



REFLECTION PAPER SERIES

SPENDING ON EDUCATION AND INEQUALITY: IS THERE A CORRELATION?

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Date **5 October 2015**

Access to Energy

One South Asian country has emerged as a regional leader in access to electricity. In Thailand 99% of communities have access to electricity.¹ In 1972, the year in which the government implemented their rural electrification program, only 10% of communities outside Bangkok had access.¹ Much of the program's success can be attributed to excellent regulatory policies. Authorities divided the electricity industry between three public companies. One to manage production, one to manage distribution within Bangkok, and the Provincial Electricity Authority (PEA) who is tasked with distribution outside of the Bangkok Metropolitan Area. The establishment of an agency whose core mandate was to provide electricity to rural communities has clearly been effective.

Recommendations

1. *Increase mobile penetration:* Cell phones and usage costs are still far too expensive for those who live near the poverty line. Governments need to promote competition within the industry, and establish a regulatory framework that works to reduce costs within rural communities. The United Kingdom recently threatened to force major providers to provide rural access, shortly after industry leaders agreed on a legally binding 5 billion GBP plan. Cities may boast the biggest profits, but licensing should require universal coverage.
2. *Liberalise mobile finance:* Take Kenya's lead and establish policies that facilitate the provision of financial services to those who are currently excluded due to insufficient transaction sizes. Access to insurance in particular can have positive implications for farmers weary of investment.
3. *Access to electricity:* If access to internet is becoming a human right, lack of access to electricity represents an astounding failure. Whether it be through public or private investment, rural citizens have lesser access to opportunity than their urban peers, which will cause inequality to worsen.

¹ Ibid 2

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