GLOBAL INFORMATION SOCIETY WATCH 2008

Focus on access to infrastructure

Global Information Society Watch

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The Pacific

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Introduction

This report looks at information and communications technology (ICT) empowerment in the Pacific. It concludes that the situation varies from country to country, and greatly within countries, but that no place is particularly well served or engaged to leverage ICTs to overcome the tyranny of distance that pervades the region.

Grouping the Pacific itself is a challenging task. Different international organisations include different countries and territories.

Broadly, the Pacific[1] can be divided into four basic groupings:

- The Polynesians in the Southeast Pacific (Cook Islands, American Samoa, Samoa, Tokelau, Niue, Tonga)

- The Melanesians in the Southwest Pacific (Fiji, Vanuatu, Tuvalu, Solomon Island, Kiribati, Nauru, Papua New Guinea)

- The Francophone countries and territories of the Pacific (New Caledonia, French Polynesia, Wallis and Futuna)

- The countries and territories of the North Pacific (Federated States of Micronesia, Palau, Northern Marianas, Guam, Marshall Islands).

Generally, the countries are small on virtually every measure: small populations (Niue and Tokelau with less than 1,500); small economies (Niue and Tokelau are barely viable economically, and certainly not without considerable amounts of external aid; Tuvalu and the Solomons are also very poor); and small land masses (Nauru, Tokelau and Tuvalu all with less than 100 square kilometres and meagre natural resources).

There are exceptions: Papua New Guinea has more than six million people and Fiji and the Solomons each have more than half a million. Papua New Guinea is also physically huge, certainly compared to the others, and has vast natural resources. Fiji's economy, despite four coups in twenty years, does very well. Guam, French Polynesia, New Caledonia and other territories strongly supported by a foreign state (e.g., France, the United States, New Zealand) also do fairly well.

Rather than look cursorily at each country, we will look at Samoa, often considered the star performer in terms of ICTs in the Pacific, and note aberrations from that model.

Samoa: A case study

Samoa has been the poster child for liberalisation and achievement in the area of ICTs and telecommunications in the region.

Political will

Around the turn of the century the prime minister of Samoa, Tuilaepa Aiono Sailele Malielegaoi, recognised the value that information technology and telecommunications could provide for his country as a key catalyst for prosperity, and took on the role of minister of ICTs. By doing this he set a foundation for going forward before delegating the role to others in his cabinet.

Few other national leaders in the Pacific have held ICTs with such high regard. The one exception is Jimmie Rodgers, who is the head of the Secretariat of the Pacific Community – the operational arm of the association of states and territories in the Pacific. Rodgers has seen firsthand the power that information can provide and is actively taking steps to empower people throughout the Pacific with access to the internet, particularly those in remote islands and communities.

Some movement has also been seen through the Pacific Islands Forum Secretariat's Regional Digital Strategy[2] and the Wellington Declaration,[3] produced by a forum of communications ministers meeting in Wellington in March 2006. There are other pockets of progress being made in the Pacific, but at a glacial pace.

Government monopolies

SamoaTel is the government-owned incumbent telecommunications provider in Samoa. It has a licensed monopoly on land lines and international circuits that is due to expire in July 2009.

Competition in Samoan telecommunications began last century when there was open competition from the private sector in the provision of internet services, with three internet service providers (ISPs) in 2000 offering consumers choice of provider and service plans. This number has since doubled. Samoa opened up cellular services to competition in 2006 when it issued three global system for mobile (GSM) licences – one to SamoaTel, one to the incumbent advanced mobile phone system (AMPS) provider Samoa Cellular, and one to Digicel.[4]

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1 Pitcairn Island falls into the geography, but its population is so small that it is not included here. Easter Island is officially a part of Chile. The Chatham Islands are also in this space, at its southern extreme, but are really a part of New Zealand.

2 www.forumsec.org.fj/pages.cfm/economic-growth/ict

3 www.beehive.govt.nz/node/25341

4 Digicel promptly purchased Samoa Cellular Services, resulting in just two providers.

International services are still a licensed monopoly for SamoaTel, though Digicel does have the right to operate its own international gateway, but only for its own use.

The government has made clear its intention to privatise SamoaTel by the end of the decade, part of a long-term strategy to get the state out of areas where the private sector can operate.[5]

Other countries are also opening up their telecommunications markets, particularly for cellular and ISP services. Digicel is expanding its operations to Fiji, Papua New Guinea, Tonga and Vanuatu. Its entry into new markets has not been without controversy and significant engagement with the courts. But the people are voting with their phones and competition is warmly welcomed by all (except, perhaps, the incumbents).

Limited skills and knowledge

One other point associated with the government-owned telecommunications monopoly is the shortage of people who are independent and yet still capable of providing advice. The local carrier is often the only source of advice that small country governments have with respect to market organisations – and a dominant incumbent that promotes competition would be rare in any country.

When Samoa was recently presented the opportunity to connect to two undersea cables, the government-owned incumbent – the government's principal source of advice – recommended against it so that it could continue its stranglehold on satellite and microwave connections.

Fortunately for Samoa, other advice was taken, but restrictions in the contract and landing arrangements will mean that the future holds ongoing litigation. All this because of a lack of local independent expertise.

Connectivity

Samoa, like most countries of the Pacific, gets its connectivity through satellite. This service is relatively expensive and of relatively poor quality (high latency, echo and noise) and its capacity is constrained.

In 2008 there are several projects underway, or at least being considered, to bring undersea fibre to the islands. American Samoa is having an existing, unused cable rerouted to provide direct connection to New Zealand and Hawaii. And Samoa is planning on adding an associated undersea link for the 60 kilometres between American Samoa and Samoa – in this way piggy-backing on the new link.

Another initiative that will link many of the countries of the Pacific is sounding more positive, though nothing has yet been agreed. The French are planning on running links to their Pacific territories, and engagement is being sought from other territories along the path. This is being facilitated by Rodgers – showing how important individual leadership is in the Pacific.

Providing undersea fibre connections to each country will give a material boost to capacity. However, many of the countries consist of hundreds of small and scattered islands, some with very small populations indeed. Landing fibre into a capital will be enough of a challenge; getting more remote communities lit up is not realistic at all.

For many of these smaller islands and very remote communities, the Secretariat of the Pacific Community is running a project that will install small satellite earth stations, and provide services from there. Sustainability is a key focus, and in pilot projects in the Solomons the capital investment is being leveraged by a number of local users – schools, health clinics, banks, mining industries, and others – so that the monthly satellite costs will be recoverable. Maintenance and capital replacement will eventually be part of the programme.

Published strategy

Samoa started work on a national ICT strategy in 2002 and completed it the next year. This document was developed through extensive consultation throughout the country.

In the early part of 2000, the United Nations Development Programme (UNDP) was strongly advocating the development of ICT strategic plans, yet few were completed and even fewer to the level or extent of that in Samoa. Fiji, which already has a reasonably sized population and connection through the Southern Cross undersea fibre cable, is an exception. It is looking to grow a domestic ICT industry providing services to its neighbours.

Regulatory reform

Along with political will goes the need to create a fair and level playing field. While some countries may try to achieve this through pure market forces, it is not a successful model, particularly in small economies. Even New Zealand, after more than a decade of trying to use market forces and market competition law, has resorted to a regulator.

Samoa installed a telecommunications regulator in 2006. Since that time it has worked to reduce the powers of either a monopoly (SamoaTel) or a duopoly (SamoaTel and Digicel).

The regulatory environment does have short-term costs, as the incumbent dominant services provider is unnaturally

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5   In 2008 the government sold its television operations.

precluded from dominating incumbents. It is a fine line that the regulator must walk, but it is particularly essential in small economies.

Tariffs

Many countries struggle financially to make ends meet. They often use their government-owned monopoly telecommunications providers to levy an indirect tax on communications. Many countries also see ICT equipment, including computers and software, as luxury goods and issue an import tariff – not to protect a domestic industry, but to generate revenue.

In 2002 the government of Samoa removed any tariff premium associated with ICT goods and treated them as general goods.

Other leadership

Besides political will, a successful deployment of ICTs within a country – infrastructure, supply and skills – must have leadership from within the community. In Samoa the embracing of ICTs is spread far and wide. Schools in remote villages, such as Leuluoega College (a high school), have seen their value and have diverted scarce resources to ensure that their students have at least rudimentary skills.

Samoa is blessed with a number of private sector entrepreneurs in ICT. Aitken Fruen is the CEO of iPasifika and Laeimau Oketevi Tanuvasa is the CEO of rival Computer Services. As long ago as 2002, Samoa's 180,000 people were served by more than 35 businesses actively competing in various parts of the ICT sector – and all but one were local initiatives.

Conclusion

ICTs can make a material difference in the prosperity of a country, even small island states in the Pacific. But this requires leadership, political will and patience. It requires a government that understands the value that ICTs and associated open and easy access to information provide. It takes individual leaders, inside and outside of government, who see the opportunities. And it requires a realisation that the local telephone company is not a different way to tax and inhibit growth, but a facilitator for growth – and trust that the total government tax take will increase as business and individuals prosper.

Samoa's leaders had that vision a decade ago, and have acted deliberately, diligently and patiently. The country's success serves to benchmark progress in the region. ∎

GLOBAL INFORMATION SOCIETY WATCH 2008 is the second in a series of yearly reports critically covering the state of the information society from the perspectives of civil society organisations across the world.

GLOBAL INFORMATION SOCIETY WATCH or **GISWatch** has three interrelated goals:

- **Surveying** the state of information and communication technology (ICT) policy at the local and global levels

- **Encouraging** critical debate

- **Strengthening** networking and advocacy for a just, inclusive information society.

Each year the report focuses on a particular theme. **GISWatch 2008** *focuses on access to infrastructure* and includes several thematic reports dealing with key access issues, an analysis of where global institutions stand on the access debate, a report looking at the state of indicators and access, six regional reports and 38 country reports.

GISWatch 2008 is a joint initiative of the Association for Progressive Communications (APC), the Humanist Institute for Cooperation with Developing Countries (Hivos) and the Third World Institute (ITeM).

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