Digital divide: Public policy alternatives

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RECENTLY the election commission has hosted a website that the registered voters can use to check the correctness of the information that soon is going to appear in their national ID card. Undoubtedly, this is an innovative step. Unfortunately, though, the benefit of this site is only available to those who can access websites. Young child who are using computers, for example, to prepare his/her lessons are learning better than those who do not have access. Large poultry firms that can access the internet and knows who to call for help are better prepared to tackle the 'Bird Flu' problem than the small farmers do. This disparity between two groups of people, one group who benefits from digital technology and the other who do not is 'Digital Divide'.

What this divide actually implies is the limitation of capacity of individuals, communities and countries to access information, process, and utilize information to their advantage. Not being able to do it creates or widens economic divide between countries and between segments of population within a country. In this note, I will try to suggest some public intervention that can potentially bridge this divide and ensure access to digital dividend for all citizens.

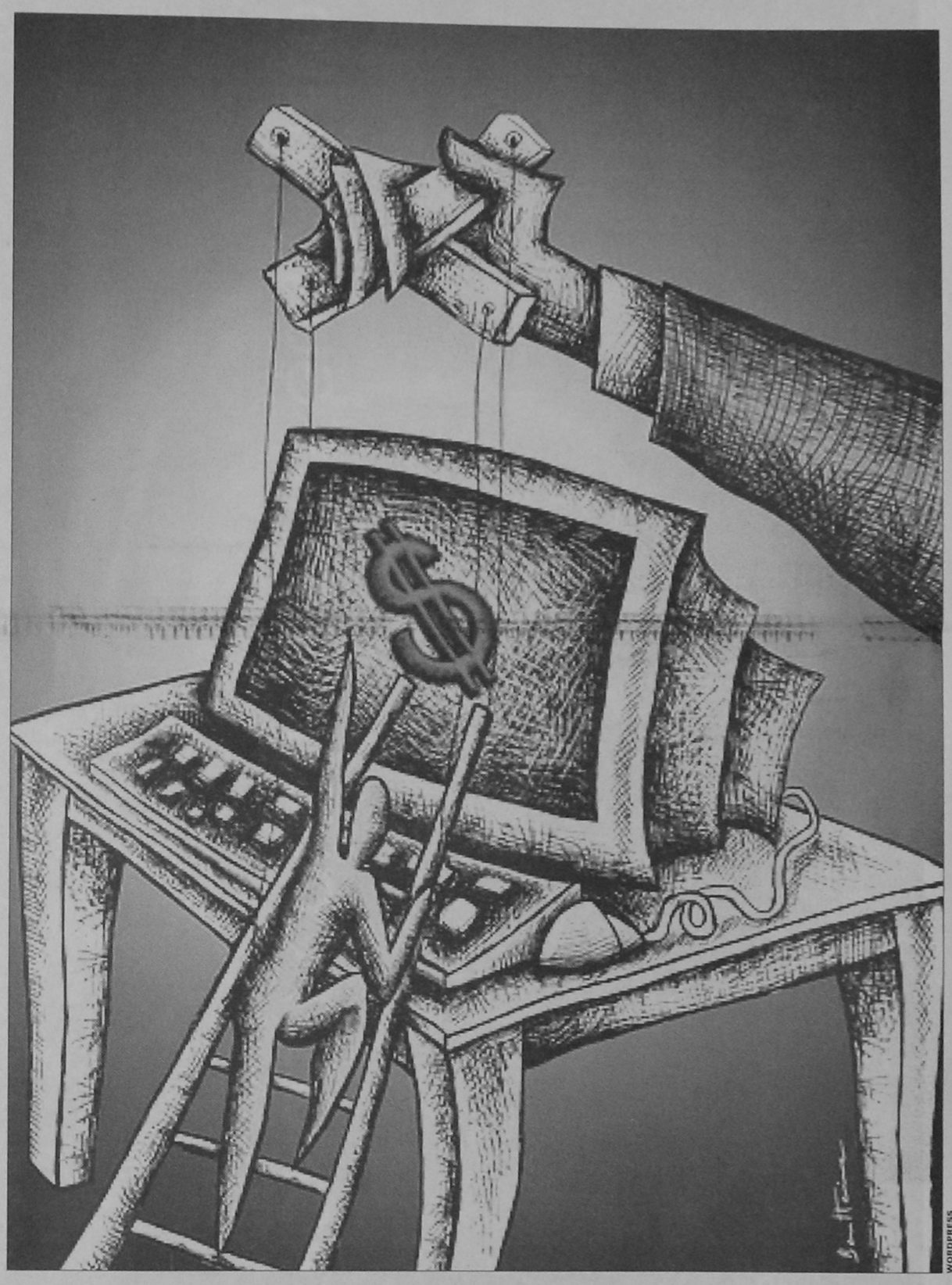
It is important to realize that information is an economic asset. This means it is scarce, has economic value, and, like most economic assets, information products are best dealt with by the market forces. Hence, the role of government is to ensure that perfect and healthy markets exist and in case of public information services, the government channels for information dissemination works efficiently.

It is important to note here that the key obstacle for the information market to reach to all segments of population is the limited awareness level among some communities that restricts the immediate demand. This is further complicated by the limited supply of relevant information, most of which are generated and owned by the government. On the other side, a more developed public information infrastructure for one community compared to another, creates a cost disincentive for the market to operate in the community where infrastructure is scarce. In this context, public intervention to bridge digital divide can take the following form.

Awareness and capacity development

Knowledge can be used in various ways some being more productive than others are. The productivity of 'knowledge' depends on awareness of consumers and their capacity to utilize such knowledge efficiently. The campaign to popularize 'potatoes' as an alternative to 'rice', or the awareness impact of popular TV series like 'Mati-o-Manoosh' for example clearly demonstrate the potential of an integrated awareness campaign.

In this regard, the ongoing discussion to establish 'Krishi-TV' (agricultural TV) and upgrading the capacity of Agricultural Information Service of the Department of Agricultural Extension is a very positive development. However, such initiative to increase supply of information by the public sector might not automatically create the demand for it. What can be more useful is develop a national communication and awareness strategy that looks into the major areas where information can be productively used by 'uncatered' community and outlines a plan of action for proactive communication. Such a strategy can also look into potential channels, both public and private to carry the messages, and their potential capacity needs.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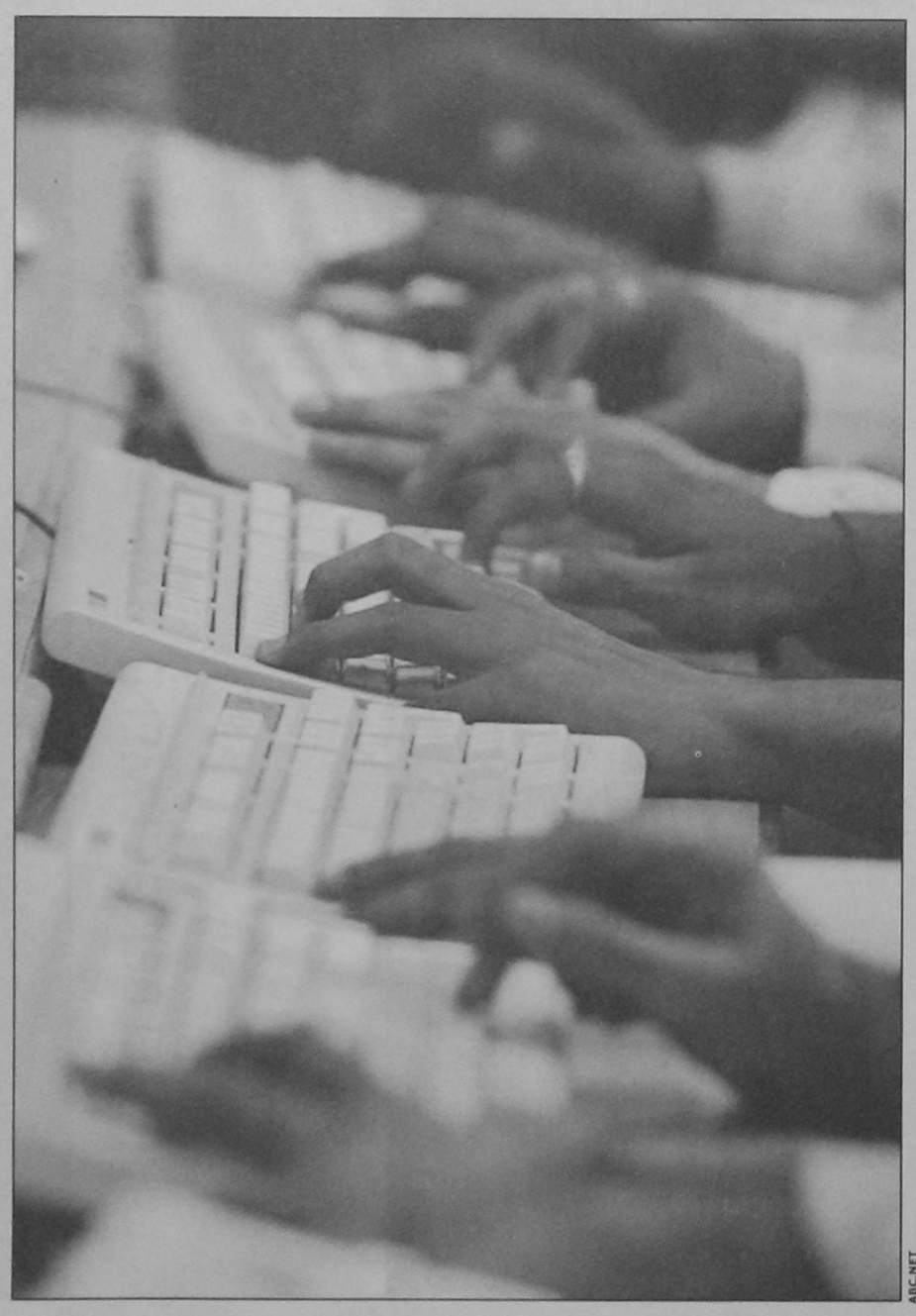
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Ensure sustained supply of relevant information

Change in public policy can increase supply of relevant information and knowledge to the market at a lower cost that can provide the incentive to the market to cater to the lower echelons of the economic pyramid.

For example, making the soil quality database of 'Soil Resource Development Institute (SRDI)' available for private sector businesses can create a market for fertilizer information, which can be catered, by both fertilizer dealers and other information providers in a sustainable way. Policies to make other such publicly hold databases to private sector too facilitate the market to come up with customized information products suitable for underserved communities.

Enactment of 'Right to Information Act' can bring an welcome opportunity for the private sector actors in this regard too. Once such regulation is implemented, private sector could easily and legally obtain information and data owned by the public sector. Indeed, service agencies, which we see in advanced economies, dealing with various applications and petitions made to public authorities, actually rely much on regulatory frameworks that allow them to collect and process information.

Public private partnership for service delivery can be an important step too. Recently Bangladesh government has decided to appoint private sector agents to collect application for passports. Expectedly, this partnership will facilitate initiatives to market information like passport rules and regulations proactively by the private sector at the most competitive price. Following this footsteps, government needs to look into several other segments of information product categories and create markets. Creation of market catering information and services associated with licenses, certificates, utility related services (like complaint handling), etc. can ensure better value to citizens and consequently reduce the divide.

Expanding channels for 'public goods'

Some information is 'public good'every citizen needs to have it irrespective of their purchasing capacity. Primary health information, for example, is a human right, has large degrees of positive externalities, and hence needs to be provided by the government. There are other categories, like disaster warnings, for which creating market is not feasible due to the 'free rider' problem. That is, if information is 'sold' to one member of the community, others will get it form the buyer free of charge.

For information such as these, establishment of convenient delivery channels is essential. Use of Union Parishads or post offices as delivery channels, for instance, can bring about qualitative change in terms of reach and cost reduction. On going discussion to establish 'Agriculture help line', can be a good practice in this regard.

The strategic partnership with DESA and TeleTalk, which allowed the DESA customers to know 'load-shading' schedule in advance, is a good example of how 'out-of-the-box' thinking can be used to bridge the divide. Given the reach of mobile phones in the hand of mass people, more and more initiatives to push public information through this channel can accelerate the process of bridging the divide.

Of course, appropriate legal framework to allow electronic transactions is a precondition for more effective use of electronic information channels. Promoting such channels is also a important first step towards establishment of e-commerce which allows the entire market to operate electronically. Though the innovative mobile services that allows the subscriber to listen to latest news over their mobile connections or get medical advice from the 'mobile health line' service are already contributing to bridge the divide, absence of payment mechanisms online restricting wider use of this media.

Investment in infrastructure

The existing public digital infrastructure has a clear urban bias that adversely affects the cost in the rural areas. It has thus become important that steps be taken to correct the bias. This can be done through direct public investment or through adopting appropriate policies that provide incentives for the private sector to come forward.

In many countries, governments have tried innovative solutions such as 'Universal Service Fund' (USF) to finance rural infrastructure. Generally, these funds are collected through adding toll on urban use of technology. Bangladesh clearly can benefit from exploring such innovative approaches.

Digital Divide and the subsequent knowledge gaps reduce competitiveness of those who reside on the wrong side of the divide. By restricting access to markets and limiting knowledge in the production process, such divide reduces productivity, increases cost and shrinks immediate demand. Clearly, bridging this gap is important for a country like Bangladesh that needs to make the best use of its scarce resources to reach its MDG targets. It is heartening to witness definitive signs of urgency among the policy makers that is driving many of the ongoing initiatives and discussions that are mentioned in this note. What is required now is to take action to make the changes happen, so that the momentum does not go in vain.

The opinions expressed in this article are the author's own and do not necessarily reflect the opinion of UNDP or the countries it represents.

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