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Abstract:

This contribution discusses the critical challenges and vast opportunities in reducing the digital divide. It highlights strategic policy recommendations that could significantly enhance connectivity and digital inclusivity, especially in underserved regions.

1. Introduction:

The persistent digital divides, particularly between different regions and between urban and rural areas, pose significant barriers to global economic and social development. This contribution explores the challenges and opportunities in bridging these divides through enhanced connectivity and innovative policies.

What are the challenges and opportunities faced by policymakers and regulators in embracing transformative technologies for greater impact?

Challenges:

Digital Divides:

The ITU reports significant digital divides: a regional divide where 33% of the global population remains unconnected, notably in less developed regions, and a rural-urban divide, with stark disparities in Internet usage and 4G coverage. These divides are particularly pronounced in rural Africa and low-income countries.¹

Barriers of Mobile Internet Coverage and Usage Gap:

High spectrum pricing in developing regions and elevated smartphone costs impede broader connectivity and technological adoption, complicating the policy landscape for digital equity².

Opportunities:

Economic and Social Benefits of Enhanced Connectivity:

Data shows that a 10% increase in mobile broadband penetration could lead to significant GDP growth, especially in developing regions, highlighting the transformative power of expanded digital access.

Technological Advancements:

The evolution of mobile technologies, particularly 4G and 5G, presents a critical opportunity to expand network access and support digitalization across various sectors.

What are the key regulatory measures and guiding principles to follow to foster positive and inclusive impact of transformative technologies?

Supportive Policies for Mobile Sector Developments:

Policymakers are strongly encouraged to provide sufficient spectrum resources at reasonable costs, reduce import duties on smartphones, and utilize public funds to expand rural network coverage. These measures can facilitate broader access to mobile services, particularly in underserved areas.

Guiding Principles:

Regulatory frameworks should promote technology neutrality and foster an environment conducive to innovation while ensuring fair competition and consumer protection. Encouraging the use of Universal Service Funds (USF) for network and end-user device upgrades (smartphones) is also pivotal.

How to drive positive behaviors of market players? How to minimize risks while maximizing benefits?

Encouraging Positive Market Dynamics:

Regulatory bodies should incentivize operators to extend their network services into less profitable, underserved areas through financial incentives or relaxed regulatory requirements. Such policies help balance the economic scales and drive inclusive growth.

Minimizing Risks:

Regular checks on network construction and maintenance in rural areas, coupled with clear standards for network quality and reliability, are essential. These measures ensure that expansions into new markets do not sacrifice service quality, thereby maintaining consumer trust and ensuring sustainable development in these areas.

Conclusion:

Huawei Technologies advocates for a collaborative approach among regulators, policymakers, and industry stakeholders to close the digital divide and foster a more inclusive digital economy. By implementing strategic policies that address both market and technological challenges, we can enhance global connectivity and ensure that the benefits of transformative technologies are realized across all regions.

References:

1: [According to ITU (IDI Index and reports: Unconnected population around the globe remains 33% (an estimated 2.6 billion people), primarily in the less developed countries and (LDCs). The 4G coverage rate in Africa is only 58%, and that in the Arab region is only 65%. In low-income countries, the 4G coverage rate is 38%, and the MBB user penetration is 33%. In 2023, 81% of urban dwellers use the Internet, compared with only 50% of the population in rural areas. 20% of the world's rural population has no 4G coverage, The 4G coverage rate in rural of Africa is 43%.]

2: [According to GSMA: spectrum pricing report, spectrum prices in developing countries is three times higher than developed markets. According to 'Alliance for Affordable Internet', Smartphone cost in developing countries is 1.5~2 times than developed markets]