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NEWS RELEASE

Jaffnaites spend up to 12% of their monthly regular income on telecommunications

Colombo, Sri Lanka, 19 December 2005: A recent study has revealed that many financially constrained Jaffnaites spend more than 12 per cent of their monthly regular income on telecommunications. People in Jaffna depend heavily on mobile telecommunication and have the highest demand for international calls in the Sri Lankan sample.

A study of 'financially constrained' telecom users in Sri Lanka has shown that compared to similar users in other areas of Sri Lanka, users in Jaffna exhibit markedly different patterns in their telecom use. The study, released today by LIRNEasia, an Asian research organization based in Colombo looks at telecom use amongst people whose monthly incomes are below LKR 10,000 in the Badulla, Colombo, Jaffna and Hambantota areas.

The findings show that primary modes of access amongst those studied in Jaffna are mobile phones and public access (e.g. communication centers). The use of mobiles is higher in Jaffna than any of the other areas studied according to the study. A significant increase in telecom access in Jaffna occurred after the signing of the Cease Fire Agreement (CFA) in early 2002 when telecom operators other than SLTL were allowed to enter the market. Prior to this, SLTL was the only operator permitted to serve this area. It provided a total of 8,021 phone connections in the entire Northern Province.

According to Mariam Hameed, one of the authors of the report based on the Jaffna findings, "After the CFA was signed, Dialog GSM entered the market and satisfied much of the pent up demand for telecommunications. This is clearly evident from the number of new connections that were issued in the North (and East) when the mobile operator entered the market." There were over 150,000 new connections given in the North and East in 2003, out of a total of 461,823 new connections given in the entire country.

The choice of mobiles, as opposed to fixed phones in Jaffna, is one of convenience, flexibility and a possible lack of other options. As indicated in the report, “The civil war that raged for two-decades left the area with poor telecommunication infrastructure. The installing of new lines is a costly and time-consuming affair, and for people with a need to keep in touch, mobiles provide a quick, hassle-free option.”

In addition, the analysis showed that Jaffnaites make and receive more international calls. Thus they tend to spend larger amounts on telecommunication. This is another result of the conflict that affected the area. Many people migrated abroad, often leaving family members behind. This need to stay in touch is highlighted in the findings. The need to coordinate remittances as well as to stay informed about the welfare of friends and family means that expenditure on international calls is high. The study revealed that some people spent almost 12% of their income, which “is a large fraction of monthly income, for financially constrained people to be spending on telecommunication.” However, the coordinator of the overall project Ayesha Zainudeen noted that “it is possible that there is an underestimation of income in the Jaffna study. The percentage spent on telecom is so high that we suspect the income reporting excluded remittances. In a future study, we hope to investigate this question in greater depth.”

LIRNEasia’s Executive Director, Professor Rohan Samarajiva, said that the Jaffna case study contained many important lessons for those working in reconstructing post-conflict societies. “In these societies, families are fragmented and a sense of security and connectedness is highly valued. The ability to communicate with loved ones is a critically important element of the healing process, in addition to being a basic human right. Even as the security situation deteriorates, we must keep in mind the importance of keeping these families connected,” he said.

The study was implemented by TNS Lanka on behalf of LIRNEasia, in April and May of this year.

LIRNEasia is regional, non-profit ICT policy and regulation capacity-building organization incorporated under the Companies Act of Sri Lanka, No. 17 of 1982, in 2004. It is, currently funded, primarily by the International Development Research Centre of Canada. Additional information is available at <http://www.lirneasia.net>.

TNS Lanka is wholly owned by TNS India, and has been operating in Sri Lanka since 1995. TNS Lanka has a fully fledged field structure in all parts of the island, including the North and East, in addition to its research, operation and data processing units in Colombo. TNS is the world's second largest market information groups, with 230 offices across 70 countries.

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