OECD *Multilingual Summaries*
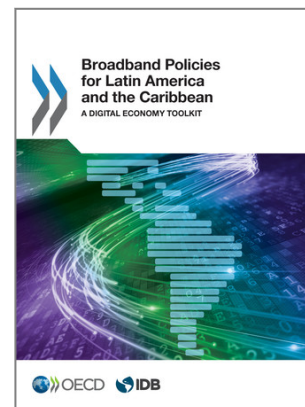# Broadband Policies for Latin America and the Caribbean
A Digital Economy Toolkit

Summary in English

Broadband networks are the foundation of digital economies. Increased availability and effective use of the services enabled by broadband can advance social inclusion, productivity and good governance. A range of challenges has to be overcome, however, in providing readily accessible, universal and locally relevant broadband-based services in many parts of the world. In the Latin American and Caribbean (LAC) region, some 300 million people have no access to the Internet. While new generations of broadband networks are rapidly emerging, much remains to be done to expand the necessary infrastructure and to encourage individuals, business and governments to make the most of what broadband has to offer.

Increasing connectivity and the use of digital services in the LAC region will require policies and practices that address major supply and demand issues in a holistic and coherent manner. The Broadband Policies for Latin America and the Caribbean: A Digital Economy Toolkit sheds light on good practices and case studies, based on a whole-of-government approach. Its aim is to offer public authorities an overview of the policies, regulatory practices and options that can maximise the potential of broadband as a driver of economic and social development. The 15 chapters of this Toolkit cover a broad array of topics on broadband policy making, from digital strategies, regulatory frameworks and spectrum management, to competition, access, affordability and taxation, including education, skills and business uptake, as well digital security and privacy.

Key findings

The chief challenges for increasing broadband access and use in the LAC region relate either to supply-side issues, such as infrastructure deployment and provision of broadband services, or to demand-side issues, such as skills, entrepreneurship, local content and consumer protection. In these respects:

- Competition in communication markets in the LAC region tends to be weaker than in OECD countries, and pro-competitive regulation could be strengthened to actively encourage its development as a tool to meet policy goals.

- In some areas in the LAC region, insufficient incentives for infrastructure deployment are offered at the regional, national, and international level, which limits domestic and international traffic and leaves demand for broadband services unsatisfied.

- Affordability has been one factor holding back growth in broadband services in the LAC region, but the spread of mobile services suggests that this issue is far from insurmountable.

- As technologies and services converge, in many instances regulatory frameworks in the LAC region continue to operate in separate silos.

- The LAC region has not made the progress that it might in introducing broadband to local institutions such as schools, promoting ICT and broadband adoption in business, and encouraging governments to become more transparent, effective and responsive by using the services that broadband makes possible.

- Countries in the LAC region need to address an increasing range of issues related to trust as their digital economies develop, for example in the areas of consumer protection, privacy protection and digital security risk management.

Key recommendations

The task of increasing broadband access and usage is complex, involving major supply and demand-side issues. Extending broadband use cannot be addressed by policy makers and regulators alone. Broader structural issues must be addressed, with the help of all relevant stakeholders. Good practices in this respect include the following:

· Digital strategies and national broadband plans should seek to increase broadband access and usage by using a whole-of-government and multi-stakeholder approach.

· A stable and predictable regulatory framework is necessary to cultivate long-term investment in broadband infrastructure. Sound regulations can help expand infrastructure expansion by lowering the costs of deployment.

· Increased competition is a key element for disciplining prices, promoting innovation and improving responsiveness to demand. Independent agencies are needed to address dominance issues or impose wholesale regulation when necessary to lower the barriers to new entrants.

· Broadband should be made increasingly accessible and affordable to disadvantaged groups and people living in rural and remote areas. Sectoral over-taxation that deters broadband expansion and use should be avoided. Public authorities can also establish incentives and finance networks when markets alone are unable to meet the demand.

· Regulatory frameworks should make sure that authorities are in a favourable position to address competition and investment issues arising from the increasing convergence of networks and services.

· Regional co-operation arrangements, sharing of regulatory experiences, deployment of regional connectivity infrastructures, cross-border data flows and lowering the prices of international connectivity and roaming should be encouraged.

· Broadband services should be made available in schools, health care centres and other places of public access, along with the promotion of a skills system geared to the digital economy. Facilitating ICT adoption by businesses, creating digital content accessible to local populations, and the promotion of digital entrepreneurship can all increase demand and improve services.

· Digital governments should be actively promoted in the LAC region to allow for smarter organisation of cities and to help governments become more efficient, effective, open, transparent and accountable.

· Enhancing trust in digital services is critical to encourage the uptake of broadband. Consumer protection, digital security risk management and privacy protection should be ensured.

· Implementing systematic measurement frameworks to monitor the growth of broadband and digital services is critical for informing policy and regulatory decisions.