

# Reducing poverty in the information age

Call it information poverty: individuals and communities cut off from resources that could dramatically improve their living standards because communications connectivity is absent or limited or expensive. Denied access to knowhow, or even market price data to sell their produce, they are stymied and trapped in deprivation.

In developing countries, information poverty rapidly becomes actual poverty. Poverty reduction is the first, and arguably, most urgent, Millennium Development Goal of the United Nations. An MDG snapshot reveals why: as late as 2005, some 1.4 billion people still lived on USD 1.25 or less per day. Figures vary, but around 10 million people still die annually of hunger, and present trends in rising food prices and the global economic crisis may have pushed at least 90 million more back into poverty, according to the latest UN commentaries on progress for MDG-1.

Global crisis aside, the trend has been an improving one over the past decade. But for many, better information access may make a substantial and life-changing difference. This could be true especially for those outside formal or salaried employment structures – perhaps as many as 1.6 billion people in 2009 on current International Labour Organization estimates. Making it happen using broadband is one area that the UN Broadband Commission for Digital Development was set up to address. “In Bangladesh, access to information is the core component of any solution you are going to talk about, as opposed to merely a lack of food,” says Kazi Islam, CEO of Grameenphone IT and a Broadband Commission Focal Point.

The message is clear: advanced connectivity will deliver major economic benefits everywhere. “Broadband is no longer a luxury...it is a core infrastructure of the modern economy. Those who have it will prosper, those who don’t will fall further behind,” predicts ITU Secretary-General, Dr. Hamadoun Touré, unequivocally. It is not just emerging economies that have a digital divide. A 2010 study for the FCC in the United States by the Social Science Research Council found that “low income communities are marginalized without access to broadband – and they know it”.

## **Economic economies**

Available data suggests strong and positive correlation between communications and development. At the micro-level, studies from Africa and India consistently show that, even for very small farming and fishing businesses, market-matching efficiencies will apply when there are good communications links. This means higher profits for producers and lower prices for consumers when price information is shared on demand via mobile phones and text messaging. Grameen in Bangladesh has shown that technology and, especially telecom, companies directly and indirectly help a vast network of individuals out of poverty.

On the macro-level, recent analysis by OECD suggests that a national FTTH broadband investment in many countries could be paid back over a decade by the reduced costs and increased efficiencies it would deliver in electricity, transportation, health and education provision.

ITU emphasizes that broadband connectivity costs and policies will be key to effective economic stimulation: the ITU ICT Development Index list entry-level broadband costs on average at 167% of Gross National Income (GNI) per capita in developing countries, but only 2% in developed countries – a formidable gap. The good news however, says ITU, is that prices are now falling significantly.

In a broadband era, ITU analysis also suggests the way forward would be a new era of sharing – of networks, applications and expertise – to ensure affordability and high-return spinoff.

Broadband Commissioner Dr Reza A Jafari says he wants to see scalability pursued to deliver the greatest benefits. He muses: “It is a very complex, multi-stakeholder ecosystem. We need to connect the members of this ecosystem together through public/private partnerships. Perhaps one

good example of such as model is the iPhone, which has generated a huge developer community and thousands of applications from one open platform.”

Other thought leaders remain determined to see appropriate policy-making delivered. “I see broadband as perhaps the greatest opportunity we have ever known for human progress,” says the ITU’s Dr Touré.