

The Metaverse and its Implications for Canada's Digital Future

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Issue Statement

How can Canada align its digital priorities with the development and adoption of the Metaverse?



What is the Metaverse?

The Metaverse refers to a hypothetical future iteration of the internet, envisioned as a shared, immersive virtual space that combines elements of augmented reality (AR), virtual reality (VR), and other emerging technologies. It is often described as a fully-realized version of the internet, where users can interact with each other and with digital objects in a seamless and immersive way, blurring the line between physical and digital spaces.



Background

- Canada has developed/is developing policies around digitization and improving innovation
- Canada's digital ambition 2022 is centred around digitizing government services
- ISED is re-envisioning what innovation policy should look like.
- Metaverse-related investment has already begun in Canada
- Meta is investing in Canada's Innovation Ecosystem by investing \$510,000 in unrestricted grants to 17 Canadian research labs working on research that will advance innovations needed to build the metaverse.

Why do we need to govern the Metaverse?

Canada already has many of the elements necessary for a robust innovation ecosystem

Canada is home to some of the top universities in the world which provides a large talent base for digital/metaverse-related jobs. A lot of Canadian tech talent leaves to work elsewhere thus the job-creation prospects related to metaverse development and implementation can mitigate those challenges. Provides opportunities for product design and engineering



The Metaverse can mitigate barriers to access and increase collaboration

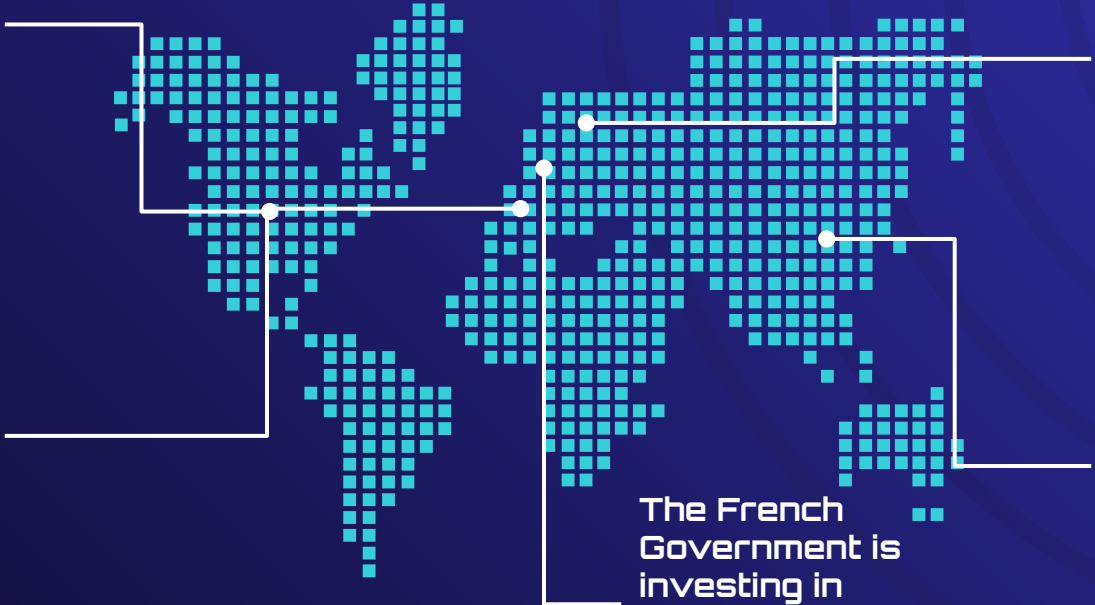
As the Metaverse is designed as a digital meeting place, it can connect people across the globe in more ways than social media does and negate physical distance between people and communities. The Metaverse can allow for collaboration between people in different geographic locations for surgery planning and support. It can be used as a place to conduct hands-on training (e.g. VR or AR training modules). The Metaverse provides a platform for networking, socializing, and creating in real-world-like ways

Why does the Metaverse require regulation?

- Cyberbullying and attributing those actions to individuals
- How can we ensure that people are who they say they are?
- The Metaverse will require large amounts of data so the collection and storage of this data needs to be regulated
- Disinformation and misinformation will likely be a large concern



Jurisdictional Scan



The US Military is building its own Metaverse which allows for government regulation of the Metaverse

UK has imposed strict safety and privacy laws

The French Government is investing in research to know development of metaverses

Norway is working with Meta to make public services available on the Metaverse

China has incorporated metaverse into it's industrial policy



Our Options Moving Forward



Collaborate with
Private Sector



Multilateral
Agreement



Build own
Metaverse



Recommended Option

The Canadian Government should collaborate with the private sector to build and regulate the metaverse as it will allow a reasonable amount of control over the development



What would a public/private partnership look like while regulating the metaverse?

01.

Establish regulatory frameworks

- Content moderation guidelines
- User safety requirements
- Company standards & best practices

02.

Oversight over the storage and collection of data

- Ensure alignment with PIPEDA
- Determine how and where data is stored

03.

Strengthening of the innovation ecosystem

- Creation of new high-skill technology jobs
- Advancements in AI development in Canada

Shortcomings & Mitigations

Limited government oversight: By relying on private sector

The government must maintain strong oversight and regulatory power to ensure that private sector partners are acting in the public interest. This could include increasing funding for regulatory bodies, hiring additional staff with expertise in metaverse regulation, or developing new regulatory frameworks that are more closely aligned with government priorities.



Difficulty in enforcement

Strong enforcement mechanisms that are capable of identifying and penalizing bad actors in the metaverse. This could include developing new technologies for monitoring activity in the metaverse, or establishing partnerships with private sector companies to share data and resources for enforcement purposes.



Conflicts of interest with private sector partners

Encourage private sector partners to be transparent about their activities in the metaverse, and to be held accountable for any violations of regulatory frameworks. This could include requiring companies to disclose information about their operations in the metaverse, or creating mechanisms for reporting and investigating potential violations.

Lack of inclusivity

Engage with a diverse range of stakeholders, including marginalized groups and communities. This could involve creating advisory boards or other mechanisms for soliciting feedback from diverse communities, or developing programs to train and support underrepresented groups in the metaverse.

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