DRAFT SPEAKING NOTES

Cordel Green

Executive Director of
the Broadcasting Commission - Jamaica

presented at

IIC International Regulators Forum

OFCOM, London

October 21, 2007

(These views are not necessarily those of the Broadcasting Commission)

"DIRECT FUNDING: WHAT ROLE SHOULD THE REGULATOR PLAY?

We must avoid the temptation to apply experiences and approaches, without taking account of fundamental differences between countries. There is too much of a tendency to attempt a "one size fits all mode" to country contexts.

The answer to the question might differ among regulators as we take account of country-context gaps. This requires not only an examination of the broad structural features of national economies, but also careful analysis of the evolution of regulatory institutions, politics, and policies within a country. As JJ Wilson III puts it "the brave new world of information and communication technologies is more complicated, messy, opaque, and uncertain than leading policy models suggest".

Having said that, it appears the single most significant challenge to communications capability across countries is the broad-based question of access. The issues are multi-dimensional.

At the highest level is "enlightened access", meaning that we must achieve more than physical access and get to the stage at which there is innovation and creation of digital

products and services (Babb, 2003, p.3). The focus should be on indigenous content or better yet 'local content for a global audience'.

Enlightened access is of particular significance to poor countries because what will ultimately empower and enrich the poor are investments in "content and applications, not technology" (ADBI, 2001, p.9). Currently most developing countries are net consumers of content. It is also not practicable for many developing countries to become leaders in technology research and development.

The theory is that ICTs will be a tool for sustainable development when ICT access is at a level where the focus is more about creation of content.

One could therefore justify direct financial support to promote and facilitate local production of content, especially in the absence of bodies such as the National Endowment for the Arts in the US or the EU's Initiative for European Content which provides training, financial support for production, funding for distribution, and support for festivals, inter alia.

There is less certainty about the wisdom of arrangements where the regulator itself produces programmes and requires broadcasters to allocate transmission time to those productions, as obtains in some jurisdictions. The rationale

for such intervention is usually the promotion of cultural diversity or quality

When the regulator itself produces content or provides direct funding for broadcasting productions two issues arise. The first is whether the regulator ought properly to concern itself with the highly subjective issue of quality. The contrary view is that regulators should be concerned with the question of whether any particular content causes harm to vulnerable audiences, rather than whether it is of good taste or quality.

The second objection to direct content production or direct funding of broadcasting productions is that they give rise to a potential conflict of interest. It is arguably inconsistent for the regulator to retain responsibility for adjudicating content standards complaints while it is a content producer.

These objections could be averted by establishing regulatory arrangements for commercial operators to contribute to the funding of Public Service Broadcasting, say through the allocating a portion of licence fees to the public broadcaster. Such funding arrangements should only involve the regulator as a conduit, for administrative convenience. The regulator should have an arms length relationship with the public service broadcaster, particularly in circumstances where the latter is within the regulatory remit of the regulator.

Another important dimension of access is "physical access", which involves connectivity issues and access to computers etc. Indications are that this is the area where some developing countries are most advanced. Jamaica is a case in point.

The telecommunications and media industries have been liberalised and considerable progress has been made in the building out of infrastructure for broadband internet development, including the grant of a licence in 2004 for the landing of an undersea cable in Jamaica.

In June 2004 the Jamaican government imposed a Universal Service charge of US$0.035 per minute on all incoming international calls terminating on all domestic networks, to be collected by the respective domestic network operators and paid to the Universal Service Fund (USF). The proceeds of the fund are intended for universal access projects such as e-learning and the establishment of a government owned broadband network.

In August 2007 Jamaican government also granted an island-wide wireless Subscriber Television licence, with the expectation that by 2011 the entire island will be receiving digital broadband cable services,

These developments have the potential to drive down costs and cause greater access to telecommunications services.

The challenge is how to achieve physical access in a transformational and sustainable manner. This is of particular concern when it is considered that up to 85% of government ICT projects fail (Heeks 2003, p.1).

In considering the Sustainability of programmes being funded, it must first be appreciated that information technology architecture is challenging. It requires consideration of a range of issues such as increasing IT spending, managing the evolution of new enabling technologies, and managing technology obsolescence (khaneja 2004, P.3). These are not issues best suited for regulators, particularly those with capacity challenges

It must also be considered that multilateral development and Aid agencies have been exerting pressure on developing countries to implement ICT projects as a "process of continued modernization". However, when such projects fail there is the problem of opportunity cost, and if funding were obtained from an international financial institution, there is the added cost of diminished reputation for good governance and the risk of a bad credit rating

Given the enormous costs associated with physical access projects and the limited resources available, great care should be exercised when undertaking grand communications schemes which involve enormous investment of public funds.

If any direct funding is undertaken to support physical access, it might best be limited to subsidizing remote and rural broadband access (as an economic development measure), bringing the Internet to schools, provision of assistive technology for persons with disabilities, and subsidizing research and development.

Bibliography

Angell, I. (2000).The New Barbarian Manifesto: How to Survive the Information Age. London: Kogan Page

ADBI. (2001).Information and Communication Technology (ICT) Strategies for Developing Countries. Asian Development Bank Institute. Retrieved from http://www.adbi.org

Asian Development Bank. (2002).Towards E-Development in Asia and the Pacific: A Strategic Approach for Information and Communication Technology. Retrieved from http://www.adb.org/documents/policies/ICT/ict310.asp

Asian Development Bank. (2004).Implementing e-Government: Report of the Regional Workshop. Retrieved from http://www.adb.org/documents/policies/ICT/

Babb, A. (2003). Enabled increased access globally and locally. Keynote address presented at the Jamaica Internet Forum, Ocho Rios, Jamaica.

Durrant, F. (2003). E-Government for Development. Keynote presentation at the Jamaica Internet Forum, Ocho Rios, Jamaica.

 Economist Intelligence Unit. (2005). E-readiness rankings. Retrieved March 15, 2006. Economist Intelligence Unit. Retrieved March 2, 2006 from www. eiu.com.

Fan, C. (2004). Implementing e-Government in HKSARG: Hows and Whats. Asian Development Bank Institute. Retrieved from http://www.adbi.org

Heeks, R. (2001). Understanding eGovernment for Development. Institute for Development Policy and Management. Retrieved from http://www.man.ac.uk/idpm/idpm_dp.htm#ig

Heeks, R. (2003). Most eGovernment-for-Development Projects Fail: How Can Risks be Reduced? Institute for Development Policy and Management. Retrieved from http://idpm.man.ac.uk/publications/wp/igov/index.shtml

Independent Television Commission (2002). Comparative Review of Content Regulation. A McKinsey Report for the ITC

Khaneja, A. (2004). Technology Architecture for Egovernment. Asian Development Bank Institute. Retrieved from http://www.adbi.org

Kudo, H. How ICT Changes Public Sector. Asian Development Bank Institute. Retrieved from http://www.adbi.org

Mansell, R. & When, U. (1998). Knowledge Societies: Information Technology for Sustainable Development. New York: Oxford University Press.

Margetts, H. (1999).Information Technology in Government: Britain and America. London: Routledge/LSE.

Paulwell, P. (2003) Jamaica's Plenary Statement. Address at the World Summit on the Information Society (WSIS), 4th Plenary Meeting, Geneva.

Robertson, P. (2003). Jamaica's E-Readiness. Keynote presentation at the Jamaica Internet Forum, Ocho Rios, Jamaica.

Rogerson, S. & Beckett, R. (2003).E-democracy, rights and privacy in the age of information. Intermedia 31(1) 18-27. London: IIC

Samuelson, W & Marks, S. (2003). Managerial Economics. New Jersey: John Wiley & Sons Inc.

Stanforth, C. (2006). Analysing eGovernment Implementation in Developing Countries Using Actor Network Theory. Institute for Development Policy and Management. Retrieved from http://www.sed.manchester.ac.uk/idpm/publications/wp/igov/index.htm

UN (2000). Millennium Development Goals, Retrieved from http://www.un.org/millenniumgoals/

Wescott, C. (2005). E-Government in Asia-Pacific. Keynote address at the 2005 Asia e-Government Summit, Beijing. Retrieved from http://www.adb.org/Documents/Speeches/2005/sp2005052.asp

Wilson Ernest J. III (2004). The Information Revolution and Developing Countries. MIT Press

World Economic Forum (2007). The Networked Readiness Index 2006-2007

WSIS (2003).Retrieved from www.itu.int/wsis/docs/geneva/official/poa.html - 73k