CHALLENGES FOR AFRICA

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Before becoming a contentious issue in the 1st phase of the World Summit on Information Society (WSIS), the Internet was treated in Africa like a hot potato. Its unleashed potential was both seductive and feared. The establishment of the Working Group on Internet Governance (WGIG) convinced most of the African stakeholders to organize a major workshop dedicated to the issue in Accra during the Africa Regional Meeting in preparation to the 2nd phase of the Summit. One of the purposes of this effort was to explore the creation of an enabling environment in which Internet could take root on the continent.

The WSIS process is acting as a warning bell in a growing number of African countries. There now seems to be a race to adopt some form of broad-based information and communication technology (ICT) policies. The trouble is, many countries are having difficulties implementing them because of they lack the required resources. A related problem is the unrealistic targets that are usually set by information technology professionals or international institutions, e.g. those related to the United Nations Millennium Development Goals and poverty reduction strategies. It is becoming evident that while states may identify national ICT strategies, the complex nature of the global economy and the ICT sector requires the expertise of civil society and the private sector, which are barely involved in the whole process in Africa.

The question therefore is how to establish information societies enabled by the Internet that can achieve the WSIS principles of transparency, public accountability, public participation and equity, and that at the same time stimulate universal access to and use of ICTs. This chapter attempts to shed some lights on a process in the making, mainly characterized at this infancy stage by contrasting landscape, conflicting policies, contradictory messages, and uncertainty about the direction in which to go.

Contrasting Landscape

Linking Internet to development has become a buzz phrase in Africa these last months. Still, despite the great awareness stirred around ICTs by the ongoing WSIS process, most of the continent has yet to hear a phone ring, not to mention hold a mouse. For the 90% of African population still on the other side of the digital divide, communicating with the outside world remains an obstacle race. If in addition you are illiterate, the onerous process of sending a letter, for example, will start with hunting for a schoolboy or a public writer to draft the letter. Then you might wait for the next market day to lay hand on a relative or a passenger's bus carrier who can take the letter to the nearest post office. It may take somewhere between a day to months for the letter to get to its final destination. This demonstrates that there is a need to distinguish between urban centres and rural areas that need broader developmental efforts. The one-size-fits-all approaches cannot achieve this.

A study led by Research ICT Africa shows that poor people in rural communities still travel quite some distances to make phone calls. Most of the time, the cost of such calls is unbearable. Such impediments make access to ICT in rural areas an issue to reckon with. The solutions provided fall short from solving the problem. More and more governments are considering universal access as a recipe. This explains in a way the growing interest in boosting efforts, revamping strategies and creating an IG environment conducive to achieving the development objectives. The will is real amongst the various stakeholders and partners in development. However, at the country level Internet as a priority is yet to be effectively integrated into national development strategies. Development initiatives increasingly incorporate an "ICT component" but mostly as mere projects without a focus on policy variables that could enhance impact and sustainability.

The African regional meeting held in Accra, Ghana in February 2005, as preparatory process for the 2nd phase of the WSIS, has registered a firm engagement by participating countries to harness ICTs for development purposes and build modern information infrastructures and knowledge capability in order to bridge the digital divide. But Accra did not address the lingering lack of coordination and cooperation among countries, regional institutions, their projects and programmes.

Accra tried to address the imbalance deriving from the fact that the very institutions that currently have a say on ICTs management, such as the International Telecommunication Union (ITU), the International Monetary Funds (IMF) and the World Bank determine most of the priorities at the national level. The meeting exposed a lot of resentment against the International Corporation on Names and Numbering (ICANN), for not providing national States with an effective voice on ICTs governance, and therefore not having a significant role on African ICT governance. Accra finally acknowledged that the response of African countries on international ICT decision-making had not always been adequate. Various reasons were mentioned, amongst which deficiencies within many of the international institutions and limited technical and policy capacity, lack of resources and information for effective participation by national states and regional bodies or to effectively implement appropriate regimes at national and regional levels.

As a first step towards addressing this development-policy divide together with developing policy tools and approaches that can further the integration of ICTs in development strategies, some regional organizations have decided to focus on content and linkages between ICTs-development strategies and policies on the continent, with a view to identify opportunities, constraints and priority areas of focus.

Accra sealed the shift from 10 years ago when discussions were mainly about ICT infrastructure and not about using ICTs for development. The importance of the ICT sector can be apprehended through its impact on most economic and social sectors of society, and its leading to better, improved health services. They are central to e-government. This is an accepted fact today in Africa.

These various changes in Africa are occurring at the time when, following the pressure from multilateral and bilateral donor agencies to privatize monopolies and liberalize the telecom markets, the hype associated to tremendous expectations that the free market will solve the lingering problem of access is starting to cool down. Progress toward universal access to ICTs is still a hypothetic dream. Research evidence demonstrates that the increase in access in Africa has been very slow. In most countries, state-run telecommunications systems have not been very effective, failing to provide access to the broader public. If it has become an accepted reality that information and communication technologies have rendered national and international boundaries meaningless, it also still is a reality that in most of rural areas, communicating with the outside world remains an obstacle race. Lack of adequate capacity to implement and enforce public interest policies, limited participation in global ICT negotiations and inadequate cooperation and coordination at regional levels are among the key constraints hampering access in Africa.

This however does not apply to the whole continent. The situation varies from one country to another, and often even within the country itself. In Research ICT Africa comparative study, South Africa performs better in E-readiness than most other African countries. Still, the E-readiness of all African countries is lower than the global average. Although progress was made throughout the last decade, the gaps not only persist, but also seem exacerbated these last years, indicating a growing digital divide. Infostate indicators also help shed some light on the driving forces behind this phenomenon. In 1995, South Africa's Infostate (38.8) was way ahead of other African nations. Zambia followed from a distance with 8.6, then Cameroon (4.3), Senegal (4.1), Ghana (3.9) Kenya (3.6), Uganda (3.4) and Ethiopia (0.7). Between 1995 and 2003, these countries improved their performances to varying degrees. Senegal grew relatively faster (31), outperforming both Cameroon (21.1) and Zambia (22.3) by the end of the period. Kenya jumped to 25.7. Uganda moved to 15.0 and Ethiopia hit the 8.6 mark. South Africa still led the pack with a 76.1. But the gap remained against Hypothetica (113.4). Statistically, the growth might look dramatic (about 400% between 1995 and 2003), but given the very low base in 1995 the absolute increase was relatively small and insufficient to close the gap between the countries studied and the rest of the world. This explains why the digital divide between these selected African countries and the rest of the world has increased over the considered period.

Furthermore, these data do not reflect the dynamism of the mobile penetration in the Continent. In almost all the countries, the surge in mobile exceeds all expectations.

Conflicting Policies

The various policies adopted in Africa reflect, at least in their intention, the objective to increase access to affordable communications and expansion of the sector to meet the needs of a modern economy through liberalization of the market. This is the powerful argument that has stirred tremendous changes in telecommunication markets in Africa. The rapid changes in technology, the poor performance by almost all of the incumbents of telecommunication services, associated to the pressure of the international organizations, have forced most African countries to end state monopolies and accept the privatization of their state-owned telecommunication providers. This in effect opened up portions of their telecommunication markets to competition, and gave birth to regulatory institutions.

The partial opening of the African market to competition has dramatically changed the landscape of mobile telecommunications and to some extend the Internet. In less than a decade, the number of subscriptions in mobile telephony has increased more than 2.000% in most countries, while the landline subscription rate was declining very sharply and thus, the revenues. The incumbents in most countries have become nervous, and have tried to find recourse in price hikes, rendering the costs of telecommunications unbearable. These various moves have cast doubts on the independence of the regulators and their willingness to foster a fair market game. The high telecommunication costs have laid the ground for a booming underground market consisting of VoIP and VSAT services.

The surge in mobile telephony growth has, in a way, compensated the disappointing performance of landline growth. Still, on a continent with around 850 millions inhabitants, the mobile sector accounts for more than 6% of teledensity and the landlines barely reach 2%. Unexpectedly, mobile services growth, whether though phone calls or SMS, are expanding universal service which originally fell in the purview of landlines operators. The surge in the mobile market seems to have a counter effect on policy decision makers. The tendency is to believe that the mobile technology has become the solution for the universal access. This is reflected in infrastructure investment strategies.

Uncertain Directions

The Internet development in Africa has been heavily affected by an overly cautious liberalization policy and regulatory uncertainty. The continent sometime looks schizophrenic about the course to take. Should the continent put emphasis on building infrastructure or human capacity? Lacking a clear response to that makes the bed for inconsistent policies, with the potential to exhaust the scare resources at hand, and increase the burden of bridging the digital divide.

After being considered for many years as "family jewels", the traditional landlines are no longer seen as priority by most African countries. Therefore, Internet access and use is negligible. In addition, the combination of high price and low income makes affordability a very important barrier to uptake on a continent where the annual income per capita is generally very low, and more than 40% of the population live below the poverty line. Local calls are very expensive due to time-based billing. Computer costs are still high relatively to income even if some governments have waived taxes, except VAT on import. In some countries, the bandwidth cost of access to the international Internet backbone via VSAT can reach 30 times the cost in industrialized countries. Various factors are hampering the performance of the sector, particularly in the fixed lines services, such as an ineffective investment strategy, poor management, interconnection problems and weak regulatory bodies. Political interference in the regulatory bodies sometimes makes things worse. Sometimes, conflicts of interest resulting from the government acting both as an operator and a regulator make people more confused about the direction to take.

In a quote by WRD/Intelcom Regulatory News, Mpoeng Tamasiga, Director of market development and analysis at the Botswana Telecommunications Authority says, "Telecom as an industry is the ideal vehicle for sustained economic growth, which is why regulation is essential…" But, according to a report by ITWeb, African telecommunication regulators face many challenges, such as lack of capacity, political interference and the use of regulatory tools not designed for a developing market.

Undoubtedly, there is in Africa an urgent need to harmonies the regulatory environment in order to provide an atmosphere conducive to investment. The continent regulatory environment, where it exists, faces though challenges, amongst which are the number of players, and the market design arising from the reform process. Structured around the state-owned company with whom the others networks had to interconnect in order for their customers to access subscribers on the incumbent's network, the existence of mobile operators is yet to change the market behaviour pattern of most incumbents which see the vertical integration as a mean to curb the falling trend. This puts a lot of pressure on the regulator which is not powerful enough to oppose many of their moves.

The complexities of the market place an enormous burden on African countries, and require expensive and skilled regulatory machinery to operate effectively. Addressing the market structure, the credibility problem and the lack of skilled human resources issues will require a major shift in the policy and a clear repartition of roles and attribution amongst the various governmental key players. The long awaited coordinating body aimed to resolve competencies problems is urgently needed. There is also is a need for legislation, which might remove some inhibiting effects such as the distinction between voice and data. The regulatory agencies are doing their best to change the prevailing perception that telecom services are no longer a natural monopoly. With little success, if we consider that almost a decade after the introduction of competition in some countries, the incumbents are still short of meeting the needs, as evidence by persistently large unmet demand for fixed line connections, poor service quality, higher cost, limited territorial coverage and difficulty to set up viable Internet business.

In order to cope with the conventional wisdom, which sees competition as the most effective agent of change, the African regulatory bodies should play a critical role in order to improve the services. One important policy implication of this is that extending the exclusivity periods or delaying infinitely the liberalization of the sector may seriously impede the real benefits that seem to come with competition. In Africa today, there is a broad agreement that competition seems the most effective method of promoting improvements in the telecom sector and that the incumbents are unable to meet the large, varied and rapidly changing demands of all types of users. In order for the competition to bring about great improvements, it must be combined with effective regulation. Highly politicized regulatory bodies seem ill equipped to unleash the beneficial effect of the market reforms.

Addressing the various difficulties recounted here will require a major shift in the course of policymaking process. In that sense the governments should play a key role. It is their responsibility to set up independent regulators responsible for developing a competitive framework, a transparent regulatory environment for investors and building a stable and well-functioning market.

Contradictory Messages

The Internet field in Africa is marred by conflicting messages. While the various policymakers acknowledge its importance as development broker tool, the decisions or policies barely reflect this belief. It is sometimes difficult to read which government policies, business strategies, macro environments and other factors are behind the profession of faith. The Accra gathering has been unequivocal on this. No matter the policies adopted, any stakeholder should be able to clearly identify policies and strategies at work. This will facilitate the analyses of their impact on the evolution of Internet, their components for each country, and ease the identification of specific causal influences, whether drivers or impediments. This exercise should go hand in hand with the discussion of country-specific and time-specific contexts, involving macro socio-economic, institutional, cultural and even geographical influences that impact on the diffusion and use of ICTs and services.

The linkage between ICTs and the others sectors such as education, health still has to be forged and proven to be working. The civil society sometimes lacks critical support in sensitizing decision-makers and users on new applications of communications.

Conclusion

This chapter has tried to shed some light on the challenges Africa is facing on its journey towards the Information Society. Internet, as a wealth creation tool, needs to overcome various hindrances on the continent before unleashing its full potential. Regulatory uncertainty arising from structural conflicts of interest between multiple players is having negative effect on cost reduction and therefore accessibility. The economics benefits are still disputed. There is a lack of balance between the management and development impacts. Conflicting policies and confusion about the course of action call for a multi-partnership approach and a collective and participatory decision making-process. In order to move decisively from inputs to impacts, quick actions and results are needed. They can be achieved through the establishment of a consultative body in each country as advised for by the Accra meeting. The private sector, as a wealth creator, has a critical role to play. But the sector is still too weak in Africa to really play a decisive role. It lacks a critical mass, and is under funded. African policymakers need to articulate advanced policies through the reengineering of their national framework as related to Internet, favour the creation of continuing idea flows, reinforce and enable civil society amongst others stakeholders to share experiences and views, in order to enable sustainable solutions for the continent in a global context.