



The Mobile Broadband Group

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Assessing the impact of the commercial world on children's wellbeing – a response to the call for evidence from the Mobile Broadband Group

1. The Mobile Broadband Group (MBG, whose members are O2, Orange, T-Mobile, Virgin Mobile, Vodafone and 3) welcomes the opportunity to submit evidence to the Department of Children, Schools and Families' inquiry into the impact of the commercial world on children's wellbeing.
2. In the last fifty years or so, a significant aim of public policy has been to encourage technological and other advances, so that the UK can remain competitive and its citizens highly skilled and fully employed. There has also been a strong desire to spread the benefits of increasing prosperity right across society. Much has been achieved and the context in which children now grow up has changed beyond recognition. It is natural, indeed inevitable, that children should share the benefits enjoyed by the adult population.
3. Nevertheless this unprecedented rate of change undoubtedly presents challenges. The MBG, therefore, very much welcomes a review that will encourage sensible public policy development based on an open and balanced appraisal of the current state of affairs.
4. The MBG's paper discusses the ways in which children engage with mobile communications and the role the mobile phone plays in their lives in the UK. We discuss both the benefits and the risks and explain what actions the mobile operators have taken to help children manage those risks.

Public policy and the communications industry

5. In terms of public policy, the economic and social benefits of people having access to telephony have long been recognised and it has been successive Governments' ambition to increase the adoption of telecommunications among the population. Even as late as 1985, 22.5%¹ of UK households still did not have a private residential telephone. One of the main drivers of liberalisation was to drive up the rate of telephony adoption, to be achieved through the introduction of competition and making services more affordable and efficient.
6. In the EU more generally, the importance of telephony has been recognised in the Universal Service Directive. Public policy ambitions have moved on and are

¹ ITU Telecommunications Statistics

now mainly focused on broadband access, again because of the economic and social importance of connectivity. Broadband (fixed and mobile) access is also recognised as absolutely key to meeting the educational needs of children.

7. Mobile communications have been even more successful than the fixed telephony sector in bringing communications to all sectors of society, including low income families and children. A wide range of airtime packages is available and prepaid subscriptions have made it possible for virtually anyone to own a mobile phone.
8. Since launch in 1985, customers have identified the usefulness of mobile telephony first to their businesses and secondly to their personal lives. As the services have become more and more useful and affordable, adoption rates have continued to rise, to the point where between 30-40% of the UK's population now has more than one phone.

Children and young people's adoption of mobile communications

9. Overall young people and parents are very positive about mobile phones, viewing them as a vital tool to help them manage busy and mobile lives².
10. This attitude has, in the last eight years or so, seen widespread adoption of mobile phones amongst the young – even though operators, as a result of the Stewart Report, have not targeted advertising or marketing of mobile phones at children³.
11. Since 2000, adoption of mobile telephony by children has risen from virtually zero to **93%** by 12-15 year olds and **79%** by 8-11 year olds⁴.
12. This level of adoption of mobile phones, in the absence of marketing targeted at children, is interesting in relation to the review's consideration of the role that advertising plays in children's lives. Social networking sites have also experienced very high and rapid adoption rates without much promotional effort.
13. Children have adapted so quickly to the developments in technology, that young people have become the biggest users of the Internet, with 25% of people aged 15-25 more likely to be online than the general population, and spending 24% more time online than the average Internet user⁵
14. These experiences suggests that advertising is only one, possibly small, factor influencing a child's desire and ability to participate in the commercial world, particularly as it relates to new technology.

² TSA research – Mobile Phone Use in Families, 2008

³ In the 2000, the Independent Expert Group on Mobile Telephones and Health, chaired by Sir William Stewart, published a report about mobile phones and health. Although the report found no evidence of harmful effects from Radio Frequencies when using a mobile phone, it suggested a precautionary approach for use by children, until more knowledge was acquired. (Details of current research into the potential effects of RF can be found at

http://www.mobilemastinfo.com/information/radiowaves_and_health/health_reports.htm.

⁴ Ofcom media literacy audit – report on UK Children's media literacy, May 2008

⁵ Comscore: <http://www.comscore.com/press/release.asp?press=1469>).

Benefits of mobile telephony

15. As is mentioned above, overall young people and parents are very positive about mobile phones, viewing them as a vital tool to help them manage busy and mobile lives.
16. Some of the benefits specifically identified by parents and children in some recent research published by the Trust for Study of Adolescence⁶ are as follows:
 - Mobiles are mostly used among families and friends to make arrangements and keep in touch
 - Parents let children roam further from home when they have a mobile, restoring some traditional childhood freedoms
 - Mobile phones serve to give young people a first touch of independence and responsibility
 - Mobile communication is often used to broach difficult subjects or keep in contact with estranged members of the family (a parent living outside the family home)
17. Children and young people gain enormous utility from their mobile phones. 8-11 year olds make 5 calls and send 15 texts per week, rising to 11 calls and 45 texts for 12-15 year olds⁷. The range and volume of activities is growing too: taking photos, playing games, personalising the phone, listening to music, recording videos, accessing the Internet and watching TV clips.
18. Thus children are increasingly using phones in a creative way to communicate with each other, create content and access information. This outcome fulfils the Government's objective of improving children's engagement with technology and improving their media literacy.
19. The TSA research cited above also identified that customers have some concerns around mobile use, for example:
 - The possibility of being bullied via a mobile phone
 - The opportunity for contact with unwanted strangers
 - The risk of having the mobile phone stolen

⁶ Mobile Phone Use in Families, 2008

⁷ Ofcom Media Literacy Audit for Children, May 2008

Mobile industry's strategy for tackling risks

20. Over a long period the MBG and its members have been extremely proactive in addressing the risks associated with the use of mobile phones, including commercial risks. Mobile operators also take extremely seriously their obligation to comply with all relevant consumer regulation such as the privacy regulations, the unfair trading regulations and the PhonepayPlus code of practice (which has specific measures to regulate children's premium rate content services).
21. Breaking the issues down into broadly three categories of content, contact and commercial, the mobile operators' strategy has been characterised by the publication of or participation in a range of self-regulatory initiatives.

Content

22. With respect to content, the MBG published in 2004 the first code of practice for the self-regulation of content on mobiles, which was developed principally to ensure that children could not obtain adult content through their mobile phone. All customers have to go through a process of independent age verification before being able to access adult commercial content. In addition all providers have to provide a filter for the Internet access point. Content is rated according to a classification framework developed by the Independent Mobile Classification Body⁸ These measures have been extremely effective in preventing children from obtaining 18 rated content via the mobile networks. The Code has subsequently been used as the basis for the EU's framework for the safer use of mobiles by teenagers and young children.

Contact

23. As regards contact, the MBG has been a very active member of the Home Secretary's Task Force for child protection on the Internet. The Task force has developed numerous models of good practice (such as the recently published guidelines for social networking services, which apply both to fixed and mobile applications⁹). We have been members of the DCSF's Cyberbullying Task force, have contributed to the Byron review and the MBG has been invited to participate in the UK Council for children's Internet safety.
24. MBG members are also supporters of the "teach today" programme (www.teachtoday.eu) the industry initiative which aims at educating teachers on the benefits and potential risks of using new technologies. The website contains lesson plans, case studies, reporting procedures, as well as outline policies, which are designed to keep teachers abreast of the changes in communication technology. In this way mobile operators, who have limited direct control over how customers actually behave and use their mobile phones day to day, help to deliver appropriate messages through the formal education system.

⁸ www.imcb.org.uk

⁹ <http://police.homeoffice.gov.uk/publications/operational-policing/social-networking-guidance?view=Binary>

Commerce

25. The mobile is also a device through which customers, including children can engage in relatively low value e-commerce, such as purchasing a music track, game or ringtone and charging the cost to the mobile account. The mobile can now also be integrated into marketing campaigns.
26. Not only are all operators very alive to the requirements of sector regulation such as the PhoneyPayPlus code for premium rate services but each operator has its own strict terms with commercial partners to complement regulation. In addition, the MBG is a member of the Committee for Advertising Practice and supports the Advertising Standards Authority in its administration of the UK code in the mobile channel.

Conclusion

27. In the last twenty years or so, the global economy has experienced unprecedented technological change, which has delivered a very widespread growth in prosperity. The developed economies have been the first to benefit. More recently the less developed countries such as China and India are experiencing similar changes.
28. It is absolutely right that children in the UK are able to benefit from this change. In fact it is also absolutely necessary for their future employability and the country's competitiveness that the UK's children are tech-savvy and educated.
29. Technological advances, after all, have made it possible for young people to participate very directly in the commercial world as entrepreneurs (the founder of Google was 25 and many of the leading lights of the 'dot com' boom were under 18).
30. A high level of adoption of mobile phones, in the absence of marketing targeted at children, is interesting in relation to the review's consideration of the role that advertising plays in children's lives. Social networking sites have also experienced very high and rapid adoption rates without much promotional effort. These experiences suggest that advertising is only one, possibly small, factor influencing a child's desire and ability to participate in the commercial world, particularly as it relates to new technology.
31. Mobile phones are one way in which children receive their first taste of independence and responsibility. Parents are allowing children with their mobiles to go further afield, thus restoring some traditional freedoms.
32. Children and young people are leading adopters of new technology and want to share in the benefits that technological and other advances deliver in a modern economy; and they have the right to do so. The MBG expects young people in the UK and around the world to continue to be high adopters of mobile telephony services.

33. Nevertheless, the MBG recognises that young people are potentially vulnerable participants in the commercial world and it will therefore continue to be heavily engaged in the development of responsible practices designed to protect children from inappropriate commercialism, content and contact.