



# The Software Ecosystem

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# Overview

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- Economic Context
- Digital Ecosystem
- Diversity of Software Development Models
- Movement Toward the Middle
- The Future of Software



# Current Economic Outlook

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- Short-term: Hard to be optimistic
- Long-term: Hard to be pessimistic
  - Tablet PC
  - Other new devices
  - Wireless Broadband Access
  - Ability to move data and content

# Digital Ecosystem



- Where we have come from – vertical integration
- Where we have moved to – horizontal cooperation
- A Digital Ecosystem

*“If a mechanism to develop high-quality intellectual property is constructed, the intellectual property is highly protected and widely exploited in society and the power to create the next generation of intellectual property is realized through reinvestment. When this intellectual creation cycle rapidly expands and evolves, great benefits will be realized toward social and economic development.”*

(Intellectual Property Policy Outline, July 3rd 2002)

# Diversity of Software Development Models



**Philosophy**

**Licensing Model**

**Development Model**

**Business Model**

- Open Source: role and benefits
  - Transparency, Accessibility, Community
  - Variation – for a fee, for free
- Commercial Software: role and benefits
  - Innovation, employment, mass market economics



# Movement Toward the Middle

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- Combining elements of open source and proprietary software
  - Apple and OS X
  - IBM and Linux
  - Open source firms are adopting proprietary software model and business methods
- Microsoft's Shared Source Initiative
  - Shares source code with communities while protecting intellectual property
  - Available for government, developers, IT professionals, academic research
  - High level of responsibility more generally



# The Future of Software

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- Innovation and growth depends on a healthy ecosystem
  - Coexistence of different software models
  - More choices for consumers
  - A healthy intellectual commons and a healthy commercial industry
  - Government funding for basic R&D that promotes interaction, not separation