

Notes on the Bangladesh Workshop on Internet Access and Applications

Observations and Recommendations

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The Bangladesh Workshop on Internet Access and Applications (May 22-24, 2004) highlighted several key opportunities for Bangladesh in the areas of community development, capacity building of organizations, and human capital formation among the population (e.g., skills, literacy and general knowledge). The workshop also raised and began to consider some of the local conditions that are likely to interact either to advance or to work against such opportunities.

Most notably, Bangladesh is a classic case of government policies inhibiting economic development by monopolistic practices in the telecommunications sector. There is much research provided elsewhere on the benefits of telecommunications (TC) sector liberalization, most notably lower prices that stimulate demand and economic growth across many sectors. In the areas of mobile communications and value-added services, such as Internet and other data communications networking, the private sector has the potential to provide these services at a lower cost than is currently possible in Bangladesh due to government pricing and access controls.

The local infrastructure can accommodate Internet access in a variety of ways, including the existing microwave backbone, excess capacity on the national railway fiber optic cable and the telephone network. There are emerging wireless fidelity networks (Wi-Fi, using 802.11, 16 and 20 standards) which are promising because they are broadband (high capacity) but do not require digging networks and laying cable. The standards are still in flux, which inhibits diffusion but in the long run produces a better quality network.

There are multiple pilot projects and programs that provide Internet access in Bangladesh and should be supported locally and extended. It is important to start with advocates and enthusiastic participants, and build up a critical mass of users from this base. This will help to sustain programs in the long term. As much as possible, the private sector should not be hindered in providing Internet and mobile telephone services, including public access sites and centers (kiosks, cyber cafes, etc.). The government's role should be limited to providing Internet and mobile telephone connectivity in areas where the private sector is not attracted (e.g., remote rural areas). A local Point of Presence (POP) in urban areas organized with help from government would reduce costs of providing Internet services by the private sector and relieve traffic on already congested trunk lines. Wireless communications are particularly promising in Bangladesh due to the difficulty of digging and maintaining cable trenches across most regions of the country.

In short, the private sector is key to stimulating investment in the telecommunications sector and Internet infrastructure and services in particular. The regulations regarding private provision of services should be liberalized and reformed to encourage such investment. This is at the base of reducing the cost of access and applications adoption

and development for all providers and users. Until this fundamental reform is achieved, Internet access and applications will be the preserve of the privileged, wealthy few. The Internet's potential to stimulate social and economic development, as shown by many projects and program demonstrations elsewhere, will remain latent. Without sector liberalization, the Internet will only further widen the divide between information haves and have-nots.