

Equitable communication for all: South Asia's contribution

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10,000-sample, 6-country Teleuse@BOP survey in 2008 found that most poor people had . . .

Used a phone in the last 3 months

	Bangladesh	Pakistan	India	Sri Lanka	Philippines	Thailand
% of BOP (outer sample)	95%	96%	86%	88%	79%	77%

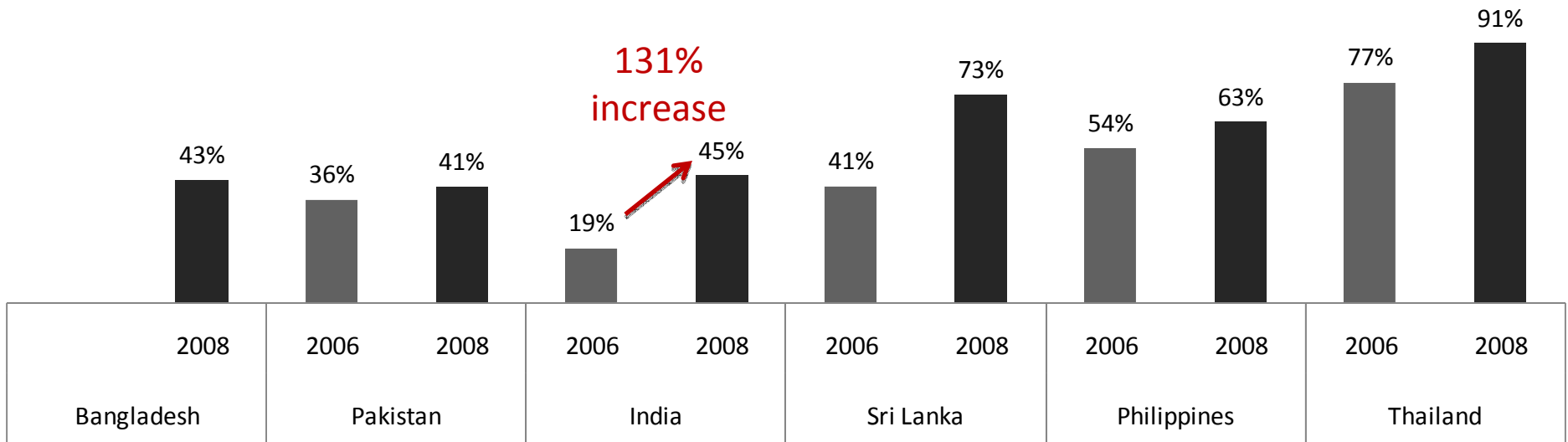
Used a phone in the last week

	Bangladesh	Pakistan	India	Sri Lanka	Philippines	Thailand
% of BOP (outer sample)	82%	66%	65%	77%	38%	72%

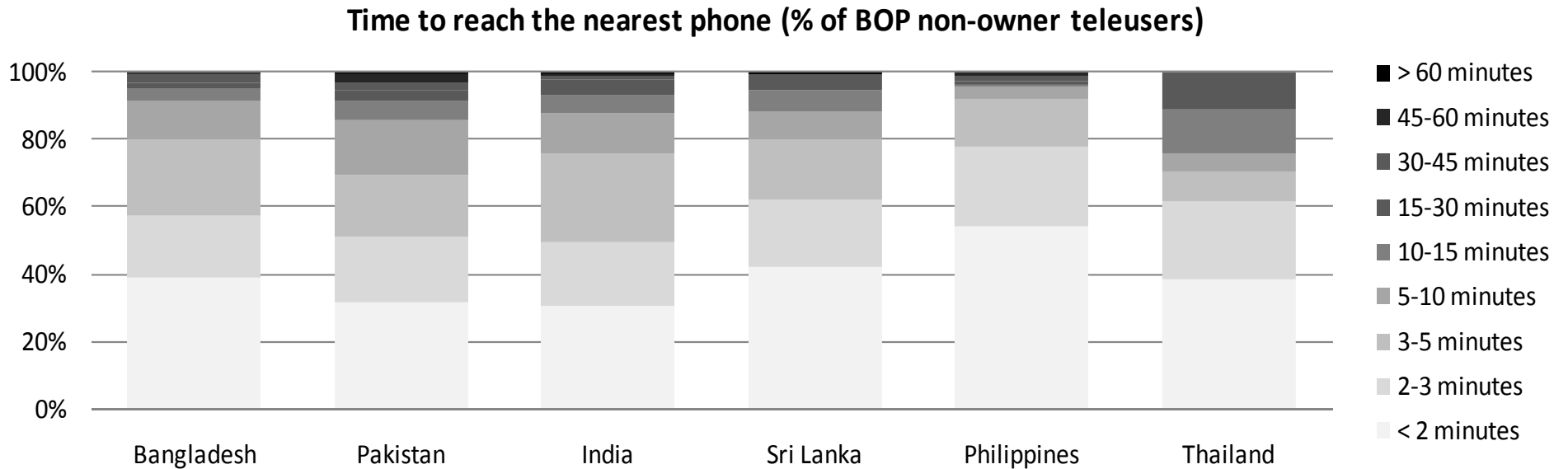
Caused by SMS reliance

Largest % growth in Indian total BOP phone ownership at household level

Total BOP phone ownership: 2006 vs 2008 (% of BOP teleusers)



Among non-owners, ~80% can get to a phone in under 5 minutes



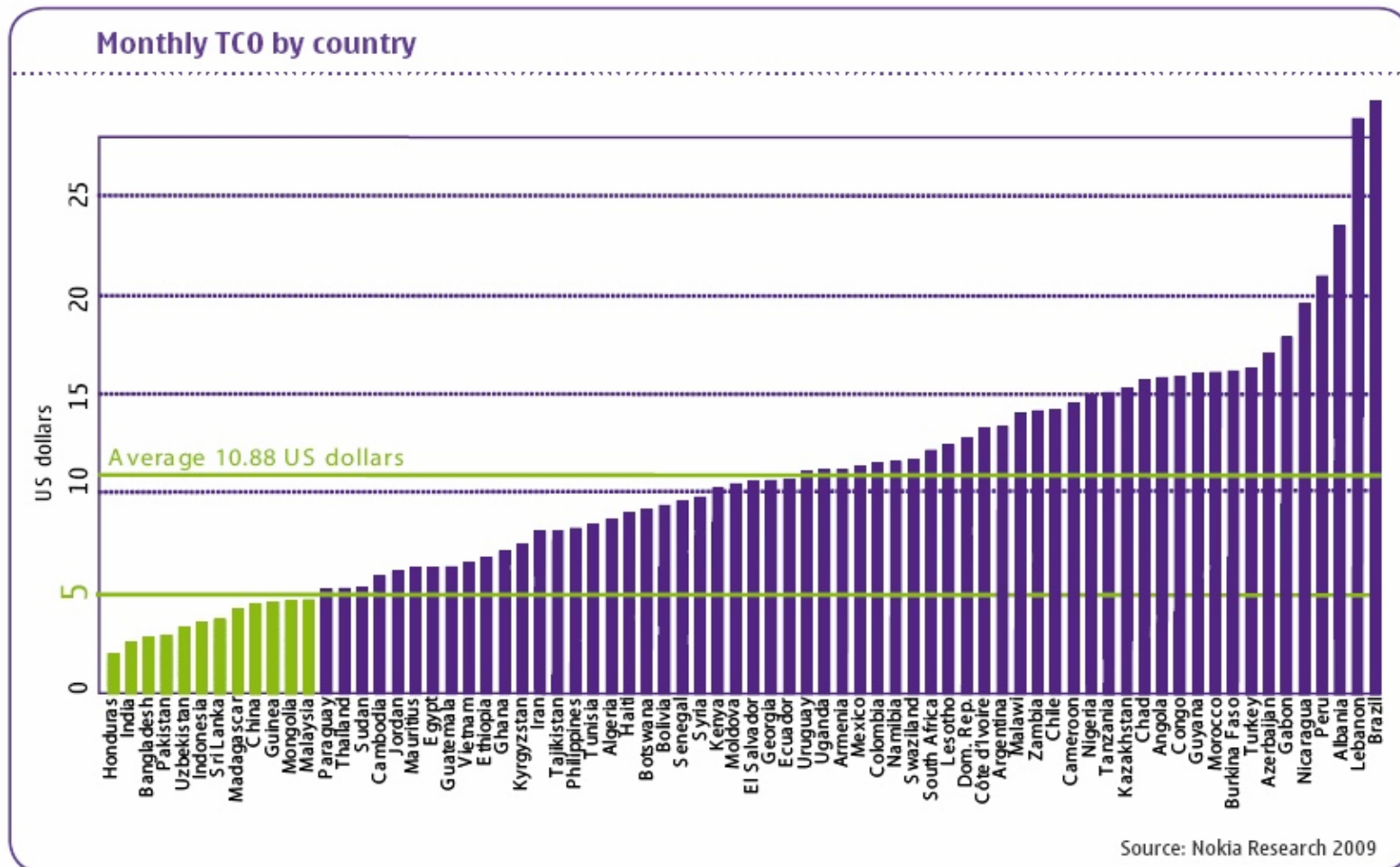
Most non-owners walk to the nearest phone

A great public policy success

Kofi Annan at the 1999 ITU Telecom Opening Ceremony: “A quarter of all countries have not yet achieved even a basic level of access to telecommunications -- a teledensity of 1, or 1 telephone for every 100 people. Half the world's people have never made or received a telephone call.”

How far we have come, how fast.

The cause: Budget Telecom Network Model, pioneered in South Asia



India, Bangladesh, Pakistan and Sri Lanka were original members of the under 5 dollars club

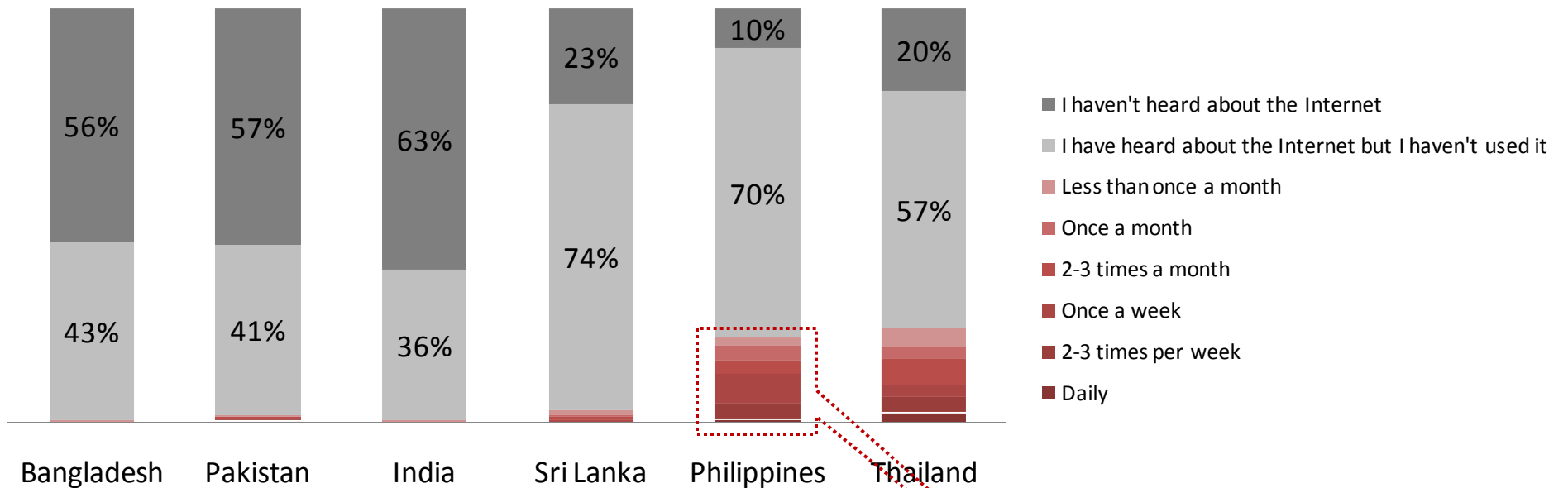
How were this many poor people connected electronically?

- “Budget Telecom Network Model” that allowed South Asian telcos since 2005-06 to make excellent (if highly volatile) returns by serving “long-tail” markets of poor people by
 - Dramatically reducing transaction costs primarily through prepaid
 - Allowing poor people to pay for services when they need it and when they have money (as opposed to fixed monthly payments)
 - Controlling operating expenses through business-process innovation
 - Focusing on revenue-yielding minutes rather than ARPUs
- Akin to Budget Airline Model that allows Air Asia to make profits while conventional airlines flounder
- Downsides
 - Patchy quality of service for consumers
 - Volatile returns; increased risks for suppliers

But the battle is not over

After all these years: Internet use & awareness among the poor in Indo-Gangetic Plain in 2008, acc. to large-sample survey

Internet use (% of BOP teleusers)



	Bangladesh	Pakistan	India	Sri Lanka	Philippines	Thailand
Use the Internet	0.6%	2.2%	0.8%	3.2%	20.7%	23.0%

Clearly, success has been achieved with mobile voice in South Asia

- How has this region which has a large concentration of poor people (world's largest is in the Indo-Gangetic Plain), achieved this?
 - Despite or because of policy and regulatory actions?
- How can the lessons be applied to Internet access?

What role for policy and regulation?

- Restating the key point made by Levy & Spiller back in 1994: solutions must fit institutional conditions
- Institutional conditions include the operative business model → policy and regulation must support and leverage the business model, not work at cross purposes to it
- The question then is what can policy and regulation do to leverage the “Budget Telecom Network Model”?