

»» “Zero-rating”: a tool for improving access to the Internet for the poor

No. 26, 7 June 2016



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According to the 2016 World Development Report (“Digital Dividends”), the Internet can boost economic, political and social participation in developing countries, for example by promoting financial inclusion via mobile banking and improving access to public services, free press and social networks.

Internet is often a privilege reserved for the rich in developing countries

In least developed countries (LDCs), however, only about 10% of the population has access to the Internet (usually via mobile connections). Measures can be implemented on the supply and demand sides to allow broader sections of society (and the poorer sections in particular) access to the developmental effects of the Internet described above. The priorities on the supply side are mainly expanding network coverage and bandwidth. On the demand side, broader usage is mainly limited by the high costs of acquiring Internet-capable devices and high user fees. The problem of acquisition costs can be reduced by sharing the use of mobile phones and computers, which is common practice in many developing countries. However, the ongoing costs of Internet usage remain a major obstacle. Mobile data usage in developing and emerging countries is twice as expensive as in industrialised countries on average.

Zero-rating: free access to selected Internet content

Zero-rating may help to overcome this challenge as it allows smartphone users to access certain Internet content free of charge. The costs incurred by the network operator for data transfer are borne by companies working in partnership with the network operators rather than by the Internet users.

A well-known example of zero-rating is “Internet.org” (also known as Free Basics). This initiative was launched by the US-based social network Facebook. It currently provides free access to selected Internet content for the customers of certain network operators in 39 developing and emerging countries. The content includes online libraries, job boards, news services, weather forecasts and – of course – Facebook’s own services (including the related instant messaging service WhatsApp). Free Basics usually offers simplified websites so as to use as little data as possible. As a result, the initiative claims to currently reach out to about 25 million people, many of whom unable to afford to access the Internet otherwise.

Altruism or business?

While Facebook advertises this “basic access” as a social service and a form of support for poorer people, critics question that Facebook’s motives are purely altruistic. They argue that by subsidising the use of its own websites and services, the company is seeking to reinforce its virtual monopoly when it comes to social networks and other services. With respect to instant messaging services, for example, Facebook could use its market power to force competitors out of the market by imposing data transfer limits. The fact that Facebook is now in a position to control the flow of information depending on its advertising partners or under pressure from repressive governments has also drawn criticism. This is viewed as a substantial breach of Internet neutrality.

Zero-rating can also be used as a tool for development cooperation

The 2030 Agenda for Sustainable Development ratified by the UN in 2015

calls for the substantial broadening of access to information and communication technologies. Providing “general and affordable access to the Internet” in the least developed countries by 2020 is defined as a specific development goal (SDG 9c). Zero-rating initiatives such as Free Basics (or “Free Zone” from competitor Google) can play an important role in achieving this goal, regardless of their motives and the fact that the content that can be accessed is limited.

Some experts go even further by suggesting that zero-rating should also be actively used to pursue development goals. According to this, cooperation between network operators, partner governments and donors could be used to offer poor people free access to information and services that are particularly relevant from a development perspective, such as online government health services (m-Health), e-learning services in remote areas, information campaigns e.g. on preventing HIV/AIDS, fighting corruption or e-governance services to promote political participation. While this would indeed also constitute a breach of Internet neutrality, it would be one that is acceptable to proponents on account of the developmental benefits that could be achieved.■