

UNITED NATIONS
ECONOMIC COMMISSION
FOR LATIN AMERICA
AND THE CARIBBEAN - ECLAC



Distr.
LIMITED

LC/L.370 (Sem.31/2)
10 February 1986

ENGLISH
ORIGINAL: SPANISH

Seminar on Telecommunications and its Impact on the Economic and Social Development of Latin America and the Caribbean (TELALCA/86), organized by the International Telecommunications Union (ITU), the Ministry of Transport and Telecommunications of the Republic of Chile, and ECLAC

Santiago, 12-16 May 1986



ANNOTATED PROVISIONAL AGENDA

NOTES ON THE PROVISIONAL AGENDA

1. Opening meeting
2. Development of telecommunications worldwide, its current status and its future

The industrialized countries are rapidly moving towards what has been called "the information society", in which telecommunications will occupy a position of fundamental importance and will involve, in some cases, the use of advanced technologies taken directly from the space age. The developing countries obtain most of their technology and much of their equipment from the industrialized countries and thus, in theory, would be expected to share in such advances. Imported equipment and technology, however, are not necessarily the most appropriate ones for developing countries, for either technical or economic reasons. It is therefore important to have a clear idea of the direction in which such progress is moving, in order to identify those advances that are particularly suitable for future application in Latin America and the Caribbean, or those calling for further examination.

3. Telecommunications in Latin America and the Caribbean: Characteristics and prospects

Special concern has arisen in the course of the 1980s about the disparities existing within the field of telecommunications in developing countries. On the one hand, these countries have a quite highly advanced sector whose equipment and procedures are much like those of the industrialized countries. On the other hand, this modern sector exists side-by-side with a much more backward sector that tends to restrict the countries' abilities to further their economic and social progress through an effective use of telecommunications.

The growth and modernization of telecommunications in Latin America and the Caribbean are limited by financial constraints and by the region's reduced capacity to introduce the technological advances offered through international trade with industrialized countries. Although these factors have a strong impact on large metropolitan areas, the problem is particularly acute in rural areas, where the consequences of underdevelopment are felt more keenly. These repercussions, in turn, cause the rate of return on investments in infrastructure to be lower, thus further interfering with opportunities to use telecommunications as a tool for fostering development. Hence it is necessary to identify the parameters of telecommunications within this region in order to understand how they affect economic and social development.

4. Telecommunications and its impact on society

Information serves many purposes, among which may be mentioned: the creation and reinforcement of certain concepts, the education of the population, and the transmission and inculcation of social norms. Inasmuch as electronic means of telecommunications are currently the most rapid and effective form of transmission, those who have control over these media also have the power to handle and orient information in accordance with their ideologies and interests. This converts telecommunications into a political instrument at the service of society. The choice of technologies to be used for social communication should therefore be based not only on technical criteria of economic profitability, but also on broader criteria relating to their "social profitability" within the overall context of economic and social development.

5. Telecommunications as a factor in the geopolitical integration of a country

One of the most important prerequisites for the development of a country is the physical integration of its territory and population. The isolation of given geographical areas tends to weaken such integration and thus has a negative impact on the overall management of the country. Telecommunications is an important factor in helping to incorporate isolated zones, especially when they are separated from transport networks by great distances or difficult terrain. This is a means of mitigating the trend seen throughout the region whereby the countries' largest cities -and particularly their capitals- receive a disproportionate inflow of the population from rural areas.

6. Characteristics of rural telecommunications and methods for its development

In many cases, the rural areas of the Latin American and Caribbean countries are physically isolated, which means that the telecommunications investments needed to serve such areas tend to be very large in relation to their anticipated financial return. Even when they are not isolated, the social and economic characteristics of these zones are frequently such that the rate of return on the resources invested in these areas is low. Nonetheless, the State generally considers the establishment of a telecommunications system to serve these areas as being essential to their social development and geopolitical integration. It is therefore of the utmost importance to find a way of promoting the development of such systems while both economizing on resources and maximizing their social profitability.

7. Promoting telecommunications technologies in developing countries at the national, subregional and regional levels, and the role of scientific and technological research in universities and industry

Most developing countries are using telecommunications technology that has not been designed specifically for the conditions in each country, but which has instead been selected, in accordance with the country's financial capacity, from the range of options offered on the international market. These countries have little chance of competing in the production of many of the latest technologies due to the high cost of setting up all the research and human-resource training infrastructure needed to put them to use. In addition, most local companies involved in the production aspects of telecommunications are subsidiaries of transnational industries, which are the only enterprises having sufficient resources to take advantage of these technologies.

Despite this dependence, it would appear possible for Latin America and the Caribbean to become partially independent by concentrating on some particularly appropriate technological aspects, in combination with co-operative efforts at the subregional or regional levels. To this end, those areas that are both of the highest priority and the most viable would have to be accurately identified in order for them to be made the focus of the research, training and management efforts needed to achieve results that would justify the investment. In the course of this assessment, one important consideration would be the advantages that might redound to the country from having an independent basis on which to judge what equipment and technology to select. It would also be important to determine the feasibility of extending such expertise to include manufacturing processes to be conducted in the country itself, taking into consideration such possible benefits as the saving of foreign exchange, the use of national inputs and the employment of manpower.

8. Economic development styles and their effects on the development of telecommunications

The countries of Latin America and the Caribbean display a wide range of philosophies, policies and practices which characterize the different styles associated with the various governments' attempts to further national economic and social development. At the same time, a country's development style has a significant impact on the development of telecommunications. On the one hand, the style may involve the centralized planning and execution of investment projects, based on the view that telecommunications, as a vital factor for society, is one of the public services which should be wholly provided by the State. At the other extreme, not only investment in this sector and its operation but also even some aspects of its regulation may be completely handed over to private enterprise to run on a profit-making basis, because this sector is regarded as generally being

more efficient and effective than the State in its use of resources. Therefore, in reference to any specific objective to be pursued in this sector, it is necessary to determine how the desired results can be obtained within the context of the style prevailing in the country.

9. Financing the development of telecommunications

One of the most complex aspects of the development of telecommunications in Latin American and Caribbean countries is its financing. Financial agencies such as the Inter-American Development Bank, the World Bank and the United Nations Development Programme frequently give the impression that no investment problems exist in this sector because it generates its own resources. Nonetheless, investment requires loans even in the best of cases, and at present the corresponding debts tend to represent a heavy burden due to the economic crisis in this region. In many other cases where the social profitability factor is great, the resources generated are far from sufficient to cover the needs of self-financing. Thus, the available options for achieving continuing development must be examined. By way of example, some of the alternatives are: a) comprehensive financing by the government (in which case, how the priorities of this sector compare with other government investment would be a consideration); ii) government supervision of project execution and provision of services by self-financed State enterprises; iii) the regulation, to a greater or lesser extent, of private industry, which would obtain the resources and make the required investments on its own; or iv) a combination of the above.

10. Economic development styles, telecommunications financing and their interrelationships

Economic development styles are very closely linked to the problems involved in obtaining and administering financing for telecommunications investments. Given the diversity of thinking on this subject in Latin America and the Caribbean, a round table will be organized to facilitate a dialogue among specialists in this field with respect to options open to the countries and their implications under given circumstances.

11. Profile of a national telecommunications sector: Component concepts and factors

There is a general tendency to judge the development of telecommunications in a country by the expansion and upgrading of transmission networks and by the amount and variety of services offered to users, employing the increase in the number of telephones per inhabitant as a yardstick. The use of this concept, however, tends to ignore or underestimate the true proportions of the activities engaged in by the organizations making up the sector, which include its national administration as regulatory and co-ordinating body, service companies, scientific and technological research centres, the equipment and components

industry, information centres and financial institutions. If these elements are not taken into account in analysing the telecommunications sector, it will be difficult to gain a complete picture of the issues involved and, hence, of what is required to bring about its integral development.

12. Telecommunications development models and the formulation of national policy measures

The foregoing topics have served to underscore the vital role of telecommunications in the economic and social progress of Latin America and the Caribbean, as well as how this sector is influenced by the development style adopted by each country.

Within this context, if the development of telecommunications is to be orderly and in keeping with the goals and aspirations manifested in government policy, then models should be constructed that provide an indication of the ramifications of decisions taken by the sector's regulatory authorities, as reflected in the telecommunications sector. This would make it possible to formulate consistent policy measures more likely to be successful in promoting telecommunications. It would then be useful to construct models of the national situation in order to gain a clear idea of the relationships between this sector and the other components of the economy, so that the measures these models suggest will provide an appropriate basis for the type of development pursued by the country. The models should also include a representation of the external environment in order to ensure an adequate level of integration, without which the country would be cut off from the interaction it needs with the international community in order to strengthen its own development processes.

13. Profile of the sector, development models and the formulation of policy measures

A very close relationship should exist between the profile of the telecommunications sector in the various countries of Latin America and the Caribbean, on the one hand, and the models constructed to describe this sector and to aid in the formulation of the corresponding policy measures, on the other. A round table will be organized among experts in these subjects to promote an exchange of opinions among them, in order to clarify the issues involved with the help of actual examples from their own experience.

14. International cooperation and the role of specialized international, regional and subregional bodies in the development of telecommunications in Latin America and the Caribbean

Although the level of efficiency and development of a country's telecommunications capabilities is basically an internal matter, the two-way nature of this medium and the demand for timely information to and from the rest of the world support the conviction that the development of the sector can be carried out

more effectively on the basis of international co-operation activities motivated by reciprocal interests on the part of the countries providing and receiving assistance. Such co-operation could take various forms, including direct technical assistance, human resource training, the exchange of information and experiences in different areas of planning and research, and the provision of financing, and could be carried out on either a bilateral or a multilateral basis. This sort of co-operation takes on special importance in the case of Latin America and the Caribbean, in view of the fact that some of the countries have a much more highly developed telecommunications sector than others and could therefore serve as important sources of aid to the other nations of the region.

A number of specialized international, regional and sub-regional organizations in the field of telecommunications also operate in the region, including the International Telecommunications Union (ITU) and the Inter-American Telecommunications Commission (CITEL), which offer various forms of technical assistance. In order to take better advantage of the co-operation and aid offered by these agencies, it is important for the countries to understand the exact role played by each organization and to participate more actively in the formulation of their programmes of work, so that these will reflect the true needs of the region.

15. Telecommunications and its impact on the economic and social development of Latin America and the Caribbean

This is the principal topic of the seminar. The presentations made will have provided many valuable lessons concerning the influence of telecommunications on the economic and social development of the region. In order to set them forth in a unified and consistent form, a round table will be organized at which the experts who have presented papers will offer an overall view of the significance of these lessons. This will be followed by a general discussion of the subject.

