



## **Redefining Broadband Affordability: Adopting a "1 for 2" Target to Enable Universal, Affordable Access**

### **A new affordability target is needed to achieve UN Sustainable Development Goal 9c**

The UN Broadband Commission currently [defines broadband as affordable](#) if an entry-level (500MB) data plan is available at less than 5% of average monthly income (i.e., GNI per capita). However, this definition of affordability does not account for poverty and income inequality – two major challenges facing the world today.

As the Alliance for Affordable Internet (A4AI) [2015-16 Affordability Report](#) shows, assessing affordability using the current measure can be misleading. In South Africa, for example, [average income \(as measured by GNI per capita in 2014\)](#) was US\$6790, but 60% of the population actually earn less than half of that amount. In practice, this means that a seemingly affordable mobile Internet connection (priced at 1.48% of “average” monthly income) actually costs the majority of South Africans anywhere between 6-19% of their income. The idea of a national “average” income is further skewed by gender inequality in earnings; across the globe, [women earn 30-50%](#) less than their male counterparts. This means that a country can meet the UN’s top-level affordability target, but still see a significant proportion of its population unable to afford to connect to the Internet.

### **The “1 for 2” target ensures that income is not a barrier to access**

The current 5% affordability target is insufficient in a world where income inequality is increasing. Even in countries that have achieved the 5% target, entry-level broadband (500MB) is [still too expensive](#) for at least the bottom 20% of income earners in the country – and much too often remains out of reach for all those except the top 20% of income earners.

Using a national average income does not account for income inequality and the unequal distribution of income found across many countries. Unfortunately, the reality is that country data on income distribution is limited; as a result, using a national average (i.e., GNI per capita) remains the most effective measure for tracking progress. The national average measure, however, must move below the current 5% threshold for the reasons mentioned above.

In determining what a more accurate target should be, A4AI analysis shows that [when prices drop to 2% or less of GNI per capita](#), all levels of income earners, including the bottom 20%, can afford a basic broadband connection. At the 4% and 3% levels, mobile broadband remains



unaffordable for the bottom 20% of income earners in several countries. A more ambitious 2% threshold will allow a broadband connection to become truly affordable for all income groups, enabling billions more to come online.

### **The proposed target reflects basic data needs for “entry-level” broadband use**

An additional issue is that affordability is currently measured against the cost of a 500MB data plan. The reality is that a data allowance of 500MB a month [allows a user to watch](#) just two minutes of high-quality video — not enough to enable regular use of health, education, and other valuable online tools and information sources. Users are hungry for more data and meaningful use of the Web requires it. Video and picture-rich content consume large amounts of data and yet, it is exactly these resources that are likely to be most valuable for the poor, marginalised, and frequently illiterate populations offline today. A larger data allowance is needed for users to realise the development benefits of the Internet. Doubling the current 500MB yardstick to 1GB would be a good start.

### **Redefining affordability and setting a new target: “1 for 2” to achieve SDG 9c**

Achieving the global goal for universal, affordable Internet access by 2020 (SDG 9c) means that we must work toward a more ambitious affordability target that will enable access for all income groups — not just the top few. Changing how we define affordability has the power to enable more inclusive access and close the digital divide. For this reason, A4AI proposes setting and working toward a new affordability target: **1GB of mobile broadband data priced at 2% or less of average monthly income.**

If we are serious about making Internet access a reality for everyone, everywhere, we must commit now to take concrete steps toward achieving this ambitious new target that will enable the billions of people that remain unconnected today to afford a connection. By adopting this proposed new affordability target, the UN Broadband Commission will make a bold statement about its goals — to achieve universal and equal access in line with the SDGs.