Fault-lines to the poor

Debating policies for equitable access to ICTs[1]

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The majority of the world's population is still isolated from the opportunities offered by the global revolution in information and communications technologies (ICTs) – and the poor are the hardest hit.

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[1] This is a summary article reflecting papers and commentaries on the issue of policies for equitable access to ICT infrastructure. It is part of a series commissioned by APC for an event on equitable access which took place in Rio de Janeiro in November 2007. The papers and commentaries can be found at: www.apc.org/en/pubs/research

This is the view of Ethiopian-based ICT expert Lishan Adam, whose issue paper *Policies for equitable access* considers policy interventions to rectify the imbalances between rich and poor when it comes to accessing technology.

According to Adam, International Telecommunication Union (ITU) data show that about 97% of Africans did not have access to a fixed-line telephone, a computer, or the internet in 2005 – figures that are matched by Asia. He says governments and regulators have not yet succeeded in delivering affordable communications services to the poor, and, despite the mobile boom in Africa, tariffs remain high. Regulators, who ideally should control the telecommunications industry without political interference, lack independence and specialist expertise, and are often unable to challenge powerful incumbents.

The picture gets bleaker: "Policies that promote pluralistic content have also not been successful due to strong government and private sector interests in the media," states Adam.

"Communications are not a financial priority for about one–third of the world's poor that earns less than USD 1 a day. This segment of the world's population will not be able to benefit from opportunities provided by ICTs without innovative approaches that promote affordable access," he adds.

Adam's issue paper is one of a series of four on aspects of equitable access to ICT infrastructure commissioned by the Association for Progressive Communications (APC).

Adam highlights the roll-out of regional backbone infrastructure and submarine cables in Africa as one of the most important steps taken recently in efforts to address the growing digital divide. Many are optimistic that projects such as the Eastern Africa Submarine Cable System (EASSy) will dramatically lower the cost of access to broadband, currently dominated by telecommunications providers. But EASSy is just one of a number of cable initiatives, and Kenya, in the heartland of the continent, is proving to be a leading light in the access stakes in Africa.

In a commentary on Adam's paper, APC Communications and Information Policy Programme manager Willie Currie elaborates: "[T]he government is driving the expansion of broadband access in the country and across the region by taking the initiative to lay a fibre-optic submarine cable, called TEAMS, and then applying the lessons for broadband delivery systematically and coherently with the enthusiastic support of all stakeholders."

 "If the Kenyan government can pull this off," he adds, "it will provide a powerful example for other countries in Africa to follow."

Yet it also feels true to say that Kenya's success is very ordinary – an ordinariness that stands out given the difficult situations experienced in many other developing countries.

Currie is cynical: "Developing country governments are often the worst enemies of their citizens," he says. "They lack the capability to get things done, lack responsiveness to their citizens' needs and rights and are unaccountable for their actions."

"There may be all the consensus in the world as to what can be done to improve equitable access to ICTs, but it will be of little use if the state is dysfunctional. This is the major challenge when it comes to equitable access," he warns.

Moreover, "political, economic and regulatory differences in most countries pose major challenges for meaningful cross-border interconnection and speedy implementation of the proposed projects," adds Adam.

Currie points out that international forums suggest that there is consensus amongst governments, the private sector, international development institutions and civil society on how to go about achieving equitable access, and general agreement on what has gone wrong in the past.

For example, he says that key points of "convergence" on equitable access that emerged amongst stakeholders at the Internet Governance Forum (IGF) in Rio de Janeiro included the view that the market model *has* in fact been effective in increasing access in developing countries. This, he says, has led to calls for "the principles of competition to be consistently and evenly applied to all areas of the telecom sector."

There was also general agreement, he says, that where market models have failed, a collaborative approach, involving the participation of municipalities, the community, and diverse operators and providers, is necessary.

There was also a conviction that ICTs can be effective tools for development at the rural and local access level. This, he says, has led to a call for a multi-sectoral approach, which includes the integration of ICT roll-out in local development projects, such as the building of roads, electrification and laying water pipes.

However, Adam does not appear to share this view – at least as far as unequivocal support of the market model goes. "Genuine competition is essential for promoting equitable access, and to encourage private sector participation and innovations. However, the market alone will not guarantee equitable access to a standard that meets public interest expectations," he argues.

Adam presents some compelling evidence of why liberalisation on its own can run into trouble quickly when it comes to servicing the poor. For instance, he argues that imposing free-market regulations in a context where there are socio-economic inequalities often simply reinforces those inequalities. Sector reforms, such as shifting a public

telecommunications monopoly to private hands, has often led to private sector monopolies, rather than an increase in rural services and access.

"Liberalisation in the internet sector did not lead to an automatic increase in the number of users or bring the costs of access down," he says. For example, a cross-Atlantic link between North America and Europe can now be had for USD 2.5 per megabits per second (Mbps) per month, compared to links from Africa to the US or Europe, which cost between USD 2,000 and USD 5,000 per Mbps.

"Since GDP [gross domestic product] per capita in sub-Saharan Africa is as much as 100 times lower than industrialised nations, the real bandwidth cost is very high," Adam points out.

Adam also highlights the failure of attempts to address the digital divide through universal access strategies – or programmatic interventions by the state to offer telecommunications services to underserved areas. He notes that universal access strategies have tried to "redress the problems of market failure." However, in many ways, it appears the gulf between the technologically rich and technologically poor is being sustained.

While ICT for development analyst Amy Mahan says that Adam's data is useful in that it highlights the downside of the digital divide, she is not entirely convinced of his conclusions.

"By 1999, arguably there was evidence that if not a perfect solution, moving telecom from monopoly to market provision did in fact result in the rapid shortening of long waiting lists, increased investment in infrastructure and, of course, the establishment of (independent) regulators around the world," she argues in a commentary commissioned by APC.

Mahan draws a sharp distinction between policy-making and regulation: "regulation facilitates the implementation of policy decisions." She says that "privatisation was only a partial step" and that "deeper regulatory reform is still required in most developing countries to create the kinds of conditions that will attract investment into a sector."

Mahan also points out that, although limited, state provision of telecommunications does have its success stories. For instance, Uruguay has one of the highest rates of fixed-line telecom penetration in Latin America, she says. "[T]his…could explain in part Uruguay's very high rates of internet adoption before broadband connections were available," she says.

But there are limitations to this model too, and the arrangement is at best a medium-term solution, Mahan argues. "[T]he sector's current legal and regulatory frameworks are now impeding innovation and competition that could bring down high access charges," she says.

Currie concedes that despite the felt consensus at the IGF, there is some contradiction between the acceptance of the competitive model and the calls for a participatory model for

rural access that includes non-market players, such as NGOs. His point is provocative: "Will all stakeholders truly agree that in order to make universal access a reality, competitive models need to coexist with collaborative ones?" And, he adds, these sorts of fault lines are illustrated when private network operators begin to object to the roll-out of municipal wireless networks, as is happening in the United States.

While governments have tried to integrate ICTs into development plans by developing e-strategies, many of these have not been effective, according to Adam. He says some e-strategies in Asia (specifically Singapore, Korea and Malaysia) are showing good results, but it has not been easy to replicate their learning experiences, given financial and capacity shortfalls.

Good policy intentions are also sometimes crippled by the slow pace of reform in the broadcast sector – which carries a lot of political weight and interest, yet remains crucial because of convergence. Global telecommunications regimes also have an impact. An example is the disproportionate costs for international circuits charged by internet service providers (ISPs) in developing countries, compared to their counterparts in developed countries.

Adam says an "organic approach" to policy-making, with a focus on "building blocks such as national educational capacity, infrastructure, content and public sector service delivery," has proved to be the most successful approach for equitable access. Amongst several examples he gives, he says that Mauritius and Tunisia show that by relying on local expertise and focusing on telecommunications infrastructure, enabling policies, incentives for the private sector and education, the results were more impressive than ambitious top-down initiatives with a "shopping list of activities."

"An ICT-friendly local development plan could, for example, make sure that fibre optic cable is laid at the same time as road construction projects are undertaken. This would help to lower the cost of construction, since existing roads and sidewalks do not have to be torn up for laying the fibre," he says.

"Policies on equitable access depend very much on government vision and its ability to implement ICT programmes. The more national ICT policies address universal access issues, the better the connectivity of underserved areas," he adds.

For Mahan, proactive universal access regulation should reflect the dynamics of change inherent in emerging ICT markets, including changes in technology. "Such regulation could allow for and encourage exploitation of new technologies and alternative market models," she says.

It is the kind of flexible regulatory framework that, she says, might be "resisted by private sector actors" – but that this is precisely why independent and strong regulators are needed.

For Currie, good governance depends on "the extent to which developing countries take it seriously themselves, without the prompting of developed countries and international development institutions."

"If institutions are weak, and if the regulator lacks capacity to effectively regulate, then there is little point in developing universal access strategies, which will risk being left stranded," adds Mahan. "The best of policies are of little use if there are only poor institutions and ineffective processes available for their implementation," she says.