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In about two weeks, Geneva will host the World Summit on the Information Society. Government and business leaders will converge from around the globe, and no doubt proclaim the importance of spreading the availability of high-speed internet access -"broadband" -to the populations of developing countries. Broadband is regarded as necessary to prevent poor people falling behind economically and socially. But is that true, and should broadband therefore be a priority for developing countries?

Politics and economics are about choices. Of course it is preferable to have an internet connection that runs at 1 megabit per second rather than a slow dial-up service that might be 100 times slower. But such an upgrade costs about \$250 of new investment and labour per existing internet subscriber. Is this money well spent? At the same time, few people in poor countries have phone connectivity of any kind. Two-thirds of the worlds population live in countries with fewer than 10 phone connections per 100 people. It costs about \$1,000 to wire up a new user; wireless can bring down the cost somewhat. Thus, the money for about three broadband upgrades could instead support one basic connection of a new user to a network.

Telecommunications investments have been shown to have large multiplier effects. But should broadband or basic connectivity receive priority when investment money -whether public or private -is scarce, as it is now with the bursting of the telecoms and internet bubbles? Broadband benefits the urban professional classes; universal service benefits the rural areas and the poor. Faced with the unpalatable choice, and with the high-tech siren songs of equipment vendors and network companies, most policymakers will simply

deny its existence, or defer to technology fixes as overcoming them. But avoiding a choice usually means making an imperfect one.

Even in rich countries, the migration to broadband has taken a definite historic path. First, basic telecom connectivity for everyone was achieved, a process that took a century, until the 1970s. Wireless mobile communications followed, and their universality is now in striking distance. Narrowband internet started in earnest with the web in the early 1990s, and has now reached near saturation for those likely to use it. Broadband internet began a few years ago and has reached now 6.9 per cent of the population in America and 2.3 per cent in the UK. Several countries, most notably South Korea, have higher penetrations (21.4 per cent). In other words, rich countries first expanded their basic services across society, and only then embarked on bursts of upgrades.

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If residential broadband were to become a secondary telecom priority for poor countries, would they suffer for it? Not really. First, the expanding base of basic phone users would also increase the number of narrowband internet users. The extra speed of broadband is convenient but not essential. There are few things one could not do on narrowband outside its use for music and video. Yes, there are important applications, such as tele-medicine and distance education. For those, broadband may be justified in institutional settings, and they could grow into shared community high-speed access points. But that does not mean that broadband is essential as a residential **service**.

Second, the upgrade of the infrastructure to broadband, difficult as it is, is simple in comparison with the required improvements in the applications, content, and services that would operate on the faster network. Such applications are therefore likely to be dominated by providers in rich countries, which benefit from economies of scale and the huge drop in international communications prices, and which could therefore access the prosperous pockets of poor countries more easily. In contrast, domestic industries and content would develop better in the less demanding narrowband environment, in which they can access a larger number of small users whose needs are more familiar to them than to global companies.

The conclusion is therefore that the priority of poor countries should be to expand basic network connectivity, both wireline and wireless, through public investments and market structures that encourage private investment. It should also be to develop a base of narrowband applications and content providers that can later compete on the broadband platforms that follow.

It may be comforting to declare that one can do it all, widening service well as deepening it. This might be true one day. Until then, universal connectivity rather than broadband is the better but more boring strategy for development.

The writer is professor of economics and finance at Columbia University and director of its Columbia Institute for Tele-Information