

# ICT Policy Issues in The Modern Era

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## “Modern Era”

Experience from developed countries often not suitable:

- Started development from old technology
- Started as monopoly (AT&T)
- Different social and legal environment

# I Universal Service Policy in Rural Areas

## Universal Service Policies

- Universal Service Fund: Does not work !
  - Case of the USA
  - Rapid development of cell phones in developing countries without USF
- China's experience: licensing obligations
  - 40,000 villages in 31 provinces
  - Assigned to 6 operators according to revenue and profit
  - China Mobile 56.18%, China Telecom 25.63%, China Netcom 9.73%, China Unicom 9.31%, China Railcom 0.62%, China Satcom 0.33%.

## Universal Service in Rural Areas

- Operators' response:
  - Initially (before 2004): resistance
  - Later (since 2006): growth areas as urban areas saturate
- Result: number of rural telephones
  - 1997: 17.866 million
  - 2004: 101.595 million
  - Average annual growth rate 28.2%

## Growth of Rural Telephones

|                          | Unit     | 1997   | 1998   | 1999   | 2000   | 2001   | 2002   | 2003   | 2004    |
|--------------------------|----------|--------|--------|--------|--------|--------|--------|--------|---------|
| Population in rural area | millions | 841.77 | 831.53 | 820.38 | 808.37 | 795.63 | 782.41 | 768.51 |         |
| Numbers of telephones    | millions | 17.866 | 24.823 | 34.084 | 51.713 | 68.431 | 78.431 | 92.013 | 101.595 |
| Telephone penetration    | (%)      | 2.12   | 2.99   | 4.15   | 6.40   | 8.60   | 10.02  | 11.97  | 13.46   |

❖ Table1 : The telephone penetration rate in rural region(1997-2004)

## II Deployment of Broadband

### Demand Elasticity

- Disparity in growth:
  - Mobile phone's penetration grows fast
  - Broadband's penetration grows slow
- Cost of wired broadband: basically same as regular telephone
- Reason: demand elasticity
  - Voice: low elasticity (high price, still buy)
  - Internet: highly elastic (no buy unless low price)

## Paths Leading to IP Broadband

- Current demand: voice + SMS
- The future: IP broadband
- Traditional approach: build PSTN now, convert later
  - not taking advantage of current technology
  - waste of money and time
  - building enemies of regulation
- New approach: build IP-based network now
- How to solve the demand elasticity problem?

## Solution: VoIP

- VoIP = Voice + IP Broadband
  - Voice: current demand, lack of elasticity
  - IP broadband: future of growth

预览已结束，完整报告链接和二维码如下：

[https://www.yunbaogao.cn/report/index/report?reportId=5\\_8218](https://www.yunbaogao.cn/report/index/report?reportId=5_8218)

