

# **Draft WGIG Issue paper on Affordable and Universal Access**

This paper is a 'draft working paper' reflecting the preliminary findings of the drafting team. It has been subject to review by all WGIG members, but it does not necessarily present a consensus position nor does it contain agreed language accepted by every member. The purpose of this draft is to provide a basis for the ongoing work of the group. It is therefore not to be seen as a chapter of the final WGIG report, but rather as raw material that will be used when drafting the report. This draft working paper has been published on the WGIG website for public comment, so it will evolve, taking into account input from governments and stakeholders.

## **1. Issue (what?)**

The terms universal access and universal service are different and can be defined as follows

- **Universal access** relates to providing communities with affordable access to ICTs. In other words, universal access policies work to increase access to telecommunications on a shared rather than individual basis, such as on a community or village level.
- **Universal service** is aimed at increasing the number of households with telecommunication services and providing telecommunication services to all households within a country, including those in rural, remote and high-cost locations. Universal service policies focus on ensuring that the cost of telephone services remains affordable to individual users or to targeted groups of users (e.g. low-income families, people living in uneconomic areas). Universal service policies are more commonly found in developed countries.

It is important to note that the concepts of universal access and universal service look at the issue of need as distinct from ability to pay. They acknowledge that telecommunication is a basic social and economic necessity.

Universal access to ICTs has three key components:

- Availability – is it there?
  - Accessibility – can everyone use it?
  - Affordability – can everyone afford to use it?
- *Availability:*

This relates to whether there is national coverage of ICT services (telephones and internet). Policies that promote the growth of ICT networks and innovation and the use of new technologies (e.g. VSAT, wireless, VoIP) can support in reaching “the last mile”.

- *Accessibility:*

There are a number of circumstances that need to exist to ensure availability of ICTs including:

- All users are treated alike with no discrimination.
- There is no difference in services as well as the price or quality of services provided to different users.
- Access is inclusive of all gender, ethnic, social or religious groups.
- There is no difference in service or tariffs based on geographic location, particularly between urban or rural areas.
- There is special treatment for those with disabilities to ensure they have equal access to ICTs and services.

- *Affordability – the real cost of access:*

There are a range of costs related to the use of ICTs beyond the initial purchase of the technology which need to be affordable. These might include costs relating to installation, rental services (telephone calls, internet provision, electricity etc.), and maintenance. It is important that all factors are taken into account when considering and reducing the cost of access.

**Universal access is therefore the availability, affordability and accessibility of ICT resources to all, and is one that is basic to the original charter of the UN ICT Task Force and the WSIS<sup>1</sup>:**

“19. We are resolute in our quest to ensure that everyone can benefit from the opportunities that ICTs can offer. We agree that to meet these challenges, all stakeholders should work together to: improve access to information and communication infrastructure and technologies

“21. Connectivity is a central enabling agent in building the Information Society. Universal, ubiquitous, equitable and affordable access to ICT infrastructure and services, constitutes one of the challenges of the Information Society and should be an objective of all stakeholders

28. We strive to promote universal access with equal opportunities for all to scientific knowledge and the creation and dissemination of scientific and technical information, including open access initiatives for scientific publishing.”

The WSIS and UN ICT Task Force are not alone in this goal. It is the goal of many governments and organizations internationally, regionally and nationally ranging from the ITU-D to a multitude of NGOs.

On an international level, the issue includes the question of settlements that derive from the connection of second tier providers within countries to the international first tier providers that provide transit connectivity. This financial flow from poorer countries to the richer countries has left developing nations, especially those without Internet exchange points, in the predicament of having to pay for traffic that both originates and terminates in their countries. This tends to make

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<sup>1</sup> <http://www.unicctaskforce.org/about/principle.asp>

access for developing countries more expensive, sometimes by several orders of magnitude, than it is for developed countries.

## **2. Attribution to category / ies**

- **Equitable Distribution of resources**
- **Access to all**

## **3. SWOT Analysis**

- **Opportunities/Objectives**
  - To allow full participation of all in the 'Information Age'
  - To promote national economic, political and social cohesion
  - To support information and communications rights for all
  - To promote economic development
  - To encourage balanced development and population distribution
  - To eliminate urban-rural disparity
  - To help eliminate poverty

- **Threats**

**The lack of affordable and universal access threatens the ability of those without access to fully participate in ongoing development opportunities**

- **Weaknesses**

**The efforts to enable affordable and universal access are scattered, uncoordinated, and sometimes in conflict with each other.**

- Government policy and regulation have an important enabling role to play to ensure that there is universal access. However, without a supportive environment for growth of the ICT industry and rollout of the infrastructure as well as specific measures targeted at ensuring it reaches disadvantaged groups, it is unlikely that it will reach these communities within the medium to longer term. This is particularly true in developing countries where the gap is more significant, where much of the population live in harder-to-reach rural areas and where many do not have the finances to draw in the required investment.
- The private sector sometimes argues that universal access can be achieved through the liberalisation and privatisation of the telecommunications sector. It is argued that if policy and regulatory barriers are removed and with continuing technical advance, a competitive market and dynamic private sector, the prices will be driven down and telecommunications will become affordable and accessible to all in the medium to long term. It is true that the private sector has a vital role to play in the provision of ICTs and that the removal of restrictions in terms of provision of specific services will support the provision of affordable access to telecommunications. However, this argument does not provide the complete picture.

- The private sector must see a return in investment in terms of profit for it to survive. This means that the provision of telecommunications will take place in urban areas where it is cheaper to supply services since it is a concentrated area of higher demand and contains wealthier populations who can afford it. By contrast, service provision will lag in communities which are harder to reach or unable to pay (e.g. low-income communities as well as rural or remote communities). This is because there is no incentive for companies whose survival depends on profit to provide to those communities where access is more expensive and/or they do not have the ability to pay. Thus, creating a policy environment which leaves the provision of universal access to market forces alone will perpetuate the gap between the advantaged and disadvantaged groups within society.
- Governments are driven by socio-economic development objectives and so need to ensure universal access is taken forward beyond the narrow constraints of pure profit motivation. To this end, they have a role to play in creating an enabling policy and regulatory environment for the provision of widespread affordable access to ICTs. In fact universal access is increasingly a feature considered an important objective in the development of telecommunication policies, and a number of countries have explicit universal access policies (e.g. South Africa).
- When developing policies it is important to ensure that:
  - Universal access is seen as a key objective when developing telecommunication policy from the start and is not addressed as an afterthought or add-on.
  - There is open and inclusive public debate.
  - It embraces the broader definition of ICTs and services and looks beyond just access and affordability to basic telephony.
- Universal access has typically been considered in the development and definition of national policies. However, there is a need to also consider it in the context of regional and international ICT policies. For instance, satellites can provide access across national borders; decisions made at international levels affect service provision nationally.<sup>2</sup>
- Many countries and regions such as the EU have policies that mandate access to all by a certain date, yet just as many have no programs in place to make this happen. Sometime sit is a case of financing, often it is an issue of allocation of influence.
- In some cases there are government programs to extend access, yet other countries have laws barring public money from being spent for access – thereby hindering development for indigenous populations, e.g. in the arctic regions. In these cases development waits for commercial operators who will only invest when the profits are insured.
- Creating backbones that cross national borders can be difficult given conflicting policies in neighboring countries
- It has been shown that establishing exchanges is critical in developing affordable national networks. Yet, establishing the ownership, licensing and policies for exchanges in many nations is an arduous process.

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<sup>2</sup>[http://www.apc.org/english/capacity/policy/curriculum.shtml#DIGITAL\\_DIVIDE](http://www.apc.org/english/capacity/policy/curriculum.shtml#DIGITAL_DIVIDE)

- Many countries have taken advantage of national infrastructure projects, for example roads or rail beds, to lay fiber cable. In many places this cable remains dark because the national policies have not been created to allow for a national backbone carrier other than the telecommunications monopoly. While competing sectors argue, many countries find themselves in the ironic situation of using satellite to communicate from one part of the country to another, often using an international hairpin link, as opposed to using existing fiber.

#### **4. Actors (who, with whom?)**

- **International: WTO, OECD, ITU-D**
  - **National:**
    - **National funds, e.g. SIDA from Sweden**
    - **Post and Telegraph agencies,**
    - **Rural Development Agencies**
  - **Regional: EU commissions**
  - **Business: ISPs, IXPAs, Service Delivery agents**
  - **Civil Society: Community Telecenters, Media**
- The private sector is a key partner in ensuring the rollout of the required infrastructure and services. A vibrant private sector can help increase the range of options available to citizens and organizations, create a competitive market and help keep prices down. The private sector has a role in lobbying for the removal of restrictions which hinder its ability to provide ICT technology and services or increase the cost of its provision.
  - The government must ensure that there is an enabling policy and regulatory environment for the provision of affordable and accessible ICTs. Such a provision to disadvantaged communities needs to be maintained as a key consideration in the development and implementation of policies.
  - Civil society is an important partner in delivering ICT access to the community. It has a key role to play in lobbying for a policy and regulatory environment which addresses the needs of disadvantaged communities as well as monitoring the rollout of that policy.
  - The media has an important role to play in supporting ICT policy lobbying efforts and keeping the public informed about issues of universal access as well as policy and implementation.

#### **5. Forums (where?)**

- (a) **who participates**
- (b) **nature of forum**

#### **6. Governance mechanisms (how?)**

- (a) objectives of the rules system**
- (b) content of principles, norms and rules**

- **National**

There are several mechanisms employed at the national level through telecommunications or ICT policy seeking to achieve universal access which include:

- Establishment of specific universal access funds.
- Mandatory service obligation imposed by licence conditions or other regulatory measures.
- Cross subsidies between or within services provided by incumbent operators.
- Rollout of community telecentres.

- **International**

- GATS Annex on Telecoms
- International Telecommunication Regulations

- **Market Forces**

## **7. Adequacy measured against criteria / benchmarks set out in Declaration of Principles:**

- (a) multilateral**
- (b) transparent**
- (c) democratic**
- (d) capacity to address Internet governance in a coordinated manner**
- (e) multi-stakeholder approach**
- (f) other**

For the most part handling of Affordable and Universal Access is inadequate by most any criteria or benchmark, a goal that is supported more in theory and proclamation than in practice. It is difficult to project how tractable it is to International Governance as a stand alone issue. As a component of other issues and as a horizontal mandate that motivates other measures on the other hand it is an issue worth concern.

## **8. Additional comments**

- This issue is possibly related to many other issues, for example Social Dimensions and Inclusion in one respect and National infrastructure Development, and Liberalization, Privatization and Competition policy in another respect.

- Many of the issues raised in this paper are being addressed by the WSIS Task Force on Financing Mechanisms (TFFM) and linkages between the two could be explored.