COMMUNICATIONS POLICY AND LOW INCOME CONSUMERS

Reflections on Ofcom Consumer Panel Seminar, held on 29 November 2004

The seminar was designed to bring together academic researchers with Ofcom policy staff and members of the Ofcom Consumer Panel to assess the relevance of research to the current and future concerns of Ofcom, especially those falling within the remit of the Panel. The starting assumption was that much research of this kind was unknown to policy makers, whether through its limited dissemination, tangential relationship to policy debate, or occasional opacity of presentation.

The Seminar amply suggested the richness and diversity of such research, and also underlined the point made by Ofcom Senior Partner Ed Richards, in his introduction to the Seminar, that Ofcom was committed to research and evidence in the formation of policy.

Research Present and Future

There were some common threads emerging from the research presented.

1.   All the evidence shows persistent and substantial inequalities of access and use by both income and age. The 'digital divide', though becoming a cliché, nonetheless describes a real schism in the experience and opportunities facing different groups in the population.

2.   There are variations in the evidence about whether income is the most important of the drivers of such differences. In some research income is one among several variables, notably age and gender, in differentiating ICT use and access. However, income does seem to factor into these secondary variables in much research. It remains inconclusive how far income is being displaced by these other variables. The UK has a wider income range and inequality levels than most other European countries. To some extent it depends what is being assessed as the dependent variable. Several researchers noted both the recurrent expenditure required for active use of ICTs over time, and the dynamic nature of people's engagement with them, both within their own biographies (the "digital career") and as a result of experience. The Internet was described as a trust medium – the more you learn to use it and rely on it the more you use it confidently and consistently; conversely, evidence both from the UK and Norway points to substantial churn – people experiencing then rejecting and withdrawing from Internet use, for example.

3. We need to recognise the complexity of income as an independent variable. There is the question of how it is controlled and distributed within households to consider. There is also the problem of 'disposable' income, a much smaller fraction of total income or household expenditure for low income households. How and to what extent different goods and services become redefined as necessities over time is an important area for research to explore.

4. The importance of age raised a number of future research questions, not least the issue of whether we are witnessing an age or a cohort effect. In other words, do all users become more enthusiastic and confident over time, or is this a transient phenomenon, requiring attention to be given to current middle aged users, or non-users, whose old age may prove less conservative and inflexible than among some people currently elderly? Would focusing on this anticipated shift misrepresent and disregard the needs, skills, and requirements of the currently older population?

5. Consumer detriment, meaning the enhanced difficulties faced by low income consumers, was evident in analysis of telecommunications policy and practice. Low income consumers faced difficulties in meeting the costs of telephony, for example, which were only partly ameliorated by giving them better information about cost saving or bill-controlling schemes. Rather, the root problem remains in the brute facts of low incomes.

6. Several research projects allude to the broad question of access to ICT as being much more widely bound up in questions of citizenship, as such access and availability acted as conduits to the measures by which people took an active part in their society. This required providing people with support, training, competences, and encouragement. In this context it may be that some of the definitions being used of media literacy are somewhat limited, being unduly focused on knowledge of and familiarity with particular technologies or operations. These issues related research on what information was available, how it could be used, how neighbourhood and community facilities were or could be vitally important in people's lives, and to what extent mentoring or similar schemes could compensate for initial inhibitors or barriers. Investigation of how people engaged with the new technologies was beginning to recognise how far other areas of people's lives shaped such encounters. Research into the complex and subtle ways in which people obtained access to the Internet and related technologies was only beginning to recognise the array of resources, cultural, psychological, as well as financial, which were needed to optimise such use. This was clearly an avenue for future research to explore.

7.	A final general theme was to recognise that research often addressed problems and social action in ways that did not neatly reflect the administrative and bureaucratic boundaries of departmental responsibility or current consultations. Ofcom has no regulatory responsibility for the Internet, for example, while discussion of income inequality and education, among other things, moved into the remit of DfES and DWP if no further. This illustrated the difficulty of matching academic research too neatly and tightly to current policy initiatives or proposals, if this might lead to inappropriately circumscribed research designs and analysis. This also suggests an urgent need for a 'joined up' policy response that not only embraces all the relevant areas that fall with Ofcom's remit but is synchronised with initiatives coming from other relevant departments and agencies.

Some Policy and Research Issues Arising

8.	As more services migrate to the Internet and/or are only available on-line, disconnection becomes a form of disenfranchisement, severely curtailing the exercise of citizenship rights - defined broadly as the right to participate fully in social, economic and political life and to help shape its future forms. Thus research and policy addressing access and opportunity to use or be debarred from using ICT, needs to be set in much wider questions and discussions of citizenship rights.

9.	In a situation where innovations in communications technologies and services are both fast moving and occurring across a range of areas (home computing, mobile phones, digital broadcasting) there is an urgent need for policy to be supported by the best available evidence. This is unlikely to be provided in full by one-off investigations of specific areas or issues. There is therefore a strong case for longitudinal panel studies that can track the impacts of change.

10.	The location of Internet and related facilities is dependent on and affects how they are socially provided, or marketed, and how people conceive them both culturally and within their household budget. This has implications for the following areas of policy:

- is access better organised through home computers (as at present) or through digital television?
- Internet enabled television sets would provide an added incentive for switch-over by providing a range of additional services.
- There is also a case for developing the BBC's current public web site – which is already well used and highly trusted - into the public Internet gateway of choice providing links to non commercial sites on a range of areas.
- The suggestion of using community mentors to provide practical help and support to new Internet users, particularly among elderly people, could be supported and extended. As a further support for elderly users it is worth considering introducing

meetings in community and lunch clubs along the lines of reading groups - where a particular Internet site was chosen for discussion and demonstrations of use.

11. The issue of telephone connection charges and disconnections prompts the need to look long and hard at the case for extending the principle of universal service into the broadband arena - and considering the implications of introducing a levy on commercial operators to subsidise lower charges to the least well off. The idea of a levy as one possible way of financing a new public service publisher has been canvassed, so the idea is not entirely off the agenda.

12. Research is yielding rich and valuable insights into the ways in which people are managing their way into the fast changing world of communications. More could be done, not only in communicating this research, but in developing a number of questions which remain incompletely investigated. These might include, for example,

- Long-term studies, using various forms of qualitative panel data, to study the complex issues of familiarisation, confidence, trust, competence, demand, and intra-household decision making that are all relevant to people's 'digital careers';
- Studies that move beyond the media and communications dimensions of people's lives to explore their use of such resources more generally in their lives as citizens, consumers, and workers;
- Detailed qualitative case studies of the ways people use and manage communications, searching beyond notions of 'media literacy' which are unduly rooted in technology, hardware, and awareness alone.

The Seminar provided a rich, if far from complete, opportunity to learn of some research relevant to policy debate about the problems facing low income consumers in the communications market place. It did not, and could not, point directly and simply to regulatory options. The need to relate communications regulation to other areas of public policy, the major issues arising from income inequality, generational experience, the provision of public space and services, all arose from a broad review that inevitably strayed away from the immediate purview of Ofcom. Beyond the research introduced at this seminar there is plainly a great deal more, not conceived primarily to address communications regulatory issues (for example across social policy research), which it would be necessary to consider, properly to address such issues.

Further seminars could be valuable, focused on more particular issues, for example the experiences and needs of particular groups (women, elderly people, disabled people, children, for example), or on particular aspects of ICT and society within areas related to Ofcom's remit (for example research addressing the actual experience and use of ICTs over time in various household types). The encounter of evidence (driven especially by research

perhaps not overly dictated by current policy initiatives) with policy debate, which would arise from such seminars, would reflect exactly the emphases within Ofcom set out by Ed Richards, and those of the Consumer Panel.

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