

Promoting the Internet in Rural Mongolia



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[Photo: Satellite connections and wireless technology provide direct Internet access to some 4,000 Mongolians.]

If wishes were Internet-ready personal computers, Mongolians would be instantly equipped to explore the Information Highway. Expectations run high in this northern Asian nation of 2.4 million people, although the World Wide Web was not even a dot on its communications scene until 1996.

Today, satellite connections and wireless technology leap over inadequate infrastructure and aging telecommunications facilities to provide direct Internet access to some 4,000 account-holders. Not all areas of Mongolia are connected yet, but important steps have been made to extend coverage when affordability catches up with technology.

Borderless communications

Mongolians are taking so readily to borderless communications and information flow that the country's first Internet service provider, Datacom, has found its leadership role unexpectedly reversed. "People who had never even heard of the Internet before are asking us why we only provide e-mail and website facilities — they want video phones, even in rural areas," explains the company's bemused General Director, [Dangaasuren Enkhbat](#).

But the former state-run enterprise has its sights set first on achieving its goals under the International Development Research Centre's [Pan Asia Networking](#) (PAN) program. This initiative aims to promote speedy and more efficient access to the Internet among the least developed countries of Asia.

PAN Mongolia

Under the first phase of the PAN Mongolia project, Datacom installed a low-cost dial-up gateway system to the Internet in 1994. Over the next two years, a dedicated satellite connection was established and a Mongolian website created with the help of other international donors and local partners.

Since then, five urban public Internet centres have been opened, in rent-free premises sponsored by the government. These centres draw in daily about 200 users — mainly teenagers and entrepreneurs — who surf the Internet or use e-mail and Internet phone facilities. They do not take kindly to even short service disruptions. "It's as if their oxygen supply has been cut off," notes Dr Enkhbat.

Wireless technologies

In 1998, with funding from IDRC, Datacom began a second project to test wireless technologies in order to guide the future extension of Internet access to all of Mongolia's 22 provinces. As the second phase nears completion, there are now two network central stations and nine remote stations in Ulaanbaatar, and one central station and two remote stations in the city of Erdenet.

Datacom is currently expanding its customer base of 2,000 individuals and organizations. Anyone who introduces a friend is assured of 50 hours free use, with the result that "some plan on never having to pay again." Every person who brings in two new users with a monthly online service subscription gets a free website.

Personal websites

"We tell entrepreneurs it's trendy to include their website on their business card or in print advertisements. So, they're rushing to do this," says Dr Enkhbat.

Meanwhile, Datacom is trying to make its services financially self-sustaining and relevant to user needs. Immediate obstacles are the traditional mindset, low incomes, and language barrier.

"Mongolians are used to state-funded radio and television services, and expect the same of Internet access," Dr Enkhbat explains. "To provide free services, we would have to find and keep sponsors on a long-term basis, which is a slow process in itself."

User fees

Datacom already learned a costly lesson from its initial practice of providing free services at the urban centres, as users are now reluctant to pay the hourly rate of US\$0.45. The average monthly wage in Mongolia is US\$40. To avoid further misunderstanding, the company is asking donor agencies to issue and distribute vouchers to new users within their target-groups. These vouchers have a pre-set cash value, to indicate the cost of services and that someone is paying for it.

Obtaining payment from rural people will be harder because they are generally poorer. One option is to interest NGOs in picking up the tab for services, including local web content development. But additional funds will be required to develop web content in Mongolian, as few rural people understand English. Moreover, information needs to be tailored to rural interests to keep interest in the Internet alive. For instance, people may want to know the price of farm equipment or how to improve living conditions, as well as news of local developments.

Role of NGOs

"We are talking NGOs into doing this, but it will be costly for them to design websites and update these daily," says Dr Enkhbat. "Content development has to wait until we have the means."

What cannot wait is project sustainability, which is being addressed through three strategies. The first step involved training "results-oriented" informal community leaders — such as well-respected teachers and doctors — to head the rural centres and promote the Internet.

Spreading the costs

Next, Datacom will identify local businesses that are willing to support rural services by paying most of the operational costs — while generating revenues in the process. It also plans to encourage international agencies working in Mongolia to include Internet costs in their budget.

As Mongolia gains wider access to the Internet, Dr Enkhbat looks ahead to "new economic thinking" developing in tandem with a society that values knowledge. The availability of sophisticated equipment, he says, requires a sophisticated market.

Internet economy

He explains that Mongolia needs to start putting together the building blocks of an Internet economy. Business people must learn how to make electronic commerce (e-commerce) profitable, and how to organize electronic shops and Internet banking facilities. In rural areas, the challenge is to identify real demand for an e-commerce market and to deliver technology at a price that can be recovered through effective usage.

Dr Enkhbat notes also that education structures need to be upgraded to enable Mongolians, of whom 95 % are literate, to utilize knowledge from the Internet. "Unlike the use of cash or a car, which does not need academic qualifications, Internet use demands a process of internal intellectual preparation to absorb information," he says.

Business opportunities

For local entrepreneurs, this will bring opportunities to venture into sectors like information packaging and continuing education programmes — and to bring the Internet home to Mongolians in more ways than one.

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If you have any comments about this article, please contact info@idrc.ca.

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