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GLOBAL INFORMATION SOCIETY WATCH 2007
Focus on Participation
Introduction

This report attempts to summarise the status of the information society in Peru by analysing the data offered by the National Institute of Statistics and Computing and considering the reflections of various national actors.

With regard to information and communications technology (ICT) policies in Peru, 2006 was a year of both progress and setbacks. It marked the end of Alejandro Toledo’s Perú Posible party government and the beginning of the one led by Alan Garcia of the APRA party (Partido Aprista Peruano), providing democratic continuity which is important for Peru’s stability. Toledo began his government five years earlier with the Huascarán Plan and ended it leaving in place a follow-up commission for the Commission for the Development of the Information Society (CODESI), which is also known as CODESI 2.

The APRA government does not have a clear programme regarding the information society, despite the fact that the president himself identifies it as a priority area for the country (García, 2003). On the contrary, some worrisome measures have been taken, such as the dismantling, for all practical purposes, of the National Institute for Research and Training in Telecommunications (INICTEL) and budget cuts for the National Council of Science, Technology and Technological Innovation (CONCYTEC). Also unclear is the strategic purpose for the absorption of the Fund for Investment in Telecommunications (FITEL) into the Ministry of Transportation and Communications (MTC), a move which appears to be aimed more at reducing state bureaucracy than part of any government policy in the area of the information society.

Moreover, even with the development and publication of a national strategy on ICTs, the Digital Agenda for Peru (CODESI, 2005) remains more a technological policy than a state development policy: it is not part of the national process of dialogue initiated by the government and aimed at establishing government policies for the next 20 years, known as the National Accord.

Even though public policy in Peru has prioritised the installation of infrastructure, the year 2006 also allowed for the opening of important spaces for dialogue and proposals around ICT policies. These spaces, however, have yet to include broad sectors of society or to ensure that the policies related to the information society cut across the entire government. Until this happens, Peru’s citizens will continue to be spectators and not protagonists.

This report is based on a study undertaken by Miguel Saravia as a contribution to the research project Acceso efectivo y en igualdad de oportunidades de las comunidades rurales a la radiodifusión, estrategia clave de inclusión digital para América Latina y el Caribe (Effective and equal access to radio broadcasting for rural communities, a key digital inclusion strategy for Latin America and the Caribbean). The study was undertaken at the request of the Association for Progressive Communications (APC) and financed by the Regional Fund for Digital Research in the Americas (FRIDA). This report also draws on the Reporte sobre Sociedad de la Información en el Perú (Report on the Information Society in Peru) prepared by Erick Iriarte for Perú-Digital. The authors also consulted other reports and articles published on the Perú-Digital list and on the Blog TIC_Rural (Rural ICT Blog), among other sources of information.

Country situation

The Peruvian government subscribes to the definition of the information society set forth in the Declaration of the Latin America and Caribbean Regional Conference for the First Phase of the World Summit on the Information Society (WSIS), which took place in Bávaro, Dominican Republic, in January 2003. According to this declaration, the information society is “an economic and social system where knowledge and information constitute fundamental sources of well-being and progress and […] represents an opportunity for our countries and societies.” The declaration has a strong human rights perspective, and states that the development of the information society requires a “deeper appreciation of fundamental principles, such as those of respect for human rights within the broader context of fundamental rights, democracy, environmental protection, the advancement of peace, the right to development, fundamental freedoms, economic progress and social equity” (ECLAC, 2003).

In 2001 the Multi-Sectoral Commission to Broaden Public Internet Use was created to organise the various initiatives being designed by the new government. It produced the document e-Perú: Propuestas para un Plan de Acción para el Acceso Democrático a la Sociedad Global de la Información y el Conocimiento (e-Perú: Proposals for an Action Plan for Democratic Access to the Global Information and Knowledge Society) (CMMUI, 2001). At the same time, all public offices were obliged by law to prepare action plans referring to the information society, measures for access to public information, and content for webpages. This decree included local governments.

Several government bodies have developed initiatives for the information society. In 2002, CONCYTEC, INICTEL, the Oversight Body for Private Investment in Telecommunications (OSIPTEL), the National Institute for Statistics and Computing, and the Presidency of the Council of Ministers and the MTC formed a working group to create a National Information Society Plan appropriate to the Peruvian situation. While progress was made in the design of the plan, it was also evident that the degree of consensus on all its points was still insufficient, and
that it was necessary to work on guidelines for a national strategy that would get the country on track towards an information society.

During 2003, with the first phase of the WSIS approaching, the Presidency of the Council of Ministers relaunched its e-government strategy and linked it to the process of modernising the state, which was started in 2004 with funding of approximately USD 300 million from the Inter-American Development Bank (IADB).

That year the Presidency of the Council of Ministers also created the Multi-Sectoral Commission for the Development of the Information Society (CODESI)11 as an entity charged with creating “a plan for the development of the information society in Peru, which should include a diagnostic of Peru’s current situation within the context of the information society, the actions that must be taken to develop it, and the proposed rules and measures that facilitate the appropriate development, implementation and promotion of the information society in Peru” (Council of Ministers, 2003).

On its website, CODESI declares its support for a society that gives priority to resolving poverty and other inequalities in a sustainable way. In order to achieve this goal, the participation and commitment of every generation is required, ensuring the intervention of a variety of social and linguistic groups, cultures and peoples. Special attention must be paid to “those most exposed to exclusion, discrimination and prejudice,” while also promoting gender equity.

The plan for the development of the information society designed by CODESI, the Digital Agenda for Peru, points out that “ICTs can be used either to exacerbate or transform unequal power relations. ICTs can be powerful tools for social action and positive social change, can contribute to building gender equality, and eliminate poverty caused by social status, gender, race, capabilities and age” (CODESI, 2005, Chapter II).

The government’s concrete mechanisms for the development of the information society are the Fund for Investment in Telecommunications (FITEL) and the Projects Office of the Vice Ministry of Communications of the MTC.

While FITEL has concentrated on the expansion of the telephonic network in rural areas through subsidising operators, and some actions related to facilitating internet access, the MTC has worked on developing an electronic platform for the state, and has several initiatives related to internet access centres in its portfolio. However, a clear relationship between the two institutions has not yet been established in order to avoid duplication and ensure a more rational use of the state’s resources.

Investments in ICT
Peru’s telecommunications market was liberalised in 1999 and has open competition in fixed and mobile telephone networks, internet and value-added services. The number of mobile telephone subscribers reached that of fixed telephone subscribers in 2001, and the mobile market is continually expanding. According to OSIPTEL data, teledensity for fixed telephone systems went from 3.21% in 1994 to 7.20% in 2004. For mobile telephones, the levels rose from 0.16% in 1993 to more than 13% in 2004.12

Since 1991, when the liberalisation process began, there have been many measures to help promote the opening of the market, encourage investment in critical areas, and guarantee minimal conditions for competition in Peru’s telecommunications sector. However, as the Peruvian Scientific Network (RCP) points out, despite these measures, teledensity in Peru remains below other countries in the region:

Disparities due to socioeconomic and regional strata persist in our country — meaning that sectors with fewer resources have limited access to these services — and there has been a marked deceleration of growth in fixed telephone systems in recent years. The industry’s structure shows high levels of concentration, and there is a limited supply of services responding to the needs and demands of consumers with lower incomes, mainly in smaller cities and in the urban periphery zones.13

Investments in telecommunications have been led by foreign capital, especially by Telefónica de Perú (part of Telefónica España), a company with which the Peruvian government has held a contract since 1994. These investments have principally benefited the inhabitants of Lima and to a lesser degree those of the rest of the country (Campodónico, 1999).

In October 2006 the government proposed renegotiating the Telefónica contract, seeking to lower rates but maintain investment in technological innovation. According to the ministry governing this sector, the investment “would allow for educational, professional, and business needs to be met as well as access to government services.… Investment to increase access to the internet through broadband would allow for a reduction in the existing digital divide. This effort would contribute to achieving the goal of one million connections by the year 2011” (MTC, 2006a).

Regulatory limitations
The MTC and OSIPTEL are in charge of regulating the telecommunications public service networks in Peru. The regulatory framework is defined by:14

- Universal Access Policy Guidelines
- General Policy Guidelines for Promoting Internet Access in Peru
- Policy Guidelines for Promoting Greater Access to Telecommunications Services in Rural Areas.
- Moscos Salina (2003) points to regulatory limitations on the installation of ICT infrastructure in rural areas:

  - The rules for interconnection are insufficient for the development of infrastructure in rural areas.
  - Requirements for market access must be reduced or removed, for instance, by reducing taxes for telecommunication services in rural areas.
  - It is necessary to develop an appropriate legal framework for electronic security and e-commerce that protects users.
  - Internet access has not been defined as a public telecommunications service. There is also a regulatory vacuum for centres providing internet service.
  - It is necessary to share infrastructure between urban and rural networks. Institutions should be obliged to share infrastructure when there are economic or technical limitations preventing communities or sectors from participating in the information society.

11 <200.62.145.115>.
12 <www.osiptel.gob.pe>.
At the same time, the development of content and local training is needed, especially for the educational, health and economic sectors and others necessary for rural development.

These barriers affect access to new technologies and the sustainability of new enterprises, facilitate concentration of media ownership into a few hands, and make the participation of the community in the development of the information society difficult.

OSIPTEL and the MTC have made progress in the development of regulations aimed at partially resolving the challenges, with an emphasis on the problem of access. Nevertheless, as the Telecommunications Sector Analysis and Forecasting Group (GAPTEL)\textsuperscript{15} of Spain points out, the emergence of wireless technologies and broadband are creating new regulatory challenges that go beyond access and involve better management of the spectrum to assure greater supply. There is also a need to establish rules governing the relationship between a regulated service, such as telecommunications, and an unregulated one, such as the provision of content.

In response to the above, the MTC has proposed a process of “single concession”, defined as “the right to provide all public telecommunications services” (MTC, 2006b, Art. 47).

As for wireless technologies, the General Regulations of the Telecommunications Law define the radio frequency spectrum as a limited natural resource that is part of the nation’s heritage. The MTC is responsible for the administration, assignment and control of the frequency spectrum. The same regulations state that the assignment of the spectrum in the bands identified by fixed wireless access systems, and primarily designated for public telecommunications services, will take place through public tender in areas with restrictions on the availability of frequencies.\textsuperscript{16}

However, according to the general manager of OSIPTEL, WiMax in Peru is only used to transmit data, which is not regulated. In addition, he believes that as long as WiMax infrastructure does not expand, no regulation is necessary.

The administration of FITEL was initially the responsibility of OSIPTEL (MTC, 1993). Through Law No. 28900, published on 4 November 2006, FITEL was attached to the MTC, allowing a maximum of 60 days for OSIPTEL to transfer its administration to the ministry, which will continue to approve the projects declared viable and grant the corresponding concessions.

Statistics

Indicators from the National Institute of Statistics and Computing show that as of October 2006, 28.65% of the total number of homes had a fixed telephone, 32.49% of homes had a mobile phone, 15.45% of homes had access to cable television and only 6.05% had access to the internet (INEI, 2006).\textsuperscript{17}

If we compare the penetration of fixed telephone networks, mobile networks, cable TV and internet in Peruvian homes by geographic area, we can see that all ICTs grew significantly in population centres of more than 2,000 inhabitants in the August-October 2006 quarter, compared to the same period in 2005.

Interestingly, mobile telephony in the metropolitan area of Lima (59.1%) has reached the number of fixed-line subscribers (59.8%), while in population centres of more than 2,000 inhabitants mobile phones (35.9%) are already more prolific than fixed-lines (29.97%).

For population centres of less than 2,000 inhabitants – that is, rural areas – there is limited presence of ICTs. Only fixed and mobile telephones showed significant levels in the quarter analysed. Moreover, more people by far own a mobile phone compared to a fixed-line telephone.

While 4.4% of homes had computers in 2000, this percentage increased to 6.8% in the period 2003-2004. Taking area of residence into account, we find important differences in the number of homes with computers, as well as other ICT services. As of October 2006, 29.06% of the homes in the Metropolitan Area of Lima had a computer, while only 13.39% of the homes in the remaining urban area and 0.72% of rural homes had computers.

Cabinas públicas (cybercafés) have been an important factor in internet access in Peru, and the figures indicate that they will continue to play a key role. Between 2005 and 2006 there was a major increase in the number of people who use them. For the period August-October 2006, 42.06% of homes had at least one person who used cabinas públicas for internet access. The percentage for the same period in 2005 was 27.24% of homes.

Other public institutions have carried out research that provides essential information for policy design. OSIPTEL carried out several research projects between 2003 and 2005 (Villafuerte, 2005) which showed that the internet has little impact on the rural population, and that the main internet users in rural areas are not the rural inhabitants themselves, but city dwellers who find themselves temporarily in the area for work reasons.\textsuperscript{18}

A rights-based approach

In January 2007 the Office of the Ombudsman presented its report El desafío de la telefonía rural: una mirada desde los ciudadanos (The challenge of rural telephone networks: a citizens’ view) in which it proposes placing on the public agenda the issue of access to a public telephone service of reasonable quality in rural areas, preferably for social benefit (Office of the Ombudsman, 2007).

This is a rights-based approach, which understands that when we speak of the information society, we are speaking about people. Echoing what is stated in the Telecommunications Law,\textsuperscript{19} the report declares that providing access to these public services reaffirms the government’s policies of inclusion. It also facilitates the implementation of strategies of citizen registration and identification, allowing a greater number of people in disadvantaged situations to be included in development projects. In addition, it means reducing many transaction costs when buying or selling goods or services, particularly for rural people.

\textsuperscript{15} <observatorio.red.es>.

\textsuperscript{16} Article 128. The granting of a concession, as well as the assignments of the corresponding spectrum, must take place through public tender of offers when:
1. In a certain locality or service area there is a restriction in availability of frequencies or band of frequencies for the provision of a specific public telecommunications service; 2. It is indicated in the National Plan for Frequency Assignment (Plan Nacional de Atribución de Frecuencias); 3. The number of concessionaries for a specific public service covered by article 70 of the Law is restricted due to technical restrictions based on limited resources.

\textsuperscript{17} While the Institute has very precise statistics, it is nuclear how these are used to shape public policy.

\textsuperscript{18} See: <tic_rural.blogspot.com/2006/05/dia-mundial-de-la-sociedad-de-la.html>.

\textsuperscript{19} As stated in the Texto Único Ordenado of the Communications Law, telecommunications are provided under the principle of service with equity (article 5), whereby all have the right to use telecommunications services (article 3). The right to their use covers the entire country promoting the integration of areas at great distances from urban centres (article 5) (MTC, 1993).
The Ombudsman’s report sets out important conclusions which are in fact a call for public action. It concludes, for example, that investment by FITEL has stagnated, and calls for stronger mechanisms for transparency and citizen oversight in FITEL’s operations after its incorporation and attachment to the MTC.

But it is under the section on recommendations that we find the most valuable contribution of the Ombudsman’s report, not only because it clearly calls for independent management of FITEL, but because it sets forth the urgent need for the country’s Congress to redefine the allocation of FITEL’s resources in order to broaden the “universal access” concept to include that of “universal service”. This would allow for a scaling up in the implementation of fixed lines in rural areas. It also proposes that FITEL assign more resources to developing capacity in rural areas, a demand that has been insistently made by various civil society actors.

Regional and international context

The first meeting of the Internet Governance Forum (IGF)20 in Athens towards the end of 2006 provided a vision of the upcoming international dialogue on the subject of internet governance. It attempted to achieve the necessary balance between access to information, development of content, maintenance of infrastructure and protection for internet users. This is a delicate balance which is often upset. In 2007 the IGF meeting will take place in Rio de Janeiro, which will allow for a greater presence of Latin American participants.

An important milestone for the development of information society policies in the region was reached in the 36th General Assembly of the Organisation of American States (OAS) in 2006. The OAS member countries adopted the Declaration of Santo Domingo: Good Governance and Development in the Knowledge-Based Society, with a clear emphasis on the use of ICTs for development. The first item of the Declaration of Santo Domingo (OAS, 2006) underlines the need to:

Emphasise the importance of information and communication technologies (ICTs) as crosscutting tools for achieving equitable and sustainable development and strengthening good governance, the promotion and protection of human rights, as well as the need to work intensely to ensure that every person in the Americas, particularly those in situations of vulnerability or with special needs, may participate in the benefits generated by the knowledge-based society.

In addition, the Regional Plan of Action for the Information Society in Latin America and the Caribbean (eLAC2007) has continued to move forward. The eLAC working groups have generated agenda items for the next meeting in November 2007 in El Salvador, where their work will be evaluated and a longer-range strategy (probably going until 2011) will be designed.

At a sub-regional level, the Andean Forum on the Information Society was convened by the National Telecommunications Council of Ecuador (CONATEL) in September 2006. At this meeting it was determined that the Andean Committee of Telecommunications Authorities (CAATEL)21 should work on the development of an Andean strategy in line with existing policies and the WSIS and eLAC 2007 documents.22

Conclusions

In analysing the development of information society policies in Peru, we come up against a structure that still perceives ICT issues as “technical” issues, in which the relevant political actors have yet to take the reins.

A multi-sectoral commission set up to monitor the implementation of the Digital Agenda for Peru (developed by CODESI) is one of the spaces from which there has been an attempt to carry forward a coordinated effort for a national ICT strategy. However, a document worked on between 2003 and 2004 and finalised in April 2005, which then spent all of 2006 under “review”, was overtaken by reality. An update of the Agenda found that many of the goals had

Participation

At first there were no mechanisms for civil society to access discussions about establishing a digital agenda in Peru. When the Commission for the Development of the Information Society (CODESI) was made official, its exceptional nature was noted, since it allowed civil society participation: “[A]s necessary, CODESI may ask other bodies, institutions, unions and associations in general, public or private, and specialists, for the advice, information and support necessary to fulfill its objective” (Council of Ministers, 2003) While this occurred in each of the commissions created by CODESI, and civil society supported the work of the commission, very little has been done to bring about a change to the hegemonic structures that govern the development of the information society in Peru.

OSIPTEL and the MTC have established consultation mechanisms for policy and regulation projects, opening up the possibility for participation by different sectors of society. But this opening does not translate into a real possibility for participation in decision-making.

FITEL provided an opportunity for civil society organisations (CSOs) to present projects that would be financed with resources from the Fund. However, the mechanisms for actually receiving the financing are very complicated and require years of continual negotiation. The Vice Ministry of Communications’ Projects Office has not provided opportunities for engagement in implementing projects, and all the initiatives are directly implemented by the Projects Office or in conjunction with other state entities.

Various CSOs have begun contacting each other, spurred by a need to join together to create an agenda that allows them to design a common strategy. This process has resulted in the creation of the Private Council for a Digital Agenda for Peru (CPAD),23 initially formed by the Committee for Information Technologies of the Chamber of Commerce of Lima, the Peruvian Association of Internet Service Companies, COMMON Peru (Association of Information Technology User Companies) and Alfa-Redi.

Since May 2005, Perú-Digital24 has been the electronic discussion space for issues related to the information society in Peru. More than 300 messages circulate monthly on the list, which brings together more than 370 social actors involved in information society processes in Peru. The presence of political actors and policy-makers on the list has allowed collective reflection to inform some political decisions. The list has become, in effect, the most important space for engagement by civil society and the private sector.

21 The member countries of CAATEL are Bolivia, Colombia, Ecuador, Peru and Venezuela, which comprise the Andean sub-region of South America.
22 For more information, see: <www.funredes.org/mistica/castellano/ciberoteca/participantes/docuparti/Informe_Foro_Andino_de_SI.rtf>.
24 <www.dgroups.org/groups/peru-digital>.
no baseline, making the setting of minimal indicators the first task (which OSIPTEL has efficiently done).

Aside from this, CODESI’s greatest contribution has perhaps been the promotion of dialogue, the search for consensus, placing the issue of the information society on the agenda and helping to understand that the phenomenon is not just technological.

The dialogue with the CPAD has led to the understanding that public efforts cannot be separated from private ones, and that a shared agenda is more than necessary. Above all, the need to make the themes of the information society a government priority has become evident, just as they are being prioritised in the private sector and in civil society, and are reflected in the activities of international and regional bodies.

While some countries create specialised institutions for research on infrastructure topics, the one that existed in Peru (INICTEL) – and that needed improvement and updated goals – was dismantled.

We have said that 2006 saw progress and setbacks with regard to ICT policies in Peru. It resulted in a fruitful and constructive dialogue among activists, academics and businesses linked to ICTs, and a positive balance with respect to the consensus generated at certain levels of public administration regarding the sector’s needed reforms, beyond the installation of infrastructure. We now possess valuable information for directing and guiding policies, and there is an entity (the Office of the Ombudsman) charged with rigorously ensuring that citizens are the principal beneficiaries of the reforms implemented.

On the other hand, 2006 has left many questions. Among them: How does the dismantling of INICTEL fit into plans for the information society? How would renegotiation with Telefónica help increase internet penetration in Peru? Why has CODESI 2 not created a space for political dialogue with the relevant actors? Is it also worth asking about follow-up on promising experiences such as the Multi-Sectoral Commission on Computer and ICT Crimes led by the MTC and the Multi-Sectoral Commission on Domain Names, as well as necessary legislation such as the legislation on protection of personal data.

For non-governmental actors, questions also arise. What is the private sector’s responsibility in creating public-private alliances on issues of ICT for development? How is civil society involved in the processes of the information society? What are non-governmental actors doing on the issue of digital literacy? How can we move from reflection to direct action?

From another perspective we could ask ourselves how local efforts have been meshed in the context of a regional and global process like the information society, and how we can ensure that Peru’s efforts are not disconnected from regional trends. To what degree can Peru lead and become an engine of regional processes in ICT policies?

The year 2006 also left a negative balance of government reform that is not based on an understanding of how to move the country’s information society forward. In particular, it left unresolved the urgent need for a government ICT policy incorporated into the National Accord, and therefore by consensus of the various political forces.

Deepening political dialogue, expanding public-private alliances and continuing to safeguard the development of the information society are three things that should be priorities for those who are working to make Peru a more equitable and just society.

References


25 This is in accordance with the regional goals established in the preparatory process of the second phase of WSIS in Latin America and eLAC 2007 (<www.eclac.cl/socinfo/elac>).
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