

## Sustainability and ICT

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Countries and their residents benefit hugely from having universal access to high-quality information and communication technologies (ICT) – fixed line-telephone, mobile phone, internet and broadband.

The growth effects of ICT infrastructure in developed economies have been documented in a World Bank report ('Telecommunications and Economic Growth' by Christine Quang, 2009). For every 10 per cent increase in penetration, the economy of a developed country grows by 0.6 per cent in the case of mobile phones, 0.77 per cent in the case of internet penetration, and 1.21 per cent in the case of broadband.

The ability to communicate using these media is essential for all modern business, and for most social interaction. It is of particular importance for individuals and communities who are tied to place by the nature of their job, or who live and work in remote and relatively inaccessible locations. For farmers, high-quality ICT is an essential prerequisite if they are to have a sustainable future, both in terms of accessing the latest information, developing new enterprises, and – most important of all – getting a son or daughter to take over the farm.

No child of the 21<sup>st</sup> Century will tolerate gratuitous isolation, either in business or social life. No amount of subsidies or price guarantees will sustain farming in the absence of high-quality ICT services on-site. It is surprising to note in the Irish Farmers' Association's recent (May 2010) 'Submission on Rural Development post-2013' that this aspect is not addressed or advocated for. This may be a product of conviction that the Government's policy – which is to provide in 2009 / 2010 broadband coverage and services to the remaining 33 per cent of the country and 10 per cent of the population that are un-served with minimum download speeds of 1.2 Mbps – will deliver this essential connectivity.

As regards funding such infrastructure, auctioning of mobile service licences is a potential source of funding. But governments seem to have difficulty doing the obvious. In an analysis of the Indian mobile phone business in the Financial Times ('A Tough Call', 25<sup>th</sup> May 2010), Joe Healy writes as follows:

"Problems began when the Government sold eight new mobile service licences bundled with spectrum on a first-come, first served basis at 2001 prices rather than through a bidding process. This sale is now being investigated for allegations of serious irregularities including claims of a conspiracy between individuals in the department of telecommunications and private businesses to award the licences. No person has yet been charged or publicly accused in the case."

This exactly mirrors the Irish experience: the second mobile phone licence was allocated in 1996 on the basis of a 'beauty contest' – the quality of the proposal rather than the amount of money offered – and the outcome has been predictable. Accusations of favouritism in allocating the licence were followed by the establishment of a Tribunal of Inquiry, which was to be 'completed in as economical a manner as possible and at the earliest date consistent with a fair examination of the matters referred to it'. It was established in 1997; 13 years later, its work is 80 per cent complete, and it is estimated to have cost the taxpayer in the order of €200 million.

The total costs are huge; in addition to the costs of the Tribunal, the auction income foregone could have financed state-of-the-art broadband infrastructure, which would now be in place. Many people of talent in the public service – including Justice Moriarty as the sole member of the Tribunal – and those in the

enterprise sector, and in the political and policy process, have been diverted from much more useful and productive pursuits. The main beneficiaries have been members of the legal profession – not necessarily those working for the Tribunal and the various protagonists (four sets of legal proceedings have been brought against the Tribunal), but those further down the legal food-chain who have benefited from the space left by their colleagues while working at the Tribunal table.

Why did we adopt such a dysfunctional and destructive policy? Colm McCarthy opines that it ‘has its origins in the desire of politicians, and possibly bureaucrats, to retain the levers of patronage and to enable the pursuit of essentially political objectives through surrogate and opaque processes’.

Whatever the reasons, the costs are huge and the benefits nugatory. Next time, let’s auction, and use the money for high-quality public purposes, including sustaining our economy and social life.