# GLOBAL INFORMATION SOCIETY WATCH 2007

*Focus on* **Participation**

# Global Information Society Watch
## 2007

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# ECUADOR

**APC Latin America and the Caribbean ICT Policy Monitor**[1]
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## Introduction

This report outlines the way in which information and communications technology (ICT) policies are managed in Ecuador through an analysis and review of the process that led to the compilation of the *Libro Blanco sobre la Sociedad de la Información* (White Paper on the Information Society) (CONATEL, 2006a). The white paper serves as a multistakeholder framework for the development of a national ICT strategy.

This report covers the viewpoints of diverse actors. Interviews were conducted with key people in government, civil society organisations (CSOs), academia and the private sector. Official and unofficial documentation was also reviewed, including legislation, statistics, public policy proposals, articles written by civil society activists and academics, agreements, national position documents in regional and global processes, and the websites of the institutions involved.

The report concludes that the attention given by the government and different social actors to ICTs as a sector and as a tool supporting national development has increased significantly in the last few years. The country's involvement in the World Summit on the Information Society (WSIS) process led to the adoption of a new focus on the participation of all interested parties in the ICT public policy process. Nevertheless, challenges remain for the dialogue to truly be a multisectoral national exercise in pursuit of development objectives.

## Country situation

### Context

The telecommunications sector in Ecuador has grown rapidly in the last decade, notably since 2000, when the telecommunications market was liberalised through legal reforms that tended to increase competition. According to the Central Bank of Ecuador (BCE, 2006), the sector grew approximately 22.7% from 2004 to 2005. Although this statistic includes postal services, it gives a good sense of the dynamics of the sector, which grew 11.2% from 1999 to 2000 and in 1994 had a growth rate of only 0.1%.[2]

But the sector has evolved in a complex context which has not generated the conditions for a majority of the population to benefit from the transformative potential of ICTs. Despite liberalisation, an oligopolistic system predominates.

Ecuador is a country of socioeconomic inequalities and political instability. According to the results of the 2005-2006 survey of living conditions carried out by the National Statistics and Census Institute (INEC), 28.6% of the population lives in poverty and 9.9% lives in extreme poverty These percentages are lower than they might be due to the massive emigration rate over the last five years. It is estimated that at least two and a half million people have left the country, and that they send remittances of nearly USD two billion back for their families (INEC, 2006).

In this context, the ICT policies put in place have been inspired by the euphoric idea that the expansion of telecommunications infrastructure and connectivity are a panacea for poverty and underdevelopment.

The history of ICT policies in the country shows a culture of planning and public management which has generally followed a hierarchical and centralised model, in which organised civil society does not participate. This has meant, on the one hand, that measures are implemented which favour specific economically and politically powerful groups in the area of telecommunications and, on the other hand, that only those who have the ability to pay for the services provided by state and private businesses benefit.

While it is likely that the new presidential administration, which began on 15 January 2007, will institute changes, the formulation and execution of policies, as well as the regulation and control of telecommunications and ICTs, falls to four agencies which issue sometimes contradictory directives: the National Telecommunications Council (CONATEL), the National Television and Radio Broadcasting Council (CONARTEL), the National Secretariat of Telecommunications (SNT) and the Telecommunications Superintendent's Office (SUPTEL).

CONATEL is currently in charge of the regulation and administration of telecommunications. The SNT is responsible for the implementation of telecommunications policies. CONARTEL regulates and authorises radio and television broadcasting services, and SUPTEL controls telecommunications services and the use of the airwaves.

The rapid growth of the telecommunications sector has occurred despite the fact that in Ecuador internet access costs and mobile phone charges are among the highest in the world.

Mobile phone use grew a staggering 9,970.39% from December 1996 to December 2005. According to SUPTEL, in November 2006 there were 8,190,923 mobile phone users among the 13,520,430 inhabitants of the country. Access to the internet grew 12,548.13% between December 1998 and December 2005. According to CONATEL, 10.13% of the population is connected to the internet, although 80% of those connected are concentrated in the two major cities, Quito and Guayaquil. There are, however, no indicators that show how ICTs are being used and the impact they are having (SUPTEL, 2006).

The country is not well equipped with networks (copper or fibre optic). In 2006, a 128/64 kbps DSL (broadband) connection cost USD 95 and a cable modem connection cost USD 75, according to CONATEL. The cost per kbps is USD 0.508. Many areas are neglected and some lines are duplicated. The line out to the backbone of the Americas through Miami is inefficient and expensive, and the costs of local telephone calls via both landline and mobile telephones are high (USD 0.028 and 0.50 a minute, respectively). The cost per minute for a local call in a public phone booth is USD 0.10 (CONATEL, 2006b).

The reasons that connection costs are high in Ecuador can be summarised as follows:

- There is no direct line out to the high capacity submarine cables, so a toll must be paid for the international connection.

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1   <lac.derechos.apc.org>.

2   The growth of the sector is expressed in monetary terms, that is to say, in the wealth that it generates. The statistic expresses the growth of telecommunications and postal services jointly.

- There is no local information exchange network.

- There is low internet penetration.

- The costs for installing a network and equipment are high.

- There is a lack of training in the use of new technologies.

According to the UN e-government readiness index,[3] Ecuador has made great strides in the online presence of the public sector. From 2003 to 2004 the country's rank rose from 101 to 87. This has more to do with the availability of online public information and the provision of online services than with a substantial increase in online citizen participation and interaction with public officials. The situation is somewhat different among local governments, where e-government aims to deepen democracy by providing channels for interaction with citizens and open opportunities for citizen participation in decision-making processes. However, its actual impact has not yet been measured.

Communication activists working through the Ecuadorian Grassroots Radio Network (CORAPE) began to push for reforms to radio and television legislation in 1996. In November 2002 they won a legal reform whereby community radios are recognised and allowed to be self-sustaining through the sale of advertising time. Nevertheless, the legislation does not establish mechanisms for community radios to access the concession of frequency licences in a more equitable manner. Community radios have to compete with commercial media in the frequency auction. In January 2007 allegations of illegal concessions of radio and television frequencies came to light.

An important legal precedent exists in the country: Article 23, No. 10 of the Constitution of the Republic recognises the right to communication, to establish social communication media, and to equal access to radio and television frequencies (ANC, 1998). CSOs, community media, development activists and citizens in general can use this legal instrument to advocate for reforms to the ICT legal framework. These should guarantee that the majority of the population benefits from the use of ICTs, that they are considered a common good, and that they are used for the improvement of living conditions.

### ICT public policy management processes: the design and formulation of the White Paper on the Information Society

In June 2005 CONATEL became regularly and actively involved in the global and regional WSIS processes. It began to take the first internal steps towards reconfiguring the national strategy for the information society by incorporating the involvement of various sectors. Participation became one of the criteria for the formulation of proposed ICT policies.

CONATEL called national actors together in May 2006 for a public discussion of a proposal for a national strategy, as well as to reflect on the focus, components, objectives and goals appropriate to national ICT needs and priorities. It also initiated the discussion for the design of the White Paper on the Information Society, in the light of new regional and global benchmarks offered by processes such as the WSIS and eLAC2007, a regional plan for an information society.

The new strategy was put forward as a replacement for the National Agenda for Connectivity and the National Connectivity Commission, which were proposed in 2001 as the government policy for the development of the information society. These involved the diffusion of ICTs in five areas: education, governance, infrastructure, e-commerce and health. The implementation of the Agenda for

Connectivity was extremely limited and many of its political, social, technical and financial objectives were not viable.

Based on new political and technical guidelines, CONATEL proposed to address the following overlapping issues: the existence of inefficient structures and institutions; the low levels of involvement of strategic sectors of the state; the absence of multi-sectoral and multi-disciplinary participation mechanisms that would allow for relevant and sustained work; the lack of knowledge among citizens, as well as authorities responsible for ICTs ; the duplication of efforts by public institutions, CSOs and the private sector; the inefficient use of limited public resources; and the lack of leadership and coordination among organisations, among others. In short, CONATEL acknowledged the lack of a comprehensive state policy, and in doing so, it predefined a thematic agenda that sought to align efforts in the ICT sector with broad socioeconomic and developmental goals. Its principles included encouraging multi-stakeholder involvement and a transparent and democratic process. The next challenges are to put these principles into practice by implementing the white paper and to evaluate if it manages to establish an effective link with national development and poverty reduction strategies.

CONATEL's proposed methodology was to form 36 issue-based working groups along three axes: infrastructure, access and universal service; social appropriation and enabling environment; and local innovation, content and applications. The proposals that came out of 27 groups (after the merger of some) formed the main source material for the white paper.

The white paper was formally issued on 21 December 2006 at a public event organised by CONATEL, which committed to publicising and distributing it, and to presenting it as a contribution to the government administration beginning its term in January 2007.

The convening of different actors, especially CSOs, is a step forward in the creation of multi-sectoral interactions and public-private alliances. The adoption of participatory mechanisms and the incorporation of human rights and development perspectives in the construction of public policy are the fruit of the advocacy work carried out by CSOs, who began to push for dialogue with public officials in February 2003.

These organisations have played a fundamental role in achieving recognition of the need for legal and regulatory frameworks that ensure community access to ICTs. This recognition can open up opportunities for transforming the current system, which is marked by a technocentric and market-oriented discourse and practice, into juridical environments that enable the use and capitalisation of ICTs as public goods. It can also create the conditions for planning the comprehensive and coordinated use of ICTs in key national development areas.

The vision offered in the white paper is additional evidence of effective advocacy by CSOs. It states that public policy should aim to achieve "a country in which all of the population participates in and benefits from the potential of communication and knowledge, without barriers and in equal conditions, through the access, use, capitalisation and appropriation of information and communications technologies, to ensure comprehensive development and the improvement of living conditions" (CONATEL, 2006a).

However, some fundamental issues such as gender equity and the importance of free and open source software (FOSS) for knowledge creation were not addressed in the public agenda and the white paper. Although there were significant advances in the understanding of the role that ICTs can play in development, it is difficult to establish a wider and more comprehensive concept of access.

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3   <www.unpan.org/egovkb>.

Incorporating issues which aim to even out the imbalances and overcome the limitations that prevent the majority of the population from benefiting widely from the relevant and effective use of ICTs also turns out to be complicated. Crucial issues such as the renegotiation of telephone company contracts and the concession of operating licences were left out of discussions.

On the other hand, issues related to the improvement of competitive conditions and economic development through ICTs, the consolidation of the national and local ICT industry and the strengthening of state capacities to take advantage of ICTs in an effective and relevant way were dealt with in exhaustive detail.

Though the process was a constructive exercise in multi-stakeholder interaction, it is necessary to improve the process of reaching agreement on agendas and to balance the weight of certain interest groups who, because of their lobbying capacity and closeness to the public sector, participate more directly in the decision-making.

One important proposal is for the creation of a multi-sectoral commission for the information society. This will be mandated to formulate public ICT policies and guide their application, beginning with ensuring and overseeing the implementation of the white paper. But this will not come to pass unless the responsibilities and roles of actors are defined, resources are assigned, and the procedures for multi-sectoral interaction are spelled out.

The efforts to follow the guidelines that came out of the WSIS and eLAC2007 in the development of the white paper have been clear, as have been those that take on the commitments of the Millennium Development Goals (MDGs),[4] and consider the impact of technology convergence. However, the success of the country's national ICT strategy depends on political will.

A crucial challenge will be ensuring a connection to the country's development and poverty reduction strategies. This requires coordination with the Secretariat for the Millennium Development Goals (SODEM) and achieving a political commitment from the government. It also depends on the decentralisation of strategy processes, their transparency, the presence of citizen oversight mechanisms, outreach programmes and the community appropriation of ICTs, and proposals for the strategy's financial sustainability.

## Participation

As suggested, WSIS marked a sharp turning point in how the different actors began to participate in the national ICT policy process. However, the characteristics, motivations and expectations of the different players at the Summit were different.

CONATEL and the National Council for the Modernisation of the State (CONAM) positioned themselves as the lead public agencies in the configuration of the information society in the country, with renewed visions of the public management of ICTs and the role of the different actors. Nevertheless, this leadership is not systematically capitalising on the experience and input of local governments that have made extremely important advances in defining ICT strategies that respond to local needs and priorities. The response and political commitment of key institutions in charge of managing strategic national development areas were also extremely limited. A utilitarian and technical discourse around ICTs continues to predominate in the majority of public agencies, which do not go beyond computerising public institutions and, in the best of cases, adopting ICTs as tools for improving administration.

The private sector was represented through local businesses dedicated to the development and promotion of the software industry, and small and medium-sized ICT service providers. The involvement of these actors can be seen as being motivated by the desire to improve and strengthen market dynamics favourable to them. In this sense, it could be said that their participation is seen as an investment and an opportunity to do business and make alliances.

Delegates from universities and non-governmental organisations (NGOs) made up the civil society group. Expectations varied within this group, and their ability to intervene in the process depended on how consistently they participated, their ability to draft proposals, and the strength of their arguments.

For many in the civil society group it was particularly difficult to understand clearly the political dimensions and impact of some of the technical issues that emerged, such as the management of airwaves.

Parallel to the issue-based working groups established by CONATEL, some CSOs decided to meet on their own to critically analyse the process, agree on agendas and find the right balance for their participation. They sought to legitimise the process without endorsing that which did not meet their expectations or fit their vision, focus or objectives. This oversight role is something which different civil society actors want to advance through the creation of collective and common platforms. And this is likely to be their main contribution to the ICT policy process in Ecuador. They need to ensure that the intent of proposals is maintained, that the multi-sectoral mechanism is formalised, that topics which were left aside are integrated, and, ultimately, that the next steps correspond to what was approved. Few CSOs see themselves as actors in the implementation of the projects and initiatives of the white paper.

## Conclusions

The White Paper on the Information Society is an instrument which brings together the approaches of diverse sectors in the country. It can serve as a framework for ICT policy development in future government administrations, and help to implement a comprehensive national strategy for adopting ICTs for development.

Its democratic, transparent and multi-stakeholder approach represents an important leap in ICT policy development processes. However, there is still a long way to go for all of the sectors to be included under equal conditions, and under a common strategic development perspective.

Civil society needs to take on the challenge of monitoring the national ICT policy process and improving its capacity for direct involvement. It needs to advocate for the formalisation of inclusive and participatory mechanisms, contribute to widening the awareness of the importance and impact of ICT policies, and demand the sustainability of the process, independent of any particular government administration in power.

It is important that the country continues to build ties with regional and global ICT policy processes through its relevant public institutions. CSOs need to be allowed to play an active role at this level as legitimate representatives of the country, so that common interests in development can be advanced. ∎

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4  <www.un.org/millenniumgoals>.

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- **encourage** critical debate, and
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The report discusses the World Summit on the Information Society (WSIS) process and a range of international institutions, regulatory agencies and monitoring instruments.

It also includes a collection of country reports which examine issues of access and participation within a variety of national contexts.

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