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**MOBILE COMMUNICATIONS OF THE NEEDY / POOR :
COMPARATIVE EUROPEAN MACRO-DATA ON MOBILE COMMUNICATIONS FOR THE NEEDY/ POOR / ,
and the “MOBILE COMMUNICATIONS DIVIDE”**

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NB : this is work under progress

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1. WHO ARE THE NEEDY

- Poor , defined as such under minimum household revenue subsistence limit (irrespective of age)
- Homeless (still approx 30 % have work)
- Unemployed getting unemployment benefits, searching jobs , but under minimum household subsistence limit
- Unemployed after expiration of unemployment and social benefits
- Isolated individuals of all ages, often subject to a social / medical fracture (39 % of age group 79-83 in France)
- Migrant workers who have or find very short term employment
- Elderly alone with home care on low pensions (under subsistence limit) (89 % of 79-83 age group in France)
- Displaced populations due to war or national disasters or growing climate change effects
- Some immigrants (total approx. 10 Million immigrant workers in Europe send approx. 400 Billion Euros home/year)
- Many disabled (deaf, etc..)
- Some categories of sick persons (hard to analyze)

According to Eurostat this heterogeneous group represented in 2004: 73 Million people in EU (16 % of the population), 2 Million people in EFTA countries, and 160 Million people in the geographical areas part of Council of Europe.

2. EUROPEAN MACRODATA ON THE “NEEDY” AND THEIR MOBILE COMMUNICATIONS USAGE

Some COST 605 Action participating countries have contributed to a survey on the above subject. The focus is on:

- 1) social parameters , demographics / employment:/income of needy/poor people, and for measured or assumed mobile service usage and spending
- 2) cases of individual or groups of needy people’s as to mobile communications usage and spending (from individuals or secondary contacts)

The table below addresses data collected so far across 5 EU countries; please note that definitions are not always identical and that collection methods and sources may be inconsistent ; note also that in general the data are from many different sources thus not always with same year or basis . Some data were collected on the basis of field surveys and are not found in other sources. Monetary unit is Euros for calibration purposes (except UK).

The goal of the survey is to establish the basis for the establishment of wireless tariff bundles made affordable to the needy and subsidized or not by operators and/or regulators (using revenue from universal service obligation laws, where applicable). Another goal is to help European regulator and the Commission prepare for directives with the same goal across the EU. As the ubiquity of wireless communications has a high social value and impact, this study is justified beyond general analyses of universal access to broadband services.

The underlying methodology is presented in papers by the authors, such as:

- L-F Pau (2008) , Mobile service Affordability for the Needy, Addiction, and ICT policy implications , ERIM Working paper series <http://hdl.handle.net/1765/12246> ,and also in Proc. 7 th Intl Conf. on Mobile business, Barcelona , 7-8 July 2008, Publ. IEEE Computer Society, ISBN 978-0-7695-3260-8 ;
- C. Milne (2000), Affordability of basic telephone service: an income distribution approach, Telecommunications Policy, 24, 907-927

INFORMATION 2006	NETHERLANDS	PORTUGAL	FRANCE	UK	DENMARK
1. National official poverty threshold per household	875 Euro/month or 10500 Euros per	385 Euro/month	817 Euro/month (determined as 60 % of	60% of median, around £ 1180 /	

(from national Social laws)	year ; “minimum necessary income” of 1000 Euros/month (2005)		median) ; 2008 value : 880 Euro/month	month ; this is per equivalised household (i.e. adjusted to take account of household size and composition)	
2. Number of people in households under national poverty threshold	1 435 000 (8.9%)	1 907 837 (after social transfers) ; about 18 % of population	7 136 000 ;1996 figure : 4,5 Million (including 950 000 children aged 14 or less living in 1,8 M households)	Around 17% of households or 10 Million people; 9.2 Million people are below the poverty line measured before, and 11.4 Million after, housing costs	6 % of population
3. National median revenue per household (half of population under and over median)		643 Euro/month	1362 Euro/month ; 2008 value: 1470 Euro/month (INSEE)	£ 1968 / month	
4. Minimal social insertion income (public grant to poorest working age people who accept it)	780 Euro/month (AOW)	479 Euro/month	350 Euro / month	£ 192 / month for single people under 25, £ 240 / month a week for single people 25 and over	
5. Number of people living with social insertion income	657 000 (2004)	264 287	1 180 000	5.3 Million people of working age receive income-related benefits	
6. Number of pension age	122 000 (2004)	671 047	1 080 000	3.3 Million	

people recipient of public grant (typically pension level under poverty threshold)				pensioners receive pension credit (“top up” to state pension)	
7. Number of prisoners	16 000	12 637	61 700	78 000	
8. Number of youngsters (<16 y) aged less than working age ,with income or pocket money in household under minimal social insertion income level	461 000 (14 %) (2004)	350 661 (20 %)	4 150 000	2.9 Million children living in households below the poverty line (22% of children)	
9. Number of homeless sleeping in streets, etc					5000 (2007 and 2009 data) of which 3000 in Copenhagen; 69 % had dependency problems (alcohol, drugs, medicine) ;75 % received cash assistance
10.Mobile penetration in group (2) and average spend/month		Total penetration rate: 115 %	37 % / 35 Euro/Month	Using lowest quintile as a proxy for group (2), 59%, combined spend on fixed and mobile £ 25,60 / month	
11.Mobile penetration in group (5) and average			14 % / 10 Euro/Month		

spend/month					
12. Mobile penetration in group (6) and average spend/month			9 % / 21 Euro/Month	38% mobile penetration for single retired people and 56% for retired couples (all income levels)	
13. Mobile penetration in group (8) and average spend/month			56 % / 29 Euro/Month		
14. Average spend on TV equipment amortization and media subscriptions in group (2)			17 Euro/Month/household	£ 13 / month spent by lowest quintile on TV and internet together	
15. Average spend on Internet access and content in group (2)			6 Euro/Month/household	£ 13 / month spent by lowest quintile on TV and internet together	
16. Range on 3 room 60 m2 rental cost averages in cities above 100 000 inhabitants	Average Housing (22%) and Average water-energy (8%) of 860 Euros/month for those at 860 Euros/month ceiling or below		574-1456 Euro/Month		
17. Minimum regulated price of one consultation at doctor (before social benefits)		2,15 Euro (family doctor)	22 Euro	Free	
18. Social legislation subsidizing directly needy's communications needs	No	No	Yes (10 Euro/month) ; e.g. France Telecom / Orange offer :	Not really. Some very limited provisions to assist	

under specific conditions			<p>" RSA special tariff plan", available in Metropolitan France, includes 40 minutes of calls to landlines and mobiles plus 40 SMS for €10 per month, without a contract. It is available to all RSA beneficiaries, whether or not they are already Orange customers. This plan allows unused minutes and SMS to be carried forward.</p> <p>Orange customers eligible for the "RSA special tariff plan" but already under contract can move onto this plan at no cost and with no commitment. Customers from other operators can keep their existing mobile number.</p> <p>Orange is also selling a range of cheap mobile phones in its stores starting from €39.</p> <p>RSA beneficiaries only can either buy second-hand handsets from €10 or benefit from the offer without buying a mobile" Orange already offers several benefits to promote spending power in France:</p> <ul style="list-style-type: none"> - unlimited SMS service or 10% reduction on some offers for young people under 26 years old; - 10% reduction on "initial" fixed rate packages for those over 60 years old; - 20% reduction on the "click" offer for jobseekers and large families. <p>Furthermore, a €20 social triple play offer (telephone, TV and broadband Internet) is being prepared.</p>	chronically sick and disabled people to have phones where needed.	
19. Regulations for Universal service provisioning by operators but with no user subsidies ; difference fixed /mobile / internet	Fixed : Yes Mobile : No Internet : No	Fixed : No Mobile : No Internet : No	Fixed: Yes Mobile: No Internet : No	Fixed: Yes Mobile: No Internet : No	Fixed : No Mobile : No Internet : No
20. Personal insolvency rate in total population for non-business reasons (Court decisions)	30 % of persons with low income had negative net assets ; 14 % had non judicial delays in	905 processes	Approx 250 000 processes (0,15 % of working population)		

	payment of loans; 15 000 legal insolvencies				
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3. THE NEEDY'S PURCHASING POWER IN MOBILE MINUTES, or THE "MOBILE COMMUNICATIONS DIVIDE"

As an attempt to compare with one single indicator, the affordability for mobile communications across countries, L-F Pau presented at the COST 605 workshop in November 2008 in Lisbon the following:

"A poor's purchasing power parity (PPP) in wireless minutes per month "

Defined as the ratio of UN purchasing power (in say USD) , multiplied by 0,6 to reflect the normal definition of the poverty limit , divided by the average price (in say USD) of one wireless voice minute (fully loaded to caller) as established by the national regulator . It tells, in simpler words, how many minutes of wireless voice a poor would get per month if all is purchasing income that month was spent on talking over a public wireless operator. Despite its "crudeness" this is a very "telling" indicator, useful in highlighting differences, progress or convergence, and for which the underlying data validity cannot be questioned significantly. The table below, presented in Lisbon, gives 2006 data for 6 countries of which two EU countries addressed in detail in Section 2. above; it shows on just such a small sample a range of values from 202 minutes / month in Tanzania to 17 096 minutes / month in France.

COUNTRY	POVERTY INDICATORS (IMF www.undata.org ,2006)	MOBILE TARIFF 2006 www.erg.eu.int ,Tarifica , Intelecon	A POOR's 2006 PPP MOBILE MINUTES/month** (2006 exchange rates)
Mexico	-GDP PPP 14120 \$/y -2 nd Poorest quarter 92 \$/mo (30,9 % pop) -Poorest quarter 32 \$/mo (34,6 % pop)	-0,49 \$/min -Entry barrier 32 \$ + min. recharge 9 \$/instance	1440
Marocco	-GDP PPP 2400 \$/y - 21 %of pop under poverty line	- 0,14 \$/min -Average -Prepaid 96 %	857
Georgia	-GDP PPP 4400 \$/y (GDP 1870 Euros) -3 Euros/month pensions for isolated seniors	0,14 Eur/min	2095

Tanzania	-GDP PPP 1256 \$/y	0,31 \$/min - -50 USD handset = 1 year of savings	202
Portugal	-GDP PPP 21779 \$/y	-ERG average 0,1319 Euro/min	8255
France	-GDP PPP 33509 \$/y -7,9 M poor (INSEE, or 13,6 % of pop) (< 882 Eur/mo, 2006) ,highest in towns of > 20 000 -100 000 homeless (Fond Abbé Pierre)	-ERG average 0,0980 Euro/min -550 000 households have no possible Internet access	17096

SOME SOURCES :

-**Denmark** : National forskningscenter for velfaerd www.sfi.dk

-European regulator's group www.erg.eu.int

-**France** : French regulator ARCEP www.arcep.fr ;Fondation Abbé Pierre <http://www.fondation-abbe-pierre.fr/> ; Fondation de France <http://www.fdf.org/> ; Petits frères des pauvres <http://www.petitsfreres.asso.fr/accueil.php> ; INSEE www.insee.fr , Observatoire national de la pauvreté et de l'exclusion sociale (ONPES) <http://www.travail-solidarite.gouv.fr/web/observatoire-national-pauvrete-exclusion-sociale/> ; Ministère de l'emploi et de la solidarité <http://www.interieur.gouv.fr/misill/sections/liens/ministere-emploi-solidarite/view> ; France Telecom social tariff , https://mail.cbs.dk/owa/redirect.aspx?C=1764e4cfeb8d435eb1893fc864ebb986&URL=http%3a%2f%2fwww.francetelecom.com%2fen_EN%2fpress_releases%2fcp090512en.jsp ; Handicap International <http://www.handicap-international.fr/> ; French parlements decision on social tariffs of 09 June 2008 : <http://tf1.lci.fr/infos/economie/consommation/0,,3872867,00-vers-tarif-social-pour-plus-pauvres-.html> and <http://www.assemblee-nationale.fr/13/cr-delat/08-09/c0809002.asp> and <http://www.assemblee-nationale.fr/13/cra/2007-2008/187.asp> ;

-**Netherlands** : National Bureau of statistics <http://www.cbs.nl/en-GB/menu/home/default.htm>

-**Spain** : Telefonica social tariff : unemployed in Spain get a max. 20 Euro discount representing 50 % on their mobile or narrowband subscriptions/month , provided they have been clients for at least 6 months. The arrangement is called “teayudamos” and its expected uptake is expected to reach 500 000 people ;

<https://mail.cbs.dk/owa/redir.aspx?C=1764e4cfeb8d435eb1893fc864ebb986&URL=http%3a%2f%2fwww.telefonica.es%2fon%2fio%2fes%2fteayudamos%2fhome.html>

-UK : National poverty http://www.statistics.gov.uk/downloads/theme_social/Family_Spending_2007/FamilySpending2008_web.pdf and http://www.dwp.gov.uk/asd/frs/2003_04/tables/pdf/3_8.pdf and www.statistics.gov.uk; Social insertion income www.dwp.gov.uk ; Prisoners <http://www.homeoffice.gov.uk/rds/pdfs06/hosb1106.pdf> ; Expected (not actual) spending on mobile phones for different household types http://www.minimumincomestandard.org/ready_reckoner.htm ; Attitudinal research by Ofcom among low income groups <http://ofcom.org.uk/research/tce/ce07/annex4.pdf> ; Ofcom research into mobile take-up and spend (categories do not match those above) <http://ofcom.org.uk/research/tce/ce07/research07.pdf> ; Affordability report 2006 <https://mail.cbs.dk/owa/redir.aspx?C=3a8be64920cc4448a4b2c9f205a1bf03&URL=http%3a%2f%2fwww.regulateonline.org%2fcontent%2fview%2f619%2f71%2f>

-UN data www.undata.org