

Costly spectrum raises debate in Barcelona

ABDULLAH MAMUN, from Barcelona

GLOBAL telecom experts have urged regulators to award spectrum for free to generate value for the future economy.

They said spectrum at no cost does not mean that operators will make huge profits; it means creating value for the generations to come.

Generating revenue by imposing high spectrum fees is not good regulation anymore, they added. Such imposition must have a business case, which can only ensure more investment in mobile sector development.

The experts were speaking at the opening conference styled "Mobile Operator Strategies" at the GSMA Mobile World Congress 2012 that kicked off yesterday in Barcelona, Spain.

Speaking at the session, Vittorio Colao, chief executive officer of Vodafone, said when spectrum will be free, thousands of IT geniuses will automatically flourish by creating innovative services, which means free spectrum equals huge amounts of revenue generation. "This is needed now to protect the world economy from further recession."

The speaker said two years back, people were not happy with too many uses of the mobile phone. But time has changed and customers now want everything in a single mobile phone -- from the ability to talk to people to switching off a car engine.

Referring to a study, Ralph de la Vega, president and CEO mobility of AT&T, said mobile services for agriculture have been taken to a level that can tell how much irriga-



tion is required through utilising spectrum.

Through advanced mobile based applications, farmers can now quantify the irrigation requirement for crop cultivation, he said.

Speakers said the radical transition from a not so happy situation to satisfaction happened because of the development of the smart phone. Though smartphones' share of global data traffic utilisation is only 12 percent, customers are becoming more comfortable using it to discharge their day-to-day work.

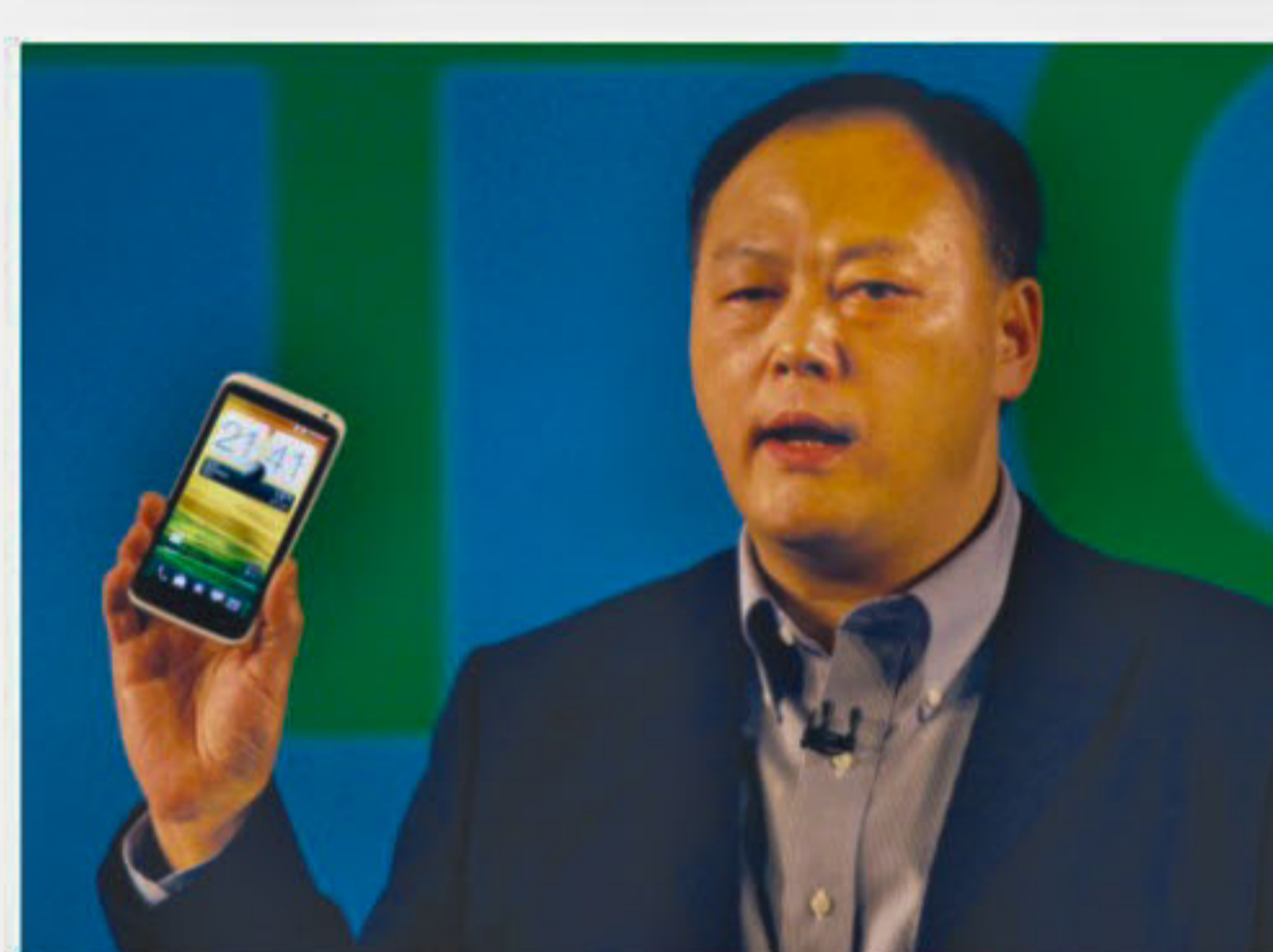
People related to the mobile industry from all over the world are participating in the four-day Mobile Congress, including operators from Bangladesh along with representatives from the ministry and regulatory bodies.

Representing the interest of mobile operators spanning more than 220 countries, the GSMA unites nearly 800 of the world's mobile operators, as well as more

than 200 companies in the broader mobile ecosystem, including handset makers, software companies, equipment providers, internet companies, and media and entertainment organisations, according to a GSMA statement.

The theme of this year's mobile congress is 'Redefining Mobile', emphasising new applications. The GSMA yesterday announced the first in a series of activities designed to help users and operators manage the growing traffic and signalling demand generated by smartphones and mobile applications.

The GSMA has created a developer's guide, which will help application developers ensure that their applications are more user and network friendly. Along with this guide, the GSMA is launching the "Smarter Apps Challenge" competition to drive the development of efficient mobile applications, according to a GSMA statement.



Top left, A hostess draws on the Samsung Galaxi Note 10.1 Tablet during a presentation in Barcelona yesterday on the opening day of the Mobile World Congress, the world's biggest mobile fair. **Top right**, Sony's next CEO Kaz Hirai (L) and Sony Ericsson's President and CEO (mobile communications) Bert Nordberg pose with mobile phones. **Bottom**, HTC's President and CEO Peter Chou poses with the new HTC One during a news conference. The GSMA Mobile World Congress that represents the interests of the worldwide mobile communications industry ends on March 1.

AFF/REUTERS

Nokia unveils cheaper Windows smartphone

REUTERS, Barcelona

Nokia unveiled a new, cheaper smartphone using Microsoft's Windows Phone software on Monday, in an attempt to reverse its declining market share.

Nokia last year dumped its own smartphone software in favour of Microsoft's Windows Phone to step up its fight against rivals such as Apple's iPhone, but the move has so far had limited impact due to the high prices of phones using it.

Nokia said its new Lumia 610 model would carry a price tag of 189 euros, excluding subsidies and taxes, when it goes on sale next quarter.

"The 610 takes Nokia's Lumia portfolio to an encouraging new price point in its pursuit of cheaper Android rivals," said Ben Wood, head of research at CCS Insight.

Investors appeared sceptical that the new model and pricing would do the trick, pulling Nokia shares down 5 percent to 4.10 euros.

"I had hoped for a slightly lower price range. Maybe the markets were a bit disappointed with the price, which was quite high," Inderes analyst Mikael Rautanen said, though he noted the shares had spiked on Friday in anticipation of the event.

Nokia also announced a global version of its high-end Lumia 900 phone at the Mobile World Congress trade show in Barcelona.

It also unveiled a new top-of-the-range cameraphone 808, which comes with a 41 megapixel camera sensor, and three more basic models.

Microsoft's share of the smartphone market fell to just 2 percent last quarter, from 3 percent a year ago and 13 percent four years earlier, according to Strategy Analytics.

Wall Street and industry analysts say that though the latest Windows phones could be worthy competitors to Apple's iPhone and top-of-the-range Android handsets, the devices lack unique qualities to make their sales take off.

More and better jobs in Bangladesh

KALPANA KOCHHAR

ACCELERATING growth in Bangladesh's per capita income has added nearly 1.2 million new jobs every year and improved job quality between 2000 and 2010. Wage workers have seen their wages -- adjusted for price increases -- rise by nearly 2 percent a year. Poverty rates among the self-employed have fallen. The quality of jobs, as measured by rising real wages for wage workers and declining poverty for the self-employed, has improved. Going forward, with swelling numbers of new entrants -- and an expectation that more women will enter the job market, as was the case during East Asia's rapid growth -- Bangladesh will need to create up to 1.5 million new jobs each year for the next two decades.

A recent World Bank report, "More and Better Jobs in South Asia", finds that notwithstanding the welcome improvement in job quality, little has changed in the proportion of the employed across the three broad employment types -- the self-employed, casual labourers, and regular wage or salaried earners. There has been little upward mobility across these broadly aggregated categories. The self-employed, which include employers, own-account workers or unpaid family workers, many of whom are in farming, make up over 60 percent of the employed, while casual labourers, who are paid on a casual, daily, irregular or piece-rate basis, account for over a fifth. Regular wage or salaried earners, who receive a regular wage or salary from a job in the public or private sector and usually earn leave and supplementary benefits, have seen their share of employment stay broadly unchanged at one-seventh.



Labourers, who are paid on a casual, daily, irregular or piece-rate basis, account for more than a fifth of the total employed in Bangladesh.

Although poverty among all categories has fallen, the hierarchy of poverty rates among the three employment types from the highest (casual labourers) to the lowest (regular wage or salaried workers), with the self-employed being in-between, has endured for some time. For example, the poverty rate for casual labourers in Bangladesh is estimated at 47 percent in 2010 while that for regular wage workers is 21 percent.

It is easier to absorb new entrants into jobs of lower productivity. However, it will be more challenging, but critical, for Bangladesh's future success to meet its people's rapidly rising aspirations by creating jobs of higher quality. This, then, is the crux of Bangladesh's employment

challenge. What, then, needs to be done to maintain the momentum of job creation while improving quality? The report suggests that, among other things, sustained attention to the three Es -- electricity, education, and encashing the demographic dividend can make an important difference.

Electricity: Managers of urban formal sector firms which have created jobs identify electricity, political instability and corruption as the three main constraints on their ability to operate and grow. The cost imposed on firms by the lack of reliable electric supply is higher in Bangladesh than in other developing countries at similar levels of income per capita. Consistent with this finding, virtually 100

percent of firms in World Bank enterprise surveys reported power outages, placing Bangladesh among the countries (at similar income levels) most affected by power shortages. Electricity is also among the top constraints reported by rural-based industry and services in Bangladesh, as in Pakistan and Sri Lanka. Reforms will therefore need to encourage not only public but also greater private investment in the power sector to reduce these crippling shortages.

The power sector needs to become financially and commercially viable. Improving the governance of power utilities will be equally important. Indeed, a high proportion of firms that report corruption as being among the top

three constraints to their operations report that transactions with public utilities involve the payment of bribes. Improving the availability of power would help firms to expand and create jobs.

Education: Another priority will be improving the quality of learning -- in primary and secondary schools, universities and training institutions -- to raise the quality of skills among the workforce. It will also be crucial to equip graduates of these institutions with the analytical and behavioural skill sets which employers demand -- and too often miss. But the greatest payoffs to improving skills and the consequent ability to access better jobs, may well come from interventions before children enter formal school. This is because as in India, Nepal and Pakistan, Bangladesh has among the world's highest prevalence of malnutrition in children under five, with 47 percent of them experiencing chronic malnutrition and 40 percent underweight. These shares are higher than in Sub-Saharan Africa. Policy interventions in early childhood must therefore address nutrition, hygiene, early cognitive stimulation and effective pre-school programmes, especially for the disadvantaged. Not to do so risks irreversible cognitive impairment among a large section of the population, resulting in reduced job prospects in the labour market.

Encashing the demographic dividend: The need to invest in reliable power supply and develop an early childhood development programme highlights the importance of both physical and human capital accumulation in meeting Bangladesh's employment challenge of absorbing a growing labour force at rising levels of productivity. The rapid fall in infant mortality in Bangladesh since 1950 created a

baby boom because many babies who once would have died survived. This, together with Bangladesh's reproductive health programmes, has led to a rapid decline in the fertility rate since the 1980s. Cohorts born following the decline in infant mortality but preceding the decline in fertility are relatively large in size and have begun to reach working age (15-64). As a consequence there are fewer dependents that need to be supported by the working age population. The rapid fall in fertility in the wake of declining mortality has resulted in the share of the working age population to dependents in Bangladesh rising very quickly, indeed overtaking India's after the turn of the century. The resources saved as a result of the number of dependents growing more slowly than the working age population -- the so-called "demographic dividend" -- could potentially be channelled into the high-priority investments in physical and human capital Bangladesh needs to create better jobs. But the potential dividend will be encashed only if there is an appropriate policy framework comprising, among other things, an efficiently intermediating financial sector that can identify priority projects and allocate savings to them and a business environment that is attractive to investors. Furthermore, the window of demographic opportunity is expected to remain open for at most three decades, after which the demographic transition will give way to old age dependency, as the share of the elderly in the population increases. This lends urgency to today's reform agenda since policies take time to bear fruit.

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