

Pacific Partners News Briefs

Pacific Newsbytes

Telecom News from the Pacific Islands

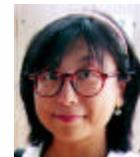


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Universal Service and the IT revolution in the age of free competition

Digital Divide in the Pacific Island Nations

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The Sasakawa Pacific Island Nations Fund (SPINF) has provided assistance to distance education programs across the islands nations of the Pacific for the past ten years. SPINF's assistance have resulted in upgrades at the University of the South Pacific's USP-Net¹ (an aid project undertaken in conjunction with the governments of Japan, Australia, and New Zealand); and an experimental distance education project for nursing and medicine implemented by the University of Guam.

Assistance to PEACESAT boosts dramatically cost efficiency

Through a three-year plan beginning in 1998, SPINF has contributed to the Distance Education and Learning Technologies and Applications (DELTA) training program located at PEACESAT headquarters at the University of Hawaii². A January conference held in Honolulu brought together many delegates involved in policy making decisions for distance education. The purpose of the conference was to formulate policies, with the hopeful result of significant improvements to distance education in the region.



Japan and other developed countries have an important role to play in establishing reliable telecommunication networks in the small Pacific island nations.

During the conference Dr. Norman H. Okamura, PEACESAT telecommunication specialist, illustrated the program's success by describing the Universal

Service Fund³. This fund has already contributed up to US\$4.5 billion for telecommunications infrastructure. Improvements include networked building in schools and other institutions throughout the U.S., and probably will result in approximately US\$10 million for the three U.S. territories in the Pacific (Guam, the Northern Mariana Islands and American Samoa). American Samoa received US\$3.5 million in the first year and US\$2.7 million in the second year.

This fund also helps defray communication costs and other operational expenses, and is estimated close to US\$5-7 million will be provided annually in the future. This means that for at least ten years, some US\$50 million will be provided for distance education in Guam, the Northern Mariana Islands, and American Samoa. Meanwhile, SPINF is currently contributing US\$150,000 to PEACESAT headquarters over the three-year period, boosting cost efficiency almost 300-fold.

Correcting the imbalance between information haves and have-nots

The United States Telecommunications Act of 1996 greatly opened up the telecommunications sector. However, telecommunications liberalization alone does not necessarily yield good results. Deregulation leads to a more competitive market resulting in improved services and lower costs for many customers. But the private sector cannot be expected to take much interest in developing services in poorer communities, on small islands, and in other areas where there is little prospect of generating a profit. Yet telecommunications, like water and electricity, are basic human needs in the modern age, and governments have a responsibility to close the separation between the information haves and have-nots. Hence, the Universal Service Fund was established in 1983 to correct this imbalance. Contributions collected from telecommuni-

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businesses and subscribers are redistributed to the disadvantaged to rectify information imbalances. American Samoa has already benefited from this fund. All public and private schools in American Samoa connect to a high-speed fiber network, and possess offisland T-1 Internet access and video teleconferencing capabilities. Guam and the Northern Mariana Islands are about to qualify for discounts under the Schools and Libraries

“Japan and other developed countries have an important role to play in establishing reliable telecommunication networks in the small Pacific island nations”

Program, generally known as E-rate (educational rate), which has a total annual budget of approximately US\$2.25 billion.

Western countries have actively pursued telecommunications deregulation and already have domestic telecommunications networks in place; these countries are assured of free market competition. Accordingly, they can simultaneously promote the idea of universal service, with its goal of making telecommunications “broadly and equally” accessible. A portion of the world’s population now live in an environment where people can use the Internet on a daily basis to access information from around the world. Increased speed and volume of information transmissions and decreased cost of using the Internet is truly impressive. Hardly a day goes by without newspapers reporting something new in the field of Internet business or telecommunications.

In contrast, a 1998 International Telecommunications Union (ITU)⁴ report noted that the distribution of telephones was less than one per 100 in 40 developing countries. The island nations of the Pacific, which have total populations of only a few tens or hundreds of thousands, and some of whose islands with only a few dozen residents are located hundreds or even thousands of kilometers from the national capital, have very little telecommunications infrastructure. These residents lack the kind of market that would enable them to correct the information imbalance within their own borders.

For many of these developing countries, liberalization of the telecommunications sector means only a further widening of the gap between those who have

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access to information and those who do not. Guam, the Northern Mariana Islands, and American Samoa are U.S. territories and thus have benefited from U.S.

funding. Yet neighboring independent countries such as the Federated States of Micronesia, the Republic of the Marshall Islands, the Republic of Palau, and Samoa do not receive the same help. Such nations’ telecommunications policies are sometimes strongly influenced by the desires of telecommunications companies. And, of course, the majority of telecommunications in these countries are in the hands of global enterprises financed from North America and Western Europe.

An experiment to rectify the information imbalance

The question is, whose job is it to correct the imbalance between developing and developed countries arising from deregulation of international telecommunications?

The Honolulu conference was attended by Masao Ueda, Palau’s Minister of Health; Spensin James, College of Micronesia’s vice president for Instructional



Affairs; Andrew Kuniyuki, College of the Marshall Islands’ dean of continuing research and extension service; Prof. Toshio Kosuge and Prof. Masatomo Tanaka of the University of Electro-Communications; and Shin’ya Suzuki, deputy director of the International Cooperation Division of the Japanese Ministry of Posts and Telecommunications (MPT).

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Informal meetings were also arranged with Akio Miyajima, director of the Oceania division of the min

istry of foreign affairs, and Kobo Inamura, deputy director general of the Communications Policy Bureau at MPT. These meetings were arranged to discuss Japanese aid for telecommunications-related health education for three independent island countries of Micronesia.

Suzuki expressed his personal opinion "in order to realize universal service on an international level, the idea would be to establish a World Universal Service Fund directed by an international organization like the ITU and the cover the entire globe. As things stand, however, perhaps Japan, the United States, and other developed countries should deal with the problem and take active steps to eliminate the information gap suffered by developing countries."

Inamura warned of the perils of policies that could lead to a kind of high-tech colonialism, in which the more developing countries adopt advanced technologies, the more dependent they become on developed countries. He also stressed the importance of job creation through appropriate introduction of information technology and promotion of industry. (Inamura created many jobs in Okinawa Prefecture during his term as director of the Okinawa Office of Posts and Telecommunications with the establishment of the telephone number service center there.)

Meanwhile, Miyajima asked, in preparation for the Second Japan-South Pacific Forum Summit Meeting (PALM 2000, scheduled for April), about the possibility of providing direct Japanese assistance to these island nations. Globalization and technological revolution could then be brought to all the island nations of the Pacific in an appropriate manner.

All three men appeared to be thinking along largely similar lines.

Japan and other developed countries have an important role to play in establishing reliable telecommunication networks in the small Pacific island nations. Actually, the "digital divide" was on the agenda of the recent Group of Eight Kyushu-Okinawa Summit last month. Japan itself is composed of many small islands, some of them very isolated. An extensive telecommunications network established by the Nippon telegraph and Telephone Public Corporation⁵ provided telephone lines

to even the most remote, outlying areas. In a sense, the concept of providing universal service "broadly and equally" can be said to suit the Japanese temperament.

International cooperation in telecommunications is much needed, and Japan is expected to take a leading role. The scale of the budget is small, but SPINF intends to continue supporting endeavors to improve distance education and expand the use of information technology in the island nations of the Pacific. The fund also administers an independent program, Yashinomi Daigaku (Coconut College), aimed at giving the Japanese a better understanding of Pacific island nations.

The College's Web site at www.yashinomi.to/ provides detailed information (in Japanese) on telecommunications situation in these nations.

Notes:

¹The University of the South Pacific has its main campus in Fiji and an extension center in each of the other 11 Pacific island nations that are members of the university. Since its establishment in 1968, the university's mission has been to provide distance education to all its members, and has set up USPNet to enable satellite communications (the Web site is at www.usp.ac.fj/). SPINF has conducted a feasibility study for the upgrading of USPNet and provided support leading to official development assistance projects.

²In 1971 the late Professor John Bystrom of the University of Hawaii was instrumental in securing the use, free of charge, of a used satellite from the U.S. National Aeronautics and Space Administration for service as Pan-Pacific Education and Cultural Experiments by Satellite (PEACESAT). In addition to management of a satellite network, PEACESAT headquarters has now become a think tank acting as a survey and research consultant on public telecommunications policy in the region and organizing workshops for the advancement of distance education, telehealth, telemedicine and other humanitarian purposes (obake.peacesat.hawaii.edu/). SPINF support for the headquarters has included a grant for the PEACESAT Policy conference in Sendai in 1992. That conference was a crucial step on the way to the formation of PARTNERS, another international cooperative satellite project that is currently being promoted by Japan's MPT.

³See the Web site www.universalservice.org/.

⁴The ITU is the major international organization in the