

Mobile 'revolution' eases Pacific isolation, poverty

December 10 2010, by Talek Harris



One of Digicel's Pacific Island customers, seen here in Vanuatu using Digicel's GSM services. From the rugged highlands of Papua New Guinea to the remote islands of Tonga, a telecommunications revolution in the Pacific is helping ease poverty and isolation in some of the world's poorest countries.

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In just a few years, a wave of market liberalisation has put mobiles and laptops into the hands of millions in the region, with deep implications for business, health and education, and for avoiding earthquakes and tsunamis.

Farmers can now call ahead to check prices in local markets, villagers

with no experience of banking can remit money using mobile services, and text alerts warn of giant waves whipped up by the region's frequent earth tremors.

"They don't have roads, they still don't have, in a lot of cases, power, and all of a sudden they've got [mobile telephones](#)," said Gavin Murray, of the International Finance Corporation (IFC), the World Bank's private-sector arm.

"And anecdotally, it's having a huge impact on society. It really doesn't matter who you talk to, in most of these places they are all saying the access to mobile telephony has completely changed their lives."

The sweeping change has been spearheaded by Irish company Digicel Pacific, backed by some 120 million US dollars in IFC loans, which has ventured into six of the island countries since 2006, with startling results.

Murray said in two-and-a-half years, impoverished Papua New Guinea went from 100,000 [mobile subscribers](#) to nearly three million, while the central bank estimated the newly liberalised industry added more than half-a-percent to GDP.

Digicel Pacific CEO Vanessa Slowey said call prices dropped by 60 percent almost overnight in Samoa, the company's first regional destination, where coverage leapt from just a third to more than 90 percent of the island nation.

Tiny Nauru, where Digicel launched last year, went from virtually zero communications to 95 percent mobile coverage, prompting more than half of the 10,000-strong population to sign up in the first month.

In late October, some 40 percent of Nauru households got on board when Digicel launched WiMax mobile Internet.

"You can imagine being out on a remote island in [Papua New Guinea](#) or Vanuatu where you get food delivered once every two weeks if you're lucky and women commonly die in childbirth," Slowey told AFP.

"And your first experience of telecommunications is a mobile phone that could potentially be a Blackberry. Try and get your head around that and the impact it has on people."

Digicel's strategy, pioneered by entrepreneur owner Denis O'Brien in a swathe of poor Caribbean countries, is to offer quality, affordable mobile telecommunication in countries considered too risky by bigger operators.

In the Pacific, the company relies heavily on its 1,200 local staff to build and maintain networks in a far-flung, earthquake-prone region, while thousands more are indirectly employed selling recharge cards.

"You're talking about, in some cases, 20-hour boat trips (to repair towers) if there's a tsunami, an earthquake or a lightning strike -- all these things happen in the Pacific Ring of Fire," Slowey said.



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"It's very hard work. It's not easy. It takes great vision, dedication, confidence to be bold to say we're going to build it, and we're going to build it big, and you are hoping you got your proposition right," she added.

Digicel's entry has sparked a sudden rush of competition, with previously dominant state-owned carriers forced to slash prices and look for new markets, while the newfound communications have provided a significant economic boost.

Caleb Jarvis, Sydney-based trade commissioner of Pacific Islands Trade and Invest, a body which helps promote the region, called it a "revolution" which was benefiting business, bringing wealth and cutting poverty.

"I'm sure there have been new businesses that have started as a result and there have been businesses that have grown as a result of improved communications," Jarvis said.

"A dynamic private sector in the Pacific islands is absolutely necessary to alleviate poverty in these countries," he added.

"If businesses can grow and they can employ more people, those people will demand better healthcare services, they will demand better education.

"Over time they're the sort of significant changes that are required to alleviate poverty and improve the livelihood of Pacific islanders."

The innovations, which are expected to spread to more countries and extend to more advanced services like 3G, also help keep islanders safe with text alerts warning millions about earthquakes and possible tsunamis.

Meanwhile mobile phones and the Internet are also helping bridge the enormous expanses of ocean which separate Pacific communities from friends, relatives and the world at large.

"Never underestimate with these remote islands, how much they want to be connected to the rest of the world. And now they are," said Slowey.

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Citation: Mobile 'revolution' eases Pacific isolation, poverty (2010, December 10) retrieved 24 April 2024 from <https://phys.org/news/2010-12-mobile-revolution-eases-pacific-isolation.html>

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