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# Study on Telecommunications Regulation in Africa

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## Background

The Economic Commission for Africa (ECA) has, for two decades, placed priority on building an information-rich continent through the African Information Society Initiative (AISI). The AISI framework is geared towards developing National Information and Communications Infrastructure (NICI) plans to complement liberalization and deregulation measures. In this regard, over 30 countries have been engaged in defining national policies and strategies as part of their socio-economic development strategy. The impact of liberalization, and the effectiveness of regulatory policies constitute a key indicator for measuring the effects of the Information Society in African countries.

In many African countries, it is clear that the regulatory environment remains a challenge and is key in consolidating the policy frameworks. The rationale for the introduction of deregulatory measures in African telecommunication sectors was based on, among other things, the economic principle of competition that could increase access and lead to the expansion of the physical infrastructure (networks). The measures were also geared towards stimulating incumbent national telecommunication entities to provide services in a more efficient and effective manner.

As stated by Mr. K.Y Amoako, ECA's Executive secretary during the African preparatory conference on the second phase of the World Summit on the Information Society (WSIS): " In 1993, there was no country with a competitive market environment for telecommunication. However, by 2004, 41 countries had competitive markets, allowing mobile telephony to flourish.

Since 2001 when Uganda became one of the first African countries to have more mobile phones than fixed-lines, more than 30 other nations have followed suit. In Morocco, Kenya and Nigeria mobile subscribers outnumber fixed-line users at an incredible ratio of 6:1".

The impact of liberalization and deregulators has offered a mixed bag of blessings in Africa. Even though there are established regulators in the continent, the visible benefits have been limited to a slight increase in fixed lines and the unprecedented growth in mobile telephony in one or two main cities in most countries. The roll out of rural telephony, the implementation of universal access

goals, creation of a level playing field for the emerging private sector, access barriers such as high costs, affordability and geography/location still remain major challenges.

In addition, the need for sound regulatory policies and frameworks has been heightened with the advent of the New Partnership for African Development (NEPAD), where telecommunication infrastructure development is one of the key goals under the ICT framework. Consequently, a sound policy environment would be critical in attracting investment into the sector and advancing the NEPAD objectives.

To what extent can regulation stimulate the business community into providing investments, promoting innovation and ensuring competition in the telecommunication sector? While there is a burgeoning private sector in the telecommunication sector, very little consultation takes place on views and ideas for advancing telecommunications and ICT. Consequently, how can a conducive regulatory environment be created to attract the private sector? What are some of the overriding influences in regulatory framework development in Africa? What are the impacts of the Information Society and what regulatory models are required?

In order to address some of these critical issues and provide an overview on the state of regulatory policy in Africa since the aftermath of liberalization, deregulation and more recently, the Information Society, a study on Telecommunication Regulation in Africa was commissioned in 2004.


## Objectives of the study

This study was undertaken as part of the regional SCAN-ICT initiative with support from the European Commission. It is expected to contribute to assessing the impact of the Africa Information Society Initiative (AISI) since its launch in 1996 and provide a useful reference point for countries with regard to the state of their regulatory policies in advancing Information Society goals.

The specific aims of the study were to:

- Provide an overview on the state of telecommunication regulatory policies in Africa with regard to current trends and developments at national, sub-regional and global levels. This would include issues such as accounting rates, and an assessment of regional and national market structures.

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- Assess the role of major actors in this field in Africa, their partners and the kind of activities underway on the continent. This would include examining and evaluating the role and activities of organisations such as ITU, ATU as well as sub-regional economic groups such as SADC, ECOWAS, CEMAC, etc.

- Critique and appraise current and existing regulatory frameworks within countries with respect to developments in the sector.

- Assess where possible, how policies were being implemented, their impacts and/or benefits for the countries and the various stakeholders.

- Identify the impediments/factors hindering the effective development and implementation of sound regulatory policies from a social, economic, and political context.

- Provide an analysis of the state of regulation with respect to telecommunication liberalization/deregulation policies and NICI/National ICT strategies with recommendations as to the way forward.