WCRD BRIEFING: ACCESS & CHOICE

BUILDING A DIGITAL WORLD CONSUMERS CAN TRUST
THE OPPORTUNITY OF ACCESS AND CHOICE

As well as opening employment, business and knowledge opportunities, a major World Bank project concluded that online activity online has substantial benefits for consumers. These include saving time, access to more convenient services, expanded choice, and better quality leisure time. There are also wider opportunities for trade, as firms can more easily reach new markets.

Moreover, increased Internet access offers greater possibilities for innovations such as mobile payments; comparison sites; access to credit scoring; pay as you go options; and peer to peer platforms that can drive down costs and pressure existing providers to improve services.

WHY IS ACCESS SUCH AN IMPORTANT ISSUE?

Access to the Internet is a fundamental aspect of digital consumer rights. It is also central to development: the UN has recognised the availability of broadband infrastructure as an essential prerequisite to a country’s economic development. Without access, people cannot benefit from the communication, information and commerce benefits that digital technology offers and both businesses and consumers miss out.

Research shows that if Internet access in developing countries matched that of higher income countries, “personal incomes would increase by up to $600 per person a year, thus lifting 160 million people out of extreme poverty”. This could generate $2.2 trillion in additional GDP and create over 140 million new jobs.

With more and more people getting connected, there is much to celebrate. This is especially true in lower income economies, where growing numbers are getting online thanks to mobile technology.

The International Telecommunications Union (ITU) estimates that in 2016, 47% of world’s population will be online, 2.5 billion of those in developing countries.

Nonetheless, this means that in 2016, 4 billion people - 53% of the world’s population – are not using the Internet. A closer look at the 4 billion without connection reveals uneven access. Recent estimates suggest that less than 10% of people living in the least economically developed countries access the Internet, compared with more than 80% in developed countries. There is also uneven coverage within countries. The offline global population is disproportionately rural, elderly, less educated, lower income and female. In Kampala, Uganda, for example, there is just one woman online for every three men online.

Connections must also be fast, reliable and consistent. Call drops, low speed at peak times and interruptions to service are common problems for many. Speed varies across the world: while countries like South Korea, Denmark and France mostly have high-speed connections of above 10 Mbps, connections in many low-income economies lag behind at just 2 Mbps. Internet and broadband access are also much more expensive in relation to average income in developing countries, particularly the least economically developing countries.

After steady rises in access over the years, the rate of people connecting has now reached a plateau. There now needs to be extra effort made to ensure that the remaining 40 billion offline consumers are not left behind. This requires a co-ordinated effort by governments, regulators and businesses to supply reliable power, enable radio wave availability for mobile connections, and offer an affordable, consistent service with secure networks.

4. Across regions the proportion of those without Internet rises to 58% in Asia, the Pacific and the Arab states, and almost 75% in Africa.
WHY IS CHOICE SO IMPORTANT?

Access alone is not enough: consumers need reliable, quality services if they are to unlock the benefits of the digital economy. In remote areas, a lack of choice of internet service providers (ISPs) can lead to high prices and poor service. It also means sole players in the market can inflate prices or impose unfair data caps, leaving consumers with nowhere to go if they are unhappy.

The digital market also lends itself to customer ‘lock in’ with large providers offer an increasing range of connected services and products, making it time consuming or difficult to chose a different option. Even when allowed, it can be difficult to transfer data or content between providers. In many cases software and devices are not designed to work with other brands. This means people are more likely to use a single provider’s range of products as they are not easily able to switch to a competing supplier.

Ensuring interoperability and rights to transfer data between services will help to keep prospects of choice and competition open in digital markets.
ADVOCACY CALL TO ACTION

CI Members can use World Consumer Rights Day 2017 to call on national governments or companies to improve access and choice using some of the points below.

- All countries to have a national broadband plan, including targets on affordability, connection, people target and an equality target that addresses the gender gap that is so prevalent in some parts of the world.
- Revise affordability target so that it effectively brings in those well below average income: Access to Affordable Internet (A4AI) propose a new “1 for 2” target: 1GB of data priced at 2% or less of average monthly income.
- Reduce the cost of mobile phones and ICT devices, support A4AI and Broadband Commission calls for: end to luxury taxation or high customs tariffs on internet devices, incentives for private sector to develop high quality, low cost smartphones.
- Increase investment in public, subsidised access: increase public access in spaces like libraries, community centres, establish a universal service obligation and access fund.
- Create a competitive broadband market: fairer and more opening licensing of the network and transparency in pricing and service options;
- Independent regulator, enshrine consumer data access and portability rights so they can more easily switch provider; encourage interoperability of devices, platforms and products through standards and easy to use data portability.

By sharing information with CI and using the hashtag #BetterDigitalWorld your activities will contribute to a global day of action.

CASE STUDY: FIJI

In 2012, Fiji’s only fixed line monopoly, Connect, tried to automatically migrate its thousands of subscribers to higher rates under a new package. This was a classic example of a service provider trying to lock in consumers and limit choice by making it really hard for them to exit the package.

However, persistent lobbying by the Consumer Council of Fiji forced Connect to keep entry-level customers’ data cap the same, at the same rate and speed. Connect also amended its ‘Connect Velocity’ contracts containing unfair terms and conditions. The ISP was also made to restore the data cap, remove a fee to downgrade the plan, take responsibility for fixing network faults and remove an unfair indemnity clause.

Consumer Council Fiji also have also successfully campaigned for a mandatory Broadband Disclosure Statement from ISPs, which contained information about their services’ speed variation at peak and off-peak times.

9. New research by the ITU countries with a National Broadband Plan have fixed broadband penetration some 8.7% higher on average than countries without plans.
EXAMPLES OF POLICIES AND INITIATIVES

Brazil
The Brazilian Ministry of Communications guidelines on telecommunications includes a requirement for authorities to promote affordable costs of broadband service.

Rwanda
As part of the Web Foundation #FASTAfrica campaign, ADECOR raised awareness of key issues for Rwandan consumers such as of rural access, affordability, poor quality network connections, and how to address cybercrime and online fraud.10

Russia
Internet penetration among adults rose to 69 % in Russia following a government initiative to connect small, remote towns and villages through affordable wireless networks.

Bangladesh
A multi-stakeholder partnership, including Korea Telecom, NGOs and the Bangladeshi government has collaborated to connect Moheshkhali Island, making use of existing copper lines and using existing microwave equipment to increase network infrastructure.

Afghanistan
Afghanistan’s largest mobile operator Roshan worked hard to increase women’s use of mobile phones- to increase revenue but also to provide benefits to a marginalised group. In addition to offering a reduced tariff, Roshan re-marketed mobile phones to emphasise their role as a family connector, helping to improve attitudes towards women having mobiles. It is estimated that Roshan has the highest number of female subscribers in Afghanistan.

FURTHER READING


Latest report from UN’s Broadband Commission showing progress against broadband access targets http://www.broadbandcommission.org/documents/reports/bb-annualreport2015.pdf


Good general resource on access and all aspects of internet freedom and participation www.webfoundation.org including the https://webwewant.org/ campaign

CI blog on choice and competition in the digital age https://consumersinternational.blogspot.co.uk/2016/10/how-can-consumers-make-meaningful_79.html