” or “homebodies” and worse still “digital criminals”.

Section (E). In addition to hardware for the underprivileged groups, the Government ought to consider content as well. For example, the Government (through RTHK) can produce more elderly and youth programs/apps and show them in suitable time.

#### **Chapter 4: Igniting Business Innovation**

Section H. In addition to encouraging SMEs to use Cloud Services, HKITJC suggests the Government to encourage IT SMEs to establish local Cloud Service companies (and similarly for software companies). The Government could consider allocate a dedicated building (e.g. from the current ‘wealth’ of unused industrial buildings) to accommodate these SMEs. Moreover, rent incentives, tax incentives, etc. for the tenants in the developments could be considered.

Section H. The Government should take the lead to use “home-grown” IT products and services. Under the current procurement policy, which favors lowest bid, Government contracts are mostly won by big IT companies. This in turn suffocates local IT SMEs. HKITJC suggests the Government to consider revising this.

#### **Chapter 5: Supporting a Thriving ICT Industry**

Section I (Paragraph 45). Startmeup.hk is an effort by InvestHK, “supporting the Startup Ecosystem”. It would be a complete waste of resources for OGCIO to develop something similar. HKITJC suggests the Government to compromise both efforts and work out the synergy with other Government departments and bureaux, e.g. ITC, RGC, HKPC, TDC, HKDC, etc. as well.

Section I. The Government’s strong desire to establish “IP trading” business in Hong Kong is apparent from the CE’s “2013 Policy Address”. The D21 Strategy, however, has not touched on this aspect. HKITJC suggests the Government to establish the necessary IP policy for a healthy Innovation & Technology industry. When doing this, IPD’s experience must be taken into account to avoid overlapping of resources and efforts.

Section I. Entrepreneurship is a key driver of the Innovation and Technology Industry. HKITJC suggests the Government to allocate funding for entrepreneurship education at all levels, including postgraduate, undergraduate and sub-degree levels. (Note: this suggestion is more specific than Paragraph 49.)

Section I. HKITJC suggests the Government to be the prime (at least initially) innovation consumer. As such they would be the first “customer” of local innovation and further in doing that, it would create employment for local science and technology (S&T) graduates.

Section I. The Government should consider re-kindle the Applied Research Fund (perhaps with a new business model) to attract more international and Mainland angel and venture investors to Hong Kong.

Section M. Public Cloud Service will become a utility, just like electricity, for SMEs in the future. HKITJC suggests the Government to setup clear guidelines and policies and perhaps an execution arm to control the business risks and to ensure sustainable service quality of public cloud services.

Section M. As a Data Centre and Cloud Computing Hub, we must not neglect the issue of sustainability. However, GREEN COMPUTING has not been considered thoroughly in the Strategy. But this issue can determine the success of Hog Kong in this world strategic business.

Section N. Many local universities have research presence in different cities (in particular Shenzhen) in the Mainland. HKITJC suggests the Government (say through ITC) to establish a dedicated China arm and liaise with these university’s Mainland establishment for knowledge transfer.

Section N (Paragraph 64). In addition to “Opportunities Arising from Nansha”, The Qinhai Region, Shenzhen, is also a strategic spot for Mainland Collaboration that must be put into the perspective.

### **Chapter 6: Transforming and Integrating Public Services**

Section R. It is advisable to establish a dedicated area with realistic demonstrable application(s) to showcase the advantages of IOT. Also, when setting up and deploying sensors and Big Data Analytics”, “data security” (including data privacy) will be a big issue. The Government must provide clear guidelines and proper education for the citizens to reap the benefits and avoid the potential risks in this trend of development.

### **Conclusions**

Realization of the suggestions in “2014 Digital 21 IT Strategy” requires concerted efforts by different Government departments and bureaus as well as the involvement of the citizens. HKITJC sees the needs of a Science and Technology Bureau to coordinate every party holistically in order to avoid the inevitable SILO effect in implementation under the existing Government organization structure. Further, the secretary of the Bureau should be an expert in the area rather than simply a bureaucrat. This suggestion aligns with the CE’s plan in Government restructuring, which unfortunately have been kept on hold indefinitely.