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**Main topic: Public Service Media faced with Convergence
Stakes**

**Presentation: Consumer Associations Contribution for
Consensual Convergence**

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MOTIVATION:

Consumers are often forgotten when communication products are evoked, while it is for them that terminals (mobile phones, receivers, computers, etc) and programmes are created, produced and broadcasted.

Which part do consumers play in the whole process of convergence, and how can they act upon it?

INVESTIGATION AND REFLECTION MAIN LINES

- Situation analysis of operator services (GSM, telephony, Internet access, and media);
- Proposal of collaboration approaches among operators, broadcasters and consumers.

❖ EXPECTED OUTCOMES

- Consumers retroact and the communication cycle is perfect;
- Consumers concerns are better known;
- A consensus can be considered for better services provided by operators with better costs.

Introduction

The creation of consumer associations ensues from a right recognized by the law dated July 1st, 1901 for those countries governed by the French Law like my country, Benin.

This law is the legal foundation of the right of association. It is within this framework that associations were originally established to deal with the protection of consumers' interests. These associations blossomed following the emergence of the consumer society from the 60s. They contributed to develop an economy further concerned by the consumer's interests, and that is more focused on the social and unity aspects.

Economic development and technological progress led to the increase of exchanges and the trade offer, while increasing both the consumer's choice possibilities and the risks related to his/her capacity to make an enlightened and harmless choice.

Within this framework, consumer associations play a very important part: they serve consumers by providing them with information, giving them advice and possibly supporting them. These associations are the partners of experts and authorities who consider them as an essential representative.

However, the consumption area is developing to come to the constantly renewed expectations of the modern society. New topics have been added to issues strictly focused on consumption. This is the case for issues related to the protection of the consumer in a so-called global information society. In the era of digital convergence, which is the place of consumer associations' mission?

Before suggesting any clue for reflection, let's try to understand the phenomenon and its consequences.

Digital convergence process

Digital convergence is an old phenomenon. However, it has quickly developed during these last years, and it merges three elements: information, its base, and its transport.

- Information is the set of the physical objects from the past (pictures, records, paper documents, video cassettes),

which digital technology "dematerializes", transforms into simple "information", that is to say a series of bytes.

- The base is the combination of the mass or ephemeral memory, the hard disk or flash memory, all that contains a number of more and more important bytes, and the protocol required for the interpretation of the meaning of this series of bytes (a programme).
- Transport is the passage of this information from one point to another in order to be "consumed": read, listened, watched, copied, by any network, be it local or extended, private or public medium on a physical base or through a type of radio programme.

Digital convergence is concretely translated by the merging of apparatuses that were different up to now, such as telephone, television or computer with the HI-FI channel. This has been made possible thanks to the digitization of contents and communications.

Illustration

Convergence process is reflected in the permeability of the surface or even the disappearance of impervious surfaces, which existed between techniques or disciplines and branches of industry that were unknown to one another.

The oldest expression of this convergence phenomenon, which did not have a name at this moment, is the transfer of stored information from a paper medium (manual written or typed information) to a digital computerized medium. In this case, digital convergence merges in one of the phenomena being at the root of computing.

A more recent outstanding example is the disappearance of the surface existing between the computer network (commonly called "IP world") and the voice network (fixed telephone or GSM radio). In this area, "voice over IP" or VoIP implements protocols (mainly Internet Protocol, IP, as its name shows it) that enable to transport the digitalized voice toward any type of

computer networks, whereas this transport was the exclusive right of telephone operators on private networks.

This surface disappearance is often the result of a deliberate industrial strategy, for example in the case of passage from video cassette to proprietary format for film recording to vanilla format of CD-Rom/DVD-Rom/AVI file or equivalent. This phenomenon was widely initiated by market holders (Sony, Philips), which want to sell CD-Rom drives after having sold video recorders.

In other cases, influential stakeholders put, as far as possible, a damper on the movement, like in the case of digital photography because the market benefits were based more on consumables (argentic films) than on sold materials, such as camera bodies. Today, as the movement shows the full power of its impacts, historic stakeholders like Kodak, are witnessing a lot of difficulties, while other stakeholders are bankrupt (Fuji, mainly active in paper argentic photography printing). Telephone operators must now convey photographic images, picked up with mobile phones, which are hybrids of cameras.

Moreover, in 2007, we witness the convergence of fixed and mobile networks, which is made possible by the advent of digital technologies. Indeed, we can now use WI-FI mobile phones connected to a WI-FI point of access to make call with Internet tariff, for free.

Some immediate consequences of digital convergence

Operators' services (GSM, telephony, Internet access, media), volunteer or under constraint candidates to **digital convergence**, must pick up, record, transport and restore a physical phenomenon measure (a holiday picture for photography, a movie for the cinema industry, a paper information for an evening newspaper, a voice for a telephone operator, in short a "signal" in general). Prior to this **digital convergence**, this signal reception, recording, transport and restoration were carried out according to a process usually protected by industrial patents, which require dedicated and

industrially protected materials, a protected expertise or requiring consumables, which are themselves protected.

Today, each of these branches of activity becomes necessarily candidates for digital convergence since "signal" recording, being at the root of this industry sometimes old, passing from an old "established" process (paper, film, cassette...) to a new process, which is in its landslide majority, a digital process commonly called a digitization process. In general, this new process has a marginal impact on the upstream signal reception: we always need a photographic objective to pick up photography, or a telephone handset (a micro at least) to pick up a voice. On the other hand, the downstream process is basically disrupted: recording of signal received, transport and restoration, use of more efficient new channels (in economic terms).

The consumer therefore becomes the first beneficiary of this phenomenon for 2 additional reasons:

1. First, because the cost of products, "after" their introduction in a process of digital convergence, cannot be compared to the costs "before" their introduction.
2. Then because the service rendered by the products of a "converged" area have much more "usefulness" (according to the economic meaning of the term) that is to say that they rendered more and best services to the consumers.

Digital convergence is accompanied by a change in the structure of costs paid by the consumer to benefit from converged services. These costs tend to evolve towards fixed costs, and not variable costs: we move from a "consumable" logic to "fixed price consumption" logic.

The harmful effect of this new structure is an under use of overcapacity at the disposal of the consumer, as they are paid on an inclusive basis:

Protection mechanisms for the consumer

The development of exchanges and commercial offer is liable to increase the consumer choice. The telecommunication and digital technology sector is more and more opened and complex for the consumer who may have difficulties to adopt an enlightened behaviour. In this context, consumer associations will have to play a significant role because they are in the service of consumers in order to inform, advise and help them in the settlement of possible disputes that might derive from operators' access to service. They are partners of professionals and authorities for whom they are essential representatives. They must express the point of view of consumers on topical issues and major consumption topics.

The consumption field is in permanent expansion in order to come up to the new expectations expressed by a changing society. In addition to issues focused mainly on consumption there are concerns inherent to consumption modes related to technological evolutions that let appear a new increasing request for information, council and even assistance in the legal area.

Information, council and education mission on the agenda

The technological evolution and the speeding up of the convergence process require from consumer associations that they increase their expertise and reaction capacity. In other words, consumer associations must be strengthened to better understand current technological changes, the benefits for the consumer and the consequences at the social, economic and legal levels. It requires expertise and organizing capacity. They must take into account through their articles or TV or radio programmes, the existing problems on consumption and ensure consumer sensitivity expression and help them to assert themselves as autonomous consumers accountable for their choice.

success. To enable operators have quick access to critical masses of consumers would more quickly stimulate competition in the field of service provision where innovation opportunities and profits in term of consumer choice are greater.

Competition favourable to investment and innovation

Many people agree to say that the problem of access including the local loop and gateways is a determining factor for competition promotion and must urgently be subjected to a regulation. The access to networks is essential as it governs the links among network operators, service providers and final users who are consumers.

Therefore we have to contribute to discussions and have an influence on policies regulations and to help to:

- Determine whether the regulation must after all rely on competition at the level of services or encourage the emergence of competitive infrastructures, and
- In the convergent environment, if the regulation must play a dominating role beside competition rules.

Consumer associations must participate in these discussions and raise the users' interests and needs

Conclusion

In spite of these difficulties and inefficiencies, in spite of the tremendous consequences at the industrial level, the phenomenon of digital convergence is eminently attractive because it is full of promise: technical barriers are lifted there only remains the imagination barrier to invent new uses so as to use this profusion of technical means. The first beneficiary remains the consumer. But for this dynamics to be beneficial for the user, consumer associations must put a lot of effort into seeking refinement mechanisms of their expertise (to better understand technological evolutions), exchange gateways with operators as well as the development of their capacity of lobbying and advocacy to have an influence on regulation policies.