

Universal service obligation (A comparison between the UK and Saudi Arabia)

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Abstract:

The field of communications has experienced a surge in importance within modern society, with the COVID-19 crisis serving as a clear testament to its significance. In order to address this need, governments worldwide have adopted the Universal Service Obligation (USO) as a means of ensuring that individuals have access to a reliable internet connection. While the interpretation and implementation of the USO may vary, both the UK and Saudi Arabia have embraced this concept to develop their communication sectors.

Nevertheless, there are notable distinctions between the UK and Saudi USO approaches. The UK USO is firmly rooted in the principles of citizen rights and socio-economic development, aiming to empower individuals and communities. On the other hand, the Saudi USO places a stronger emphasis on government provision and control. Many experts argue that involving stakeholders in the USO implementation process, as exemplified by the British model, can yield more significant outcomes.

In conclusion, the field of communications has gained immense importance, particularly evident during the COVID-19 crisis. The adoption of the USO by governments like the UK and Saudi Arabia demonstrates their commitment to developing communication infrastructure. However, the approach and emphasis may differ, with stakeholder involvement being seen as a crucial factor for success. Regular evaluation and updating of the USO are essential to ensure its adequacy and relevance in an ever-changing digital landscape.

Keywords: Communications Law, Telecommunications Universal Service Obligation (USO), Broadband Access, Public Policy, Human Rights, Implementation Strategies, Policy Evaluation, Comparative Law.

المستخلص:

شهد مجال الاتصالات زيادة كبيرة في الأهمية داخل المجتمع الحديث، حيث كانت أزمة كوفيد-19 بمثابة شهادة واضحة على أهميته، اعتمدت الحكومات منذ عقود في التزام الخدمة الشاملة كوسيلة لضمان حصول الأفراد على اتصال موثوق بالإنترنت. في حين أن تفسير وتنفيذ، فقد تبنت كل من المملكة المتحدة والمملكة العربية السعودية هذا المفهوم لتطوير قطاعات الاتصالات الخاصة بهما.

ومع ذلك، هناك اختلافات ملحوظة بين نهجي المملكة المتحدة والسعودية في مجال التزام الخدمة الشاملة. إن التزام الخدمة الشاملة في المملكة المتحدة متجذر بقوة في مبادئ حقوق المواطن والتنمية الاجتماعية والاقتصادية، بهدف تمكين الأفراد والمجتمعات. ومن ناحية أخرى، يركز اتفاق الخدمات الشاملة السعودي بشكل أقوى على توفير الحكومة ومراقبتها. يرى العديد من الخبراء أن إشراك أصحاب المصلحة في عملية تنفيذ التزام الخدمة الشاملة، كما يتضح من النموذج البريطاني، يمكن أن يؤدي إلى نتائج أكثر أهمية.

ولضمان كفاية وأهمية الالتزام العالمي للخدمات، يعد التقييم والتحديث المنتظم أمرًا بالغ الأهمية. ويشمل ذلك تقييم فعاليتها في تلبية الاحتياجات المتطورة للمجتمع والتكيف مع التقدم التكنولوجي. ومن خلال المراجعة والتحسين المستمرين لتعميم الخدمة الشاملة، يمكن للحكومات أن تعالج بشكل أفضل تحديات الشمول الرقمي وتسد الفجوة الرقمية.

في الختام، لقد أعيد تسليط الضوء على مجال الاتصالات وخاصة خلال أزمة كوفيد-19. إن اعتماد هذه الاستراتيجية من قبل حكومات مثل المملكة المتحدة والمملكة العربية السعودية يوضح التزامها بتطوير البنية التحتية للاتصالات. ومع ذلك، قد يختلف النهج والتركيز، حيث يُنظر إلى مشاركة أصحاب المصلحة على أنها عامل حاسم للنجاح. يعد التقييم والتحديث المنتظم لـ USO أمرًا ضروريًا لضمان ملاءمته وأهميته في المشهد الرقمي المتغير باستمرار.

الكلمات المفتاحية: قانون الاتصالات، الالتزام بالخدمة العالمية للاتصالات (USO)، الوصول إلى النطاق العريض،

السياسة العامة، حقوق الإنسان، استراتيجيات التنفيذ، تقييم السياسات، القانون المقارن.

1. Introduction

As society continues to evolve, the understanding of human rights is also changing. One of the most recent rights to arise is the right to communicate. It is accepted as a right derives from the Universal Declaration of Human Rights 1948. Article 19 states: 'Everyone has the right to freedom of opinion and expression: this right includes freedom to hold opinions without interference and to seek, receive and impart information and ideas through any media and regardless of frontiers.'

This article is strengthened by articles 27 and 28. Article 27, section 1 states: 'Everyone has the right freely to participate in the community's cultural life, enjoy the arts and share in scientific advancement and its benefits.' Telecommunications can be seen as one of these scientific advancements that should be guaranteed as human right considering its increasing importance in

modern life. Article 28 addresses this right from a different aspect as it states: ‘Everyone is entitled to a social and international order in which the rights and freedoms outlined in this Declaration can be fully realised (Universal Declaration of Human Rights, 1948).

Therefore, it can be said that communication is an essential component for maintaining a global system that protects and enforces human rights (William J. et al., 2003). The concept of a universal service obligation (USO) was introduced to ensure that citizens worldwide have this right preserved. The European Union has this obligation service and users’ rights relating to electronic communications networks and services.

The Universal Service obligation had been integrated into UK law short while after the adoption. However, it was not until four years later that the Saudi government announced that universal access and universal service policy was coming into force in 2006. This essay will discuss the differences and similarities and argue that, while the concept is the same, two different approaches are used to enforce it. Accordingly, the essay is divided into two sections. The first one considers the concept, and the second is the approach. A comparison will be made under each section between the UK and the Saudi Arabian versions.

1.1. Research Aims:

- Examine the Universal Service Obligation (USO) in the context of communication development
- Assess the implementation of the USO in different countries, with a focus on the UK and Saudi Arabia
- Investigate the variations in interpretation and implementation of the USO in the UK and Saudi Arabia
- Compare and contrast the underlying principles and emphases of the UK and Saudi USO models
- Highlight the importance of stakeholder involvement in the USO implementation process
- Analyze the potential impact of stakeholder involvement on the effectiveness and outcomes of the USO
- Emphasize the need for regular evaluation and updating of the USO to ensure its adequacy and relevance
- Contribute to the discourse on digital inclusion and bridging the digital divide

- Provide insights, best practices, and recommendations for improving the effectiveness of the USO in meeting the evolving needs of society.

1.2. Research importance:

- Addresses societal needs by examining the implementation of the USO.
- Provides comparative analysis of UK and Saudi USO models.
- Emphasizes stakeholder involvement for more effective outcomes.
- Highlights the need for regular evaluation and adaptation of the USO.
- Offers policy and practice implications for policymakers and stakeholders.

2. USO concept

This concept has been through different stages and developed over time before it reached the modern version that we see today. Therefore, it is essential to include a short introduction to give historical background.

2.1. Historical background

In its initial stage, The universal service obligation (in short USO) was introduced in the US in the late nineteenth century. There was a dual telecommunications service running by different companies, which was destructive to the new market. There were two rival camps that did not cooperate, meaning that customers to one service cannot communicate with customers using another service. The USO was then introduced to establish that telephone access should not be undermined by market competition practices and in order to promote cooperation. At this stage, the concept referred only to a unified, interconnected monopolistic network (Batura, 2016). The idea of the provision of a service at affordable prices to all citizens was evident in the later European legislation. The liberalisation of the telecommunications market was associated with USO as an essential aspect because before the government ran this telecommunication services as a public interest. Since this would change the market, safeguards were needed (Batura, n 3). Similarly, the Saudi government started to privatise the telecommunication sector in 1997, but it was not until 2006 that the USO was officially adopted.

2.2. Definitions

The European Commission in 1992 identified that its main principles are: universality, meaning affordable access; equality, meaning service for all residents; and continuity, meaning sustainable

quality¹. On the other hand, the Saudi USO policy states that ‘the universal service implies 100% of the population are reasonably able to subscribe to and use a defined ICT service at a defined quality on an individual or household basis (The Universal Access and Universal Service Policy. Citc.gov.sa, 2021).’ From these definitions, one can see one of the USO issues, is the scope of the covered services. The European definition omits the scope, which means there needs to be a discussion about whether it only covers fixed-line services or should be extended to include other types of communications. To illustrate, the UK Office of Communications in 2006 stated that ‘Universal Service ensures that basic fixed-line services are available at an affordable price to all citizen and customers across the UK’ (Ofcom, 2006). The latter was followed by the USO for broadband in 2020 after the extending decision o include broadband-based services enter into the force (Hutton, 2022).

In contrast, the Saudi government has a more futuristic view and uses the broad term as “ICT” which means broadband or any means of communication are included (The Universal Access and Universal Service Policy, n 5). Thus, when the Internet and mobile phone services were presented, they were automatically included in the USO coverage. Besides this, the concept is relatively the same. However, there are clear principles that are used to support the concept in the European version. To conclude, the EU version of the USO is implying support several values such as equality, universality and market liberation, which is fair to say that the USO represents the European legislation spirit as such. In constant, there is an absence of any reasoning to support the Saudi version’s policy, allowing one to argue that it is an attempt to imitate it, with some modifications.

3. Contrasting approaches

As discussed above, the concept appears almost identical. However, there are differences in the applications and enforcement methods. This section starts by looking at the USO’s status, its value and how it is executed.

¹ Directive 2009/136/EC of the European Parliament and of the Council of 25 November 2009 amending Directive 2002/22/EC on universal service and users’ rights relating to electronic communications networks and services, Directive 2002/58/EC concerning the processing of personal data and the protection of privacy in the electronic communications sector and Regulation (EC) No 2006/2004 on cooperation between national authorities responsible for the enforcement of consumer protection laws, OJ L 337, 18.12.2009, p. 11–36

3.1. USO status

What is meant by the status is how the USO is ranked in the jurisdictions under the law. The European side has integrated the policy and the obligation into the legislation as a legal right. Thence, the government is held accountable for any breaches. A good example is the USO for broadband in the UK which states that a resident has the legal right to request an affordable connection and their request must be met if it qualifies. This is, unfortunately, not the case in Saudi Arabia. The Saudi USO regulation and policy were issued by the Minister of Communication and Information Technology. This means they are not sufficient to establish a recognised legal right. This is primarily due to them not being supported by any legal rights found in the Basic Law of Governance² which functions as the Constitution. This indicates the Saudi government sees USO as an administrative matter, and a means to achieve practical goals, unlike the Europeans who actively engage citizens as rightsholders. In other words, the former focuses on organising the process of telecommunication within a relatively young nation while the latter focuses on enabling the citizen with their right.

3.2. Enforcement

The evaluation in this subsection will be in terms of readiness, interaction, transparent procedures and impact.

Ofcom has the power to regulate a wide range of communications services in the UK, including TV, radio, broadband, home phone, and mobile services. Ofcom has issued a number of related documents such as a Review of the Universal Service Obligation 2006 and Implementing the Broadband Universal Service Obligation 2018. It is noted that Ofcom also provides an insight suggestion to the parliament and legislators, but also manages some of the enforcement aspects, including supervision over USO enforcement. What is encouraging is that Ofcom appears to be active, and it releases reports and data on a regular basis. In particular, it has clear procedures to request a service covered by USO for both telephone services and broadband.

There are different arrangements to request an affordable connection under the USO for line-based service and broadband service. Every service has its organisation that supervises and ensure compliance with the USO. Overall, in terms of readiness and interaction, it seems the UK has done a decent job.

² Royal Order, 'Basic Law of Governance' [1992] Umm al-Qura Gazette 1.

Concerning impact, the percentage of the population that uses the Internet will be the chosen criterion for the purpose of comparison. In the UK, 96% now have access to the Internet compared with 26.8% of the population in 2000 (Johnson, 2020).

On the other hand, The Saudi Communications and Information Technology Commission (CITC) is the government agency that regulates the telecommunications sector. Like its British counterpart, CITC handles and supervises the industry at large. The noticeable difference is that CITC is ICT focused, which means that it deals with fixed-line, mobile phone and internet services as a whole. Therefore, it seems more harmonise and comprehensive than the UK version (The Universal Access and Universal Service Policy. n 5). CITC is active but releases data and reports to a lesser extent. Since the Saudi USO is directed towards companies and not the public, there are no exact steps to request a USO service, if applied. This again illustrates the fact that the Saudis see USO as an administration method, not a legal right. The impact seems more promising than the former, though, as 93.3% of the Saudi population have internet access in 2020. Notably, the figure was only 2.2% in 2000 (World Bank, 2020). It is to be understood that these achievements can be attributed to the USO and many additional factors. However, it is reasonable to assume that the USO has contributed a considerable amount to it.

3.3. Funding

One of the fundamental principles of the USO is that the government owes a responsibility to the public to ensure that all residents can use modes of communication. This means the government has to intervene in the communications. However, market liberation was one of the reasons for the USO being adopted in Europe. Hence, the UK funding method is considered as minimisation to government intervention. In 2018 the government appointed two several companies, as USO broadband providers. These organisations are entitled to request compensation for the cost of providing services if they could not cover it solely. It fell under the terms of The USO. Ofcom services are requested from the market regulator Ofcom. The compensation of the cost caused by providing uncommercial or costly services, under the USO, comes from an industry fund. The government has not committed any contribution to this fund (Hutton, n 8). Similarly, telephone services and Broadband service are operating in the same way but different organisations.³

³ Statement Publication, 'USO Review 2006'.

By contrast, the Saudi USO fund is entirely funded by the government. It works as a government agency by dividing the areas into different zones based on commercial profitability and the level of existent services. A plan was then developed, and it was put to tender, with the awarding of bids as a final step (Universal Service Fund Foundation Citc.gov.sa., 2021). Overall, there is a high level of government intervention in the Saudi version, while the British government only oversees the sector at a basic level.

4. Conclusion

In conclusion, the field of communications is an increasingly important aspect of modern life. The COVID-19 crisis has shown the importance of giving people a decent internet connection, no matter where they live. Therefore, the USO has been adopted by governments worldwide. It is to be expected that there will be a variation in their interpretations and implementations. As has been presented, although both definitions of the concept are similar, the approaches are entirely different. The UK USO is based on the notion of citizen rights and has socio-economic reasons, as evident from how it has been implemented. The Saudis approached USO as a method to further develop the communication field in a young nation but did not emphasise the right to have a means of communication. Instead, there was a focus on how the government can supply these services to the whole population. I believe it will have a more significant impact if people are involved in the process similar to the British method. Nonetheless, the USO's future is looking promising as long as it is evaluated and regularly updated to ensure that it is adequate and inc

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