

THE WEEKEND READER

“Your Weekly Read on Debt, Development & Social & Economic Justice”

2/4/22

A Pricing Cap on Data Tariffs Now Critical to Protect the Poor

Increases in data costs announced this past week have a negative impact on many sectors of the Zimbabwean society especially students and informal sector businesses which rely on internet for research and social media to reach customers respectively.

Barely a week after Econet increased its data costs Netone also announced the new costs of purchasing their data packages. Telecel is expected to follow suit soon. Zimbabweans are at the mercy of the profit motive of the internet market which is controlled by only seven major internet service providers. The fact that these same private sector companies control the country's internet infrastructure means that government has little power to intervene on consumers behalf. It also means that the country's internet infrastructure and business model is beholden to the debt recovery interests of private creditors who financed the development of the infrastructure. These continuous price increases by the Telecoms give credence to calls for the government to impose caps on data price increases to ensure that all Zimbabweans enjoy the right to access the internet. Ordinary citizens who can hardly afford basics, more than half of whom are living in extreme poverty are heavily impacted and thereby left behind. The world has become digital, and Zimbabwe is not spared. Zimbabweans deserve to access information and one of the channels being the internet. Section 62 of Zimbabwe's Constitution stipulates that every citizen has the right to access information. The rate that data costs have continued to rise leaves others behind and will increase the inequality gap between the rich and the poor with devastating generational implications.

Data Increase Key Concerns

Data Tariffs

Data costs continue to skyrocket in Zimbabwe beyond the reach of many ordinary citizens whose disposable incomes are already depressed.

Data or Food

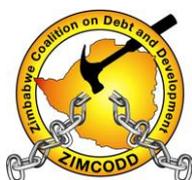
According to ZimStat, an average family of 6 needs ZWL36,918 per month for food as at January 2022. The average salary for civil servants has remained constant at ZW\$30,000. This means that Internet access then becomes a luxury.

Data - is it For the Many or The Few?

Low-income earners who constitute the majority are the hardest hit by high mobile data tariffs in Zimbabwe. The data regime is pushing for online spaces to be a preserve of the few and not the many.

Data Tariffs vs Access to Internet

Universal access to internet in Zimbabwe is still far from reality in Zimbabwe. The average salary for civil servants has remained the constant at ZW\$30,000. Everyone needs guarantee of internet access.



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Business vs Human Rights

The cost of data has a direct impact on one's ability to access internet and ultimately access to information. Access to information is a basic human right which most Zimbabweans are denied by high data costs.

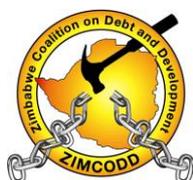
Table 1: Data costs by service

Network Provider	25GB Cost	US\$ Price (Auction rate)
Econet	ZW\$6,600	US\$57
NetOne	ZW\$6,500	US\$56
Telecel	ZW\$6,000 ** (20GB)**	US\$52

The high data costs have heavily impacted the education sector by further widening the digital gap between students in private schools and those in government schools. With the COVID-19 pandemic which affected the school calendar, most schools were conducting online lessons leaving behind the children from less privileged families.

Who exactly is to blame for the increase in data tariffs in Zimbabwe? Private sector players cite various reasons to justify the price increases including price adjustments by the Postal and Telecommunication Regulatory Authority of Zimbabwe (POTRAZ), rising operating costs, power-cuts and extensive vandalism of its infrastructure.

As long as the telecoms and internet sector are dominated by a monopolist interest in a context of poor regulatory oversight and weak consumer protection mechanism, rising internet charges will continue making poor Zimbabweans even poorer.



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