

Job creation and freedom of choice ... in IT

Ralph Cassar

Many would agree that promoting business initiatives based on services in the information technology sector is one of the ways to create job opportunities and stimulate economic growth.

However, the software industry is unfortunately plagued by monopolistic tendencies with the market for computer operating systems and other key applications dominated by one huge company, killing competition and stifling innovation.

Usually I would not mention Microsoft just for the sake of it. Indeed, in normal circumstances I would not have mentioned the company by name but this company and its products are being promoted by the Maltese government through press events as some kind of benevolent saviour!

Reports of these events in the news, including in this newspaper, amount to free advertising of just one player in the sector. Imagine the government promoting one brand of canned tuna over all others! This is what it is doing when it comes to software! One would think that certain government ministers are Microsoft employees!

Traditionally, software source code, that is, the code that makes up the computer program, is kept secret. Thus, if a company succeeds in building a dependency on its products, it gains a monopoly position since nobody is able to access the information necessary to compete with these products.

This holds even more when it comes to operating systems, the software that controls the functioning of the computer hardware and on which all other software depends.

The company which holds the source code of the operating system is in a position to monopolise the software market through its products based on the operating system that only it knows best and in detail.

This is what's happening with Microsoft. In the case of Microsoft, because only the company has access and control over the software interface through which application programs interact with the Windows operating system, it would be nearly impossible for any other company to design another operating system that could run programs designed for Windows.

Alternatives exist. Open Source software, in which the code is available to anyone to tailor to one's specific needs, is used by public institutions the world over, in huge

countries such as China, regions and city governments in Europe, such as Extremadura region in Spain, and Munich in Germany.

If the Maltese government were to use a mixture of Microsoft and open source technology, the IT environment would be much healthier. Maybe the government has already taken such a wise decision but, for one reason or another, has not bothered to tell us.

It is interesting to note that Europe is embracing open source much faster than the Maltese government. This is not only due to the fact that it is much cheaper but also because they believe it is more secure, because they can see and analyse the source code.

Microsoft has given the Windows source code to the Maltese government but only to view. No changes can be made and only a very select few are allowed to see it. Moving to open source software in government-run fund-starved schools, departments, libraries and local councils etc., would open up a new market for local companies offering IT services and, also, save the taxpayer vast amounts of money.

The elimination of Microsoft's competitors has led to monopoly and technology "lock-in". This is not something I'm inventing: The US government itself, through the Justice Department, has sought to rectify the situation through the ongoing antitrust lawsuit against Microsoft.

The EU is also not happy with the situation and is holding anti-trust discussions with the software giant. What's wrong with a company protecting its assets? Well, nothing; nothing so long as it does not engage in monopolistic practices and so long as it is not in a position to crush and destroy its competitors.

Free trade and competition are sacred concepts to some, therefore, by extension, free trade and competition should be guaranteed also in the IT sector.

Small companies must be given the chance to compete effectively. There are inherent dangers for companies and government agencies in the dependence for their software needs based on one operating system from one company.

Companies and governments are forced to follow, forced to pay the prices the monopolist sets and forced to live with the software flaws and bugs without the ability to change any of the problematic source code themselves.

Small countries such as Malta can flourish with IT companies providing services and software solutions only if monopolies are not allowed to dominate and stifle local entrepreneurs.

While all this is happening on the international scene, it seems that the government is putting all its eggs in one basket and preferring just one foreign IT company over all the rest. The Maltese government should not actively promote the product of one company and tell us that they are doing us a favour.

Having the Maltese government and companies locked around the Microsoft OS is dangerous and does not make Malta a serious IT contender. The distribution by Minister Austin Gatt of Microsoft software is little more than a gimmick and an exercise in personal propaganda.

The watered down versions of the software comes accompanied by a colour brochure with a picture of the minister shaking hands with Bill Gates. Can it be more blatant than that?

It is imperative to emphasise that Alternattiva Demokratika has nothing against companies such as Microsoft. What is important is that, like in all other sectors of the economy, no one company is allowed to become a monopoly.

If competition is good in other sectors, it is certainly also good in the IT sector. Malta cannot afford not to participate directly and fully in the IT revolution.

What's more, the government should stop exporting money and instead spend the same money locally, thereby stimulating the local economy and creating jobs.

How much is the government paying in licence fees for its thousands of desktop computers? Have the alternatives been at least explored? Has the Maltese government heard of open source software?

This software can be modified for local circumstances and no licensing is required. It also stimulates the creation of local companies which would be able to offer their services in maintaining computer systems, modifying software to match the exact requirements of the users (something which is impossible if the source code is secret).

Is the government aware that cities such as Munich, the region of Extremadura in Spain, the German parliament and the European parliament, among others, make use of open source solutions to, among other things, control escalating IT costs? Surely, with all the whining that goes on about the state of the country's finances, cost control should be at the top of the government's agenda.

Mr Cassar is international secretary and an executive committee member of Alternattiva Demokratika - The Green Party.

Email: ralph.cassar@alternattiva.org.mt