



The University of the South Pacific

Research Concept Paper

For

Stakeholders

Redefining Telecommunication Legislation and Regulatory Environment in Fiji for Improved Economic Growth and Social Development

A Research Project Undertaken by

the University of the South Pacific and funded by JICA

October 2003

The Research Study

Information and communication technologies (ICT) are transforming the way we live, learn, work and play. New computing and telecommunication technologies, networking and communications tools and kits are entering businesses of all types and sizes in Fiji and playing key roles in our education, business, health and other systems. Policies are being designed to increase access by the population to ICTs that would otherwise find them inaccessible because of high costs of use, high cost of equipment, lack of infrastructure and lack of trained/skilled personnel. Despite these policies and infrastructure developments that help communities and businesses to have better access to new technologies and to the use of the Internet, it has been argued that the existing monopolistic position in the industry and associated limited bandwidth have placed constraints on the economic development of the country. While there seems to be an emerging concern on the need to introduce and maintain competition to handle convergence and the essential but more limited role of government in the industry, little attention is being placed on the impact of monopolistic telecommunication environment in small economies.

Some questions addressed in this research will be:

Should the telecommunications market be open in a small country such as Fiji? Is restrictive legislation really dragging Fiji's economic growth?

If so, how should we open the market and create a win-win situation that would be acceptable to the current interest groups?

Will a more liberal telecommunications environment and connectivity attract multinational and other companies to invest in Fiji? How is Fiji meeting the telecommunications expectations of multinationals and companies?

How attractive is Fiji as an investment destination for large international companies that need good telecommunications?

How will opening the use of the Southern Cross Cable impact on Fiji and the region?

How good is the government's social responsibility in telecommunications?

Is the Tonga model applicable, where there are few ISPs in a small market but the economy is a thriving one?

Fiji has the potential such as the Southern Cross Cable (SCC) to become the hub of the telecommunications industry in the Pacific, but this is not utilized.

This study will undertake a comprehensive and in-depth analysis to examine whether regulation, monopolistic position in the industry and associated limited bandwidth, expensive/restricted access, unused capacity in the Southern Cross Cable, constitute an unacceptable drag on the Fiji economy resulting in low levels of investments, economic growth and social development.

Research Questions:

1) Baseline

What is the current situation of the IT industry in Fiji?

How does it impact on the ICT sector, higher education, and macroeconomic growth?

2) Learning from other country's experience

What can we learn from other countries' experiences in the areas of policy, labour market and business growth in particular?

Are there best practices that can be adopted?

How have ICTs and telecommunications policies impact on other small market economies?

3) Simulation and consideration

How can the economic development and human capacity building be stimulated under the current regulatory framework?

How can we change the situation of ICT policy and regulation for improved economic growth based on experiences of other countries?

In reviewing these issues, some comparative study of a number of countries in Asia which has shown successful use of computers, high-speed communication systems, new computer software, next generation Internet and computers, and broadband as powerful tools in enabling to improve the economic development in a country will be undertaken. Some of these countries include: Malaysia, South Korea, Japan and Singapore.

We will also examine countries that have monopolistic regulations and policies and their impact on economic and social development. In identifying and studying these situations, some comparisons will be made on the benefits and disadvantages of both open and monopolistic regulatory policies; and their impact on the labour market.

Research into broadband optical networks which can provide immense improvements in network backbone speeds for use in commercial enterprise will also be undertaken; including study of how end users can take full-advantage of these speeds and improvements in optical switching and development.

Emphasis will also be directed towards possible broadband transmission service on a "community-oriented connectivity" basis. This approach will target rural, economically-challenged communities and villages and offer a means for the deployment of lowband but more so broadband transmission services to rural schools, libraries, education centers, health care providers, police and security stations, provincial councils as well as residents and businesses. This all-encompassing connectivity concept will give small, rural communities a chance to benefit from the advanced technologies that are necessary to foster economic growth, provide quality education and health care opportunities, and increase and enhance public safety efforts. We will do comparative studies and learn from the experiences of other countries on their work in rural areas. We will also examine the impact on the labour market and business growth focusing on the area of small micro enterprises.

Overview points:

- Focus on present Telecommunication and developing national IT policy in Fiji
- Focus on the monopolistic public service communication companies -Telecom Fiji, Fintel, Vodafone, and benefits particularly to rural areas, now and projected
- Highlight the potentials of the Southern Cross cable - financial proposal
- Focus on Internet use for economic, social and political development, not just current baseline statistics survey in Fiji
- Include the suggestion for policy makers and stakeholders in the industry
- Include the international comparison regarding competitiveness of Fiji ICT, and Communications
- Focus on possibilities for services to the rural areas for education, development and industry
- Possible broadband connectivity to rural areas first
- Analysis of the Cable and Wireless agreement and plans to expand services in the region - Whose gain and what are the real objectives?

Goals of the Research

Such a study would provide government with concrete evidence on the impact to the economy of efficient and universal telecommunication services. It will offer the results of the impact (benefits, disadvantages and constraints) of opening up the Southern Cross Cable and open ICT and telecommunication policies, as well as benefits and disadvantages of a monopolistic situation. It will also address the social, economic and workforce challenges resulting from the possible integration of ICT in our lives for Fiji.

Specifically, the goals are:

- 1 To improve the bandwidth in the country for education, business and health and to encourage policies and leadership that support the telecommunications infrastructure necessary for these purposes
- 2 To strengthen Fiji's position in the region and internationally as a hub for the best telecommunication capability thus attracting increased investments and services globally
- 3 To improve economic development in Fiji
- 4 To limit control and continue support for an independent regulatory body in the area of telecommunications.

Principal Researchers

Coordinator – Dr Esther Williams, USP

Telecommunication specialists/professional – Professor Takahashi, USP

Legal Analyst specialist in Telecommunications – Professor Kosuge from Japan

Financial Analyst and Legal person – Mr Neesh Chand, Consultant

Labour specialist – (to be confirmed)

Education Change Manager – Ms Maki Kato, USP

The members of the team will meet in a virtual environment using online technology as a mechanism for most of the communication. Support needed will include: program monitoring, statistical analysis, computer programming, meeting facilities, data input, and shared space online.

Methodology

1. The first phase of the study will be to conduct a literature review for and on Fiji, the region and selected countries abroad.
2. Desk study on connectivity in the country and collect data for Fiji on the characteristics of the IT industry.
3. Conduct structured interviews in person. Design interview instrument tailored to the needs of this study. Will review similar studies that have been undertaken and solicit input from various sources. Will test the design before it is used. Two people to conduct the interviews.
4. Comparative study of countries with relatively same scale and category as Fiji: 1) advanced country such as Singapore or Japan, 2) ICT in developing countries such as Estonia, Costa Rica or Malaysia, and 3) regional countries such as Samoa and/or Tonga.
5. Make possible model of both link and access system of networking in Fiji. Perform projections on growth of the economy if the Southern Cross cable was available and used.
6. Conduct experiments using SCC if necessary to collect data.
7. Additional input from reference documents, researches, items on the Internet and professional reports and studies will be used. Also conduct on-going consultation with top satellite and network experts from Japan for continuous review of the research, the instruments used, the research strategy and analysis and findings.
8. Results will be reviewed, shared and analysed with providers in a workshop environment before the draft final research report is written.
9. Write Draft Final Report.
10. Peer Review with providers and experts.
11. Final Report

Updated 2 October 2003

Dr. Esther Williams

The University of the South Pacific

Laucala Campus

Suva, Fiji Islands