Project Loon – ~~Commercializing~~Commercialising Poverty?

Commented [E1]: This is the more common spelling in British English.

Abstract

Google's Project Loon ~~is~~ designed to ~~bringing~~bring internet services to those ~~poor~~mainly impoverished people living in the ~~worlds~~world's most remote regions by using a network of stratospheric balloons that use the wind to ~~go a long way.~~travel vast distances. These use the LTE services of local ~~telcos~~telecommunication companies to beam internet access to areas currently not served by ~~a~~an infrastructure. This will help to ~~firmly~~ close the digital divide firmly between the technology-rich and those who ~~lacking~~lack even the most basic ~~Internet~~internet services. Google is promoting their Project ~~loon~~Loon as ~~kindness~~an act of altruism but the company stands to create millions more users of their services and this will mean ~~lots more money~~earning billions in extra revenue.

Commented [E2]: Acronyms should be defined on first use and then used exclusively thereafter.

~~Intro~~

Introduction

Project Loon is a Google development designed to bring the internet to remote areas that currently lack infrastructure by launching a network of balloons that float in the stratosphere and ~~link up and~~ make use of transitive winds to ~~go up or down~~control speed and ~~change location~~direction. Their tightly~~-~~ sealed plastic composition ensures the balloons stay aloft despite extreme temperature fluctuations. Each balloon has a lifespan of roughly 190 days and can be launched at a rate of four an hour using two or three people and an automated crane~~, with a lifespan of roughly 190 days (L.~~ (Kelion, 2015). Initially launched in New Zealand in 2013, Project Loon is expected to create a $10 ~~000 000 000~~billion market (D'Onfro, 2015), bringing internet services through existing ~~telcos~~telecommunication companies to the world's poorest and most disadvantaged (Deloitte,

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2014). This overview of the financial implications investigates whether ~~Google's~~Google is right in claiming Project Loon to be an altruistic act.

The digital divide

~~Nowadays, in~~In the developed world, internet access is considered to be a fundamental right, yet in 2014 there were 4.2 billion people, comprising 57% of the ~~world poplation~~world's population, without internet access (UN Broadband Commission, 2015). More recent figures ~~are smaller~~demonstrate how this percentage is shrinking, with just over 50% now having access to online services in June 2016. Much of this increase comes from Africa, with a 7,448.8% increase in online usage between 2000 and 2016, and the ME, which shows a 4207.4% increase over the same period yet only 28.7 % and 57.4% of the populations of these areas are served, respectively (Internet Usage Statistics, 2016~~.)~~). Although the number of people accessing the internet ~~are~~is showing ~~getting bigger~~considerable growth, the rate of growth is slowing. Between 2005 ~~to~~and 2008, ~~growth~~it was around 15 ~~per cent~~% but this rate slowed between 2009 and 2013 to 10.4 ~~percent~~% (McKinsey, 2014).

Commented [E4]: Do you mean to say 'Middle East'?

Commented [E5]: There is no comma to denote thousands but in the previous example there is. Either version is acceptable but use must be consistent.

Commented [E6]: Either use the % sign or *percent* or *per cent*. Each is acceptable as long as use is consistent.

The benefits for shrinking the digital divide are clear. Freelance software developers in the US currently earn an average of $172 ~~ph~~per hour compared to freelancers in India whose average rate is closer to $52 ~~ph~~per hour (Mezak, 2013). This gives ~~western~~Western companies ~~a big~~an incentive to move their operations to outsourcing. Not only does this drive down end prices but it brings much-needed skilled jobs to budding businesses in less developed parts of the world. However, the consequence ~~is less jobs~~will be a drop in the job market for Western companies and individuals as work moves out.

Commented [E7]: Please check the date here. You used 2014 in your list of references section.

The ~~Benefits~~benefits for Google

~~Googles~~Google's motivation for Project Loon is under scrutiny. At first glance it would appear that Google is committed to altruism, ~~to~~bringing the Internet to remote areas ~~with nothing~~that currently lack the infrastructure and helping to close the digital divide gap. However, Google stand to reap a hefty return on investment (ROI). Statista (2016) observed that the worldwide digital advertising expenditure in 2012 was $104.58 billion and this ~~leaped~~leapt to $121.47 billion in 2013. This trend is set to continue as ~~no internet~~the number of un-connected people halves each year.

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Not only will Google benefit from the increase in ~~advertizing~~advertising as companies target new users, but the balloons give Google a virtual monopoly. By linking in with existing ~~telecos~~telecommunications companies ~~who already have a grasp on these~~ ~~customers who are learning to use technology~~nascent technological users, Google has ~~made sure of~~ensured complete co-operation from local businesses. This benefits the local ~~tele-communications~~telecommunications companies as they gain access to new markets without having to outlay for their own infrastructure such as cell towers (D'Onfro, 2015) and Google is prepared to share new ~~customers' revenues~~customer revenue with those ~~companys~~companies that provide the LTE spectrum. It also ensures that connected devices receive a reasonable speed of around 10 megabits ~~p/s (L.~~per second (Kelion, 2015).

The temptation to lock new customers into ~~Googles~~Google's services must be strong, just as Microsoft did when it bundled ~~it's~~its Internet Explorer with its ~~windows~~Windows offerings (Phillips, 1998). Lead developer Mike Cassidy ~~slams~~dismisses claims that Google will ~~be restricting~~restrict users or force them to use Google services, reiterating the company's commitment towards net neutrality. In this way, Google hopes to avoid the backlash faced by Facebook's 'Free Basic Service' which provided access only to specific sites including, unsurprisingly, Facebook (Shu, 2016). Even so, there is no denying that Google will be the main beneficiary~~,~~; if only 5% of the unconnected pay $5 for internet services that still amounts to tens of billions a year in revenue (Popper, 2015~~)~~).

Conclusion

~~There's~~There is no doubt that bringing the internet to the millions who currently lack access to even the most basic technology services will bring a more level playing field to global users. ~~What does it mean~~The implications of this for ~~the west? Maybe~~Western companies and individuals may be a lowering of wages and the outsourcing of services to new and cheaper providers in ~~poor~~less developed countries. Through Project Loon, Google will bring the internet to billions of new customers, customers who can then be ~~targetted~~targeted by Google's advertisers who will gladly pay Google for the access. By working with existing ~~telecos~~telecommunications companies, Google has bought the loyalty of local consumers and ensured that there is little opposition to their project by sharing ~~a little~~some of the revenue. There ~~is~~are huge benefits in Project Loon for those currently lacking internet services but Google will, at the end of the day, be the biggest ~~beneficiaries~~beneficiary.

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