

ICPS newsletter

Ukraine can create an information society

On 17 May 2002, Telecommunications Day, the State Committee of Telecommunications and Informatisation of Ukraine, under the framework of the "Ukraine: Information and Communications Technologies to Foster Development" project, held a roundtable talk to debate the topic "Information and communication technologies for everybody: enabling people to bridge the gap in digital technologies." Participants included representatives from the Government of Ukraine, the academic community, and international non-governmental organisations. Below is a summary of the speech delivered by Vira Nanivska, ICPS Director

The "Analytical Support for Privatisation of the Ukrtelekom OJSC" project—which was the result of cooperation between the State Committee on Communications and Informatisation of Ukraine (SCCIU), the Ukrtelekom OJSC, and ICPS—is a rare occurrence; for the first time, state structures aimed to make a purposeful reform survey and plan. And this gives us reason to hope that the sector will not only be successfully reformed, but also become a leader among other departments.

Public policymaking is taking place in working groups that include public servants (SCCIU), representatives of communications operators (Ukrtelekom and other operators), and Ukrainian and international consultants. The recommendations are being prepared by way of achieving a consensus among participants of the working groups. Under the framework of the project, the groups are focusing on telecommunications development strategy, tariff regulation, communication accessibility (Universal Services Fund), regulation of operator interconnections, and building an information society. Additionally, groups on legal support and European integration contribute to the work done by these structures. Below are some ideas and notions formulated by the project participants working for the State Communications Committee, Ukrtelekom OJSC, and others.

Assessing the situation and undertaken measures

High-quality communications that are universally accessible are a cornerstone in bridging the gap in digital technology utilisation in Ukraine. Ukrainians do not have equal opportunities in using digital technologies in Ukraine. For example, the telephone installation waiting list numbers 2.5 million households; in rural Ukraine, telephone penetration covers 3.3 times fewer households compared to cities;

over 75% of rural households have no telephone lines; and over 85% of telephone numbers operate using analog switching systems, which reduce Internet access opportunities, as well as additional services of telephone networks.

Over the past year, the managers of the SCCIU and Ukrtelekom undertook crucial steps to tackle the problems hampering sectoral development. The work was launched to devise a cogent public policy that will foster development of the telecommunications sector and information technologies, while activities of the Ukrtelekom OJSC were channeled to maximise revenues. In order to achieve this goal, the company is adopting the best available practical experience and organisational structures. The process of distinguishing commercial and social functions of telcos was initiated, and it was decided to create a viable mechanism for financing and control over achieving social goals.

Key problems

Among the problems hindering development of the telecommunications and IT sector, we can specify the following ones: inconsistent public policy on regulating the telecommunications and IT sector; as technologies develop rapidly, the process of adopting government decisions slows down; public policy in the telecommunications sector is not separated from corporate strategy; extant public policy in the sector does not furnish incentives and conditions for investment in the sectoral development; no organisational measures were undertaken to facilitate consensus of interested parties on the sectoral development strategy; the government did not come up with a common understanding of the sectoral development goals; leading telcos have not attained a feasible efficiency level; no efficient mechanism to ensure accessibility of telecommunications services was established.

These problems are common, popping up in all the spheres of strategic decision making in Ukraine, both government and corporate.

To completely do away with the above problems, we need a coherent public policy.

Why "information society"?

"Information society" is one of the definitions of the type of society or of the societal structure which should supersede the existing one. The "information" term signifies that the basic activity in such a society is processing and usage of information. In the formation process, an information society undergoes a number of transformations, with modifications in the social structure of society in the forms of adopting political decisions—with the educational sector shaping anew, with changes in the job/labour market and its structure, in the perception of national and personal security, human rights; and in the understanding of strategic resources. Ultimately, transnational relations and development assessment criteria are acquiring new forms. Therefore, competitiveness of countries is measured using the following set of criteria: (1) level of implemented technologies (capability of a country to encourage new discoveries and assimilate technologies); (2) the quality of public administration, the status of the courts, execution of government obligations; and (3) economic stability (inflation management, budget balancing, realistic currency exchange rates, as well as the government capacity to obtain and pay off loans).

This list can be further extended with a number of other, no less important changes, coming about in all the spheres of public life and international relations. We should emphasise that informatisation changes all the characteristic features of society. These changes cut both ways—on the one hand, doing good to the society, on the other, ruining customary lifestyles, working habits and forms of security. Therefore, the transformation process should be arranged so as to facilitate accomplishing necessary results with the least social and cultural losses.

Information society taking its roots: global paradigm

A large set of criteria is used to assess the capability of a country to enter an information society by observing the norms

of the “Provisions on the frameworks for creating an information society” and fast/accelerated provision of accessible-for-all communications services. They include (1) existence of a national policy on globalisation processes and informatisation; (2) existence of a system of analysis, assessment, and monitoring of the informational society and identifying emerging problems; (3) existence of developed infrastructures in the society (financial, managerial, investment, distance learning, trade, etc.), which necessitate information infrastructures; (4) the educational system, which is a link in the chain of sharing the skills of working in an information society; (5) sharing technological literacy within society; (6) a corresponding set of laws and professional codes, regulating new forms of social relations; (7) an appropriate level of material and technical support for informatisation processes; (8) own capability to assimilate, initiate, and implement technological achievements; (9) a high investment level in priority areas of the information society development and social programs of change adjustment.

Most countries around the world do not have sufficient possibilities for entering the information society on equal footing, that is why they simply act in the implementation of someone else’s programs and projects. In Ukraine, such capabilities are not regarded in the context of a system, and hence, nobody focuses on the ideology of their creation.

Informatisation and globalisation

Under the globalisation and sprawling informationally supported infrastructures, financial crises or political conflicts can spread rapidly around the world. In the meantime, some countries have already created mechanisms for counteracting these adverse impacts, while others fall victim to it. There emerges a very grave danger in the “transition zone” of implementing mechanisms of information society, when a country enmeshed in the globalisation fails to work out protective security mechanisms.

Some countries, drawn into globalisation, have no corresponding infrastructures; thus traditional institutes are abolished, and their restoration will require institutions of management, education, organization of life. Most countries have no projects and programs for establishing appropriate infrastructures. Pro-globalisation countries and international organisations usually view these processes as natural; the existence of institutions and skills, supporting infrastructures is regarded as a natural thing, induced by political changes. The idea is to create infrastructures in those

societies that undergo unsystematic transformations, when, for instance, financial infrastructures are modified without being influenced by other competing infrastructures.

Ukraine has just started to develop the capacity to be an independent participant in globalisation and transformation processes. Therefore, there is an urgent need to undertake an additional analytical work to fulfill the second requirement of the “Frameworks of creating an information society”—conforming with the needs of the information society, which is stated as a condition of EU accession.

Capability to introduce changes as an essential prerequisite of establishing an information society

We should acknowledge that Ukraine’s real public policy is not centred on modernisation processes. On the contrary, the level of material and technical support for informatisation and modernisation processes is negligible. A policy of adjusting the content and form of education to suit the needs of an information society is missing. This fact to certain extent accounts for the low overall technological literacy of the population. In Ukraine, no policy of investment in modernisation and informatisation is being pursued, either. Today’s state modernisation programs get less funding than it should in such programs. Informatisation, being an essential part of modernisation, requires hefty financial expenditures, skilled professionals, and a corresponding change management system.

Key areas of public policy in the telecommunications sphere have already been specified. However, there is no plausible and publicly approved policy regulating development processes in an information society devised yet. This state of affairs has resulted from the application of an approach when the development of an information society in Ukraine is regarded as an isolated sectoral case, and not as a systematic transformation of society that necessitates public participation in the process. Therefore, public policy of public consultations on creating an information society should be set up, which is a prerequisite of executing the first goal of creating an information society—ensuring public access to communications.

The state does not possess all the necessary financial and human resources to ensure a rapid transition to an information society (in the document on “Europe 2003+”, 2003 is defined as being crucial for laying the foundations of an information society and for achieving key objectives in EU candidate countries). This process

demands searching for alternative ways to establish an information society, analysing its pros and cons, risks and necessary resources, setting priorities for resource utilisation, that is, developing an organisational policy of building an information society.

Ukraine ought to find answers to the following questions:

- *How to stimulate the development of new technologies in the country?*
- *How to single out priority areas for creating modernisation resources and how to ensure their efficient and effective utilisation? How should the system of work management and organisation look?*

In order to find answers to these questions, the assessment criteria for policy options in the telecommunications sector should be devised and the following questions ought to be resolved: how coherent the proposed option is, whether it has any intrinsic contradictions, which, when put into practice, might make the policy inconsistent and instigate abuses; will this option attract more investments to the network development and boost the level of technical accessibility of communications services; will this option encourage communications operators to provide services of an appropriate quality; will proposed economic regulations ensure the efficiency of resource utilisation; will the principle of justice be observed; how much will it cost for society to implement this particular option; is the implementation of this option feasible?

Conceptualisation of an informational society in Ukraine

A common problem related to transition to an information society is pouring new wine in old bottles, that is, new technical devices are fitted into the existing “vertical” scheme of decision adoption.

The problem of change management in the process of creating an information society can be put as follows: how to devise modern-day mechanisms of adopting political decisions and thus securing an actual transition to an informatisation-based hi-tech democratic society.

The chief objective of the “Analytical support of the privatisation of the Ukrtelekom OJSC” project is to conceive conceptual frameworks of an information society, grounded on the goal already specified in public policy documents—“what we aspire to build,” the emphasis should be put on the ways of achieving it—“how to accomplish this with the best results possible.” This means that the project contents cover much more than sectoral objectives and notions. A real public policy can be devised only after various issues pertaining to the establishment of an information society from the standpoint of transformation, globalisation, labour-market challenges, national security, human rights, etc., have been analysed. In this case, a real policy is about identifying not only benefits, but also transformation-related risks, including the capacity to foresee corresponding events. ■

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