

Just Released: DCMS' UK Broadband Impact Study



The DCMS just released a study on the benefits of superfast broadband in the UK looking at the impact of public interventions. **Jonathan Liebenau** of the **LSE Network Economy Forum** offers initial thoughts on the report's usefulness and limitations, promising more analysis to come and raises questions to guide further analysis.

The Department of Culture, Media and Sport today released a study by **SQW consulting** of the impact of increases since 2008 of fixed broadband attributable to the current set of publicly funded interventions to improve quality and coverage. Using data from a variety of sources relating to both the broad economic context of internet use and specific characteristics such as supposed productivity effects and multiplier assumptions, it provides an optimistic view of the UK up to 2024.

The report's claims of beneficial effects on the environment, society and the economy are predicated on careful trends analysis and numerous well-informed assumptions. There are numerous limitations to the study, which I will comment on in a future blog. Some of these stem from the self-imposed constraints of the investigations such as the focus on the expenditure of public funds, the exclusion of expensive business connectivity services, and significantly, taking no consideration at all of mobile services. Some limitations are inherent in the methodology and some from the perception of technological impacts generally, such as the effect on reduced travel and the advantages accrued from utilizing cloud computing.

The report makes an effort to take into account jobs lost as well as jobs gained from the impacts of broadband, and points out, appropriately, that if there is a significant digital divide then it may be that the jobs lost in some areas will not be entirely replaced by gains elsewhere. Lag times are taken into account, with the appropriate provision for longer lag times for small businesses.

There may be slightly excessive optimism in the report's assumptions about the productivity gains likely for small businesses, given that we know they are not only slow to adopt and unwilling to invest in ICT proportionately, they are also less likely to be able to benefit from advanced or specialized services. In my further analysis I will consider this part of the analysis, as well as the extent to which provision for sectoral differences are adequate when split into only six broad industrial groups.

The article gives the views of the author, and does not represent the position of the LSE Media Policy Project blog, nor of the London School of Economics.

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