

# Final Technical Report to the IDRC

(Submitted on project closure)

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**Project Name:** Empowering regulators to protect consumer rights in the ICT sector

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**Recipient Institution:** University of the Witwatersrand, Johannesburg, South Africa

**Reported submitted by:**

Charley Lewis, Project Leader

LINK Centre, Graduate School of Public & Development Management (P&DM)

University of the Witwatersrand, Johannesburg, South Africa

E-mail: [charley.lewis@wits.ac.za](mailto:charley.lewis@wits.ac.za)

Tel: +27-11-717-3784 or +27-83-549-5242



# CONTENTS

1	Research Team.....	3
2	Project Synthesis.....	3
3	The Research Problem .....	4
4	Research Findings (Status of Data Collection) .....	5
5	Project Implementation & Management.....	7
6	Project Outputs & Dissemination .....	8
7	Capacity-Building .....	9
8	Impact.....	10
9	Recommendations emerging from the research.....	10
10	Recommendations.....	13
	Appendix 1 – Best Practice Synthesis Report.....	14
	Appendix 2 – Country Baseline Report Ethiopia .....	53
	Appendix 3 – Country Baseline Report Mauritius.....	65
	Appendix 4 – Country Baseline Report Rwanda .....	83
	Appendix 5 – Country Baseline Report Uganda.....	97
	Appendix 6 – Country Baseline Report Zambia .....	107
	Appendix 7 – In-country Research Report Ethiopia .....	135
	Appendix 8 – In-country Research Report Mauritius.....	171
	Appendix 9 – In-country Research Report Rwanda.....	199
	Appendix 10 – In-country Research Report Uganda .....	243
	Appendix 11 – In-country Research Report Zambia .....	278
	Appendix 12 – Regulatory Actions Report Ethiopia .....	335
	Appendix 13 – Regulatory Actions Report Mauritius (Draft) .....	365
	Appendix 14 – Regulatory Actions Report Rwanda (Draft).....	374
	Appendix 15 – Regulatory Actions Report Uganda.....	380
	Appendix 16 – Regulatory Actions Report Zambia .....	385
	Appendix 17 – Overall Research Report.....	398
	Appendix 18 – Executive Policy Brief: Consumer Best Practices in the Telecomms Sector.....	477
	Appendix 19 – Executive Policy Brief: Empowering Regulators to Protect Consumer Rights in the ICT Sector .....	480
	Appendix 20 – Draft ‘COMESA Policy Guidelines on Consumer Protection’.....	483

## 1 Research Team

The research team for 'Empowering regulators to protect consumer rights in the ICT sector' consisted over the life span of the project of:

### Core Team

- Project Leader: Charley Lewis, LINK Centre, University of the Witwatersrand, South Africa
- Lead Researcher: Russell Southwood, Balancing Act, London
- Project Administrator: Barbara Herweg, Wits Enterprise, University of the Witwatersrand, South Africa

### Research Country: Ethiopia

- Lishan Adem (LINK Centre, University of the Witwatersrand)

### Research Country: Rwanda

- Albert Nsengiumva (Rwanda Education and Research Network (RwEdNet))

### Research Country: Zambia

- David Mukosa (University of Zambia)
- Sikaaba Mulavu - contract terminated

### Research Country: Uganda

- F F Tsubira (Knowledge Consulting Ltd)

### Research Country: Mauritius

- Viv Padayatchy (Cybernaptics Ltd)

### Research Country: Kenya (country replaced)

- Tim Waema (University of Nairobi) - contract terminated

### Research Country: Madagascar (country replaced)

- Iharizaka Rahaingoson - contract terminated

## 2 Project Synthesis

The project, 'Empowering regulators to protect consumer rights in the ICT sector', is an 18-month applied research study in 5 African countries (initially Ethiopia, Kenya, Madagascar, Rwanda & Zambia - but finally Ethiopia, Mauritius, Rwanda, Uganda & Zambia) to identify, implement and monitor best practice policy and regulatory interventions to protect consumer rights in the ICT sector.

The project is a follow-up to an ARICEA resolution (Association of Regulators in Central, East and Southern Africa) passed in Khartoum in March 2006 on consumer work by regulators, based on an IDRC-funded project on "Holding Companies to Account: Assessing Consumer Activity in the Telecoms and Internet Sector".

LINK Centre led the project, working with African regulators in five ARICEA member countries (Ethiopia, Mauritius, Rwanda, Uganda and Zambia). The project sought to provide a much-needed evidence-base for regulators and consumers groups upon which action based responses can be implemented. It adopted an action-based research methodology in which the chosen regulators used the research work to identify and prioritise issues to be acted upon.

The objectives of the project were:

- 1 To establish through qualitative research what issues consumers in the five countries most want addressed, and how they would like to see them addressed;
- 2 To assess through qualitative research the regulatory effectiveness of consumer protection interventions to date in each of the five target countries in order to identify

- where consumer protection regulation is most effective and where it most needs strengthening;
- 3 to undertake, in collaboration with the national ICT sector regulatory authority, a defined set of action-oriented activities that are based on consultation with local consumers and consumer groups., informed by their perceptions and priorities, and which may include both specific interventions and broader changes in the regulatory framework to empower consumers.

Regulators and consumer groups in the five focus countries worked together to select relevant specific and general issues. National in-country capacity building workshops were carried out at the beginning of the process, and again when the research was complete, in order to review the findings and to decide on appropriate, action-based outcomes.

The research was led by the LINK Centre and carried out with local researchers largely but not exclusively drawn from the Research ICT Africa network. There was also some input from Consumers International at both head office level and via membership in the focus countries.

The project findings were presented to an annual general meeting of the regional regulators association, ARICEA, in March 2011 by members of the project team supported by regulators from the focus countries, allowing an opportunity for peer-to-peer learning. This helps to demonstrate how regulators can work closely with local consumer groups, and how, in different local contexts, effective consumer action is possible.

The lessons from the research and subsequent implemented actions have been documented in a final overall report covering the course of the entire project, co-published by the LINK Centre and Balancing Act. Consumers International have further undertaken to distribute this report to their other African affiliate groups and elsewhere through their member networks.

Finally, at the request of ARICEA, the 2007 COMESA Policy Guidelines on Consumer Protection were updated in accordance with overall recommendations from the project, and in line with international and regional consumer protection best practice.

The primary audience for the research is African consumer organisations, regulators and government policy-makers.

### 3 The Research Problem

The research set out to provide independent, Africa-based primary research that will give both the regulators and consumers groups the necessary information on which to base specific actions that will address consumer issues in the ICT sector.

The process is also designed to empower staff in the regulators' consumer sections. Finally, it will also help to prioritise consumer concerns so that all stakeholders can see what issues need to be addressed and in what order of importance.

The research has taken place within the membership area of a single regional regulatory body in Africa, the Association of Regulators in Central, East and Southern Africa (ARICEA), in order to ensure the requisite the political support and to facilitate access to the regulators, along with their buy-in.

Primary qualitative research was designed to be carried out in the following areas:

- 3.1 The identification of **best practice** in respect of consumer protection regulation in both developed and developing countries, by:

- Identifying best practice from a wide range of jurisdictions;
- Comparing the baseline situation in the five selected countries with best practice found elsewhere;
- Identifying gaps and areas for improvement that are appropriate to the national contexts of the countries selected;
- Identifying areas where the selected regulators are themselves generating best practice;
- Creating a future agenda of issues that may become of relevance as new developments take place.

This component of the research is based on collection and analysis of primary documentation, as well as interaction with regulators in a number of jurisdictions.

3.2 Qualitative **research** into consumer perceptions of issues and what they think should be done about them, by:

- Determining what issues African consumers raise in terms of Internet and telecoms services;
- Noting how consumers rate or prioritise these issues.
- Recording consumer experiences of dealing with service providers in terms of consumer issues;
- Identifying the different ways in which consumers feel they would best be supported by the regulator.

This component of the research is primarily undertaken through qualitative, structured interviews based on a defined interview protocol, supplemented by a single focus group in each country.

3.3 Creating responses to consumer concerns, through developing a **regulatory action plan** comprising a defined set of activities in respect of:

- Choice: Getting competitive services and providing comparative information on these services (particularly tariffs and Quality of Service).
- Voice and representation: Giving consumers and consumer organisations access to policy processes and the governance of the regulatory body.
- Information: Working with the media to help inform consumers of their rights and about the choices they might make.
- Processes: Ensuring that regulators have a consumer charter of rights and that operators have Consumer Codes of Conduct and that clear complaints procedures are in place.

This component of the research consists of the development of a defined set of actions and interventions to be undertaken by the ICT sector regulator, drawn from both international and regional best practice and based on the recommendations emerging from the qualitative research phase of the project, together with a commitment from the regulator concerned as to their implementation.

## 4 Research Findings (Status of Data Collection)

The project experienced some delays at the inception phase. Although authorisation to commence was given by IDRC Kenya in order to utilise the opportunity of the February 2008 ARICEA AGM to launch the research, there were delays in the signing of the contract between the IDRC and the University of the Witwatersrand. The Memorandum of Grant Conditions was thus only signed on 10 June 2008, delaying the signing of sub-contracts with the research team, and consequently the inception of the research.

Further delays were occasioned by the need to replace one of the in-country researchers (Zambia) for non-performance, and to replace two of the original target countries. Because of government (and hence, regulatory) instability, Madagascar was replaced by Mauritius. Because of difficulties in securing the support and participation of the regulator, Kenya was replaced by Uganda.

Delays were also experienced in securing sign-off on the regulatory action plans in two of the target countries (Mauritius & Rwanda).

A final delay was occasioned by the postponement of the ARICEA AGM, with the result that the final project outputs and reports were only tabled in March 2011.

However, despite these challenges, the project proceeded relatively smoothly, and was completed on time and within budget.

The following research outputs are therefore at the stages of completion indicated below:

- 4.1 Best Practice Synthesis Report** - Completed and published in high-quality format together with associated Executive Policy Brief and attached (see Appendices 1 & 18).
- 4.2 Country Baseline Report** - an update to the baseline position regarding consumer protection in the ICT sector in the respective target country.
  - **Ethiopia** Completed and attached (see Appendix 2).
  - **Mauritius** Completed and attached (see Appendix 3).
  - **Rwanda** Completed and attached (see Appendix 4).
  - **Uganda** Completed and attached (see Appendix 5).
  - **Zambia** Completed and attached (see Appendix 6).
- 4.3 Introductory Workshop** - an in-country workshop to launch the research phase of the project.
  - **Ethiopia** Held in Addis Ababa on 19 December 2008.
  - **Mauritius** It was been agreed with the IDRC that this introductory workshop would be dropped because the regulator was prohibited from organising any workshops in the run-up to general elections held on 5 May.
  - **Rwanda** Held in Kigali on 26 May 2009.
  - **Uganda** Held in Kampala on 2 June 2009.
  - **Zambia** Held in Lusaka on 13 August 2009.
- 4.4 In-country research** - qualitative interview and focus group research to empower regulators to strengthen consumer protection in the respective target country.
  - **Ethiopia.** Completed and attached (see Appendix 7).
  - **Mauritius** Completed and attached (see Appendix 8).
  - **Rwanda** Completed and attached (see Appendix 9).
  - **Uganda** Completed and attached (see Appendix 10).
  - **Zambia** Completed and attached (see Appendix 11).
- 4.5 Concluding Workshop** - a concluding in-country workshop to present the research findings and to recommend areas and priorities for regulatory intervention.
  - **Ethiopia** Held in Addis Ababa on 24 November 2009.
  - **Mauritius** Held in Port Louis on 9 December 2010.
  - **Rwanda** Held in Kigali on 10 December 2010.
  - **Uganda** Held in Kampala on 14 December 2009.
  - **Zambia** Held in Lusaka on 10 June 2010.
- 4.6 Regulatory Actions Report** - a report identifying actions undertaken or commitments made by the regulator or policy-makers in respect of consumer protection.

- **Ethiopia** Completed and attached (see Appendix 12).
- **Mauritius** Completed and awaiting endorsement by the regulator, draft attached (see Appendix 13)
- **Rwanda** Completed and awaiting endorsement by the regulator, draft attached (see Appendix 14)
- **Uganda** Completed and attached (see Appendix 15)
- **Zambia** Completed and attached (see Appendix 16)

The progress in each of the target countries is summarised in the table below.

	<b>Country Baseline Report</b>	<b>Introductory Workshop</b>	<b>In-country Research Report</b>	<b>Concluding Workshop</b>	<b>Regulatory Actions Report</b>	<b>Overall Progress</b>
<b>Ethiopia</b>	Fully Complete	2008-12-19	Fully Complete	2009-11-24	Fully Complete	Fully Complete
<b>Mauritius</b>	Fully Complete	Dropped (as agreed with IDRC)	Fully Complete	2010-12-09	Draft awaiting regulatory endorsement	As complete as possible <sup>1</sup>
<b>Rwanda</b>	Fully Complete	2009-05-26	Fully Complete	2010-12-10	Draft awaiting regulatory endorsement	As complete as possible <sup>2</sup>
<b>Uganda</b>	Fully Complete	2009-06-02	Fully Complete	2009-12-14	Fully Complete	Fully Complete
<b>Zambia</b>	Fully Complete	2009-08-13	Fully Complete	2010-06-10	Fully Complete	Fully Complete

**4.7 Overall Research Report** - a report summarises the research and its findings across all 5 target countries, and makes a set of overall recommendations in respect of consumer protection and empowerment. It was also published in high-quality format together with associated Executive Policy Brief (see Appendices 17 & 19).

**4.8 COMESA Policy Guidelines on Consumer Protection** - This was a late addition to the project. A draft has been completed (see Appendix 20) and forwarded to ARICEA. Validation and final adoption by COMESA will be undertaken outside the project and at the expense of ARICEA & COMESA.

## 5 Project Implementation & Management

### 5.1 Financial Report

The Financial Report for the current period is attached, and contains explanations in respect of expenditure undertaken during the final period of project extension to 30 June 2011. For previous expenditure, please refer to previous financial reports

Despite the project having been extended, and despite additional deliverables being agreed to at the 2011 ARICEA AGM (see below), it has nevertheless come on budget.

<sup>1</sup> Sign-off by the regulator on the Regulatory Actions Plan is outside the control of the project. Concerted attempts have been made to secure the endorsement of the regulator, thus far without success.

<sup>2</sup> Sign-off by the regulator on the Regulatory Actions Plan is outside the control of the project. Concerted attempts have been made to secure the endorsement of the regulator, thus far without success.

Due to changes in personnel at Consumers International, their contractual participation of the in and contribution to the project was never formalised. With the approval of the IDRC, this budget line item was reallocated towards dissemination of the project outputs.

Due to exchange rate fluctuations the amounts actually expended on in-country research were less than expected. Subject to 5.6 below, it is anticipated that this surplus will comprise the major portion of the amount to be returned to the IDRC.

## **5.2 Mailing List**

The e-mail list continues to be used for communication with project stakeholders in the target countries, and has been used to circulate presentations delivered at workshops, to disseminate final project outputs as these are signed off, and to alert stakeholders to items and issues of relevance to the protection of consumers in the ICT sector in Africa.

## **5.3 e-Publishing of Project Outputs**

The two major project outputs have been published in the form of e-books that are downloadable in both online and print-on-demand formats. With the approval of the IDRC, these were supplemented by two-page executive policy briefs, also in both online and print-on-demand formats. A number of printed copies of these are being disseminated to regulators and other stakeholders in the target countries, as well as to ARICEA, and other African regulatory bodies such as the ATU, WATRA, CRASA.

## **5.4 Project Web Page**

A project web page has been created, setting out a general overview of the project, and containing downloadable links to all documentary project outputs in .pdf format. This includes the baseline studies, research reports and regulatory action plans in each of the target countries. Showcased and highlighted on this page are the international best practice and overall research reports, along with their respective executive policy briefs, in both online and print-on-demand formats. The URL for this web page is <http://link.wits.ac.za/projects/crrea.html>.

## **5.5 Project Conclusion**

The project was concluded at the 7th Annual General Meeting of the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA), held at the Maritim Hotel, Mauritius on 17 - 18 March, 2011.

A short workshop on the project and its deliverables and findings was conducted at the same venue on 15 March 2011, leading to the adoption of the project report in the ARICEA AGM, with the following decisions:

### ***Decisions***

*The 7th AGM decided that efforts be made in promoting policies and regulations regarding consumer protection. The developed policy guidelines on consumer protection should be reviewed and updated.*

## **5.6 COMESA Policy Guidelines on Consumer Protection**

At the request of ARICEA, and with the agreement of the IDRC, the final project activity involves updating of the 2007 COMESA Policy Guidelines on Consumer Protection in accordance with overall recommendations from this research project, together with the international and regional consumer protection best practice. A draft of the updated Policy Guidelines on Consumer Protection has been sent to ARICEA. It is anticipated that this draft will be presented at validation workshop, organised to coincide with an appropriate ARICEA meeting. The discussion and feedback from this workshop will be used to finalise the draft which will then be handed to ARICEA for adoption by COMESA through the appropriate formal channels.

## 6 Project Outputs & Dissemination

### Documentary Outputs

The key documentary outputs of the project are thus now all in place, as follows:

- Best Practice Synthesis Report;
- Country Baseline Reports (Ethiopia, Rwanda, Uganda, Zambia, Mauritius);
- Country Research Reports (Ethiopia, Rwanda, Uganda, Zambia, Mauritius);
- Country Regulatory Actions Reports (Ethiopia, Uganda, Zambia - as recommendations for Mauritius and Rwanda);
- Overall Project Report
- Executive Policy Briefs (Best Practice Synthesis Report & Overall Project Report).

The remaining project output, the updated COMESA Policy Guidelines on Consumer Protection, will be added as soon as it is formally adopted.

### Dissemination

As indicated above the e-mail mailing list was used to distribute soft copies of the published versions of both the Best Practice Synthesis Report and the Overall Project Report, along with their respective executive policy briefs, as well as to alert stakeholders to the project's web page. Similar e-mails will be sent to a wider group of stakeholders, including ARICEA, ATU, WATRA, CRASA.

The two major project outputs (Best Practice Synthesis Report and the Overall Project Report) have been published in the form of e-booklets that are downloadable in both online and print-on-demand formats, along with two-page executive policy briefs in each case. A number of printed copies of each of these are being disseminated to regulators and other stakeholders in the target countries, as well as to ARICEA, and other African regulatory bodies such as the ATU, WATRA, CRASA.

A project web page has been created, setting out a general overview of the project, and containing downloadable links to all documentary project outputs in .pdf format. This includes the baseline studies, research reports and regulatory action plans in each of the target countries. Showcased and highlighted on this page are the international best practice and overall research reports, along with their respective executive policy briefs, in both online and print-on-demand formats. In addition a short video on the project was produced and uploaded to YouTube, with a link to it from the project web page. The URL for this web page is <http://link.wits.ac.za/projects/crrea.html>.

## 7 Capacity-Building

### 7.1 Institutions

There are signs of institutional reinforcement and strengthening through the project at the following institutions:

- **Rwanda Utilities Regulatory Agency (RURA):** Six new staff have been appointed in the consumer protection Unit (CPU). The CPU has got new offices outside the regulator premises to allow communication and easy access by consumers and associations.
- **Uganda Communications Commission (UCC):** Two additional staff have been recruited to oversee the process of dealing with consumer complaints against service providers.
- The adoption of Regulatory Action Plans by the **Zambia Information and Communications Technology Authority (ZICTA)** and the **Uganda**

**Communications Commission (UCC)**, respectively, is recognised in each case to have capacity building implications.

- The updating of the COMESA Guidelines on Consumer Protection is expected to increase regulatory harmonisation across the **Common Market for Eastern and Southern Africa (COMESA)** and to strengthen the institutional leadership of **ARICEA**.

## 7.2 Researchers

The project has specifically appointed in-country researchers in order to develop local research capacity in the area of consumer protection regulation.

# 8 Impact

## 8.1 Reach

The project's overall research findings and recommendations were presented to the 7th Annual General Meeting of the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA), on 17 - 18 March, 2011, leading to debate and discussion at both the validation workshop and the formal AGM. A formal AGM resolution commits ARICEA member regulators towards "promoting policies and regulations regarding consumer protection". The recommendation to review and update the current COMESA policy guidelines on consumer protection will strengthen the project's reach across all ARICEA member regulators, and should attract wider attention across the region.

The wider dissemination of overall research results and recommendations, along with the documentary outputs of the project, will extend the reach of the project to other regulatory associations across the continent.

## 8.2 Impact

The overall impact of the project is expected on several fronts.

Firstly, a key part of the research process was that the findings were used in each of the target countries to put together a **Regulatory Action Plan** with key stakeholders that was then to be agreed by the national regulator. The greatest degree of impact in this regard was achieved in Uganda and Zambia, where the co-operation and feedback of the regulator was secured in relation to a detailed and specific set of action points. In the case of Ethiopia, the regulatory action plan took the form of a series of customer service charters drawn up for the regulator by the local researcher. In the cases of Mauritius and Rwanda, however, local researchers were unable to secure the agreement of the national regulator to the proposed Regulatory Action Plan before the conclusion of the project.

Secondly, the adoption of a formal resolution by ARICEA at its 7<sup>th</sup> Annual General Meeting to strengthen consumer protection work in its member countries, is likely to have a wider, although less quantifiable, long-term impact.

The final and most wide-reaching and long-lasting area of impact is likely to be in respect of the review and updating of the 2007 COMESA Policy Guidelines on Consumer Protection. An updated set of consumer protection guidelines, better reflecting global best practice and informed by the current research project, will directly impact on the protection and empowerment of ICT consumers in ARICEA member countries, but will also have a wider impact in other countries across the region.

# 9 Recommendations emerging from the research

A set of overall recommendations was made arising out of this research project:

- 1 **Strengthen consumer protection in the law.** Governments should strengthen the provisions in the law that empower the regulator, more effectively to protect consumer rights in communications. In the absence of effective legislation, regulators can both issue regulations that serve the same purpose and insist that operators publish consumer charters.
- 2 **Survey consumer perceptions and issues.** The regulator should regularly survey consumer perceptions regarding the various service providers, including the reasons behind such perceptions, and should publish the results of such surveys on its web site and elsewhere. The results of these surveys should be one of the strongest grounds for regulatory intervention on behalf of consumers.
- 3 **Regulatory intervention.** The regulator should intervene more strongly to protect consumers by, among other things, encouraging operators to improve their services, by requiring greater network coverage on the part of the operators, and by intervening in respect of pricing and quality of service. A key issue to address, even in competitive markets, is how best to improve the performance of a dominant market leader.
- 4 **Prioritise key complaints issues.** While the sample size in this research project is clearly too small to draw nationally representative conclusion, a number of problem areas for the consumers of ICT goods and services seem to feature prominently. These include lack of network coverage in certain (mainly rural) areas, frequent dropped calls, poor quality of service and pricing. Validation of the results from the sample covered by this research, together with possible mandatory provision of complaints data and analysis by service providers to the regulator, would assist the regulator to identify priority areas for regulatory intervention to protect consumers.
- 5 **Publicise channels of complaint.** The research undertaken here has shown that few consumers are aware of how to complain, and in respect of what issues complaints are justified. It is clear, therefore, that a comprehensive national awareness campaign relating to consumer complaints would empower the sector regulator to protect ICT consumers. Such a campaign could cover not only the channels through which consumers can register their complaints and have them resolved and, if need be, escalated (and here it must be emphasised that the service providers should always be the first port of call, with the regulator acting as the complaints channel of last resort), but should also cover the types of issues in respect of which complaints may be raised. With the majority of consumers being mobile subscribers, the use of mandatory SMS messages from service providers to carry the campaign should be investigated. Also worth considering is mandatory point-of-sale provision of consumer protection information with starter packs and recharge vouchers.
- 6 **Publish comparative pricing information.** The interviews undertaken as part of this research suggest that there is considerable confusion in respect of the pricing of the various packages and services offered by the service providers. Whilst operators clearly have a vested competitive interest in ensuring that their pricing is not comparable, a regulatory requirement to publish certain comparable benchmark data in a single location would greatly assist consumers properly to compare prices and hence empower them to choose the ICT services best suited to their needs at the most affordable price.
- 7 **Focus on mobile customers.** As both this research and national subscriber statistics show, the overwhelming majority of consumers of ICT goods and services in Africa are mobile subscribers. It is therefore clear that any policy and regulatory interventions to protect and empower ICT consumers must focus on and target the mobile sector first and foremost. This does not imply that consumers of legacy fixed-line services, or of Internet services, whether via dial-up connectivity, via ADSL or via 3G services, should be ignored. But it does imply not only addressing the issues that affect mobile

consumers as a priority, but also exploiting mobile as a channel of communications between regulators and service providers and their customers.

- 8 Prioritise rural consumers.** It is clear from this research that the level of consumer awareness and the degree of customer empowerment is considerably lower in the rural areas. Furthermore, certain consumer issues such as poor network coverage and dropped calls disproportionately affect rural consumers. The concentrations of consumers in urban areas are of course vastly greater, and reaching them consequently much easier and more cost-effective. Conversely, policy and regulatory interventions to protect consumers may be more challenging and costly in rural areas, but, nevertheless, rural consumers and their issues should be seen as a priority.
- 9 Increase the profile of the regulator.** The research has shown that there is limited awareness of sector regulators and, correspondingly, little appreciation of their role or of the importance of their work in protecting consumers. It is therefore necessary for the regulator to consider how it can increase its profile amongst ICT consumers in order to empower it as an agent of consumer protection. Specific measures to achieve this on a cost-effective basis are beyond the scope of this report, but consideration should be given to the use of SMS and community media and point-of-sale information. The regulator needs to engage more effectively in marketing itself to the public, via a variety of channels (including but not limited to radio, television, SMS and its web site), advertising its role and responsibilities in relation to those of government and the operators, and claiming greater public credit for its achievements and successes, particularly those in defence of consumer rights.
- 10 Undertake general consumer education.** The low levels of consumer literacy and awareness revealed through this research suggest that consumer education, often at a fairly basic and general level is required, so that consumers can better understand how the ICT sector works, how they as consumers are affected by its dynamics, what the specific issues are that impact on them as consumers, and what their rights and expectations as customers of ICT goods and services should be. The development of customer service charters, along with a means of ensuring their widespread dissemination, for the various classes of service provider could be a useful step in this direction, along with the use of some of the channels of communication suggested above, such as SMS, point-of-sale information, community media and more.
- 11 Investigate SIM-swapping.** It seems clear that SIM-swapping is commonplace and that many consumers who can afford them, make use of multiple-SIM phones. It is worthwhile investigating exactly how widespread these phenomena are, along with what incentivises consumers to engage in them. Problems relating to network coverage by respective service providers, or pricing differentials between on-net and off-net calls, may underpin the practice. If so, regulatory interventions to extend network coverage or to reduce mobile termination rates may work to disincentivise this trend. Multiple SIM use may also be one sign of an inefficient market because operators with network congestion are not punished by consumers moving to another network. Mobile Number Portability may also be one strategy to address this issue.
- 12 Remain aware of future trends.** Whilst this recommendation does not emerge directly from this research, it nevertheless remains important to stress that the sector regulator needs continually to remain abreast of market developments and ongoing shifts in customer preferences and consumer patterns. As the ICT sector continues to grow and evolve, so too will policy and regulatory intervention to protect ICT consumers need to continue to look ahead and be proactive.
- 13 Support consumer groups.** Support for the establishment of at least one association dedicated to the cause of consumers, to defending their rights, identifying and publicising their issues, and to advancing the cause of the consumers of

communications services, and able to interact effectively with the regulator and policy-makers, can only serve to strengthen the cause of consumer empowerment.

- 14 Support further consumer research.** The research undertaken here indicates the need for effective regulatory and policy-making intervention to be supported and underpinned by appropriate research. Some issues requiring research will be closely related to nationally contextualised issues, but others, such as an exploration of what underpins and drives consumer perceptions of operator services and customer issues, might be more generalised.
- 15 Strengthen regulatory autonomy.** Again this final recommendation arises more as a corollary to the research. Greater independence of regulators, and greater authority and autonomy for the separate regulatory functions, including in this case that of consumer protection, provided that this is supported by greater capacity building, can only serve rather to strengthen regulatory intervention and increase regulatory responsiveness, in this case in support of the protection of the consumers of ICT goods and services.

## 10 Recommendations

There are no further recommendations in respect of the project.

--- ends ---

## Appendix 1 – Best Practice Synthesis Report



# CONSUMER BEST PRACTICES IN THE TELECOMMS SECTOR

By  
Isabelle Gross, Charley Lewis  
and Russell Southwood



ISBN: 978-1-920463-92-2 (print on demand)

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#### EXPLANATION OF COVER IMAGE

- The main image is that of the iconographic telephone, a universal symbol for communication. It is grandiose in scale, symbolising solidity and empowerment.
- Wrapped around the receiver is a measuring tape denoting the rules and regulations that the industry must adhere to in order to attain international best practices.
- On either end of the receiver are symbols pertaining to the positives and negatives of customer hotlines.
- In the circular shape of the dialling mechanism sits Africa, pivotal to the revolving avenues of information.
- At the base of the telephone are images of generic customers, who constitute the core of a successful industry. These figures are in the process of loudly communicating their issues and complaints and, in return, they are receiving information about empowerment and protection.



# CONSUMER BEST PRACTICES IN THE TELECOMMS SECTOR

By  
Isabelle Gross, Charley Lewis  
and Russell Southwood



## ACKNOWLEDGMENTS

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## TABLE OF CONTENTS

Acknowledgements	III
1. Overview	1
2. Knowing what consumers care about – consultations, surveys and complaints monitoring	4
3. Setting a rules framework – Codes of Conduct, standard setting and enforcement	7
4. Intervening on behalf of consumers in issues as they arise	10
5. Communicating with consumers and the power of the media	15
6. Consumer redress – complaints processes and the regulator as referee of last resort	19
7. Scanning the horizon – spotting issues before they occur	22
8. Assessing the cost and effectiveness of different interventions	26
9. Conclusion	28
10. References	29



# 1. OVERVIEW

A good ICT sector regulator needs to maintain a proportionate balance between protecting consumers and harnessing the creativity of the industry, while ensuring increased access to the service in a competitive market.

The ICT sector regulator should be concerned about:

- Consumer access;
- Consumer choice;
- Consumer empowerment;
- Consumer protection from unfair practices;
- Consumer redress.

This report looks at examples of best practice consumer protection regulation, and at how regulators can set up different ways of representing consumers' interests. The examples are drawn both from within Africa and from elsewhere around the world. Not all the examples given come from the telecomms and Internet sectors. However, irrespective of industry, they have a relevance to best practice for African ICT sector regulators.

Although consumer interventions by regulators can be enormously varied, they can perhaps be best understood by asking three broad questions:

- What do consumers feel about the services they receive and what are service providers doing to address any concerns they might have?
- What can the regulator do to address these concerns?
- And lastly, how does a regulator know whether its interventions have been effective?

In order for any of the regulator's interventions to have any impact, its existence and the services it offers must both be something of which consumers are aware.

Of course, in reality things are not so clear-cut. New issues arise once consumers are better informed, or through the launch of new services. The structure of this report thus seeks to provide headings for the range of best practice interventions a regulator might put in place. Issues of resourcing may affect a regulator's ability to do any or all of the suggested types of intervention, but careful prioritisation and management of resources will enable even a regulator with resource constraints and limited capacity to achieve much.

A number of the interventions cited in this report are taken from the European Union and this has been done deliberately. Regulation in Africa is very different from that in Europe, but there is a regional dimension; there are trading blocs like SADC and ECOWAS that offer common legal frameworks on particular issues. On a more pragmatic level, there are regional regulatory associations like COMESA (which is a partner for this study), CRASA and WATRA, through which regulators have often worked together to address common issues of concern.

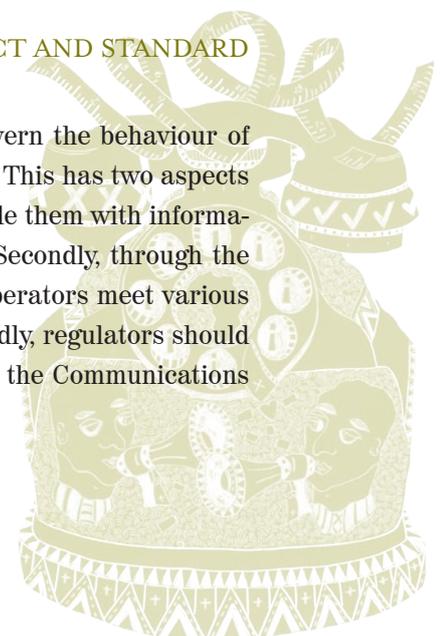
Potential interventions by regulators to protect consumer interests are examined under the following headings:

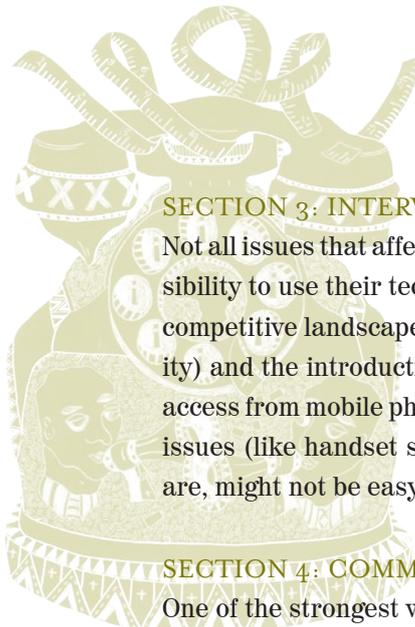
## SECTION 1: KNOWING WHAT CONSUMERS CARE ABOUT – CONSULTATIONS, SURVEYS AND COMPLAINTS MONITORING

Research is a key tool for understanding what consumer priorities are in terms of which issues need to be addressed, and assessing consumers' views of the effectiveness of consumer protection interventions undertaken by the regulator. While price and quality may be obvious current issues, the areas of most concern will change once they have been addressed. Higher levels of competition may bring lower prices. Quality thresholds may drive better quality of service. So it may be that issues will change over time, and the use of survey work and consultation with consumer groups are two different ways of keeping in touch with these changes. This can be achieved through ensuring consumer representation on the board of the regulator or one of its sub-committees, consultation meetings and consumer surveys.

## SECTION 2: SETTING A RULES FRAMEWORK – CODES OF CONDUCT AND STANDARD SETTING AND ENFORCEMENT

Regulators have the power to set down a framework of rules that will govern the behaviour of operators through legislation, regulatory frameworks and standard setting. This has two aspects that are relevant to consumers. Firstly, they can insist that operators provide them with information on which their performance in relation to consumers can be judged. Secondly, through the imposition of Codes of Conduct or Codes of Practice, they can insist that operators meet various criteria that can cover issues as diverse as pricing, quality and access. Thirdly, regulators should publish information about investigations into breaches of regulatory rules, the Communications Act, consumer protection and competition law, etc.





### SECTION 3: INTERVENING ON BEHALF OF CONSUMERS IN ISSUES AS THEY ARISE

Not all issues that affect consumers are as obvious as pricing and quality. Regulators have a responsibility to use their technical expertise to identify issues that arise from changes in things like the competitive landscape (in one of the examples given, through the introduction of number portability) and the introduction of new technologies and costs associated with services such as Internet access from mobile phones and bundled services (broadband, mobile, etc) from one provider. These issues (like handset subsidies) might not be immediately apparent to consumers, or even if they are, might not be easy for them to address.

### SECTION 4: COMMUNICATING WITH CONSUMERS AND THE POWER OF THE MEDIA

One of the strongest weapons a regulator can use to protect consumers is the power to communicate information that will educate and empower them. Whether this is to warn them of the dangers of something like spam or to “name and shame” operators that are offering low-quality services, the impact of a well thought-out media strategy is hard to underestimate. For those with fewer resources, it is always easier to rely on others like the media to carry a range of consumer-related messages. Even regulators whose powers are limited can help set an effective agenda through use of their own website and the media.

### SECTION 5: COMPLAINTS PROCESSES – THE REGULATOR AS REFEREE OF LAST RESORT

Any well-run company will have complaints processes. An unhappy customer who feels his or her complaint is not taken seriously is one who may leave to use a competitor’s service. But what happens if a customer feels that an operator has not taken their complaint seriously? Regulators have an obligation to ensure that channels for complaint are clearly specified and communicated to customers, include procedures for escalation, and specify the regulator as the referee of last resort, addressing and resolving only those individual cases that cannot be resolved with the operator concerned. As for the operators, the monitoring of complaints by regulators should help identify issues that need addressing at a more general level, and the publication of complaints information can keep operators focused on the customers they serve.

### SECTION 6: SCANNING THE HORIZON – SPOTTING ISSUES BEFORE THEY OCCUR

Over time, consumers become better educated about issues. However, the introduction of new services can raise fresh issues that affect them. For example, the introduction of M-Money services like M-Pesa in Kenya and elsewhere in Africa, or the bundling of services by one provider, can throw up new ranges of consumer protection issues. It is part of the regulator’s responsibility as the guardian of consumer interests to anticipate the kinds of issues that may become important in the future.

### SECTION 7: ASSESSING THE COST AND EFFECTIVENESS OF DIFFERENT INTERVENTIONS

No regulator has unlimited resources, so each needs to think hard about how, within a limited budget, it can act on behalf of consumers. But this task is also one of reviewing and evaluating what has already been done in order to fine-tune future action. Some regulators may choose to carry out a survey of consumer attitudes, while others may carry out a nationwide consultation process through meetings. But whatever is done, the question of assessing its effectiveness is central to the success of protecting consumers.



## 2. KNOWING WHAT CONSUMERS CARE ABOUT – CONSULTATIONS, SURVEYS AND COMPLAINTS MONITORING

A great many people in Africa are either telecomms consumers (and in all likelihood consumers of mobile telecomms services) or they personally know someone who is. It is easy to imagine that your own views as a consumer are as representative as the next person's. The most obvious concerns that were picked up in our initial study for IDRC were three-fold: price, quality of service and access to services (Southwood, Nguo, Sagna & Lewis, 2006, p. 96).

All of these are likely to reflect a particular stage of market development. As uptake of services burgeons in markets with levels of competition that are still limited, it is likely that consumers in many areas will complain about lack of access to services because of limited network coverage. Further, the limited degree of competition is likely to mean that prices remain relatively high and quality of service remains relatively low.

However, in a number of countries since the initial study, increased competition has meant that prices for consumers have continued to come down. In some places, the new operators have invested substantially in their networks and are promising to provide better quality. While price and quality may seem to be perennial African problems, these may in fact disappear or reduce in importance. In their place new consumer issues, consumer grievances and problem areas are likely to arise.

Not only that, there may be consumer issues specific to certain types of service or to particular service providers. It is, therefore, vital that the regulator meet its consumer protection obligations by checking on an ongoing basis what consumers feel about the services they are receiving, as well as the operators that are providing those services. In addition, a proactive regulator will check the perceptions of consumers regarding its own consumer protection and consumer empowerment interventions over time.

Prior to consultations, it is important that consumers are aware of the regulator's existence and of the services it offers. The regulator could improve visibility by means of a strategic media and publicity campaign via its website and the distribution of printed consumer leaflets and guides. A short guide on the regulator's role and its consumer protection services could be a useful marketing tool that will help educate consumers.

There are a number of different ways of getting to know about consumers' concerns. These include ensuring consumer representation on the board of the regulator or one of its sub-committees, consultation meetings and consumer surveys. As with any approach to these issues, each has its advantages and disadvantages.

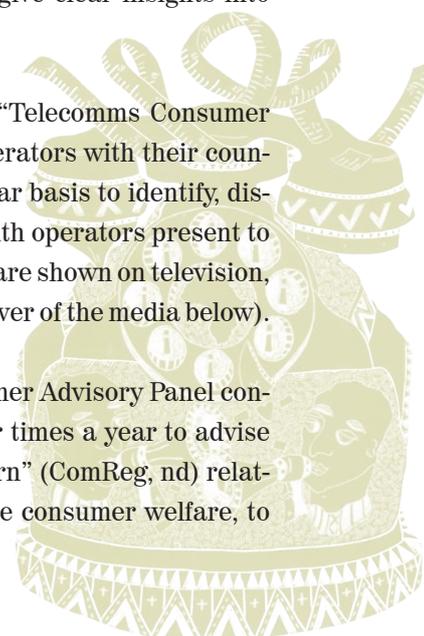
Consumer representation on the board of a regulator or of a specific consumer sub-committee may be an important way of representing the consumer viewpoint among the views of other stakeholders.

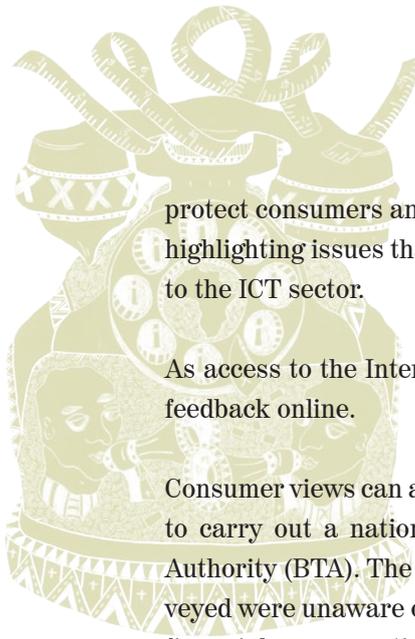
This representation might be an individual or several individuals - for example, some African regulators have advertised publicly (like the Zambian regulator, ZICTA) to fill these kinds of posts. They might be a representative from a consumer group, either with a generic focus on consumer issues or one focused more narrowly on telecomms and Internet. But while representation of this kind has a vital role to play in the month-to-month deliberations of the regulator, no single individual or set of individuals can really represent the full range and complexity of consumers' concerns.

Another way of engaging with consumers is through carrying out regular "road show" public meetings that focus particularly on areas outside the capital. Experience from several countries has shown that these are often well attended and generate discussions that give clear insights into issues that require attention.

The Nigerian regulator, NCC, has formalised this process by creating a "Telecomms Consumer Parliament" (Gwandu, 2006) that brings together representatives from operators with their counterparts from consumer groups and other stakeholders to meet on a regular basis to identify, discuss and address consumer issues. Its proceedings are widely attended, with operators present to answer questions and respond to the debate. Furthermore, its proceedings are shown on television, giving it a wider impact beyond those who attended (see Section 4 on the power of the media below).

In similar vein, the regulator in Ireland, ComReg, has established a Consumer Advisory Panel consisting of six members appointed by the Commission, who meet some four times a year to advise the regulator on "developments, innovations and areas of consumer concern" (ComReg, nd) relating to the three key areas of the regulator's consumer policy (to maximise consumer welfare, to





protect consumers and to raise consumer awareness). This advisory panel is thus responsible for highlighting issues that can assist the regulator's understanding of consumer concerns in relation to the ICT sector.

As access to the Internet improves, the regulator's website can also be used to gather consumer feedback online.

Consumer views can also be sought by carrying out survey work. One of the first African regulators to carry out a nationally representative consumer survey was Botswana Telecommunications Authority (BTA). The results of its 2006 survey are quite revealing. For example, 41% of those surveyed were unaware of operators' complaints procedures, and 45% were not sure how to claim the financial compensation they were entitled to for service failure, with 55% thinking consumer representation was either poor or fair (BTA, 2006).

Alongside survey findings, the numbers of complaints received by regulators themselves are relatively small, especially in jurisdictions where clear and effective complaints channels make the regulator the last port of call. This does, correctly, reduce the burden of regulation, but it means that complaints received by the regulator are a limited source of information. For example, in 2005 the Botswana Telecommunications Authority received only about 38 complaints related to the telecommunications sector.

Whereas those making complaints to a regulator are generally self-selecting and small in number, the survey respondents' views can lay some claim to being much more representative. There could be arguments about the sample size and whether the sample covered rural as well as urban areas, but if these criteria are met, then the survey provides a fairly clear view about what consumers feel.

By contrast, the strengths of the consumer consultation road shows are that they allow arguments, engagement and ultimately education. The relatively small number of people attending will take their newfound understanding out into their communities. The arguments can help explore consumer issues in greater depth and detail, and help clarify what might be the best priorities for regulators to adopt. In many ways, these strengths are similar to those that can be seen in qualitative research with smaller groups.

Similarly, consumers can be surveyed as to the effectiveness of the regulator in protecting their interests and in addressing their issues. A pioneering global study in this area (Cannock, 2002) produced results that were both valuable and surprising in that they revealed a considerable gap between the perceptions of regulators as to their effectiveness and the perceptions of consumers, who almost invariably felt the regulators were doing a far less effective job. A similar poll into its regulatory effectiveness and transparency in the eyes of both consumers and service providers was conducted in 2006 by the Nigerian regulator, NCC (NCC, 2006).

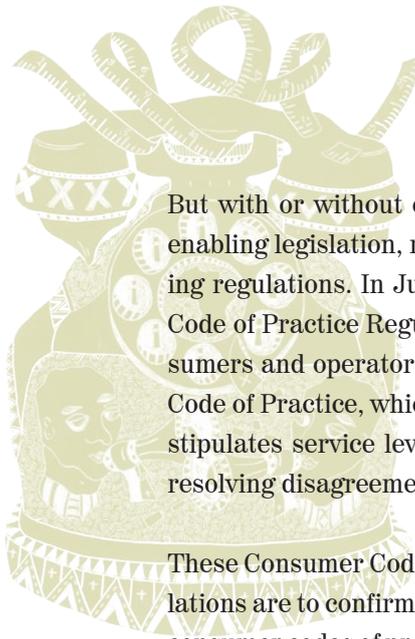
However, although the results of such surveys provide valuable information to guide regulatory intervention, it is essential that they are published and widely disseminated, via the regulator's website and in the media. This is important not only to inform consumers, but to ensure that the resultant publicity acts as an incentive to operators to improve their services and to remain focused on customer satisfaction and consumer needs.



### 3. SETTING A RULE FRAMEWORK – CODES OF CONDUCT, STANDARD SETTING AND ENFORCEMENT

Once the concerns of the consumer have been established, the focus of attention for best practice moves to setting a rules framework that allows consumers to understand their rights and responsibilities. In broad terms, there are three tools that can be used to set rules: legislation, regulatory frameworks and standard setting.

Depending on the country, consumers may be covered by generic consumer legislation. If this exists, the regulator can draw upon the framework of rights and responsibilities that it lays out. In its absence, a regulator will probably seek to become one of several voices recommending that consumer legislation be put in place. However, this is a time-consuming process and may take two to three years or more. In a number of jurisdictions the legislation establishing the regulator and setting forth its mandate may contain a number of consumer protection provisions that empower the regulator to protect and empower consumers. For example, South Africa’s 2005 Electronic Communications Act contains an entire chapter devoted to “Consumer Issues”, dealing with a “code of conduct, an end-user and subscriber service charter”, “people with disabilities” and the establishment of a “Consumer Advisory Panel” (RSA, 2005, chapter 12).



But with or without consumer legislation, and depending on the extent of their mandate in the enabling legislation, regulators have the power to create their own consumer frameworks by issuing regulations. In July 2007, the Nigerian Communications Commission gazetted the Consumer Code of Practice Regulation (NCC, 2007), which has become the reference document for both consumers and operators. In terms of it, each licensed operator is required to produce and submit a Code of Practice, which has to be reviewed and approved by the Commission. The Code of Practice stipulates service level agreements, responsibilities and rights of each party, and procedure for resolving disagreements whenever they arise between parties.

These Consumer Code of Practice Regulations stipulate that the “specific objectives of these Regulations are to confirm and clarify the procedures to be followed by Licensees in preparing approved consumer codes of practice in accordance with section 106 of the Act; and to determine and describe the required contents and features of any consumer code prepared by, or otherwise applicable to, Licensees” (NCC, 2007, p. 2).

The consumer code is divided into seven parts requiring telecommunications licensees to ensure:

- Provision of information to consumers;
- Advertisement and representation of services;
- Consumer billing, charging, collection and credit practices;
- Consumer obligations;
- Protection of consumer information;
- Complaints handling;
- Code compliance.

It is useful to have Codes of Practice of this kind in place, as they set a starting position for other actions regulators might take to protect consumers. However, a Code of Practice does not by itself lead to changes in actual practice unless it is both widely publicised and effectively enforced.

If consumers are not aware of the existence of the Code of Practice, it may have little or no impact. Regulators therefore need to place a great deal of emphasis on the processes that will communicate their existence and function to consumers. This includes ensuring that the Code is readily available publicly on the websites of both regulator and operators - this may also include requiring operators to provide customers with copies of these charters or codes at the point of sale when a contract is entered into or a starter pack sold.

As with law, Codes of Practice also become effective when a regulator demonstrates that they are indeed binding and that it will make enforcement a priority. This is most visibly demonstrated by taking action on “sample” cases that will show that a change of behaviour is required from operators. Depending on the attitude and co-operation from operators, the penalties may range from simply a publicised judgement to fines for non-compliance.

One area where a number of African regulators have started to take this kind of action has been over quality of service. In Mauritania, the law defining the regulator’s structure and mission sets out one of the objectives of the “Autorité de Régulation” as being to protect the interests of users and operators and to take any steps necessary to ensure a competitive environment (Mauritania, 2001).

Despite the existence of three mobile operators in the market (Mauritel, Mattel and Chinguitel), the quality of services offered to consumers has remained a serious concern for the regulator.

Since 2002, the regulator has carried out regular quality control assessments, measuring each mobile operator's rate of lost and disconnected calls in an attempt to improve service delivery. The quality threshold rate for each criterion was respectively set at 5% for lost calls and 3% for disconnected calls.<sup>1</sup>

Following three assessments in 2002, another assessment in 2003 and a further two in 2004, the regulator acknowledged that mobile operators were still not meeting the required criteria. The level of lost calls, for example, varied between 13% and 92% depending on the geographic location. So in September 2004, the regulator fined Mauritel and Mattel USD141 776 for these service shortfalls.

The Mauritanian regulator believed that financial penalties were the only tool that it could use with mobile operators to get them seriously to tackle quality of service issues. Since 2004, the regulator has continued to carry out regular quality control assessments and has continued to use fines as a sanction to enforce quality improvements. An assessment in November 2005 found that the level of disconnected calls had improved and was under 3%, but that the average level of lost calls was still around 27%. In this instance, the regulator did not fine Mauritel and Mattel, because it took the view that by lowering the level of lost calls the operators had met one of the quality criteria.

There are also other examples in Africa where regulators have taken action against operators over quality of service issues:

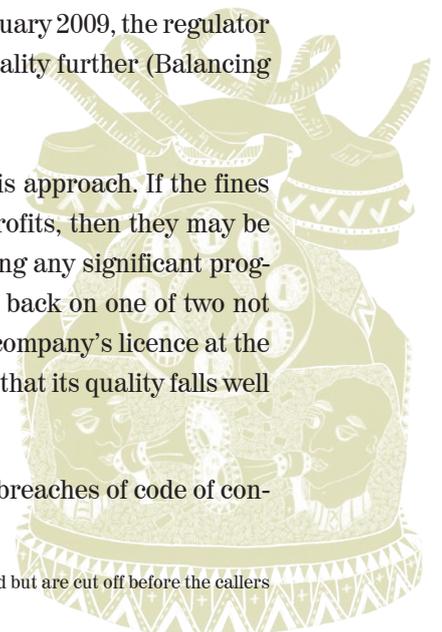
- Ghana: NCA threatened to fine operators over network service quality issues but did not follow through on this threat;
- Nigeria: NCC asked mobile operators to reimburse customers because of bad service quality (May-June 2008);
- Senegal: the ARTP fined Sonatel (now branded Orange) for a major service disruption in 2007.

The Mauritanian regulator has used a combination “carrot and stick” approach with the operators - the stick being the fines and the carrot the withholding of fines for lost calls as an acknowledgement of the progress that had been made with disconnected calls. However, by February 2009, the regulator was publicly expressing frustration at the operators' inability to improve quality further (Balancing Act, 2009).

All these cases raise a number of issues that illustrate the limitations of this approach. If the fines given to operators are relatively modest in relation to their turnover and profits, then they may be willing to bear them simply as another cost of doing business, without making any significant progress on the quality issue. If this is the case, the regulator can then only fall back on one of two not necessarily mutually exclusive approaches: it can threaten to withdraw the company's licence at the end of its due date, or, and probably more effectively, publicise widely the fact that its quality falls well below the established threshold.

It is important that regulators publish information about investigations into breaches of code of conduct by providers and the penalties levied.

<sup>1</sup> Lost calls are those that are made and never connect. Disconnected calls are those that have connected but are cut off before the callers finish their conversation.





## 4. INTERVENING ON BEHALF OF CONSUMERS IN ISSUES AS THEY ARISE

Issues often arise out of changes to market regulations and the ensuing implications for consumers. It is essential that the sector regulator remains aware of these issues and keeps abreast of them as they arise, so that consumer protection regulation can be as proactive as possible. This includes keeping track of the sector and the market as these change and evolve, so that consumer protection regulations can cater for new technologies and innovative services.

For example, in seeking to introduce number portability, the South African regulator ICASA realised that it would have to address the issue of handset subsidies. It believed that there was a potential situation where pre-paid customers were actually subsidising post-paid customers.

South African regulator ICASA derives its mandate principally from the ICASA Act of 2000 (RSA,2000), in conjunction with the Electronic Communications Act of 2005 and the Broadcasting Act of 1999.<sup>2</sup> (RSA1999), Among ICASA's functions is the objective to “promote the interests of consumers with regard to the price, quality and the variety of electronic communications services” (RSA, 2005, Section 2(n)).

In mid-2005, ICASA issued a discussion document that identified handset subsidies as a “potential problem for subscribers” (ICASA, 2005, p. 5) when it was investigating number portability, as people were locked into two-year contracts and thus unable to take advantage of mobile number portability.

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<sup>2</sup> It is important that the mandate of the regulator covers all the products and services of the industry. In the UK, the telecomms regulator will not deal with complaints about international voice phone cards, which sometimes give less airtime than is stated. The regulator will only log complaints and will not take action against providers.

ICASA concluded further that there was “a lack of transparency about the cost of the various handsets offered in various packages, which limits the customer’s ability to make informed choices”, and suggested that “regulations will be developed that will require the network operators to ensure their agents and service providers provide customers with all relevant information” for customers to make decisions (Monteiro, 2006).

ICASA further believes that there is “potential cross-subsidisation of the post-paid customers by other services”, and suggests that regulations will be made to ensure transparency on where the financing of the free handsets comes from, and the value of the various offerings, so that “other customers are not unnecessarily burdened with costs of acquiring post-paid customers that account for a major part of the operators’ revenue from calls made” (Monteiro, 2006).

In June 2008, ICASA published a regulation on handset subsidies (ICASA, 2008) that applies to any “licensee, its agents and/or reseller, in terms of a contract concluded with a subscriber”, which provides that:

Post-paid and pre-paid offerings or packages that include handset subsidies must clearly indicate the subsidy and the monetary value of the services offered by a licensee, its agent or a reseller.

A post-paid contract may be concluded for periods ranging from six, 12 or 18 months but not more than 24 months.

A potential subscriber will not be regarded as being in a position to make an informed decision, unless a licensee, its agents or reseller:

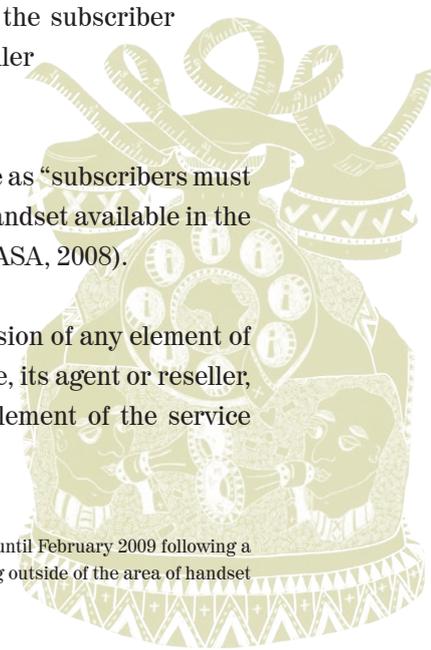
- explains in clear details and makes reasonable efforts to interact with the subscriber in the subscriber’s preferred language, and makes available in writing, the terms and conditions and consequences of each offering to the potential subscriber;
- specifically points out to a post-paid subscriber the consequences arising from a breach or early termination of the contract by such a subscriber, and penalties payable in respect of such a breach or early termination;
- clearly states in writing the actual charges or penalty in respect of the services and/or handset, and how the licensee, its agent or reseller intends to recoup them from the post- paid subscriber, in the event of a breach or early termination of the contract. A written statement to this effect should be made to the subscriber before a contract is concluded with the licensee, its agent or reseller

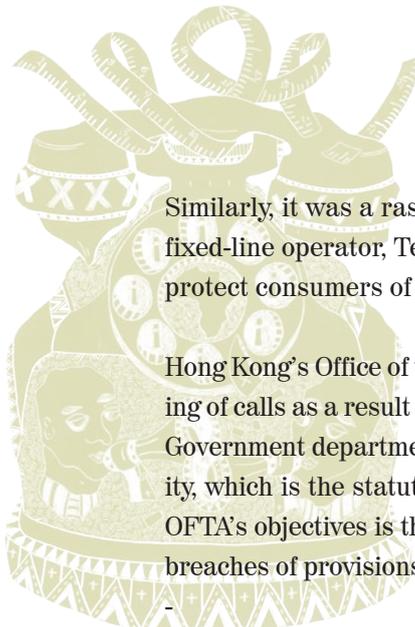
(ICASA, 2008).

ICASA’s regulation also affirms the “freedom to purchase a handset” principle as “subscribers must have the option to use telecommunication services in conjunction with any handset available in the market provided that such a handset is type approved by the Authority” (ICASA, 2008).

“A licence, its agent or reseller must not make it a prerequisite for the provision of any element of the service that a customer must acquire a handset offered by such a licensee, its agent or reseller, unless it is technically not possible to provide to such a subscriber the element of the service required by him or her without such a handset” (ICASA, 2008).<sup>3</sup>

<sup>3</sup> The regulation on handset subsidy should have come into force on 17 August 2008, but was postponed until February 2009 following a legal application by mobile operator Vodacom on the grounds that the regulation dealt with issues falling outside of the area of handset subsidies.





Similarly, it was a rash of consumer complaints about the ADSL service offered by the incumbent fixed-line operator, Telkom, that led ICASA to investigate whether regulations should be issued to protect consumers of ADSL services.

Hong Kong's Office of the Telecommunications Authority (OFTA) tackled the issue of integrity of billing of calls as a result of a high level of complaints about it. OFTA was established as an independent Government department on 1 July 1993 and is the executive arm of the Telecommunications Authority, which is the statutory body responsible for regulating the telecommunications industry. Among OFTA's objectives is the handling and investigating of consumer complaints pertaining to suspected breaches of provisions in the Telecommunications Ordinance and Licence conditions.

Over a period of two years OFTA dealt with many complaints relating to misleading information about calling rate, length of promotion and call billing. For example, in January 2002 OFTA investigated the complaint of a customer against Pacific Long Distance Telephone Corp. Ltd (Pacific1636) on the basis that the company "failed to provide the amount of usable minutes as advertised" (OFTA, 2002).

The advertisement that was the subject of the complaint made the following claims:

**Paraiso Calling Card**  
**Buy 4 Get 1 Free**  
**Everyday 24 hrs**  
**Landline & Mobile**  
**Manila 63 mins**  
**Pangasinan 58 mins**  
**Other Provinces 53 mins**

source: (OFTA, 2002, p1)

The customer's complaint alleged that the advertisement was misleading, and significantly overstated the number of usable minutes on the calling card: "the usable minutes (32 minutes) of Parariso calling card she bought were much less than that stated (63 minutes) in the advertisement. The complainant said that when she made an enquiry with Pacific1636's hotline about this, she was told that an additional charge of USD2 per minute was required for calls made to the Philippines" (OFTA, 2002, p. 2).

In this case, OFTA found that "Pacific1636's failure to provide the amount of usable minutes as advertised [was] unfair" (OFTA, 2002, p. 2) and ruled that Pacific1636 had violated Hong Kong's Telecommunications Ordinance and the Advertising Code, and issued a written warning to the company to amend the offending advertisement.

In order to address these issues, OFTA launched the Billing and Metering Integrity Scheme (BMIS) on 1 January 2003. OFTA announced as its main objective enhancing "consumer confidence in the billing and metering accuracy of the public telecommunications services including international direct dial (IDD) services, mobile services and dial-up Internet services" (OFTA, nd).

OFTA noted that “under the then implementation arrangements, fixed network operators, mobile network operators and mobile virtual network operators (MVNOs) were required to participate in BMIS on a mandatory basis while dial-up Internet service providers, international value-added network services operators and external telecommunications services operators participated in the scheme on a voluntary basis” (OFTA, nd).

In November 2005, OFTA decided to “extend the voluntary participation in the scheme to all fixed network operators, mobile network operators, MVNOs and public non-exclusive telecommunications service (PNETS) operators, starting from 1 January 2006. Since that day, all fixed network operators, mobile network operators, MVNOs and PNETS operators may voluntarily participate in BMIS if they offer services (such as IDD services, mobile services and dial-up Internet services) that are charged on the basis of time of usage” (OFTA, nd).

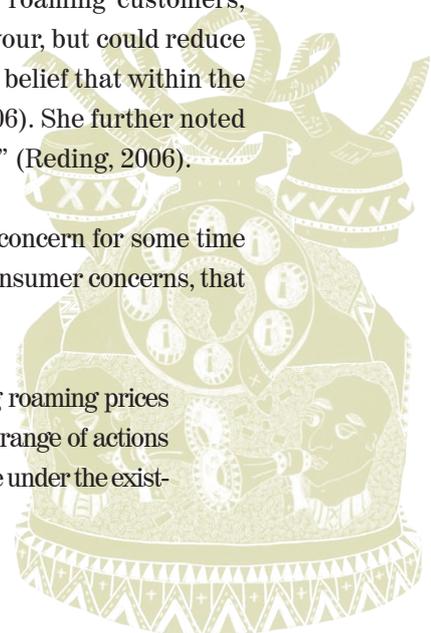
As with the voice call standard setting cited in the previous section, the Billing and Metering Integrity Scheme is a “set of testing criteria and quality assurance procedures based on relevant international standards to check the accuracy in measuring call duration and billing the calls made. The BMIS criteria specify that the number of inaccurately metered calls shall not exceed 0,01% of total calls and the error of billed amount shall not exceed 0,01% of the total billed amount in a single bill” (OFTA, nd). According to OFTA, operators joining the scheme have to follow the quality assurance procedures prescribed by the regulator in order routinely to check their internal processes and to ensure that the required accuracy criteria are met (OFTA, nd).

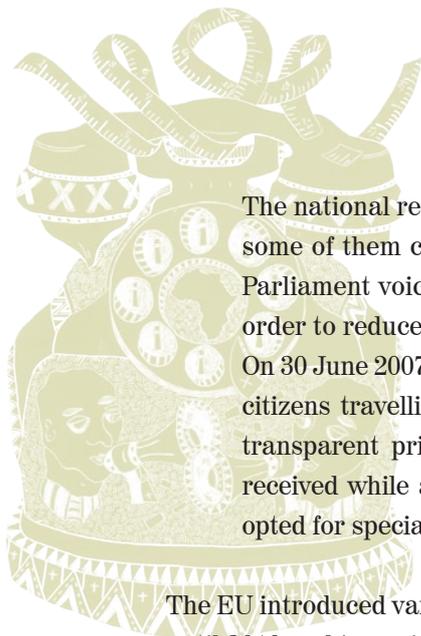
According to OFTA’s website, more than 10 operators have voluntarily participated in the Billing and Metering Integrity Scheme. “Starting from August 2006, the test results of the billing and metering systems as well as compliance status of these operators are published on a half-yearly basis” (OFTA, nd). Customers can also identify these operators by the BMIS-compliant label, which participating operators can use on their invoices and marketing materials.

It was also international call charging that attracted the interest of the European Union. International roaming charges had long been a source of irritation to holidaymakers, but it took the European Union in its regulatory role to address the issue. In June 2006 Viviane Reding, Commissioner for Information Society and Media, made a speech in which she said: “I personally believe that by making the European internal market a true European Home Market for roaming customers, whether private or business customers, we could not only do consumers a favour, but could reduce considerably the cost for doing business cross-border in the EU. It is my firm belief that within the EU, borders must not be any longer a cost factor for businesses” (Reding, 2006). She further noted that “the problem of high charges for international roaming is not a new one” (Reding, 2006).

The EU statement on the issue shows that roaming prices had been an issue of concern for some time and that it was the intervention of regulators and policy-makers, responding to consumer concerns, that led to effective regulatory intervention to protect those consumers:

Over a number of years, the telecommunications industry has failed to bring roaming prices down to the level that reflects the underlying costs of providing this service. A range of actions has been taken in recent years to address this issue. However, the tools available under the existing legal framework have not proved effective to tackle the roaming problem.





The national regulatory authorities drew the Commission's attention to this fact, and some of them called for action at EU level to solve the problem. Also the European Parliament voiced concerns and asked the Commission to develop new initiatives in order to reduce the high costs of cross-border mobile telephone traffic.

On 30 June 2007, the new EU rules on roaming (roaming regulation) entered into force: citizens travelling within the EU could now phone across borders at affordable and transparent prices. The Eurotariff set maximum prices for phone calls made and received while abroad. These maximum prices applied to all consumers unless they opted for special packages offered by operators (EU, nd).

The EU introduced various forms of price capping to control these charges, fixing wholesale prices until 2010 and imposing a three year "glide path" of staggered retail price reductions. Further, in order to ensure transparency, operators were required to inform customers crossing EU borders via SMS of the applicable tariffs and to set up a voice and SMS help facility (EU, nd).

In 2006 the Arab Regulators Network published a study on international roaming rates in the region conducted on their behalf by the Egyptian regulator NTRA. In April 2008 AREGNET members agreed to recommendations on these charges. Implementation of the recommendation over three years would lead to a 36% decrease in average roaming rates for consumers in the third year of regulation. The implementation of the recommendation would also result in more than USD115 million in annual savings for Arab consumers and at least 14% of added growth in roaming traffic as a result of reduced prices for consumers (ITU, nd).

These are all useful examples of regulators responding to consumer issues as they arise, and developing appropriate regulatory interventions as a result.



## 5. COMMUNICATING WITH CONSUMERS AND THE POWER OF THE MEDIA

A key element in consumer best practice for telecomms regulators is to find ways of communicating with consumers so that they themselves become better informed, and thus empowered to make more discerning market choices. Also in policy terms, it is important that consumers or their representatives can understand changes in market practice and the influence of policy on the market. In this way, as citizens, they can influence the political processes through which these things occur.

By their very nature, these communications processes can be quite complex and multi-layered. But it is probably easiest to think about these communications processes in terms of the different audiences with whom regulators are trying to communicate:

- Policymakers and those who contribute to policy-making, so that consumer issues are well understood and are kept at the forefront of their minds;
- Specialist and generic consumer representatives and organisations, who will in turn take up the information provided and pass it along to their members and to consumers themselves, either through their case work or their own media campaigns;
- Telecomms operators and their staff at all levels, since what might be understood in terms of consumer issues at senior management level may not be so clear to, for example, call centre staff members;
- Consumers of all types, whether directly through things like press advertisements or indirectly through media coverage.



As with any communications campaign, there is a need for clear, overriding themes or headline issues to be addressed, with specific messages and detail varying according to the audience. For example, the Indian regulator TRAI uses its quality threshold monitoring announcements as a way of raising the general discussion about quality and informing consumers as to which operators provide better service. But not all communication takes the form of direct media work. Sometimes putting in place processes for communication with consumer representatives may play a role.

In South Africa, for example, the mandate of the National Energy Regulator (NERSA) is to regulate the electricity, piped-gas and petroleum pipeline industries.<sup>4</sup> Besides NERSA's traditional regulatory functions, like issuing licences, the South African energy regulator is also responsible for handling and settling customer disputes.

NERSA saw that customers were complaining about service and quality levels, but played no role in influencing them. It felt that it would be helpful to set up a mechanism to facilitate communication between electricity distributors and their customers. NERSA worked with consumer groups to create "Customer Communications Forums". These were intended "to strengthen the relationship between the suppliers and customers by providing a platform from where information can be shared and exchanged and customer concerns can be discussed and resolved" (NERSA, nd).

Among the key areas of concern raised by NERSA were:

- Discussion of unresolved customer complaints;
- Identification of customer needs;
- Education of customers;
- Concerns about payments of accounts and arrears;
- Exchange of information on tariffs and pricing or any other issue (NERSA, nd, p. 2).

Bodies such as these undoubtedly play a valuable role in creating new channels through which operators can receive information directly from consumer representatives. In dealing with issues brought to these forums, operators will need to prepare and understand some of their own shortcomings. Each side also begins to understand the difficulties they operate under. However, there are some dangers in that if they come to understand each other too well, they may no longer create the necessary impetus for change.

Regulators can compel operators to communicate with their consumers, particularly over issues that might be hard to understand.

In the UK, for instance, Ofgem (Office of Gas and Electricity sector) is the regulator of the electricity and gas sectors.<sup>5</sup> Since the late 1990s domestic gas and electricity customers in the UK have been free to choose who supplies their gas and electricity. Before the domestic retail market opened to competition, suppliers could not offer both gas and electricity. Market liberalisation has now allowed incumbent electricity suppliers to compete for gas customers and vice versa, and has allowed new entrants to sell both. However, less well-off customers still pay significantly more (through pre-paid meters) than those with post-paid accounts. In some ways there are parallels with the higher charges levied on pre-paid mobile phone users in Africa.

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<sup>4</sup> NERSA's mandate derives from a slew of legislation, including RSA, 2001; RSA, 2003; RSA, 2006

<sup>5</sup> Ofgem derives its mandate and powers from several statutes, specifically the Gas Act of 1986 (UK, 1986), the Electricity Act 1989 (UK, 1989), the Utilities Act of 2000 (UK, 2000), the Competition Act of 1998 (UK, 1998) and the Enterprise Act of 2002 (UK, 2002).

In the UK context, nearly half of all energy customers are on post-paid accounts with just over 12% on pre-paid meters (PPM). The latter pay on average between GBP50 and GBP120 more for their combined electricity and gas bills than direct debit or post-paid customers. Energy suppliers justified this disparity in two ways: firstly pre-payment meters are themselves more expensive to buy and to service; and secondly, they require a specialised back-office administration system (Ofgem, 2007). The parallel with pre-paid mobile charging is interesting, as these arguments perhaps have less force in that context.

After a compliance review by OFGEM in March 2008, in which the service providers fell short in a number of areas, Ofgem asked them to provide their customers with clear information in relation to paying by PPM. This information needed to cover, among other things, the advantages and disadvantages of PPM payment; where help might be sought if the PPM device was not working properly; and the procedures for removing or resetting the PPM device (Ofgem, 2007).

The general difficulty raised by the imposition of information requirements like this is whether the information provided is a fair representation of the facts and whether it is easy to comprehend. Often information of this kind is treated as a regulatory obligation that meets the letter but not the spirit of the regulator's intent. Also in the African context, written information is not very useful when dealing with less well-educated or illiterate consumers or with those in far-off rural areas.

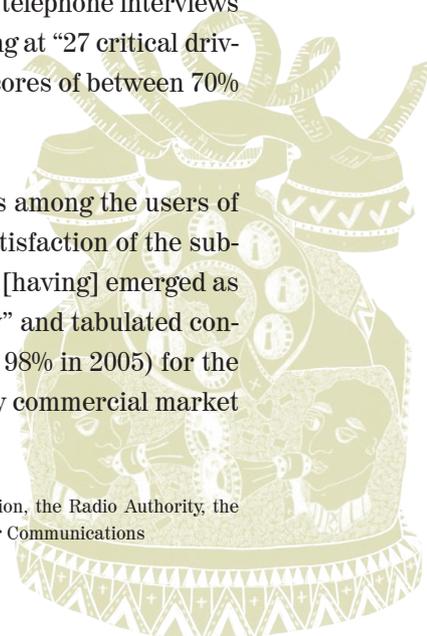
Some regulators – like Ofcom in the UK and India's TRAI – collect data on user satisfaction levels and use the data gathered to put pressure on operators to improve their services. However, regulators in many developing countries either do not gather complaints data systematically, or do not analyse the complaints made or really act upon the information gathered.

Although there appear to be no universally accepted international benchmark figures for complaint levels, it is possible to identify some “metrics” that are helpful. In its 2003 annual report, the UK's Oftel<sup>6</sup> reported that the overwhelming majority (over 90%) of all residential and business customers were happy with most services offered by providers. Almost all (96%) said they were happy with broadband services (Oftel, 2003a).

Similarly, South Africa's Department of Trade and Industry conducts regular consumer satisfaction surveys in a number of market segments, including telecommunications. Using telephone interviews and a sample of some 400 customers of each of the major telecomms, and looking at “27 critical drivers of customer satisfaction”, the operators surveyed achieved satisfaction scores of between 70% and 86% over a four-year period (Synovate, 2005, p. 4).

India's IDC Voice and Data magazine carries out regular satisfaction surveys among the users of mobile services. In 2006, for example, they reported a “large-scale drop in satisfaction of the subscribers with respect to most service providers [with] Bharti Airtel and Nokia [having] emerged as the top of the mind brands for subscribers in operators and handset category” and tabulated consumer satisfaction levels ranging between 86% and 90% (down from highs of 98% in 2005) for the various operators in 2006 (Prashant, 2007). Similar surveys are carried out by commercial market research companies in the region.

6 Oftel, the Office for Telecommunications, was later merged with the Independent Television Commission, the Radio Authority, the Broadcasting Standards Commission and the Radiocommunications Agency to form Ofcom, the Office for Communications





Indian regulator TRAI, for example, sets an overall satisfaction rating of 95% as a benchmark for mobile operators, and gathers statistics for comparison against this benchmark every year (TRAI, 2006, p. 8). The publication of these results always attracts regular media attention, while allowing consumers to shape their future purchasing choices.

What is further important is to ensure that the publication of such QoS statistics is widespread and readily accessible publicly, both to empower consumers and to stimulate public debate on the issues. TRAI publishes a number of ICT sector statistics regularly on its website, as do a number of regulators in other jurisdictions.

Another possible consumer satisfaction benchmark is to track the level of complaints received by the regulator. Ofcom, for example, used to monitor and report on the percentage of complaints per 1 000 customers in the fixed and mobile sectors (Ofcom, 2003b). Of course this statistic tracks only those complaints escalated to the regulator (see next section). A better benchmark might be to report on complaints registered with the operators themselves, although regulators in many jurisdictions lack the authority to force operators to disclose these figures - regarded as competitive and confidential information.

It can further be useful for regulators to require operators to provide their customers with information about their rights as consumers and the channels for laying and escalating complaints. For example, the 30 or more radio and television stations in South Africa that have signed up to the code of conduct of the Broadcasting Complaints Commission of South Africa (BCCSA, a self-regulatory body established by the National Association of Broadcasters of South Africa) are required regularly to advertise to their listeners of the existence of the BCCSA's Code of Conduct and how to complain in case of broadcasts that they believe are in violation of that code.



## 6. CONSUMER REDRESS- COMPLAINTS PROCESSES AND THE REGULATOR AS REFEREE OF LAST RESORT

All operators have complaints processes in place. The majority of complaints to reputable operators are handled in a way that gives sufficient satisfaction to the vast majority of consumers such that they are not inclined to take their complaints into the law courts. If a disreputable operator did not have an effective complaints process in place, it is likely that over time this would become apparent to the regulator.

Nevertheless, for regulators there may be a relatively small number of complainants who do not feel they have received satisfaction from the operators. These may include people who might have taken the complaints to law but have not done so for reasons of cost or because they do not believe that recourse to law will secure them satisfaction.

In these instances, the regulator can act as the referee of last resort. It can look at the merits of the complaint and enforce a settlement on the operator if the merits of the case justify it. Some of the better-resourced regulators have set up their own consumer complaints channels, which can obviously lay claim to a greater degree of independence than the operators. However, the process of dealing with day-to-day complaints of no great complexity is almost certainly best left to the operators themselves. This is partly because of the cost and resource requirements in the establishment of a call centre of sufficient capacity to handle the necessary volumes, but also because complaints handling is a natural extension of the operators' standard help-line function.

It is important that the regulator’s authority to oversee the processes for the lodging, processing, resolution and escalation of complaints be clearly based on a sound legal footing. For example, Zambia’s 2009 ICT Act requires the regulator to “establish guidelines for the making, receipt and handling of complaints of consumers”. The law gives some detail as to what the guidelines may contain, including procedures for dealing with complaints, compensating consumers, the protection of privacy, the provision of information, advertising, charging and billing (Zambia, 2009, Section 68). The website of the regulator provides some detail on consumer rights and channels of complaint and, importantly, makes it clear that “before you complain to the [regulator], complain to your service provider first” (ZICTA, nd).

A further example of this approach can be seen in the case of the Egyptian Electric Utility and Consumer Protection Regulatory Agency (EEUCPRA), which was established in 2001 to “regulate, supervise, and control all matters related to the electric power activities, whether in generation, transmission, distribution, or consumption, in a way that ensures availability and continuity of supply so as to satisfy consideration of environmental protection, the interests of the electric power consumers as well as the interest of the producers, transmitters and distributors” (EEUCPRA, nd, a).

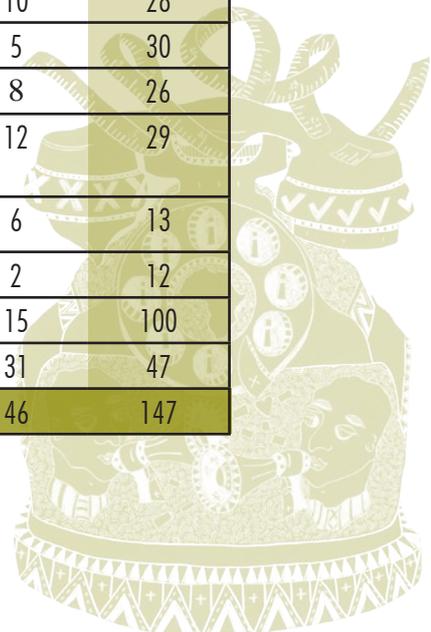
EEUCPRA has set up a complaints procedure which can be activated either by coming to the regulator’s office and submitting a form or by downloading the form from the web and sending it to the regulator by registered mail, e-mail, fax or delivery by hand to the agency’s office. It considers both individual and corporate customer complaints against the electricity distribution companies.

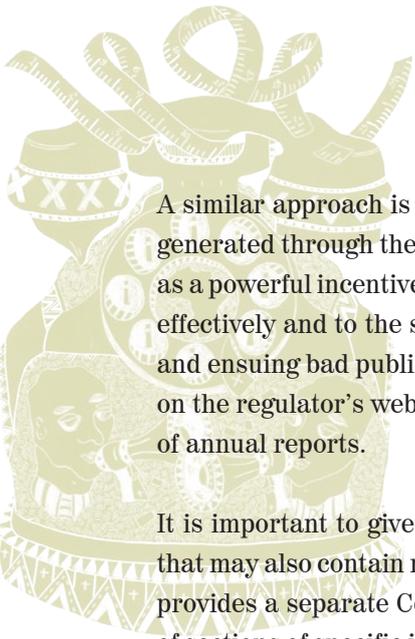
Further, EEUCPRA tracks and publishes on its website information about the complaints it has received (see below, (EEUCPRA, nd, b)). As can be seen, about two-thirds of complaints have been resolved over the five-year period covered.

TABLE 1: COMPLAINTS STATISTICS IN EGYPT’S ELECTRICITY SECTOR

Complaints subject	Total no of complaints					
	2002	2003	2004	2005	2006	Total
Faults	-	-	-	6	3	9
Cost	-	3	4	11	10	28
Connection	3	9	4	9	5	30
Estimated charge	-	-	7	11	8	26
Voltage reduction or oscillation	-	3	1	13	12	29
Readings	1	1	1	4	6	13
Other	-	4	2	4	2	12
Resolved	3	19	17	46	15	100
Not yet resolved	1	1	2	12	31	47
Total	4	20	19	58	46	147

Source EEUCPRA, nd, b





A similar approach is adopted by OFTA, the regulator in Hong Kong (OFTA, nd, b). The publicity generated through the monitoring and publication of such information about complaints can serve as a powerful incentive to operators to ensure that they deal with consumer complaints quickly and effectively and to the satisfaction of the complainants, so that no such escalation to the regulator and ensuing bad publicity results. It is therefore better to ensure that this information is available on the regulator's website and regularly updated, rather than allowing it to languish in the depths of annual reports.

It is important to give consumers a clear and readily accessible space on the regulatory website that may also contain many other things that have little or no relevance to them. Hong Kong's OFTA provides a separate Consumer Focus section on its website (OFTA, nd, c), with links to a number of sections of specific interest to consumers, such as "The Smart Consumer's Corner", which offers a combination of information on consumer programmes on television and radio and a selection of e-games including online quizzes.

OFTA also provides a full listing of operators' customer charters, all on a single page. It carries a listing of complaints, the details comprising the substance of each complaint (including supporting documentation) and its outcomes. For example, in July 2010 it concluded a complaint against the Hutchison Telephone Company Limited, in terms of which it was alleged that a "newspaper advertisement of HTCL promoting iPhone 3GS" was "misleading or deceptive", and imposed a fine of HKD100 000 on the operator concerned (OFTA, nd, d).

Similarly, South Africa's self-regulatory body dealing with mobile value-added content and applications, the Wireless Applications Service Providers' Association (WASPA), publishes on its website an archive of details of all the complaints it has received, along with their outcomes and adjudication reports (WASPA, nd).

Publicising the details and outcome of complaints allows consumers to see what can result from making a complaint, and uses the threat of negative publicity to ensure operators improve both their services and their handling of customer complaints.



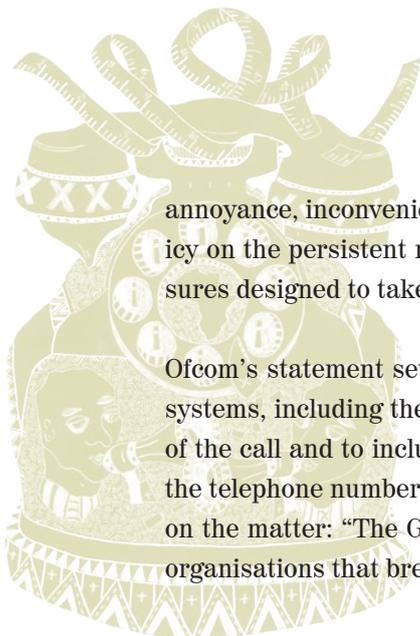
## 7. SCANNING THE HORIZON - SPOTTING ISSUES BEFORE THEY OCCUR

Regulators will often be in a better position than the average consumer to act as radar in order to be able to spot issues that will be of relevance in the future, before they become troublesome. In the first instance, this may involve little more than warning consumers to watch out for different types of scams.

For example, telesales are widely used in the UK by companies wishing to sell their services or products to residential customers. Banks, among other service companies, use this “cold-calling” sales method to attract new customers. Such calls frequently attract the ire of consumers due to their unsolicited nature and, occasionally, for other reasons. In June 2006, the UK’s communications regulator Ofcom initiated an investigation into “persons or organisations causing annoyance to consumers through the making of silent or abandoned calls” (Ofcom, 2006).

Silent calls come from the use of automated calling systems, which are widely used for telemarketing, market research and debt collection. When the latter generate more calls than the available call centre agents can handle, a number of people receive calls where there is nothing but silence when they pick up their phone, because the automated calling system has ended the call.

On 01 March 2006, as a result of its investigation, derived from its authority under the 2003 Communications Act to “take action against persons or companies who persistently misuse an electronic communications network(s) or service(s) in any way that causes or is likely to cause unnecessary



annoyance, inconvenience or anxiety” (Ofcom, 2006), Ofcom published a revised statement of policy on the persistent misuse of an electronic communications network or service, with new measures designed to take action against silent calls.

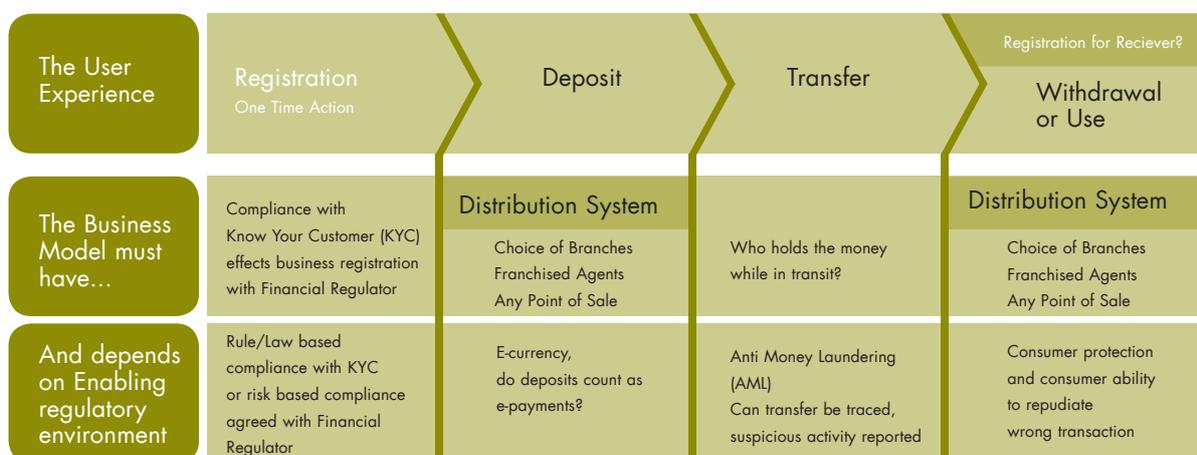
Ofcom’s statement sets out a number of requirements for organisations using automated calling systems, including the need to carry a recorded information message which identifies the source of the call and to include Calling Line Identification, which allows people to dial 1471 and access the telephone number of the person or organisation calling them. According to Ofcom’s statement on the matter: “The Government has increased the maximum penalty that Ofcom can impose on organisations that breach Sections 128 to 130 of the Act from £5 000 to £50 000” (Ofcom, 2006).

Since 2006 Ofcom has investigated a number of companies in relation to silent or abandoned calls, including Carphone Warehouse, Brakenbay Kitchens, Space Kitchens, IDT Direct / Toucan, Abbey National, Complete Credit Management, Ultimate Credit Services and Barclays Bank. All of these companies were fined, with the fine amounts ranging from GBP5 000 to GBP50 000. Barclays Bank, for example, received a GBP50 000 fine because Ofcom ruled that it had reasonable grounds for believing that between October 2006 and May 2007, Barclaycard persistently misused the telephone network by virtue of its use of automated calling systems (Ofcom, 2006). The Ofcom investigation has led the UK’s Market Research Society to issue a set of regulations to guide its members’ use of automatic dialling services (MRS, 2011).

A similar future issue coming into view is M-Money services and their financial and telecomms regulatory implications. In Africa, such services are currently available in only a small number of countries, but over the next three years they will be available in most countries, in some form. The consumer implications are both interesting and complex, as such services fall under the concurrent jurisdiction of both telecomms and banking regulators.

The diagram below, taken from a recent Balancing Act report (Balancing Act, 2008), shows the various commercial and regulatory implications of M-Money services like M-Pesa in Kenya:

FIGURE 1: USING M-MONEY: COMMERCIAL & REGULATORY REQUIREMENTS



Source Balancing Act, 2008

Many of the existing M-Money services either adhere to existing regulation by alliance with a banking institution or have had special dispensation from the regulator. It is clear from recent studies that regulators are not sure what to make of this emerging cluster of services and how they can facilitate its development while simultaneously protecting their country's financial systems and the consumer. There are many issues involved, each of which has to be dealt with by a different regulator. There are as many as five regulators involved: banks supervisor, payments regulator, telecomms regulator, competition regulator and anti-money laundering authority.

One regulatory issue affecting this type of service will illustrate some of the complexities and how they might be tackled. If, after registration, deposits can be made with an agent, the user needs to know that the agent who is handling the cash is 100% trustworthy and that the deposit will be entered on the system.

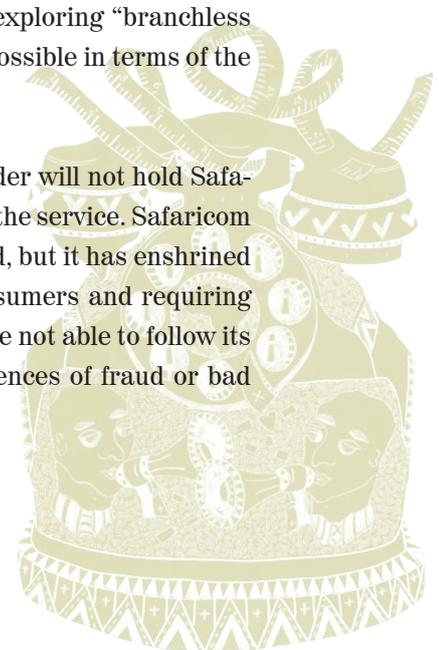
In Kenya, Safaricom has over 8 000 agents who handle airtime sales throughout the country, but to date they have only 850 M-Pesa agents. The reason for this is that Safaricom are undertaking a due diligence exercise to ensure that M-Pesa agents have been checked and verified. In addition, they are trained in registration and cash handling procedures.

Agents like this could potentially be at a considerable distance from the head office of the operator. If a dispute arises, there need to be procedures in place so that a consumer with a complaint can take it to the operator who is responsible for managing the agent network. Clearly the operator also needs to be responsible for the agent network. However, as a general principle, since the user can hand over "cash in" at the same time as verifying that the agent has made an electronic entry of cash in on their account, the possibilities of money being misplaced are far fewer than in traditional paper-based systems. Therefore, regulators could relax some of the rules on who may or may not become an agent for deposit taking, while still maintaining protection for the user.

There is also the possibility that unscrupulous agents might add unauthorised charges. It will be important that the operator issues clear and transparent prices and that these are well publicised to users. These will need to detail some of the "hidden" costs, such as the charges for SMS messages, and the commissions paid to the agents.

This question of agents is the one that most exercises regulators who are exploring "branchless banking". The response to this issue can make a huge difference to what is possible in terms of the business model.

In Kenya, the small print of the M-Pesa contract states that the account holder will not hold Safaricom responsible for default or negligence on the part of the agent providing the service. Safaricom may well honour repudiated transactions in order to keep its brand unsullied, but it has enshrined a "side-step" clause in its agent contract, possibly to the detriment of consumers and requiring regulatory attention to ensure that others less scrupulous than Safaricom are not able to follow its lightly regulated path, but with considerably less attention to the consequences of fraud or bad management for their customers.





This issue is only one of half a dozen that the well-informed regulator will need to be on top of, if it is to encourage these new services whilst simultaneously protecting the consumer. It is therefore essential that regulators devote resources to scanning and monitoring ongoing developments in the broad ICT sector in order to recognise and identify issues and trends that may impact negatively on the consumers of ICT goods and services, and thus act accordingly and proactively.



## 8. ASSESSING THE COST AND EFFECTIVENESS OF DIFFERENT INTERVENTIONS

From compiling this review of global consumer best practice for regulators, it has become clear that there has been little or no formal assessment or evaluation of different consumer interventions anywhere in the world. Some consumer survey data deals with whether consumers are aware of the regulator's existence, and their view of its performance (Cannock, 2002). But there is not much beyond these few clues.

To be fair, some regulators are relatively recent and therefore the argument might be made that it is too early to have carried out this kind of work. Similarly, some African regulators are in the early stages of carrying out consumer interventions and cannot really be expected to have had sufficient time to evaluate them.

Some regulators, particularly those in smaller countries, are not particularly resource-rich, whereas for those in larger markets, issues of resourcing are less problematic. Nevertheless, all have to justify their spending in some way. In terms of spending on consumer interventions, these might be judged against the objective of having a better informed and more empowered set of consumers. It is worth repeating the obvious for emphasis: the more consumers know, the better the choices they will make. The more empowered consumers feel, the better they will be able to make complaints and receive satisfaction.

Against these broad objectives, and in the absence of the undertaking of a full-scale regulatory impact assessment (Radaelli & de Francesco, 2010), it is perhaps worth while trying to outline some

common sense ways of looking at how to assess whether the kind of consumer interventions a regulator might make are effective.

Before looking at ways to assess consumer interventions, it is worth distinguishing between three different parts of those interventions: outputs, impacts and outcomes. An output might be building a website area for consumers and conducting a media campaign to inform consumers about different issues. By itself, this output does nothing; it results in an activity or a product that may or may not change the situation for consumers.

Assessing its impact might involve identifying changes in behaviour in response to the specific output. In this case, it might be measured in terms of identifying how many people accessed the consumer protection section of the website or how many people saw different elements of the media campaign. But again, these do not necessarily mean anything. Consumers access many websites and encounter many media campaigns, but do not necessarily act upon them. Therefore, there needs to be an outcome from these two elements: what did these consumers do as a result of these interactions with your activities and how did their behaviour change?

In terms of the website, for example, the consumer might choose to register a specific complaint. Or through the media campaign, he/she might choose to complain to operators about a specific issue and obtain satisfaction from that complaint - better information would empower them to address what they felt was wrong with the service they were receiving. In addition, they might also be offered the chance to complete an online survey on consumer issues.

Alternatively, the regulator might undertake a more formal national survey, on an annual or periodic basis, of the kind referred to earlier in this section (Cannock, 2002), in order to establish its effectiveness in the protection and empowerment of consumers, to identify its level of consumer protection profile, and ascertain the impact of any specific campaigns or interventions it has undertaken in this area over the recent past.

In order to ensure that its resources are wisely used to protect and empower the consumers of goods and services in the ICT sector, it is thus important for the sector regulator to identify and track both the impact of its interventions and their more long-term outcomes. Such analysis can only serve to strengthen the effectiveness of consumer protection interventions across the board.





## 9. CONCLUSION

What we have attempted to do in this analysis of international and regional practice in respect of consumer protection regulation is to: identify a number of examples of regulatory intervention that have proved effective in a range of different jurisdictions; describe what has been done to protect and empower the consumers of ICT goods and services; and assess the effectiveness of the differing interventions.

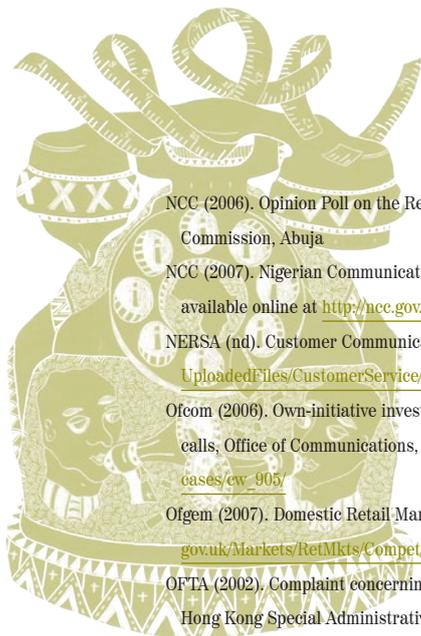
We believe that this assessment of global best practice, along with its categorisation under a number of broad headings, will assist regulators and regulatory bodies in Africa to evaluate their own interventions in support of ICT consumers and plan and structure a more effective consumer protection regulatory intervention in the future - one that is both appropriate to the ICT environment in their respective countries, and can be implemented within their budgetary and resource constraints.

As regulators, the protection and empowerment of consumers within our sphere of competence are core aspects of our mandate. It is our hope that this small document will assist in the fulfilment of that mandate.



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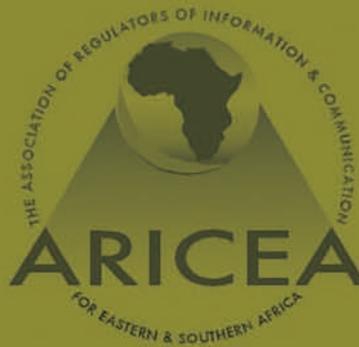
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## Appendix 2 – Country Baseline Report Ethiopia

## Country Profile: Ethiopia

### Box: How many consumers are involved?

Total population: (2008 census) = 74 million

Mobile subscribers: 3 044 105 (2008)

Fixed line subscribers: 911 834 (2008)

Operators: Ethiopian Telecommunications Corporation

Internet subscribers (dial-up and other accounts): 36 970 (2008)

Cyber-cafes and telecentres: 1 500 including ETC operation centres

Internet users: 200 000

Sources: Ethiopian Telecommunications Corporation, Central Statistics Agency

### 1. Introduction

The statistics above shows that access to basic communication is not widespread in Ethiopia compared to the other African countries. Although the country has seen a modest growth in the mobile and Internet user base between 2005 and 2008, due to the increase in public investment, Ethiopia's ICT penetration figures remain one of the lowest in the world. The mobile tele-density was 0,58% in 2005, and stands around 3,7% with some 3 044 105 subscribers at the end of 2008. The number of Internet subscriber has doubled between 2005 and 2008; yet growth has been slow compared to the size of the population. There were 36 970 dial up subscribers by 2008 representing about 0,05% of the total population.

Ethiopia is one of the few countries that retained public monopoly of the communications sector (fixed, mobile and Internet). The telecommunication sector policy derives from the Council of Ministers' regulation No. 10/1996 that empowered the incumbent operator the Ethiopian Telecommunications Corporation (ETC) to retain a monopoly status on fixed, mobile and Internet segments. The ETC receives a monopoly licence from the regulator, the Ethiopian Telecommunications Agency (ETA) in an exchange for efficiency and quality of service requirements and infrastructure expansion targets.

In 2002-2003, the government attempted a partial privatization of the ETC through offering a sale of 30 percent of its equity. Despite hiring an international consulting firm to assist in this privatization effort, the ETC received no suitable bids for partnership. Since this failed attempt at partial privatization, the government's policy has been to make the ETC into an efficient and profitable state-owned corporation mainly through change management. However, a failure of a billing system in 2006 did not only cost the incumbent hundreds of thousands dollars, but also raised concerns about

the validity of the government assumption that a change in the top management could actually make a monopoly service provider more efficient.

The ETC changed most of its management in 2006 following the problem with the billing system<sup>1</sup>. The new management promised a significant improvement in services and launched a Request for Proposal for upgrading the infrastructure through a vendor financing scheme. Collaboration agreement was signed between ETC and ZTE of China to raise mobile density by 10% and extending access to 15 000 villages and laying 10 000 Kms of fibre. However, the incumbent has fallen short behind the pent up demand for communication services.

Access to mobile services is limited throughout the country. Customers face considerable shortage of SIM cards. There have been long queues to obtain SIM cards, each time the ETC makes them available. The upgrade for network often takes a year, thus leading a long list of customers waiting for SIM Cards; a phenomenon unheard in other part of Africa for some years.

The monopoly of Internet services was also the main cause of substandard services both for dialup Internet and broadband customers. In August 2005, the government issued a directive that allows private companies to provide Internet service through the ETC's infrastructure, but implementing regulations have not been promulgated. Consequently, Internet services remained a monopoly of the incumbent, often resulting in frustratingly slow connections and sometimes complete disconnection from the global network altogether.

The incumbent operator retains monopoly on the International gateway – by pass through VSAT is allowed only to international organizations on case by case basis.

## **2. Legislative and Regulatory Frameworks**

The protection of consumers is enshrined in the Ethiopian constitution. Article 26 sub article 2 of the Constitution states that “Everyone has the right to the inviolability of his notes and correspondences including postal letters, and communications made by means of telephone, telecommunications and electronic devices.”<sup>2</sup>

Despite the protection of consumer rights through the constitution, Ethiopia has no functioning competition policy for communication sector. The country inherited its state-centric policies from the socialist regime procedures and paper works are usually cumbersome and time-consuming; regulations remain too bureaucratic, impartial and inflexible. A comprehensive civil service reform program and business process reengineering procedures have been introduced to public sector since 2003. Business licensing, import-export regulations, banking, foreign exchange regulations were simplified. However

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<sup>1</sup> Billing System Failure Costs ETC WELL Over 14min Birr  
[http://www.balancingact-africa.com/news/back/balancing-act\\_328.html](http://www.balancingact-africa.com/news/back/balancing-act_328.html)

<sup>2</sup> Constitution of the Federal Democratic Republic of Ethiopia,  
<http://www.ethiopiafirst.com/Election2008/Constitution.pdf>

the progress in some of these areas did not translate into the others such as the telecommunications sector.

Ethiopia has no integrated Consumer Protection Policy. Consumer issues are addressed through different regimes like the penal code, civil code, trade law and other specific regulations. The national standard authority deals with consumer goods but has not established quality of services standards for the telecommunications sector. Moreover the existing laws are too old and do not take contemporary consumers issues and rights into the account. Efforts by the Ethiopian Consumer Protection Association (ECoPA) to produce Consumer Protection Law, based on United Nations Guidelines on Consumer Protection have not borne the desired fruit<sup>3</sup>. A draft consumer policy was drawn up by the ECoPA, but this was not supported by the government.

Public monopoly of the communications infrastructure remained the foundation of Ethiopia's legislative and regulatory frameworks in the information and telecommunications sector. The government owns and runs the communication enterprise, although it failed to meet the pent up demand for communication services and redress the frustration of the consumers with high prices and the low quality of services.

The regulator, the Ethiopian Telecommunication Agency was established following Proclamation 49/1996. ETA is empowered to "ensure that telecommunication services conform to specified service quality and standards" and provide licence to operators and ensure that the licensees comply with "technical standards or requirements including performance standards as may be specified in the license"<sup>4</sup>. The Council of Ministers' Regulation No. 10/1996 that established the ETC as a public enterprise with monopoly over fixed, mobile, Internet and data services states that the incumbent should<sup>5</sup>:

- *Establish procedure for efficient customers support services;*
- *Issue bill to customers that clearly indicate the type of service and the units for which charges are made;*
- *Ensure fault reporting calls remain free of charge.*

The Ethiopian Telecommunications Agency has issued a licence to the ETC in 2002 to provide fixed, mobile, Internet and Value Added Network services with efficiency and quality of service targets as per the Proclamation for the Regulation of Telecommunication Services. Each year the ETC must submit a performance and business report to the regulator and to its influential board

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<sup>3</sup> New Consumer's Policy draft discussion, [http://www.capitalethiopia.com/archive/2007/december/week2/local\\_news.htm#2](http://www.capitalethiopia.com/archive/2007/december/week2/local_news.htm#2), see also Geberemedihn Birega, Country Paper on Competition Regime: Capacity Building in Competition Policy in Eastern and Southern Africa, Unpublished, 2007

<sup>4</sup> Ethiopian Telecommunications Proclamation, No. 49/1996, [http://www.eta.gov.et/Scan/Telecom%20Proc%2049\\_1996%20NG1.pdf](http://www.eta.gov.et/Scan/Telecom%20Proc%2049_1996%20NG1.pdf)

<sup>5</sup> Council of Minister's Regulation No. 10/1996, [http://www.telecom.net.et/~eta/Proc\\_No\\_10\\_1998.htm](http://www.telecom.net.et/~eta/Proc_No_10_1998.htm)

of directors. However, the licence did not explicitly stipulate consumer protection issues except for the service standards. Moreover the ETA remained relatively weak in enforcing quality of service standards stipulated in the proclamation and the regulation.

The government does not directly intervene in the day-to-day operations of the ETC and the regulator has not been empowered to take sanctions against missed quality of service targets. For example, while improvements have been made between 2004 and 2007 in terms of network rollout to 7 400 villages, rolling out 4 000 km fibre, migrating to IP-based broadband network; the mobile and fixed line targets were not met<sup>6</sup>. The regulator has not been able to take action even if the incumbent misses these targets or customers complain continually about the substandard services. Both the ETC and the ETA belong to the same ministry of Transport and Communication that acts as the owner and regulator of the communications infrastructure in the country.

In 2008, a new legislation was drafted by the Ethiopian Telecommunications Agency to provide it with further powers to regulate the incumbent and take legal actions against unfulfilled performance targets. However, the regulation did not go through to parliament and council of ministers to allow for the ETA to carryout consumer protection related duties. In addition the regulator undertook a study on consumer protection and customer complaint handling procedures as part of its Business Re-engineering Process (BPR) initiative in 2007<sup>7</sup>, The study reviewed global best practices from countries such as Australia, Barbados, Malaysia, New Zealand, Tanzania and United States and domestic consumer protection procedures, regulation and codes of practices in utilities such as electricity and water distribution services. The study recommended for strengthening the regulators' capacity in handling consumer rights issues. Consequently, the ETA has established a Consumer Affairs Department.

### **3. Level and Type of Complaints**

The incumbent operator and the regulator do not have a well organized information system to document consumer complaint in Ethiopia. The incumbent, in particular is very reluctant to provide information on the type and nature of complaint it receives, therefore it is difficult to account for the number of complaints lodged and the percentage that were resolved.

Opinion survey based on opportunistic sampling that was conducted by the author shows that the main complaints are wrong billing, high cost of services, network over congestion, poor network coverage, low rate of call completion

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<sup>6</sup> Lishan Adam, Telecommunications Sector Performance Review, 2007, [http://www.researchictafrica.net/images/upload/07\\_%20Ethiopia.pdf](http://www.researchictafrica.net/images/upload/07_%20Ethiopia.pdf)

<sup>7</sup> Ethiopian Telecommunications Agency, A study on consumer complaint and consumer complaints handling procedure, 2007 (Amharic version)

and delayed connection, maintenance and repairs. In the absence of choices Ethiopian telecom consumers are also locked into a “take it” or “leave it” situation.

A survey conducted by the Ethiopian Telecommunications Agency in 2007 in preparation for the study on consumer complaints<sup>8</sup> documents that the majority of complaints concern with failure or disconnection of communication network along with slow response to maintenance requests by consumers. This is followed by complaints about wrong bills.

The ETC falls behind the high demand for its mobile services. Usually, it addresses the huge gap by adding more subscribers to existing network. The over subscription of the networks is the major source of ETC’s substandard quality of service. Other complaints concerning mobile service include:

- High cost of SIM cards (US\$37),
- Lack of a uniform national tariff for mobile services. ETC charges different tariffs for different geographic zones,
- Lack of transparency of tariffs in general and in particular of the amount of tax levied on pre-paid air time,
- The high cost of airtime denomination to the majority of the population (the smallest being Birr 25, (US\$2.5),
- Short airtime window. The airtime window for Birr 25 is less than a month, thus most low income consumers are forced to recharge their mobile phones at least once a month
- Poor or no network coverage outside of major towns,
- Regular call drops in the middle of conversation.

Complaints with Internet services include frequent disconnection and slow connection along with slow response to technical problems. Experience of the author indicates that the quality of Internet services is one of the lowest in the Africa region- with frequent disconnection from international network sometimes lasting for days. This was exacerbated by the indifference of the incumbent to network blackout often citing “problems with a cable in the Indian Ocean”. The major complaints with regards to the Internet services include:

- Frequent network disconnection;
- Slow network speed;
- Slow response of ETC staff to maintenance complaints
- Slow response to network reconnection even after the ETC charges Birr 23 (US\$2.30) following disconnection due to bill settlement problems.

Internet usage is mainly through dialup, but there is a growing corporate and broadband consumers. Discussion with selected corporate consumers has shown that they are generally furious about the extremely low quality of

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<sup>8</sup> Ethiopian Telecommunications Agency, A study on consumer complaint and consumer complaints handling procedure, 2007 (Amharic version)

broadband service that has had direct implications to their day to day businesses. Their major complaints include:

- High broadband tariffs in particular in relation to slow speed that they get,
- Inadequate network speed compared to what they have signed to. The incumbent does not provide the contention ratio of its broadband services.
- High frequency of down time (often days) sometimes disrupting mission critical business such as banking,
- Slow response to maintenance and technical problems by the incumbent.

The quality of service at cyber cafés mirrors that of broadband access. The slow Internet speed on share networks makes access through cyber cafés the extremely slow and costly to consumers.

#### **4. Processes in Place to Resolve Complaints**

The current consumer protection framework does not provide the Ethiopian ICT consumer with information on when and how to complain for substandard services. Substandard service is a norm and entrenched phenomenon in the telecommunication sector in Ethiopia. For example, a customer in Woliso, a town 110 Kms outside of Addis Ababa said that “there is no point to complain over mobile network congestion, I have already switched off my handset<sup>9</sup>” Similarly Internet disconnection for hours and days is regarded as “OK” even if the business loses revenue or critical services are disrupted. The processes for redressing consumer complaints are not well established, thus complaining often do harm than results.

The ETC has established a corporate customer service division to deal with compliant and maintenance problems. It has prepared and launched complaint handling guidelines and set up complaint handling desks and units that report back to corporate customer support division. Most of the complaints have to be registered in person by visiting the ETC service stations during the working hours often between 8:30-11:30 am and 2:00-4:00 pm<sup>10</sup>. Network failures during the week ends and holidays are not attended to by the ETC. Customers that have SIM card recharge problem or Internet disconnection over the weekend must wait for the next working day.

The service queues at the ETC consumer stations indicate that mobile related technical complaints are the largest of all complaints. These are handled by customer care staff at ETC’ service outlets. Although service stations are centrally located, there are too few of them; thus customers are obliged to make long trips to these outlets. When consumers report a complaint, it may be solved on the spot or referred to the relevant officer for attention. Observation at the ETC service station shows that most customer complaints are not logged for reference. Internet related customer care functions are

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<sup>9</sup> Meraf, Personal Communication

<sup>10</sup> ETA, Presentation at Consumer Rights Workshop

often carried out by engineers. A visit to the service outlet is a must even if the complaint is trivial. A customer is required to produce an identity card and the latest bill to get the service.

Notwithstanding the above, there has been a sign of progress. Recently, through the support from the regulator, the ETC has begun to reach out to its customers for resolving major complaints. In 2007, the incumbent has also agreed to pay a rebate for wrong bills.

However, there are still substantial gaps in addressing the various complaints. The ETC lacks appropriately skilled staff to handle complaints. The majority of those attending to customer issues are junior staff with limited experience in the technology and customer relationships management. In addition, the incumbent lacks the technology and appropriate infrastructure such as online call centre for handling, processing and addressing customer complaints. A knowledge base for monitoring and handling consumer complaint is also critical to improve its quality of service standards.

The process of resolving consumer complaints at cyber cafés also leaves much to be desired. Cyber cafés are often run by individuals with low levels of technical expertise. The managers of most of the cyber cafés are not owners, thus it is difficult to receive redress for complaints about slow speeds. Cyber café users are often forced to pay for services even if their access is disrupted or if the connections did not work.

The regulator is fully aware of these consumer challenges. It has intensified its customer complaint handling procedure and drafted a Service Level Agreement to be adopted by the operator. The Service level agreement that was discussed at a workshop of stakeholders covers the following issues amongst others<sup>11</sup>:

- Service guarantee and availability
- Price including rates and tax
- Billing and payment issues including disputed charges
- Equipment and software to be used by consumers to maintain service integrity
- Consumer Responsibilities
- Dispute resolution procedures
- Rebates for failed services

The ETA has also been working with the incumbent to increase the awareness of the ETC staff about consumer right issues and to enhance customer complaint resolution processes. It has established a customer affairs department that carries out these functions and acts as a voice of consumers.

## **5. The Role of the Regulator**

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<sup>11</sup> . Ethiopian Telecommunications Agency, Network Service Provision Agreement, Unpublished

Consumer protection is one of the major objectives of the ETA in regulating the behaviour of the monopoly operator. Since ETA's scope for technical regulation like interconnection, spectrum management and numbering is limited, consumer related regulation remains one of its key focus areas. ETA's attempts so far include regulating consumer rights through preventive measures by integrating quality of service standards such as service availability, call quality, fault repair targets and billing as part of the operators' licence obligations<sup>12</sup>.

The ETC receives a monopoly licence from the ETA in an exchange for efficiency and the quality of service requirements. It has to conform to a code of conduct that was developed by the ETA. However, despite the review of the Special Service Agreement by the ETC and other stakeholders at a workshop, the code of conduct has not been signed by the operator. In the absence of a signed code of conduct, it remains difficult for consumers to receive satisfaction and for the ETA to enforce consumer right issues.

The ETA is aware of the major complaints such as wrong billing, limited network coverage and unreliable services. It has been working with the incumbent to resolve some of these outstanding problems including the introduction of a uniform nationwide tariff for mobile network usage. The regulator is in the process of conducting a consumer dissatisfaction survey in order to establish the extent and scope of complaints, with a view to using the result as a quality of service benchmark.

At present the ETA provides information largely through its consumer affairs department. The department undertook a road show and met with officers of the incumbent operators to discuss consumer issues and ensure that they establish consumer complaint handling desks and make staff available. The regulator is also planning a consumer rights awareness campaign using radio and newspaper advertisements. However, it lacks the necessary legal framework to sanction the operator. It does not have resources, skills and procedures for effective consumer right protection<sup>13</sup>.

## **6. Consumer Organizations and Related Bodies**

Ethiopia does not have generic consumer organizations. Attempts to set up a generic consumer organization have been unproductive and fragmented. There have been limited initiatives to organize consumers around communication pricing, access and quality issues.

Establishing civil society organizations is a delicate business in Ethiopia due to government wariness of the motives of consumer protection groups. Government-sponsored generic consumer organizations are mainly concerned with addressing the rise of the cost of living and prices of essential products such as oil, seeds, flour, vegetables, sugar, bread and household items.

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<sup>12</sup> Eshetu Alemu, Presentation made at the Consumer Rights workshop

<sup>13</sup> ETA Consumer Affairs Department, presentation on ETA's activities on consumer protection

There have been efforts to establish the Ethiopian Consumer Protection Association that “seeks to empower consumers by helping them know their rights and responsibilities and how to exercise them... and lobby “the government to ensure that appropriate mechanisms are in place for effective handling of consumer complaints.”<sup>14</sup> However, the association remained weak and ineffective in addressing complex consumer issues in the communication sector.

Communication is not a well understood subject in Ethiopia; thus there are few, if any, organizations that are concerned directly with consumer affair issues in the telecommunication sector. Professional associations such as the Ethiopian ICT Professional Association (EITPA) and the Ethiopian Economists Association (EEA) are among the most active in the ICT sector, but these do not get involved in consumer affairs. In sum, Ethiopia has no meaningful consumer organizations and related bodies to defend the consumer rights in the communications sector.

## **7. The Role of the Media**

Ethiopia’s media has been active in addressing consumer issues in the recent years, in particular those related to goods and services. However media coverage of communication-related issues has been very low partly due to lack of understanding of the technical issues involved in the telecommunication and Internet sectors and in part due to strong public orientation of the media. The ETC is regarded as a public enterprise and discussion about consumer rights and privatization is regarded as “challenging the government”.

Moreover, journalists that report on telecommunication lack the requisite technical and legal expertise and generally rely on the ETC for the information. In the absence of independent and highly qualified experts and voice in the communication sector, media reporting remains partisan and one sided. Besides, the ETC uses the media extensively, often over-stating its plans and achievements, thus diluting consumer grievances.

Radio stations such as Radio Fana have a relatively effective campaign and coverage of consumer rights. However, there has been limited discussion of the challenges facing consumers in the communications sector. Private media is a very recent phenomenon in Ethiopia; thus independent coverage of consumer rights in the telecom sector has not been forthcoming from the private radio station.

Newspapers are more interested in news and adverts to sell papers and hardly discuss consumer issues in great depth. Print media such as “The Ethiopian Reporter”, “Fortune” and “Capital” have regular columns on the communication sector, but articles tend to be news or accusation or counter accusation of the incumbent than substantiated analysis of issues affecting

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<sup>14</sup> Geberemedihn Birega, Country Paper on Competition Regime: Capacity Building in Competition Policy in Eastern and Southern Africa, Unpublished, 2007

consumers with positive steps towards their resolution. In general, despite recent progress particularly in radio programming in involving consumers, the role of the media in addressing consumer rights in communication sector remains very weak in Ethiopia.

## **8. Policy and Legislative Input**

The technical nature of the communications sector and strong government orientation of communication services means it is difficult for organizations and individuals to provide meaningful policy and legislative input to transform the dismal situation of the communication infrastructure and services in Ethiopia. There is no consumer input and analysis in the sector, except for the publication of regular sector performance reviews by the Research ICT Africa Network<sup>15</sup>. The absence of technical and legal expertise in the communications field is so grave that Ethiopia's policy initiative in the communication sector that underpins its economic growth remained stagnant for the last three decades.

The regulator has been trying to involve major actors such as corporate consumers to discuss consumer right issues and has been encouraging the ETC to meet with its customers on regular basis. Nonetheless, efforts so far did not result in empowering consumers or making use of their input to influence policy or regulatory decisions.

## **9. Conclusion**

Network congestion, low call completion rates, pricing, bill problems and low network coverage and quality of service are the major consumer challenges in Ethiopia. The underlying reason for substandard quality of service has been the perpetual lag between infrastructure investment and demand of network services under the public monopoly regime. With the population of almost 80 million and mobile network coverage of about 3% the monopoly incumbent was unable to meet the growing demand. Coverage is dismally low when compared to the rest of Africa. Although recent initiatives through vendor financing schemes promise to redress the problems temporarily, Ethiopia's incessant problems in the communication services cannot be met without public policy changes with regards to the number of players operating in the fixed, mobile and the Internet segments. Competition would not only increase choices but also helps the ETC to improve its service standards.

The government needs to put the relevant legislation in place to empower the regulator. ETA needs legitimate power to put the Service Level Agreement into practice and enforce quality of service standards and disclosure of accurate information on consumer complaints. It needs resources and skills to collect quality of service information, carry out research and promote consumer education. These efforts need to be complemented with free and

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<sup>15</sup> Lishan Adam, Telecommunications Sector Performance Review, 2007, [http://www.researchictafrica.net/images/upload/07\\_%20Ethiopia.pdf](http://www.researchictafrica.net/images/upload/07_%20Ethiopia.pdf)

fair judicial system and improved knowledge of the legal system of the complex consumer right issues in the communication sector. Increased interaction between the operator and consumer, the regulator and the consumers will also go a long way in resolving the current extremely low quality of service standards.

## **Appendix 3 – Country Baseline Report Mauritius**

Consumer Protection Rights in the ICT Sector  
The Mauritian Case

**July 2009**

**Ref : cybernaptics/0809**

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## Contents

Introduction .....	3
Mauritius ICT sector at a Glance.....	3
Legislative and self-regulatory frameworks .....	4
Levels and types of complaints .....	7
Processes in place to resolve complaints .....	8
The Ministry for Consumer Protection and Citizens Charter.....	8
The Competition Commission.....	8
The Regulator .....	9
The Operators.....	10
The role of the regulator.....	10
Information and Communication Technologies Authorities (ICTA) .....	12
Consumer organizations and related bodies.....	14
The Mauritius Association of Consumers of Mauritius (ACIM) .....	14
OTAM/MCCI .....	15
NCB.....	16
The role of the media .....	16
Policy and legislative input .....	16

## Introduction

Consumerism has been a major global trend for the last thirty years and this statement has been even more enhanced with the development of the services economy. Mauritius, for which the services industry represents 70% of the total GDP has a key role to play in Africa in setting the path for a customer care approach and access to knowledge to provide adequate consumer protection.

The first stage of a research exercise financed by IDRC on consumer activities in the ICT sector in Africa has highlighted clearly the lack of consumer protection regulations across the region and the need for transparent processes to allow both consumers and regulators efficient access to information. As a result, a number of regulators set up consumer and compliance functions or started addressing quality service issues within the industry.

There is a common agreement that the safeguard of consumer rights in the ICT/telecom sector involves four elements: consumer rights law, competition law, telecommunication and internet law and self regulatory frameworks. In Africa, only a few countries have enacted consumer protection legislation, among which Mauritius with a Consumer Protection Act passed in 1991.

The main objectives of this study, focus on the case study of Mauritius are first to update the baseline position documenting the existing and planned legislation related to consumer issues and consumer rights. Secondly, it aims at providing a better understanding of the process for dealing with consumer complaints in Mauritius, the type of relationships with regulators and policy makers and the implicit processes involved.

## Mauritius ICT sector at a Glance

In Mauritius, the rapid advance in technology has contributed to the convergence of telecommunications, broadcasting and information technologies. The liberalization of the Mauritian telecommunications industry has encouraged the entry of new operators in this field, resulting in the exponential growth of mobile phone and internet users, and improved fixed-line density. Based on the dynamics of the telecom sector, there has been a total shift in the paradigm of regulation during the last fifteen years. Thus, the focus of regulatory authorities, during the pre-liberalisation era was, essentially, "policy-oriented" where the role of the regulator was to implement government policy and the incumbent had to execute. Then liberalization came about and the regulator's mandate was changed to facilitate this process. Now that liberalization is well under way, it is realized that the regulator needs to become more consumer focused.

In 2007, the value added generated by the ICT sector was Rs 11.7 billion while the contribution to the GDP was 5.7%. The telecoms activities generated 66% of the value added of the sector, 13% by wholesale and retail trade and 21% by the remaining activities.

**How many consumers are involved?**

Total population: Million 1.2

Mobile subscribers: 928,600 (2007)

Fixed line subscribers: 361,300 (2007)

Operators: 2 fixed telephone service providers and 3 mobile cellular providers and 8 ISP (2007)

Internet subscribers (dial-up and other accounts): 166,059 (2007)

Cyber-cafes and telecentres: figures not available

Internet access by households: 16.6% (2006)

Internet access in business: 84.7% (internet/emails)

*Source: Central Statistics Office, Mauritius /National Computer Board*

**Legislative and self-regulatory frameworks**

The following legal instruments have to be examined to gauge the importance given to consumer protection on the one hand and to assess the extent to which there is effective protection.

**The Fair Trading Act**

**The Consumer Protection Act**

**The ICT Act**

**The National Telecommunication Policy 2004 document**

**The Competition Act**

Moreover there also exists presently an institutional framework which focuses on consumer protection generally. The following institutions' roles have to be highlighted.

**The Ministry for Consumer Protection and Citizens' Charter**

**Association des consommateurs de L'île Maurice-ACIM**

**Institut pour la protection des consommateurs-IPC.**

### **The Fair Trading Act**

This legislation was enacted on the 12 June 1982. It defined the “consumer” as “an individual to whom goods or services are supplied”. It also included the provision of services in its definition of “trade”.

Though this Act has been repealed by the Competition Act of 2007, it still bears testimony to the fact that consumer protection was a concern for the Mauritian authorities and the responsibility for same was given to a Minister.

This Act did not apply to either the provision of telephony or telecommunication services in as much as these activities were outside the ambit of the Schedule of the Act.

It also prohibited traders to “enter or induce another trader to enter into any undertaking, agreement, contract or other instrument which has the effect or is likely to have the effect of preventing, restricting or distorting competition and or of promoting, establishing or observing any exclusive sales agreement or monopoly in connection with the production and supply of goods, branded or otherwise, or of services”

### **The Consumer Protection Act**

The Consumer Protection Act was enacted on 14 June 1991. This legislation was concerned with the element of safety in the supply of goods. In terms of Section 3 of this Act, some form of protection was given to consumers who purchased “any machinery” associated with the supply of telecommunication and connected services. A computer purchaser who did not enjoy the guarantee of a safe utilization could sue the dealer under this legislation. He would also have the option to sue for damages under the Civil Code for breach of contract. Section 9 of the Act made the provision of faulty “machinery” a criminal offence punishable by a fine as well by imprisonment in case of recurrence of such offence.

### **The Consumer Protection (Price and Supplies Control)**

This Act classified certain goods as “Controlled goods”. These were listed in the First and Second Schedules of this Act. Interestingly the Second Schedule includes a television receiver as one of the controlled goods. This Act also defines “goods” as “any article which may be the subject of trade or business”. In terms of the canons of statutory interpretation a computer may be interpreted to be a controlled good whose sale and supply has to be carried out in compliance with the Act.

It is apposite to mention that the legislator has, via the Finance Act of 2005, widened the avenues for enforcement of the provisions of this Act. It has in fact given the Director of Public Prosecutions the discretion to choose before which jurisdiction an offence could be prosecuted under this Act. It can be either the District, Intermediate or the Supreme Court.

### **The Information and Communication Technologies Act.**

Before the advent of this legislation the Telecommunications Acts of 1988 and 1998 provided for the operation and regulation of the telecommunications sector. The ICT Act of December 2001, is a partial attempt to respond to the phenomenon of convergence with all its regulatory implications.

In so far as consumer protection is concerned in the ICT sector, this legislation contains several consumer oriented provisions namely. Section 16 which deals with the objects of the Information and Communication Technologies Authority provide interalia for

- (i)the democratization of access to information
- (ii)quality of service
- (iii)plurality in the choice of services
- (iv)The creation of a level playing field in the interest of consumers
- (v) access to telecommunication services at affordable cost

Moreover in furtherance of the above objects, the regulator-ICTA-has been bestowed with the following functions namely

- (i)the promotion of effective competition, fair and efficient market conduct
- (ii)the approval of prices and tariffs
- (iii)the establishment of performance standards for both international and local telephone services.
- (iv) report to the Minister on inter alia the quality of consumer service and consumer satisfaction
- (v)ensure safety and quality of the connection of consumer equipment by determining technical standards
- (vi) entertain complaints from consumers

Another noteworthy feature of the Act from a consumer or consumer protection perspective is Section 34(2)(h) which reserves three seats on the ICT Advisory Council to “persons representing the interests of consumers, purchasers and other users of ICT services”.

This Council has the mandate to advise the Minister inter alia on any matter relating to the promotion of the interests of consumers, purchasers and other users in respect of the quality and variety of information and communication services provided.

#### **The National Telecommunication Policy 2004 document**

This document has mapped out the policy for the protection of consumers which the regulator-ICTA- recognized as essential and which it intended to implement. The following are the areas which the regulator identified for proactive regulations or measures.

- (i)Quality of service
- (ii)Rate regulation, charges and tariffs
- (iii) Universal access/service policy

(iv) Consumer safeguards and information

It was a comprehensive blueprint for the regulator to articulate regulatory initiatives with the objective of establishing a balance in the operator/consumer relationship.

### The Competition Act

The Competition Act was enacted in December 2007. This legislation provided for the establishment of a Competition Commission and for the prevention of restrictive business practices. It recognized the need for the regulation of competition. In 2003 and 2006, the National Assembly enacted Competition Acts. It is noteworthy that none of these legal instruments were promulgated. These were also very restrictive in their applications as most economic sectors were expressly removed from their ambit. The 2007 legislation applies to all economic sectors except petroleum products.

It has to be pointed out that up to now only parts of this Act has been promulgated. It has enabled the appointment of the members of the Competition Commission but the latter is not yet equipped to undertake its legislative mandate for the investigation of restrictive business practices. Neither can it presently undertake its adjudicatory functions.

The main objective of this Act is to ensure that economic activities are carried out in terms of its provisions. It also recognizes the existence of sector regulators. As a consequence thereof the Competition Commission is mandatorily bound to sign memoranda of understandings with those sector regulators.

These memoranda of understandings provide for the establishment of areas of cooperation between the Commission and the sector regulators. It also lays down the foundation for the use by the Commission of sector specific expertise in the investigation undertaken by it.

This legislation does not expressly provide for consumer protection specifically. It can by sanctioning unfair trade practice and by promoting competition make consumers benefit generally from better terms of trade. It can also protect them from these unfair practices as its sanctions may act as deterrents.

## **Levels and types of complaints**

There is no register or statistics of customer complaints at the regulator level or the central statistics office (CSO). Among customers, some of the most common complaints were:

Voice services:

The quality of calls, especially on inbound calls, is often the subject of customer complaints. While voice operators are required to maintain quality of service as per their licences, they sometimes oversubscribe their own network capacity in order to cut prices. Billing errors are also reported from time to time.

Internet Services

The main type of complaint here is the speed and price of the internet connection. Fortunately a lot of progress has been made in this area by Internet Service Providers, especially following government initiative to reduce the

wholesale price of bandwidth on the submarine fibre SAFE/SAT3 cable. A 512 Kbps ADSL subscription from Mauritius Telecom is retailed at around 25 USD per month. The mobile operator Emtel offers Internet connectivity on its 3G network but it is not as competitive as MT and tends to be utilised by a smaller pool of mobile users. One ISP has a WiMax network on the Island but, due to poor quality of service and network stability, a lot of customers have migrated to other ISPs. Despite these positive developments however, customers still feel that the quality of service is still not up to the standard of their counterparts in Europe or Asia.

#### Other ICT Services

Complaints are also filed with the ICTA on the purchase of faulty equipment, construction of radio transmitters near residential areas, interference etc. Complaints about faulty equipment, especially mobile phones and computers, are quite common.

## Processes in place to resolve complaints

### The Ministry for Consumer Protection and Citizens Charter

Since this year, the Government of Mauritius has created a Ministry for Consumer Protection and Citizens Charter to define and implement an adequate consumer protection policy - while grouping under a single entity the various government departments concerned. The Ministry wishes to set global best practices in this field and has started benchmarking similar consumer protection frameworks in the field of ICT in India and Singapore.

Although consultations with the relevant stakeholders have already started and processes for complaints resolution are to be defined, the Ministry recognized the importance to put in place a process of capacity building. As part of a sensitization exercise, the Ministry has shown interest to improve customer outreach using modern ICT enabled technologies, like SMS, email and call centers.

In the field of ICT, the Ministry for Consumer Protection believes that a working agreement in the form of an MOU needs to be reached between the Ministry and the ICT regulator; ICTA where roles and obligations would be clearly defined and relevant legislative frameworks amended if necessary. Finally, importance has been stressed on the necessity to maintain quality of service standards in the field of ICT and whether a new entity could play this role.

### The Competition Commission

The Competition Commission, set up under the Competition Act in November 2007, is a parastatal organization, under the aegis of the [Ministry of Business, Enterprise and Co-operatives](#). However, the Commission is independent of Government in its decision-making.

The object of the Competition Commission is to safeguard and promote competition in Mauritius by creating a comprehensive competition regime and prohibiting the most serious anti-competitive restrictive agreements. The Commission will have the necessary powers to investigate and control other types of restrictive agreements, and of monopoly and merger situations. It will also promote the role and understanding of competition in enhancing efficiency and adaptability in the economy.

The Competition Commission of Mauritius (CCM) comprises of five commissioners (including the chairman), an executive director and a senior management team. It is currently managed for a period of two years by John Davis, former Chief Economist from the UK Competition Commission. They will decide whether there is a case to investigate or not. The burden of proving the case rests on the complainant. Then, the investigation unit will do the ground work and submit their findings to the executive director. These are then presented to the directors who will provide guidelines for the disposal of the matter.

The CCM cannot yet investigate competition cases, as not all the sections of the law have been proclaimed. The CCM has formed an *ad hoc* consultative committee, as part of its public engagement on drawing up guidelines and procedural rules, which must be published in terms of the Competition Act, within six months of the Commission's establishment. The members of the committee act as a panel of experts to discuss aspects of the guidelines and procedural rules. These guidelines will provide more details than is available within the Act as to when the Commission is likely to regard a business activity as a 'restrictive practice' under the Act. The committee is purely consultative and has no decision-making role. Decisions about the draft and final documents will be for the Commission alone. The CCM intends to publish draft guidelines and procedural rules, for extensive public consultation, on their web site later in the year.

The Commission is required by Section 66 of the [Competition Act 2007](#) to sign memoranda of understanding (MOUs) with regulators including the ICTA. The essence of the memorandum between CCM and ICTA will be to provide to each party research and advisory work with a view to allow an efficient and market driven environment in the ICT sector. These MOUs aim at ensuring that each organization provides feedback in case of investigation or clash in policies. They will also help in avoiding duplication of work between the commission and the regulatory body and will also help to promote better cooperation between them. It is worth mentioning that it is not within the scope of the Competition Commission. According to the executive director of the CCM, it is not expected for the latter to overrule a decision taken by any regulatory agencies unless there is strong evidence, brought to the CCM by a complainant, that this decision is contrary to fair business practices, as defined by the Act.

## The Regulator

The regulator is, ultimately, the competent authority to deal with consumer complaints whether they are IT-related or telecom-related, especially when the customer feel that they are not getting any satisfaction with their supplier.

The ICTA will usually take up the matter with the relevant supplier for follow up and explanations. However, complainants may also refer to other organizations like the consumer protection association, the ministry for consumer protection or even the National Computer Board. In the case of the Ministry or the NCB, they will usually refer the matter to the ICTA.

ICTA is currently reviewing its processes with the setting up of a consumer affairs department. We can therefore expect that there will be more elaborate and formalized processes to deal with customer complaints.

## The operators

Mauritius Telecom, the incumbent operator, has a well developed structure for handling complaints. They can handle complaints directly via various channels such as their call center, web site, email, fax, letters or walk-in customers in their teleshops. All complaints are handled by their customer service department which categorises the complaints. Based on the type and category of the complaint, the customer service department will then channel it to the appropriate department within the organization. Complaints referred by the ICTA are also handled by the customer service department but feedback is relayed back to the ICTA via their department for regulatory affairs.

Unfortunately, we were not able to interview other smaller operators to inquire about their processes but, generally, they all have a customer service department albeit not as well structured and organized as the incumbent. It is worth noting that, prior to the advent of liberalization, the incumbent was not as efficient in handling customer complaints as now.

## The role of the regulator

The role of the regulator in consumer protection is provided for by several sections of the ICT Act. Indeed section 16(b) provides that

**“The objects of the Authority shall be-**

**(b) to create a level playing field for all operators in the interest of consumers in general.**

In furtherance of this object, the Authority has in terms of

(i) Section 18 (c) to

**“ promote and maintain effective competition, fair and efficient market conduct between entities engaged in the information and communication industry in Mauritius and to ensure that this Act is implemented with due regard to the public interest and so as to prevent any unfair or anti-competitive practices by licensees”**

(ii) Section 18(h) to

“report, in such manner as may be required, to the Minister or to any other person on any matter that lies within its purview, such as the performance of public operators, the quality of consumer service and consumer satisfaction, measured against the best available international standards of practice

(iii)Section 18(o) to

“Entertain complaints from consumers in relation to any information and communication service in Mauritius and , where necessary, refer them to the appropriate authorities. The above provisions of the ICT Act captures in a nutshell, what one may term the blueprint of the regulatory mandate of the regulator. It extends from the creation of a competitive market to the examination of complaints whilst also addressing issues of quality of service as well as consumer satisfaction.

The regulator’s actions or omissions to act will impact positively or negatively on consumer protection in the ICT sector. Whilst competition brings in its wake diversity of offers of service and multiplicity of choices for the consumer, the tariff regime to be implemented by operators is solely decided by the regulator. For new entrants in the ICT Sector, they can only take market share from the bigger players if their tariffs are competitive enough to attract former clients of these big players.

Consequently the role of the regulator is very crucial in the advent of new players, in the proposal of new offers and in the establishment of better tariff regimes for the consumer. It is a fact that the regulator has up to now not differentiated between small/new players and big players. The tariffs approved by the regulator has been based on similarity of treatment. This has had the result of consolidating the weight of big players and has not allowed the emergence of a competitive ICT market. In short all operators offer the same tariffs for the same service. This nips in the bud any new offer on differentiated tariffs resulting in limitations to consumer choices.

If in the future the regulator applies asymmetric regulation by differentiating between big and small players and their respective tariffs, as it can do in terms of the National Telecom Policy document of 2004 read together with section 18(1) of the ICT Act, the door would be opened to competition and all its benefits to the consumer.

The regulator has also been given a clear mandate to entertain the complaints of consumers and also the faculty to refer same to the competent authorities where it finds that it is necessary to do so. If this provision of the law is strictly interpreted it would mean that the regulator’s role is not limited to taking cognizance of the complaint, it will have to investigate and as a result thereof inform the complainant of its findings. But it is suggested that its action does not stop there. Where an operator has been found to contravene any provision of the ICT Act the regulator must see to it that all the measures provided for under the Act are implemented to prevent recurrence. Such actions must be brought to the attention of consumers to be more effective.

In order to ensure consumer protection the regulator is also bestowed with the tasks of informing consumers on the technical aspects of certain operations where they might be exposed to health hazards.

The proper and more economic way of utilizing mobile phones, the siting of relay towers in residential zones, the effects of exposure to radiation from frequency utilization are issues of importance which the regulator has to address. It is here suggested that the regulator must play a more proactive role in such issues and be of assistance to consumers and consumer groups where technical matters are involved.

Moreover the regulator, in the discharge of its mandate for consumer protection, has the duty to inform consumers and consumer organization of new development in technologies as well as offers for provision of services using new technologies. The supply of broadband services based on wireless or wired technology is an example where the regulator should intervene and act proactively in the interest of consumers.

The wide legal mandate given in terms of the sections of the law cited above calls upon the regulator to undertake pedagogical and informative to serve consumer interests. Consumers are by far the biggest client of the regulator in a liberalized and competitive ICT sector.

## Information and Communication Technologies Authorities (ICTA)

The ICT Act has established the Information and Communication Technologies Authority, the national regulatory agency for Mauritius.

### Provision of ICT Act

In terms of Section 16 of the Act, the regulator has been mandated to achieve inter alia the following objectives regarding the consumer and consumer protection.

- (i) To take into account
  - (a) Quality of service
  - (b) Diversity and plurality in the choice of services
- (ii) the creation of a level playing field for all operators in the interest of consumers in general
- (iii) To ensure that ICT services are reasonably accessible at affordable cost

Moreover the Act also provides in its Section 18 for the functions which the regulator has in order to achieve the above objects namely

- (i) promote and maintain effective competition
- (ii) report to the Minister inter alia on the quality of consumer service and consumer satisfaction
- (iii) Entertain complaints from consumers in relation to any ICT service in Mauritius and where necessary refer them to the appropriate authorities

### The approach of the regulator regarding consumer issues

The regulator's actions regarding the consumer issue has been limited to the entertaining of complaints only. The Executive Director of the ICTA has explained that the Authority sees its regulatory mandate as a "continuum" starting with the regulating of the liberalization and privatization process of the ICT sector. It was basically concerned with the preparation of the regulatory framework for the advent of new players generally licensing activities.

It then focused on such issues as interconnection agreements, allocation of frequencies and numbering during a second phase which was more geared towards easing the entry of new entrants in the ICT sector.

It is now poised to undertake what was termed as the “third wave” of regulatory intervention i.e looking at the interest of the end user-the consumer.

### The implementation of the “third wave” of consumer oriented regulations.

- (a) The modus operandi
- (b) The actions envisaged
- (c) Relationship with other agencies-Consumer associations, Ministry of Consumer protection, Competition Commission

(a) The modus operandi

The regulator in furtherance of its recognition of the need to address the consumer issue more profoundly is implementing a modus operandi whereby it is creating an administrative structure for this purpose. Moreover the function of this department will ensure more and effective interaction with consumer organizations and other relevant authorities.

(i) The establishment of a specialized department

The regulator in its implementation of consumer related regulations is putting up a specialized department headed by a director to oversee the relationship between the ICTA and consumers. This decision will also lead to a widening of the regulator’s mandate regarding consumer issues. The interest of the consumer will become a priority of the regulatory functions of the ICTA. The department will be called the Department of Communication, Consumer Affairs and Marketing wherein the director will be assisted by a manager and the other clerical cum administrative personnel.

(ii) Interaction with consumer organization & other relevant bodies

ICTA has admitted that at present there has not been much interaction between consumer organizations and the regulator. Apart from participation in open house sessions on specific aspect of ICT policy, such interaction is quasi nonexistent and the ICTA is very much aware of it and has also decided to remedy same. According to the ICTA, consumer organizations have not manifested their presence to a great extent in the ICT sector.

In the first place the setting up of a Consumer Advocacy Body is being envisaged though the manner in which it is to be done has not yet been spelt out. The objective is to move away from the unilateral model of complaint examination to a bilateral relationship with ongoing consultation on consumer issues.

(iii) Establishing contact with the new Ministry of Consumer Protection and Citizens’ Charter.

It is worth reporting that a Ministry for Consumer Protection and Citizens’ Charter has been established. The regulator intends to interact with the Ministry with a view to map out the jurisdiction of each party for future actions. It is too early to weigh the impact of this Ministry but it certainly holds the potential to be the apex organization for developing consumer oriented policies.

(iv) Memorandum of Understanding with the Competition Commission.

With the setting up of the Competition Commission following the promulgation of the Competition Act, the regulator will sign a memorandum of understanding with the said commission. The recognition and implementation of competition principles and concepts in the ICT framework is not new. The regulator is still bound by Section 30 of the ICT Act to apply competition rules in its licensing and adjudication activities. The novelty of the Competition Act and the Competition Commission is that decisions of the regulator can be examined by another body specifically on the issue of competition. This augurs well for consumers.

From the regulators angle it can be said that it is now gearing itself to tackle consumer issues. With the setting up of other organizations or bodies dealing with consumer matters, the protection of consumers is becoming at least potentially a major concern.

## **Consumer organizations and related bodies**

This section deals with generic consumer bodies, tackling consumer protection issues irrespective of industry specificities or private sector associations representing the interest of both private operators and consumers

### **The Mauritius Association of Consumers of Mauritius (ACIM)**

The main consumer association established 20 years ago has not been very much involved in consumer issues related to the ICT and telecom areas. However since last year, the Mauritius Association of Consumers of Mauritius (ACIM) has started playing an advocacy role on behalf of consumers, with ICTA. As a result, it would play a more active consultative part in adhoc public private committees in the subject matter. More specifically ACIM has been providing input into telecoms and internet pricing issues.

It is of the view of ACIM that there is an urgent need for consumer protection consolidation by independent consumer organisations in Mauritius in the field of ICT. Indeed, since the advent of ICTA in the market, the role for consumer protection had been shared by ICTA and independent consumer organisations like ACIM. ICTA'S input for consumer protection has been more as a fall-out from other decisions, such as the need to open the market and move for more competition in the sector, charges and billing and some interconnection problems. Issues on mobile phones, antenna-proximity, health hazards, humidity, repairs, have been the kettle of fish for independent consumer organisations which have been approaching operators directly. Moreover, ACIM has questioned the independence of the regulator since the institution falls under the aegis of the Ministry of IT and Telecommunications and as such cannot apply the principles of corporate governance.

The consumer association however has welcomed the introduction of a new Ministry for Consumer Protection and the setting up of the Competition Commission, both initiatives driven by Government. However past experience has shown that consumer watch by independent consumer organisations, such as ACIM, is vital.

The potential demands for involvement of independent consumer protection in this sector will increase significantly. Interface of independent consumer organisations with upcoming institutions will go along the line of multiple consultations many of which will have specialised components needing training or specialists' involvement. Hence specialised or well documented inputs, supported by access state of the art on the matter, international and regional approaches, and independent surveys at times will be unavoidable ingredients in the forthcoming changes.

No independent consumer organisation can have a meaningful contribution if they do not restructure themselves. Such restructuring will need to impact on the organisation's capability to address the new issues on an equal footing with other operators within the sector. The actual empowering resources that can be given by government will need to be addressed in the near future.

It should also be stressed that redress mechanisms can also help consumer organisations develop a broad base of membership once the benefits of such appurtenance is fully felt and understood.

This can only come about if financial resources are made available as well as training, access and exposure to international benchmarks, literature and debate on the matter. Otherwise the impact of independent consumer input in the sector will only be marginal.

## OTAM/MCCI

Both parties representing the interest of the private sector have been asked to provide their views on consumer protection as a key element for the development of the ICT sector.

OTAM, the association for the ICT industry and the Mauritius Chamber of Commerce and Industry are two influential stakeholders, acknowledging the role that consumer associations need to play for the protection of consumer rights. However, they raised the importance for a balance approach between the protection of consumers – level playing field in terms of competition - and the development of the ICT industry. There is a need to set up monitoring matrices that will allow stakeholders to assess the level of satisfaction of consumers related to products or service. Feedback has been provided that consumer associations like ACIM have to play a more proactive role and regulators need to maintain their independence for the respect of adequate legal frameworks. A monitoring process need to be defined to allow consumer protection association like ACIM to act as a one stop shop for dealing with consumer complaints and ensuring proper monitoring. The structure of the association need to be reviewed to provide and legitimate the setting up of a board of independent directors, which will play a more powerful role in the civil society on ICT policy related matters. Finally both associations were of the view that a citizen charter currently defined for Mauritius will need to involve a chapter on consumer protection.

There seems to be a general consensus among both OTAM and MCCI that they have, traditionally, been focusing on industry and that, somehow, they will need to increase consumer participation within their own organization. In the case of OTAM, they are even considering enrolling individual members like ICT professional or academia.

## NCB

Mauritius has an ICT policy advocacy institution, falling under the aegis of the Ministry of Information Technology and Telecommunication. The National Computer Board has been strongly involved at national level in providing better awareness on the role to be played by ICT (spam and security matters), in its fundamental role for online child protection (through the chairmanship of a public/private committee on the subject), and finally in the multiplication of a number of education and online programs on ICT related matters. The National Computer Board has played a marginal role on consumer complaints and usually refers any complaint for resolution to the ICTA, the sister institution falling under the same Ministry. NCB tends to focus on educational and awareness campaigns for the general public. However they do not get involved in telecommunication issues and being a governmental body they will not take a strong position on consumer rights.

## The role of the media

The Mauritius Broadcasting Corporation (MBC) is the country's national public broadcasting service and covers both radio and television. The MBC broadcasts a wide range of local and international programs in French, English, Creole (the local dialect) and in a number of Asian languages. It is very often criticized for its lack of impartiality.

The international and local press are encouraged across the island and well appreciated by the local community. Since the partial liberalization of the broadcasting sector, three private radio stations have been licensed by the Independent Broadcasting Authority: Radio Plus, Radio One and Top FM. The public broadcaster, MBC operates several radio channels. All the radio stations broadcast programmes or news are performed in French, English, Hindustani and Créole.

The press and private radios played a pivotal role during the early days of liberalization. Members of the ICT association were often interviewed or invited to take part in public debates and were able to express their views and grievances. As such, the media played a key role in enhancing the lobbying power of the consumers and organizations acting in their favour. The early days of telecom liberalization were particularly difficult as the incumbent was, unsurprisingly, not cooperative. Faced with a regulator that was still trying to establish itself, the media offered a credible ally for new entrants and consumers alike.

More recently, press and radio have regular consumer coverage responding to consumer complaints. For example in the broadcast media, the program "explicite to cas" (in English, means "tell us your grievances"), acts as a consumer watch to deal with consumer complaints and very often invites key stakeholders from the various spheres of the civil society.

## Policy and legislative input

The consumer associations in place in Mauritius very often lack structure and cannot act as a meaningful entity within the civil society. However the new public policy towards the protection of consumer rights will undoubtedly increase the demand for independent institutions representing the interest of the civil society. So far, the only structured consultative process where members of the civil society are requested to participate is the public hearing organised by ICTA in case of licensing. On certain rare occasions, this organisation has enlisted the participation of consumer organisations during what it calls “open house sessions” on specific matters such public key infrastructure, interconnection and universal service fund.

Even then, the public tends to remain generally passive on such issues. This can be explained by (i) consumers tend to concern themselves with more practical issues like the price of food or fuel and (ii) ICT issues are poorly understood by the public at large. For example, the last public consultation launched by the ICTA on the new telephone numbering plan was completely shunned by consumer associations and the public.

The ICT landscape in Mauritius is changing rapidly in favour of the consumer, For example, the regulator is intent on setting up a consumer affairs department, the government has established a ministry for consumer protection and a Competition Commission has been established. Therefore, there is a need for institutions representing the civil society to reform themselves in order to be able to engage those newly formed institutions in an effective manner. It is difficult for those institutions representing the public to make a significant contribution to the policy making process if, internally, they do not have the capabilities to understand the strategic issues and to evaluate proposals from law makers in a critical manner.

## Appendix 4 – Country Baseline Report Rwanda

**Empowering Regulators  
to  
Protect Consumer Rights  
in the  
ICT Sector**

**Baseline Report, Rwanda**

**Albert Nsengiyumva**

**August 2009**



## **1. Executive Summary**

The following ICT baseline report on consumer protection in the telecomms sector in Rwanda aims at providing baseline information and data on the current status of ICT development in Rwanda. It is part of the initial phase of a larger research project currently being conducted in a number of African countries - including Ethiopia, Mauritius, Rwanda, Uganda and Zambia - aiming at empowering regulators to protect consumers.

The report endeavours to summarize major achievements in Rwanda's ICT sector from the regulatory point of view. It also raises specific issues with regard to ICT access and usage, and consumer protection and empowerment in Rwanda.

Consumer protection regulation in Rwanda is still in the very early stages of development, with a limited number of interventions by the regulator due to capacity limitations and a short institutional lifespan. Nevertheless the regulator has been involved in the resolution of a number of complaints despite a limited number of staff within the Consumer Affairs Unit. The proposed way forward for the regulator to succeed in the implementation of a clear consumer protection framework will call for multiple actions across a number of fronts.

In-country research and close interaction with the regulator will enable the drawing up of a final action plan, but priorities may include the following:

- the strengthening of the Consumer Affairs Unit within the regulator;
- support for the establishment of consumer protection associations with a special focus on ICT;
- targeted consumer protection interventions by the regulator;
- support for capacity building within the media community; and
- initiating an awareness campaign targeting the general population through media, workshops and thematic meetings across the country.

## **2. Introduction**

Rwanda is amongst the few African countries that have embarked on developing an integrated ICT Policy in the late 1990s with a clear vision of making ICT an integral part of its global socio-economic development plan intending to move the country from an agricultural-based economy to a knowledge-based economy through the development of competitive, service-based ICT industries.

The country has been through major economic reforms, including telecommunications reforms that aimed at increasing the competitiveness of the ICT sector and attracting foreign investment. Amongst those reforms was the establishment of an independent regulatory body known as the Rwanda Utility Regulatory Agency (RURA). RURA is a multi-sector utilities regulator, covering energy, water, transport, communication and waste management. *The main mission of RURA is to “promote fair competition, improve quality of services, and create an enabling environment to attract investors with the intention of improving the provision of services to citizens in accordance to the universal access objectives set by the International Telecommunication Union”<sup>1</sup>.*

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<sup>1</sup> RURA (nd) 'Mission Statement', Rwanda Utility Regulatory Agency, Kigali, available online at <http://www.rura.gov.rw/mission.htm>.

Over the last two years, RURA has made significant investments in recruiting new staff and has also created new departments to support its service delivery. Amongst those new departments is the Consumer Affairs Unit, which has the mandate to address consumer-related issues<sup>2</sup>. The Unit has now managed to recruit its staff, and expects to build capacity using expertise from other regulators in the region and networks of researchers around the continent and beyond. In addition, the Consumer Affairs Unit is currently supporting the emergence of consumers associations in the ICT sector and has so far managed to assist two local associations to get off the ground<sup>3</sup>.

### 3. Country Background

Rwanda, a densely populated, landlocked country in East Africa, lies south of the equator and covers 26 338 square kilometres. In 2008, the population was estimated at 9 139 919. Dominated by very young people, with about 63% below the poverty line of one US dollar per day, the country experiences rapid population growth of 2,9% per annum. The country's commitment to gender equality has resulted in a high representation of women in decision-making positions. Along with recent legal reforms, these changes hold the potential of alleviating the unequal share of challenges facing the population.

#### 3.1. Summary Information

*Table 1: Basic facts about Rwanda*

Category	Detail
<b>Full name</b>	Republic of Rwanda
<b>Population</b>	9,7 million (UN, 2005)
<b>Capital</b>	Kigali
<b>Area</b>	26 338 sq km (10 169 sq miles)
<b>Major languages</b>	Kinyarwanda (official), French (official), English (official), Swahili
<b>Major religions</b>	Christianity, indigenous beliefs
<b>Life expectancy</b>	45 years (men), 48 years (women) (UN)
<b>Monetary unit</b>	1 Rwandan franc = 100 centimes
<b>Main exports</b>	Coffee, tea, hides, tin ore
<b>GNI per capita</b>	US \$320 (World Bank, 2007)
<b>Internet domain</b>	Rw
<b>International dialling code</b>	+250

### 3. ICT Sector in Rwanda

*Table 2: Quick ICT access statistics for Rwanda (Source, RURA 2008, annual report, ITU ICT Eye, 2008)*

Category	Year	Detail
<b>Fixed telephone lines per 100 inhabitants</b>	2008	0,17
<b>Mobile Cellular subscribers per 100 inhabitants</b>	2008	12,0
<b>Computers per 100 inhabitants</b>	2006	0,30
<b>Internet users per 100 inhabitants</b>	2006	1,08

<sup>2</sup> RURA (2008) 'Annual Report 2007', Rwanda Utility Regulatory Agency, Kigali.

<sup>3</sup> Interview with Vénérande Mukamurera, Director, Consumer Affairs, RURA.

<b>Broadband Internet subscribers per 100 inhabitants</b>	2007	0,03
<b>International Internet bandwidth (Mbps)</b>	2007	156
<b>Radio sets per 100 inhabitants</b>	2002	15,11
<b>TV sets per 100 inhabitants</b>	2004	0,79
<b>% population covered by mobile signal</b>	2007	90

Rwanda is one of the East African countries having the highest level of commitment, and a unified approach to ensuring information and communications technology (ICT) diffusion and exploitation for development. This commitment is materialized through the implementation of the National Information and Communication Infrastructure (NICI). The country is trying to find the path that will set it on course for achieving the objectives laid out in its Vision 2020. ICT is seen as a critical engine that can support Rwanda to achieve its vision of becoming a middle income economy by the year 2020.

Rwanda believes that broadening access to telecommunications and extending the range of quality of available services can be expected to support economic development in a wide variety of ways<sup>4</sup>. In urban districts, high-quality telecommunications networks offer the scope to develop information-intensive economic activities. In rural areas, better access to up-to-date market information and improved contact with suppliers and customers increase the ability of farmers to maximize the value of their output and avoid wastage resulting from extended periods of storage and inefficient harvesting of crops. More generally, improved telecommunications improve the ability of the community to participate in the political life of the country.

The study to be undertaken by this project intends to empower the regulator in order to better protect consumer rights. RURA has already set up a department for Consumer Affairs that will inevitably play a key role in making sure that the results of the study are implemented and are geared towards the strengthening of existing consumers associations in ICT, as well as supporting the emergence of new associations with a special focus on ICT-related consumer issues.

#### **4. Sector Context**

African countries in general, and Rwanda in particular, face numerous challenges associated with lack of capacity to be able to come up with strategies and mechanisms that are necessary in order to take full advantage of the opportunities offered by ICTs for development.

The majority of Rwanda's population lives in rural areas with limited resources. Therefore the need to take specific regulatory and policy measures to address the access gap remains one of the critical barriers to making ICT for Development a reality in the African context, and in Rwanda in particular. Consumer protection interventions in respect of impoverished and disempowered consumers of ICT services, particularly those in rural areas, remains as priority.

RURA, as a multi-sector utilities regulatory agency, identifies its mandate as covering three broad areas, viz: "to provide regulatory oversight in respect of the services offered by licensed providers and operators of public utilities services and networks, as well as the need

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<sup>4</sup> RURA (2008) 'Annual Report 2007', Rwanda Utility Regulatory Agency, Kigali.

to address the interests of consumers and other stakeholders with the ultimate object of creating, maintaining and maximizing the related benefits of ICT to the Rwandan community as a whole”<sup>5</sup>.

Accordingly RURA sees its mandate in respect of telecommunications and radio communication services, in Rwanda as covering the following core functions:

- *Licensing (telecomms and postal / courier) operators;*
- *Regulating tariffs for monopoly areas;*
- *Establishing interconnection principles;*
- *Type-approving communications equipment;*
- *Managing the radio frequency spectrum;*
- *Formulating telecommunication numbering schemes and assigning them to network operators; and*
- *Implementing Universal Service Obligation for both postal and telecommunication services.*<sup>6</sup>

Interestingly consumer protection is not explicitly mentioned, although it might be considered implicit in some of the core functional areas mentioned, as well as in terms of RURA’s overall vision “*within the communications sector is to ensure that the latter contributes to the country’s overall development through efficient and enabling regulation, public participation and the prevention of market failure*”<sup>7</sup>.

## **5. Market Structure**

Over the last two years, the ICT Sector has witnessed several developments, especially the emergence of new players in the market.

RwandaTel SA, the incumbent fixed telephony operator, was sold by the Government of Rwanda to Lap Green Network, a Libyan government-owned consortium. This decision by the Government of Rwanda was based on the poor performance registered by RwandaTel SA after the company was originally sold to Terracom SARL. Key contractual and financial conditions of the original transfer had *been flouted by Terracom SARL for a number of years, leaving the company with virtually no sense of direction in this age of growing competition in Rwanda*<sup>8</sup>.

MTN RwandaCell has continued to be the leading company in mobile telephony services and is now providing data and Internet services as well.

A newcomer in the mobile services is Millicom / TIGO, which is expected to start providing services within the coming three months.

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<sup>5</sup> RURA (2009) ‘Annual Report 2008’, Rwanda Utility Regulatory Agency, Kigali.

<sup>6</sup> RURA (2009) ‘Annual Report 2008’, Rwanda Utility Regulatory Agency, Kigali.

<sup>7</sup> RURA (2009) ‘Annual Report 2008’, Rwanda Utility Regulatory Agency, Kigali.

<sup>8</sup> RURA (nd) ‘The Terracom Decision’, Rwanda Utility Regulatory Agency, Kigali, available online at <http://www.rura.gov.rw/news/terracomDecision.htm>

**Table 3: Licensed telecomms network operators and subscriber base as at September 2008<sup>9</sup>**

Service	Licensed operators	No of subscribers
Fixed telephony	- RwandaTel	16 770
	- MTN RwandaCell	82
Mobile telephony	- MTN RwandaCell	1 012 650
	- RwandaTel (CDMA)	39 167
	- RwandaTel(GSM)	120 000
Internet service provision	- RwandaTel	4 175
	- MTN RwandaCell	3 464
	- New Artel	151
	- Ispa	67
	- Altech Stream Rwanda	35
Pay - TV	- GTV	617
	- Star Africa Media	5 105

## 6 Market Performance Analysis

### 6.1. Mobile Services

Currently, MTN RwandaCell and RwandaTel are the major players in the Rwanda telecom market. Both companies have bundled licences, enabling them to deliver both fixed and mobile telephony, as well as Internet services.

In the provision of mobile telephony services, MTN RwandaCell registered significant growth in terms of subscribers from 528 932 subscribers in 2007 to 1 012 ,650 subscribers in September 2008. The driving forces behind this development may be attributed to the strategy of bringing down the cost of handsets, which has been undertaken in the course of the year 2007 and subsequently again in 2008.

In September 2007, RwandaTel claimed to have 25 710 registered mobile subscribers, up 29% from 18 561 in 2006. RwandaTel was at that time using CDMA technology to provide mobile services. RwandaTel has recently launched its new GSM mobile service and already claims to have registered more than 250 000 subscribers over the last three weeks<sup>10</sup>. This

<sup>9</sup> RURA (2009) 'Annual Report 2008', Rwanda Utility Regulatory Agency, Kigali.

<sup>10</sup> Interview with the CEO of RwandaTel, February 2009

development is attributed to the strategy of bringing down both the cost of the handset, and the calling cost, which is now calculated on a per-second basis.

Public mobile phones have continued to be deployed across the country. In September 2007, the number of mobile public phones reached 8 449, having been 8 000 at the end of 2006.

If all operators adhere to their network rollout commitments, the total cost of ownership reduces and the forecast of the mobile subscriber base over the coming five years is over 5 million<sup>11</sup> - almost 50% of the Rwandan population.

It is clear that Rwanda is definitely looking to expand mobile access across the country. Hopes are that access and penetration will increase significantly in the remote areas where living conditions (particularly the lack of infrastructure, such as electricity, and the low level of income) have prevented the growth of access and penetration of mobile services. With the development of the national fibre optic backbone that the government of Rwanda is implementing through the Rwanda Development Board / Information Technology (RDB / IT) and the development of alternative sources of energy, the envisaged increase in mobile penetration could well be realised.

## **6.2. Fixed Line Services**

The three companies licensed to provide fixed telephony services are: RwandaTel, New Artel and MTN RwandaCell. However, New Artel is no longer providing fixed services and is currently involved in the expansion of Internet services across the country using VSAT.

Unlike the dramatic growth in the mobile industry, fixed telephony has witnessed a subscriber decrease, with numbers dropping to 16 770 in September 2008<sup>12</sup>. This is partly attributable to the poor level of fixed services that have been around for a number of years. The main users of fixed line services, particularly government institutions and the private sector appear to have been attracted by promotional prices that are being offered by mobile operators. These offerings allow the integration of all mobile phones within a given institution to create a common group of users at a flat rate that is very competitive.

With the privatization of RwandaTel it was expected that operational efficiency would improve, thereby stimulating the growth in telecommunication sector. Unfortunately, by the end of the third quarter of 2007, no significant improvement appears to have been achieved in fixed telephony.

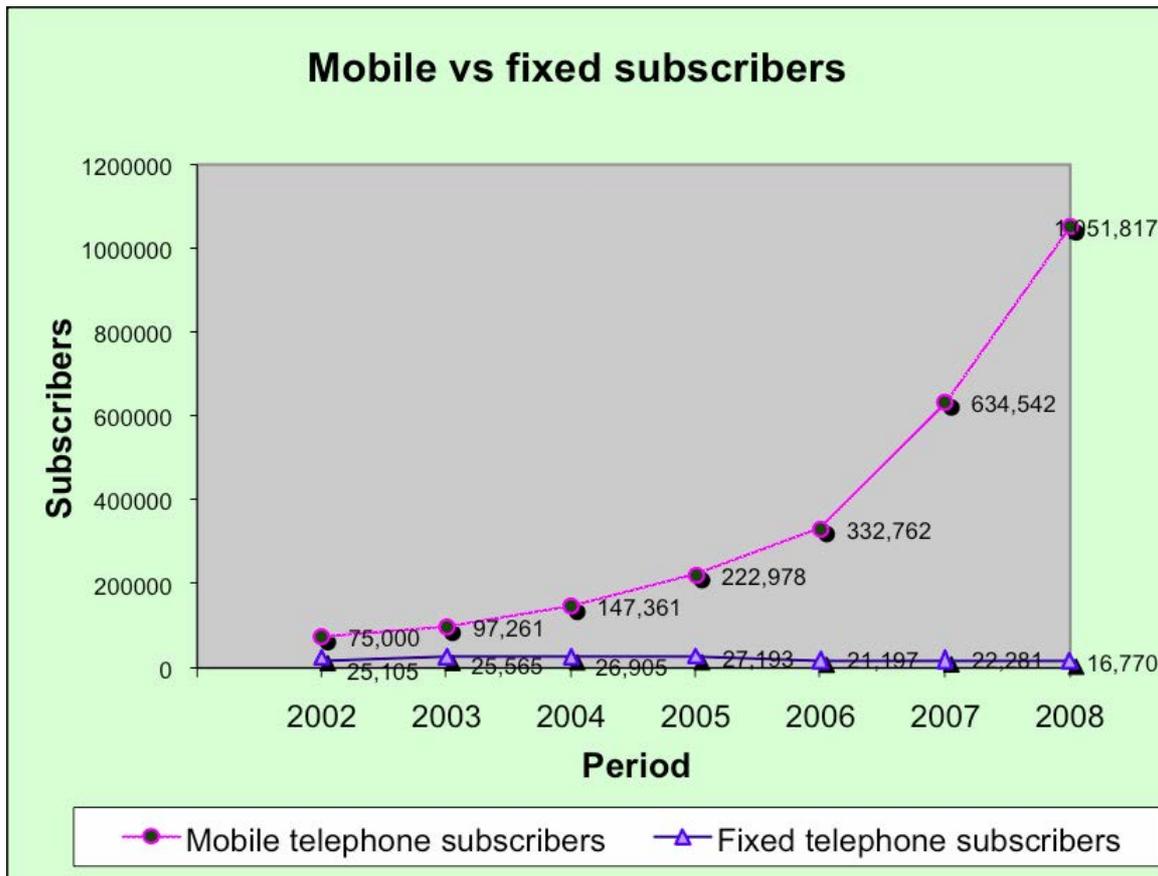
The figure below shows the subscriber growth rate of both the fixed and mobile telephony in Rwanda from 2002 to 2007.

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<sup>11</sup> RURA (2009) 'Annual Report 2008', Rwanda Utility Regulatory Agency, Kigali, available online at [http://www.rura.gov.rw/annual\\_report\\_2008](http://www.rura.gov.rw/annual_report_2008).

<sup>12</sup> RURA (2009) 'Annual Report 2008', Rwanda Utility Regulatory Agency, Kigali, available online at [http://www.rura.gov.rw/annual\\_report\\_2008](http://www.rura.gov.rw/annual_report_2008).

*Figure 1: Mobile vs. fixed telephony development*<sup>13</sup>



### 6.3. Internet Services

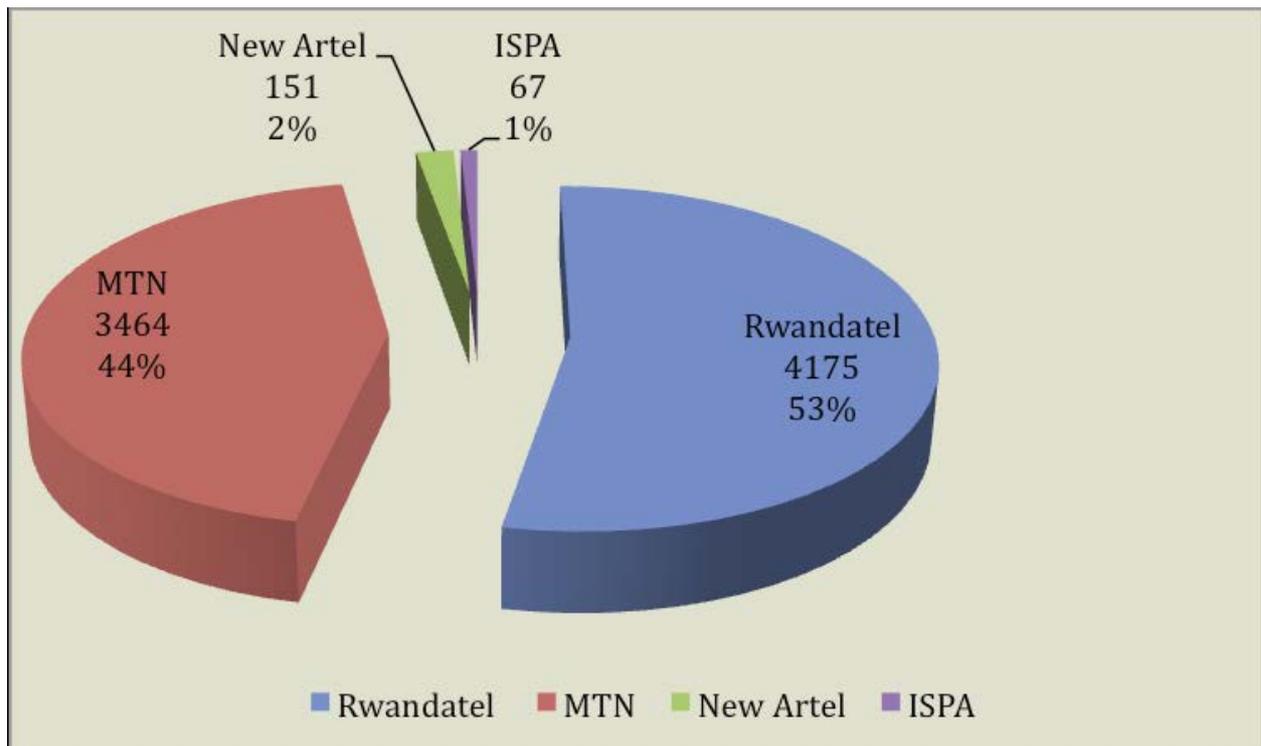
Internet Service Providers include: RwandaTel, New Artel, ISPA, MTN RwandaCell, Altech, Value Data and Star Africa. The latter three were licensed at the end of 2007 and are yet to begin full operations.

RwandaTel and Terracom have introduced ADSL and CDMA mobile Internet access with EVDO cards which have improved residential Internet subscriptions. RwandaTel remains the predominant player in Internet provision.

MTN RwandaCell has upgraded its network to GPRS in 2007 and now provides Internet services. In the figure below Artel's Internet subscriber base is of limited significance. Figure 2 below depicts the number of Internet subscribers at the end of 2007.

<sup>13</sup> RURA (2009) 'Annual Report 2008', Rwanda Utility Regulatory Agency, Kigali, available online at [http://www.rura.gov.rw/annual\\_report\\_2008](http://www.rura.gov.rw/annual_report_2008).

**Figure 2: Internet Subscriptions<sup>14</sup>**



## **7. Key ICT Sector Legislation<sup>15</sup>**

The major laws that govern the ICT sector are as follows:

- ‘Law No 39/2001 of 13/09/2001 Establishing an Agency for the Regulation of Certain Public Utilities’, which establishes the Rwanda Utilities Regulatory Agency (RURA)<sup>16</sup>;
- ‘Law No 44/2001 of 30/11/2001 Governing Telecommunications’, which sets out the specific mandate of RURA with respect to the regulation of telecommunications;
- ‘Law N 32/2002 of 02/10/2002 Establishing the Rwanda Information and Technology Authority (RITA)’ as an ICT think-tank<sup>17</sup>.

Unfortunately, consumer rights have not been well articulated in any of the above laws apart from few articles addressing consumer right issues and competition in the general context. The following are specific articles that touch more broadly on consumer right issues:

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<sup>14</sup> RURA (2008) ‘Annual Report 2007’, Rwanda Utility Regulatory Agency, Kigali.

<sup>15</sup> [www.rura.gov.rw](http://www.rura.gov.rw) and [www.rita.gov.rw](http://www.rita.gov.rw)

<sup>16</sup> Available online via [http://www.rura.gov.rw/board\\_decision/LawAgencyforRegul.pdf](http://www.rura.gov.rw/board_decision/LawAgencyforRegul.pdf).

<sup>17</sup> Available online via [http://www.amategeko.net/index.php?Parent\\_ID=8360](http://www.amategeko.net/index.php?Parent_ID=8360).

## **Law Number 44/2001 of 30 November 2001 governing telecommunications**

### **Article 3**

With respect to telecommunications, the regulatory board should:

**Point 2:** promote the interest of users and potential users of telecommunications services, whether they be natural person or organizations, in respect of the price, quality and variety of telecommunications networks and services in the Republic;

**Point 4:** maintain and promote effective competition in the provision of telecommunications services throughout the Republic in the interest of those wishing to use the services;

## **Law Number 39/2001 of 13 September 2001 establishing an Agency for the Regulation of certain Public Utilities**

### **Article 5:** Responsibilities of the Agency

Point 2: Continually promote the interest of the users and potential users of the good and services provided by utilities so that there is effective competition when competition is introduced in each utility sector and protection of users from abuses of monopoly position is ensured due to the fact that certain Public utility sectors have a monopoly over the Market.

### **Article 13:** The regulatory Board is required to :

**Point 1:** Promote the interest of users and potential users who requires good and services provided by certain public utilities, whether by natural persons or organizations, in respect of the price and quality, and where appropriate, the variety , of those goods and services;

Meanwhile, they have been several initiatives from different ministries to formulate a Consumer Protection Law but none of them has yet reached the point of passing through the Parliament. A draft of a competition and consumer protection policy,<sup>18</sup> commissioned by the Ministry of Commerce, which largely focuses on encouraging competition in the ICT sector as a primary means of dealing with consumer protection, is currently being reviewed by different stakeholders..

It contains the following points that touch on consumer issues and monopolistic behaviour that can negatively impact consumers rights:

- Market structures which permit abuse by an entity in a position of market power. The focus is therefore on abuse of dominant positions rather than the existence of monopolies or oligopolies per se;
- Unfair business practices which have an impact on consumers.

Amongst the proposed scenarios, the implementation framework suggests the establishment of the Rwanda Competition and Consumer Protection Authority known as the Rwanda Competition Commission. Amongst its attributes, the Institution should:

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<sup>18</sup> Available online at [http://www.minicom.gov.rw/IMG/pdf/Competition\\_policy\\_December\\_version.pdf](http://www.minicom.gov.rw/IMG/pdf/Competition_policy_December_version.pdf)

- order interim measures suspending a practice that restricts competition and consumers rights; on its own initiative or on demand of individuals, private sector associations or consumer associations, to make orders or issue directives aimed at preventing, prohibiting or punishing anti-competitive practices or abuse of consumers.

- impose sanctions where necessary in accordance with law related to competition and consumer protection;
- order the termination of an agreement, the halting of a practice or an activity, the setting aside of a decision which contravene the law related to competition and consumer protection.

The draft competition Policy is still a broad policy that covers various sectors of the economy. It requires an ICT sector competition and consumer right guidelines to allow the regulator to strengthen its consumer protection practices with a clear vision to empower individual and associations of consumers.

## **8 Consumer Awareness**

Rwanda is still at a very early stage of developing a consumer protection framework that involves all the stakeholders. The Consumer Affairs unit within RURA was established in 2003 and its head was appointed one year later. It has recruited 6 new staff in January 2009 to cover the major sectors that RURA oversees. The unit now has 7 staff members in total to cover all sectors, and most of these being fresh graduates from universities, so that the need for capacity building in consumer protection is critical. Meanwhile there have been awareness campaigns through local media (both national TV and radio coverage championed by the management of RURA) with consumers having been active participants during the various programmes. In addition RURA now has a toll-free number 3334. where consumers can get in touch with RURA to raise complaints against any of the ICT providers.

Consumer organizations in general, and ICT consumer associations in particular, are very poor. They are mainly suffering from limited financial resources, lack of capacity to provide services, and, more generally, are lacking significant clarity of guidelines and level of understanding of the issues associated with consumer protection, quality of service and affordability.

The print media is also in the same situation, with limited resources and lack of capacity. The journalists in the various publications struggle to cover specific sectors like ICT in order to be able to spread out the messages from the regulators and other stakeholders across the broad range of consumers. The country's major newspaper, The New Times that publishes in the Kinyarwanda local language as well as English has recently started to cover ICT issues, but there is still a need for the regulator to leverage this content by tackling challenges associated with consumer protection.

## **9 Major undertakings from the Regulator**

The following 8 programmes were initiated by the regulator within the communications sector at the beginning of 2007:

- *Mapping of Telecommunications Networks*
- *Monitoring and Enforcement of License obligations*
- *The Numbering Plan*
- *Guidelines for type approval*
- *Internet service*

- Clear Interconnection and tariff regulatory regime
- Universal service implementation
- Spectrum Management and monitoring<sup>19</sup>

In addition the regulator has recruited a number of new staff in all disciplines. The total staff complement of RURA has increased from 32 to 160 over the last 12 months. An intensive capacity-building plan is under way, which has allowed a number of new staff to take various training programmes both inside and outside the country, from short training courses to master's degree programmes in various disciplines.

### 9.1. Level of access to telecommunications services

The table below shows a summary of the level of access to telecommunications services, in local administration offices and other surrounding social and public institutions.

**Table 3: Level of access to telecommunications services<sup>20</sup>**

<b>Zones</b>	<b>Local administration sectors covered with</b>		
	<b>Mobile</b>	<b>Fixed</b>	<b>Internet</b>
<b><i>Southern Province</i></b>			
Sector administrative bureau	78%	2%	1%
Other infrastructures	79%	7%	2%
<b><i>Western Province</i></b>			
Sector administrative bureau	75%	10%	3%
Other infrastructures	78%	9%	3%
<b><i>Northern Province</i></b>			
Sector administrative bureau	71%	16%	2%
Other Infrastructures	72%	9%	1%
<b><i>Eastern Province</i></b>			
Sector administrative bureau	89%	15%	5%
Other Infrastructures	79%	9%	2%

Clearly, therefore, the largest number of consumers of communications services is the country's mobile subscribers, with high levels of access reported countrywide. There would appear to be far fewer consumers of fixed line services, and even fewer in respect of Internet services.

## 10 Use of Universal Access Fund to increase the consumer base in remote and rural areas

<sup>19</sup> RURA (2008) 'Annual Report 2007', Rwanda Utility Regulatory Agency, Kigali, available online at [http://www.rura.gov.rw/annual\\_report\\_2007](http://www.rura.gov.rw/annual_report_2007).

<sup>20</sup> RURA (2008) 'Annual Report 2007', Rwanda Utility Regulatory Agency, Kigali, available online at [http://www.rura.gov.rw/annual\\_report\\_2007](http://www.rura.gov.rw/annual_report_2007).

*There is still a huge gap between urban and rural areas in terms of access to telecommunications services. As an example, the sector performance review 2007, as part of the Research ICT Africa has shown that Kigali city covers 50 percent of mobile subscribers while it only has 10 percent of the population. It is therefore critical to look for mechanisms that will enhance access to telecommunications services and will ensure that all geographical and demographic sections of the society have reasonable access to services and that operators are not allowed to concentrate solely on the most profitable areas to the exclusion of all others. Over the last year or so, the government has initiated different actions to increase access to telecommunications services in remote and rural areas. The major initiative is known as “one mobile to each family” which started in the Northern Province, allowed 5,000 families to acquire a mobile phone at a subsidized price. The aim is to reach a subscription base of 5 million over the coming 5 years. In a country like Rwanda that is still under severe status of poverty particularly in remote and rural areas, Universal Access Fund is a key alternative that can contribute to reduce the gap and provide consumers in remote and rural areas with access and ability for them to enjoy the era of communication revolution.*

## **11 Conclusion**

**Rwanda has seen considerable** development in the ICT sector over the last five years, both in private and public sectors, even though access and usage for the general population remain relatively low as per the soon-to-be-published findings of a recent household survey<sup>21</sup>. Rwanda is ranked amongst those African countries where mobile and fixed teledensity (respectively 6% and 0,4%) remain very low. Meanwhile, new developments in the area of infrastructure expansion and valued added services are taking place across the country and are expected to increase access and usage of ICT.

The major challenge that needs more attention from the demand side is the establishment of a fully structured and clearly mandated consumer protection framework that involves the key stakeholders. This can be supported through the emergence of consumer associations with a special focus on ICT-related issues. For this to succeed, there are a number of actions that need to be taken. These might include the formulation of a more detailed and specific consumer protection mandate for RURA, and the harmonisation of RURA’s role with that of the mooted Rwanda Competition and Consumer Protection Commission. Consumer protection might be further strengthened through a special programme to support capacity building that targets both RURA as the regulator and the Rwanda Competition and Consumer Protection Commission, as well as potential consumer associations and the media community. This may well produce an impact in terms creating a strong awareness campaign targeting the general population.

The research project now launched within Rwanda, with the support of the IDRC of Canada, has a clear potential to determine the views of consumers in Rwanda in respect of the issues affecting them as consumers of ICT services, in respect of how they see the regulator being able to intervene to protect and empower them, and in respect of their view of the efficacy of current consumer protection measures. Furthermore, it is hoped that a clear regulatory action plan will emerge from this research project that will ensure that RURA is able fully to meet its mandate to the people of Rwanda.

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<sup>21</sup> Conducted in 2007 by Research ICT Africa (<http://www.researchictafrica.net>).

## **Appendix 5 – Country Baseline Report Uganda**



**UGANDA  
COMMUNICATIONS  
COMMISSION**

## **Baseline Report**

**On the**

# **Protection of Consumer rights in the ICT Sector**

**June 2009**

**Prepared By:**



*Suite 501 Communications House*

*Plot 1, Colville Street*

*Kampala*

## **Table of Contents**

<i>Table of Contents</i> .....	2
<b>1. INTRODUCTION</b> .....	<b>3</b>
<b>2. POLICY, LAWS, REGULATION AND INSTITUTIONS</b> .....	<b>3</b>
<b>2.1 POLICY</b> .....	3
<b>2.2 LAWS, INSTITUTIONS AND REGULATIONS</b> .....	4
<b>3. WHICH CONSUMER GROUPS ARE ACTIVE IN THE AREA?</b> .....	<b>4</b>
3.1 UGANDA CONSUMER PROTECTION ASSOCIATION (UCPA).....	4
3.2 UGANDA ICT CONSUMER PROTECTION ASSOCIATION (UICPA).....	5
3.3 CONSUMER EDUCATION TRUST (CONSENT) .....	6
<b>4. SPECIFIC EXAMPLES OF CONSUMER PROTECTION FAILURE</b> .....	<b>7</b>
4.1 MOBILE TELEPHONE SERVICES.....	7
4.2 INTERNET SERVICES .....	7
<b>5. MAJOR TASKS FOR CONSUMER PROTECTION IN UGANDA</b> .....	<b>7</b>
<b>6. CONCLUSION</b> .....	<b>8</b>
<b>I) ONLINE REFERENCES</b> .....	<b>9</b>

## **1. Introduction**

Most African governments have now gone through two cycles of sector reform. The first cycle saw corporatisation and partial liberalisation based on privately controlled monopolies or limited competition. The second cycle is full liberalization, combined, in some cases, with a converged environment. The focus in the first cycle was increasing efficiency and penetration of services through the attraction of private investment. The second cycle, in addition to attracting more investment, also has the focus of offering the consumers more choice. The difference in focus necessarily makes a difference on the main focus of policy and regulation. In the first cycle, the policy and regulatory focus was on attracting and protecting investors. In the second cycle, it must be consumer protection and empowerment. The challenge is then to get this message across to regulators and to enable them to change to address the challenges in the new area of focus.

The research, for which this paper is the initial part, addresses the questions:

- i. What has been implemented or initiated in terms of policy, laws, and regulation to address the need for consumer empowerment/protection?
- ii. What consumer organizations are in place, and how effective are they in creating and sustaining the necessary changes in policy, laws, and regulation?
- iii. How can regulators and consumer group's work together to address the challenges of consumer empowerment and protection?
- iv. What are the key issues that must be addressed to ensure equity of benefit through consumer protection and empowerment initiatives?

The objective of this initial part of the research is to define the baseline for Uganda: this is the status of policy, laws, institutions, regulation, and consumer associations that address the challenge of consumer empowerment/protection. The baseline information provides a basis for the identification of gaps and issues that need to be addressed. The intent is that regulators, working with consumer groups, can then usher in a new environment where there is greater sensitivity and a much higher focus on consumer empowerment and protection.

## **2. Policy, Laws, Regulation and Institutions**

### **2.1 Policy**

There is no overarching policy that deals with consumer protection in Uganda. Approaches to consumer protection, certainly in the ICT sector, tend to be ad-hoc rather than driven by policy. The closest to a formal approach would be the policy that established the Uganda National Bureau of Standards (UNBS) established by Act of Parliament in 1983<sup>1</sup>.

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<sup>1</sup> See [www.unbs.go.ug](http://www.unbs.go.ug)

## **2.2 Laws, Institutions and Regulations**

The absence of formal policy is also reflected in the absence of formal laws. Consumer empowerment starts at the macro-level, and one important aspect of this is the continuing assurance of the availability of real choice to the consumers. This is assured only if there are no anti-competitive practices that eventually trap consumers into single choice circumstances. There is currently no law or set of laws in Uganda that addresses the exclusive subject of competition in business. It has been left to the different sectors to handle this as best as they can through their legislated laws and enabling regulations. Examples are the Patent Statute, 1991, that explicitly prohibits patent owners from making licensing conditional<sup>2</sup>; and the Uganda Communication Act<sup>3</sup> sections 57 – 63 that contain the legal provisions for fair competition and equality of treatment.

The Uganda Communication Act has only three provisions specific to consumer protection and empowerment under Section 5, “The Functions of the Commission”:

- (f) To establish a tariff system to protect consumers from excessive tariff increase and to avoid unfair competition;
- (l) To receive and investigate complaints relating to communication services and to take necessary action upon them;
- (m) To promote the interests of consumers and operators as regards quality of communication services and equipment.

It can be argued that these combined provisions provide sufficient legal basis for the regulators to take action that will ensure consumer empowerment and protection.

Within the IT sub-sector, the NITA Act became law during 2008<sup>4</sup> and the institution to implement it is just under construction at the moment. This study provides opportunity for NITA to formulate regulations that will enable consumer protection and empowerment.

UNBS is the only institution that comes closest to being at the center of consumer protection. Their approach is a macro-approach that ensures that substandard and dangerous goods are kept off the shelves in order to protect consumers<sup>5</sup>: they do not extend to the enforcement of consumer rights. More importantly, they cover only goods, not services.

## **3. Which consumer groups are active in the area?**

### **3.1 Uganda Consumer Protection Association (UCPA)**

UCPA was established in 1993 and has over 200 individual supporters and two institutional members. The association is engaged in policy advocacy for an

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<sup>2</sup> [siteresources.worldbank.org/.../Resources/UgandaMonograph.pdf](http://siteresources.worldbank.org/.../Resources/UgandaMonograph.pdf)

<sup>3</sup> [http://www.itu.int/ITU-D/treg/Case\\_Studies/Licensing/UGANDA\\_CS.pdf](http://www.itu.int/ITU-D/treg/Case_Studies/Licensing/UGANDA_CS.pdf)

<sup>4</sup> <http://www.i-network.or.ug>

<sup>5</sup> <http://www.unbs.org/>

environment that enables consumers to exercise their rights by influencing business practices and regulatory activities. Its main activities are: food and nutrition rights; fair trade in goods and services and effective regulatory conduct. In the next three years UCPA will be focussing on food and nutrition campaigns and on consumer rights to access clean water and will lobby for the enactment of a consumer protection law. This group has also been active especially in the telecommunications sector, and was, for almost a decade, the only audible voice for consumers.

The UCPA is an Affiliate Member of Consumers International and has a membership of 365 with six very vibrant branches called chapters in Mbarara, Mbale, Busenyi, Fort Portal, Soroti and Gulu.<sup>6</sup>

The aims and objectives of the Uganda Consumers' Protection Association (UCPA) are:

- (a) To educate consumers on their rights, responsibilities and the environment through appropriate channels.
- (b) To create a forum where consumers and other interested groups can meet and discuss matters of mutual concern relating to consumers and socio-economic welfare.
- (c) To gather and disseminate information on consumer welfare, rights, and responsibilities and to defend consumer rights.
- (d) To act as a watch-dog and pressure group on consumer rights, interests, welfare and protection directly or through representation.
- (e) To facilitate the defence of consumer rights and welfare and undertake all possible actions and initiatives for the protection and establishment of such rights.
- (f) To provide legal services in matters of consumer welfare and interests whether as consultancy work or legal aid as the matter may be.
- (g) To establish close links between parties and individuals concerned with consumer protection that shall include among others scientists, doctors, lawyers, legal methodologists, environmental experts, engineers, journalists, etc.
- (h) To do such other things as may be conducive to the attainment of the aims and objectives of the Association.

### **3.2 Uganda ICT Consumer protection Association (UICPA)**

Following a series of discussions on various mailing lists and especially on the I-Network ICT Mailing list for the past 2 to 3 years in regard to ICT services and products in Uganda, a few individuals decided to explore the idea of bringing together dissatisfied ICT consumers. These individuals have now set up the Uganda ICT Consumer Protection Association. The association recognises the existing institutions

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<sup>6</sup> [www.consumersinternational.org](http://www.consumersinternational.org)

and channels of dealing with consumer concerns and works collaboratively with these institutions with the aim of improving ICT services and goods for the consumers.

From Internet services to voice services and all the way to hardware products, the situation is running out of control, and the few bodies mandated to protect consumers like the Uganda Communications Commission and the Uganda National Bureau of Standards seem to be overwhelmed by their wide mandates, limited budgets and inadequate human resources.<sup>7</sup>

The association is membership based and membership is open to all ICT consumers and stakeholders. The association aims at achieving the following:-

Providing a collective platform / voice through which ICT consumers concerns can be addressed, for example billing complaints, Addressing poor quality of voice and data services, Addressing ICT goods and services pricing irregularities that result in loss of money by consumers, Evaluating performance of the universal service fund under the Uganda Communication Commission (UCC), Addressing the high failure rate of hardware, for example promotional mobile phones.

As a start, the association invited various stakeholders, informing them of the set up of the new association and these included Uganda Communications Commission, Ministry of ICT, Uganda National Bureau of Standards and Uganda Consumer Protection Association.

Uganda's Information Communication Technology (ICT) lobby group is set to join international consumer rights organisations that protect non-commercial user's rights in Internet governance. The lobby group Uganda ICT Consumer Protection Association (UICPA) has joined the US Corporation of Non-commercial Users Constituency (NCUC) and the African Information and Communication Technologies Consumers Network (AICN).

The move follows membership by the Kenyan ICT Consumer Society that joined NCUC and introduced UICPA to the recently formed international corporation that represents over 100 members from more than 40 countries. UICPA officials said the move would enable them to increase their advocacy and lobbying efforts to protect ICT consumers in Uganda and improve their role in Internet governance.

The Uganda lobby group is also joining the African Information and Communication Technologies Consumers Network (AICN), which brings together consumer ICT Associations in Africa. UICPA officials said the development is welcome since everyone is a non-commercial user of the Internet at one point of the day and should be protected regardless of use of the Internet for commercial purposes.

### **3.3 Consumer Education Trust (CONSENT)**

CONSENT works for a socially informed and just society, through empowering consumers, by offering advisory services, promoting ethical practices among

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<sup>7</sup> [www.i-network.or.ug/.../introducing-the-uganda-ict-consumer-protection-association-uicpa.html](http://www.i-network.or.ug/.../introducing-the-uganda-ict-consumer-protection-association-uicpa.html)

businesses and engaging policy makers to enact people-friendly policies for present and future generations. In partnership with MS Uganda CONSENT is implementing the Consumer Empowerment for Active Citizenship project which includes five Consumer Advice points in Arua, Gulu, Kampala, Mbale and Mbarara. It will also conduct consumer awareness sessions and publish regular consumer guides. CONSENT participates in Trade Empowerment<sup>8</sup>

## **4. Specific Examples of Consumer Protection Failure**

### **4.1 Mobile telephone services**

For a long time, tariffs in the mobile sector have remained unregulated despite the fact that operators had been permitted to use mobile subscriber count as a substitute for universal access rollout obligations. When competition increased in the mobile sector, especially after UTL operationalised its mobile license as Mango (2001), price wars also started with dominant operators reducing call tariffs significantly in a development that bore the hallmarks of a combination of predatory pricing and setting more realistic levels. Again the regulator played the safe role of simply observing because prices were on a downward trend. Research establishes rates in Uganda as being currently the most expensive. While operators blame this on the excise duty on airtime – itself imposed in total disregard of consumer rights, the underlying causes of high tariffs need to be addressed.

### **4.2 Internet services**

Price wars also broke out among Internet service providers between 2001 and 2002 leading to the collapse of several Internet cafes in Kampala. However, the matter was “resolved” by the Association of Internet Cafes that decided that nettime (per-minute charges) should not be reduced below Ush 25 (US\$ 0.013). It could be argued that this was cartel pricing that worked to the detriment of the consumers. In 2002, the UCC waived license fees to Internet cafes as a step to encourage proliferation of communications services. The move also removed some financial pressure off Internet cafes, which could have contributed towards stability of prices and dampened the price wars.<sup>9</sup> Key challenges that the regulator failed to deal with during this period were this cartel pricing approach; and the fact that the national operators that were enjoying protection through the duopoly provisions were also operating as retailers, leading to the closure of many operators who relied on the national operators for upstream connectivity.

## **5. Major Tasks for consumer protection in Uganda**

The following major tasks have been identified as requiring attention to move the consumer protection and empowerment agenda forward in Uganda:

1. Protecting and Promoting the interests of the Consumer
2. Fostering Competition and a Fair Marketplace
3. Monitoring Trade Practices

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<sup>8</sup> <http://www.ms.dk/sw19200.asp?cardId=376>

<sup>9</sup> *ibid*

4. Lobbying for Better Legal Protection to Consumers
5. Collecting Marketing Information on Goods and Services
6. Educating Consumers about their Rights and Responsibilities
7. Resolving Disputes Between Consumers and Businesses
8. Improving Product Quality and Safety
9. Promoting Environmental Protection and Consumer Health
10. Disseminating Consumer Information
11. Working together with Government and outside Parties to Promote Consumer Interests.

## **6. Conclusion**

The findings in the baseline report shows us that while there are some activities in regards to consumer protection in Uganda, major gaps still remain at the levels of policy, laws, and regulation. Given the right policy and legal environment, there are enough institutions to translate these to regulations that will lead to the objectives. The consumer activists, despite their well stated intentions, remain generally weak and need to be educated in ways that will make them more effective. A positive note is that UCC has woken up to the need for consumer empowerment and protection as demonstrated by the establishment of a new department responsible for consumer affairs. This needs to be followed through to create the kind of cooperative effort that would have regulators, consumers, and indeed the private sector pulling in the same direction.

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## **Appendix 6 – Country Baseline Report Zambia**

# **Empowering regulators to protect consumer rights in the ICT sector**

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## **BASELINE POSITION ZAMBIA 2009**

David Mukosa, University of Zambia

# TABLE OF CONTENTS

- 1 Overview of Information Communication Technology in Zambia ..... 1**
  - 1.1 Introduction ..... 1
  - 1.2 Fixed, Mobile, Internet subscriber growth rate and Mobile market share ..... 2
- 2 Legislative and self-regulatory frameworks ..... 3**
  - 2.1 The Constitution ..... 3
  - 2.2 Telecommunications Act 1994..... 4
  - 2.3 Information and Communications Technologies Bill - 2009 ..... 5
  - 2.4 The Telecommunications (Consumer Protection) Regulations ..... 6
  - 2.5 Self Regulation ..... 7
- 3 Level and type of complaints..... 7**
  - 3.1 Consumer Awareness ..... 8
  - 3.2 Consumer Literacy ..... 9
  - 3.3 Capacity of the Communications Authority ..... 9
- 4 Processes in place to resolve complaints ..... 10**
- 5 The role of the regulator ..... 10**
- 6 Consumer organisations and related bodies..... 11**
  - 6.1 The Zambia Competition Commission..... 11
  - 6.2 The Zambia Consumers Association..... 12
  - 6.3 The Zambia Weights and Measure Agency ..... 12
  - 6.4 The Zambia Bureau of Standards ..... 12
  - 6.5 Consumer Related Bodies ..... 13
- 7 The role of the media ..... 14**
- 8 Policy and legislative input ..... 15**
- 9 Conclusion..... 16**
- 10 Works Cited..... 17**
- Appendix I..... 19**
  - ICT Indicators Update in Zambia ..... 19
  - Complaint Procedure..... 20
  - Customers Complaint Acknowledgement Form..... 21
  - Consumer Leaflet ..... 22
- Appendix II ..... 24**
  - Complaint Procedure at Zambia Competition Commission ..... 24

## EMPOWERING REGULATORS TO PROTECT CONSUMER RIGHTS IN THE ICT SECTOR: BASELINE POSITION, ZAMBIA 2009

### 1 Overview of Information Communication Technology in Zambia

#### Box 1: How many consumers are involved?

Projected Mid-Year Population (2008) <sup>1</sup> :	12,525,791
Mobile subscribers (2008) <sup>2</sup> :	3,207,679
Fixed line subscribers (2008) <sup>3</sup> :	90,600
Telecommunications Operators:	Cell Z, MTN Zambia, Zain Zambia, ZamTel
Internet subscribers (dial-up and other accounts) (2008) <sup>4</sup> :	18,078
Mobile Internet subscribers(2008) <sup>5</sup> :	791, 464

#### 1.1 Introduction

The telecommunications market in Zambia was liberalised in the mid 1990s. This was the direct result of the ushering in of the liberalisation policy of 1992, after the introduction of multi-party politics in Zambia. The government-owned monopoly, the Postal and Telecommunication Corporation (PTC), had been the exclusive provider of postal and telecommunication services. The 1994 Telecommunications Act led to the break up of the PTC into the Zambia Telecommunication Company (ZamTel) Limited and the Zambia Postal Corporation (ZamPost), to provide telecommunications services and postal services respectively. Since then, the country has recorded a substantial proliferation and innovation in telecommunication service provision.

The introduction of Internet use in Zambia was pioneered by ZamNet Communication Systems, a University of Zambia company, in 1995, the same year in which ZamTel introduced now-obsolete analogue cellular phones. The resulting effect of competition in the Information Communication Technology (ICT) sector influenced the need for regulation in this sector. To fulfil this need, the Communications Authority of Zambia (CAZ) was created in July 1994 as the national ICT regulatory authority through an Act of Parliament<sup>6</sup>. The Communications Authority of Zambia is a statutory body that regulates provision of all Information Communication Technologies services including products, and it supervises the radio frequency spectrum.

Currently, most segments of the ICT sector in Zambia are relatively liberalised and competitive. Such segments include mobile communications, information technology and

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<sup>1</sup> CSO (2009), *The Monthly*, Vol 75, June 2009, Central Statistical Office, Republic of Zambia, Lusaka, available online at [http://www.zamstats.gov.zm/media/vol\\_75\\_2009\\_the\\_monthly\\_june.pdf](http://www.zamstats.gov.zm/media/vol_75_2009_the_monthly_june.pdf)

<sup>2</sup> CAZ (2009), *ICT Indicators Update in Zambia*, Communications Authority of Zambia, Lusaka, available online at [http://www.caz.zm/index.php?option=com\\_content&task=view&id=92&Itemid=101](http://www.caz.zm/index.php?option=com_content&task=view&id=92&Itemid=101)

<sup>3</sup> Ibid

<sup>4</sup> Ibid

<sup>5</sup> Ibid

<sup>6</sup> (1994), *Telecommunications Act, No 23, Cap. 469*, Republic of Zambia, Lusaka

the Internet. The telecommunication sector has three major competing mobile networks and a monopoly fixed-line operator. The major players in the mobile network market in Zambia are: Cell Z, MTN Zambia and Zain Zambia, with Vodacom of South Africa now seeking to enter the market. ZamTel is the exclusive provider of fixed-line services in the country. The internet market has recorded some upward subscriber growth since 2001, with the number of Internet Service Providers (ISPs) increasing. The country also recorded the introduction of mobile internet access in 2007. Players in the Internet market are: AfriConnect, BringCom, CopperNet Solutions Limited, Epochal Digital Technology, Microlink Technologies, MTN Zambia, Post Link Limited, Quick Edge, Realtime Zambia Limited, UUNet Zambia, Zain Zambia, ZamNet Communication Systems and ZamTel Online. ZamTel is currently laying out a country-wide fibre backbone<sup>7</sup>, which will enhance speed and provide versatile means of voice and data connections within and outside Zambia.

## 1.2 Fixed, Mobile, Internet subscriber growth rate and Mobile market share

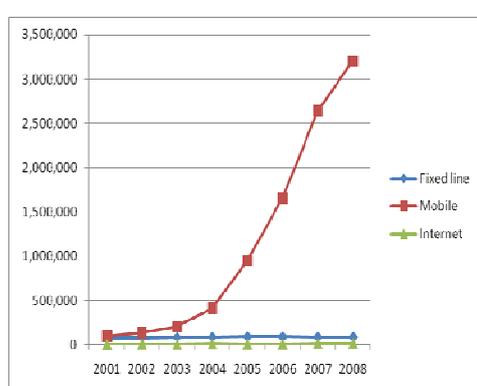


Figure 1. Subscriber growth rates 2001 – 2008<sup>8</sup>

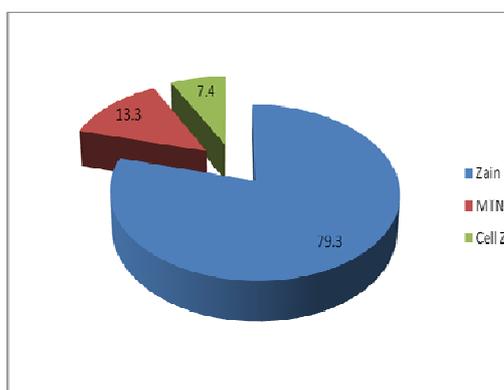


Figure 2. Mobile Market share March 2008<sup>9</sup>

Figures 1 and 2 show, respectively, telephony subscriber growth from 2001 to 2008, and the mobile providers' market share in 2008. The mobile cellular communication sector has experienced explosive growth over recent years, as preference has soared for mobile cellular communication, as can be seen from the graph at left (Figure 1). By contrast, the fixed-line network has remained stagnant, and even lately recorded negative growth. Zain Zambia is overwhelmingly the dominant mobile cellular communications operator in the country, with a market share of 79.3% (see above), although some evidence suggests that MTN has begun to gain ground<sup>10</sup>. Even the smallest of the three mobile operators, Cell Z, now has a customer base more than double that of fixed-line provider ZamTel.

<sup>7</sup> ZamTel (n.d), *New Fibre Network*, Zambia Telecommunication Company, Lusaka, available online at [http://www.zamtel.zm/index.php?option=com\\_content&task=view&id=58&Itemid=75](http://www.zamtel.zm/index.php?option=com_content&task=view&id=58&Itemid=75)

<sup>8</sup> Graph based on (2009), *ICT Indicators Update in Zambia* data from Communications Authority of Zambia, Lusaka, available online at [http://www.caz.zm/index.php?option=com\\_content&task=view&id=92&Itemid=101](http://www.caz.zm/index.php?option=com_content&task=view&id=92&Itemid=101)

<sup>9</sup> Graph based on data from CAZ (2009), *Country Paper for Zambia*, presentation on CRASA website by CAZ Acting CEO, Mr Richard Mwanza, 31 March 2009, available online at [http://www.crasa.org/docs/reports/ctry\\_rp09/Zambia%20Report%202009%20Presentation.pdf](http://www.crasa.org/docs/reports/ctry_rp09/Zambia%20Report%202009%20Presentation.pdf)

<sup>10</sup> MTN reports 582 000 subscribers in Zambia as at September 2008 (MTN (2009) 'MTN subscribers exceed 80 million', Mobile Telecommunications networks, Johannesburg, available online at <http://www.mtn.com/media/overviewdetail.aspx?pk=372>), which would suggest a market share moving towards 20%

## **2 Legislative and self-regulatory frameworks**

### **2.1 The Constitution**

The Constitution of Zambia guarantees freedom of expression. This is expressed in Article 20 of the constitution. Chapter 1 of this article states that “Except with his own consent, no person shall be hindered in the enjoyment of his freedom of expression, that is to say, freedom to hold opinions without interference, freedom to receive ideas and information without interference, freedom to impart and communicate ideas and information without interference, whether the communication be to the public generally or to any person or class of persons, and freedom from interference with his correspondence”<sup>11</sup>.

Whereas the article above effectively protects freedom of expression, it may leave a number of questions unanswered in a dynamic information communications and technology era of today. Questions as up to what level this freedom can be infringed on, technologically, arise. When the above article was drafted, it could not have been envisaged that ICT would be at the centre stage of communication as it is today. The constitution, like many constitutions worldwide, unfortunately contains no specific guarantees of consumer protection, either in general or directly in relation to ICT goods and services.

However, consumer rights find a much stronger expression in the draft constitution proposed by the Mung’omba Constitution Review Commission<sup>12</sup>, and which is currently being considered by the National Constitution Conference (NCC). This draft constitution addresses the plight of consumers of services as such as communication, water, power and other utilities. In the past, providers of such services were not directly compelled to offer quality services to consumers as per operators licence specifications. Services have been offered to consumers to whatever level of service the providers deemed sufficient for the consumer.

On consumer rights the draft constitution states that:

*Consumers have the right to –*

- (a) goods and services of appropriate quality, quantity and use;*
- (b) information necessary for them to gain full benefit from the goods and services;*
- (c) protection of their health, safety and economic interests; and*
- (d) adequate compensation for defects that cause them loss or injury*<sup>13</sup>.

Further the draft constitution requires Parliament to “enact legislation to provide for consumer protection and for fair, honest and decent advertising”<sup>14</sup>. These provisions, if adopted, will revolutionise the level of rights and degree of protection available to Zambian consumers.

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<sup>11</sup> Article 20, Chapter 1, (1991) ,*Constitution of Zambia*, Republic of Zambia, Lusaka

<sup>12</sup> Mung’omba Constitution Review Commission (2005), *The Constitution of Zambia Bill*, Lusaka, available online at [http://www.ncczambia.org/media/the\\_constitution\\_of\\_zambia.draft.pdf](http://www.ncczambia.org/media/the_constitution_of_zambia.draft.pdf)

<sup>13</sup> Ibid Section 66 (1)

<sup>14</sup> Ibid

## **2.2 Telecommunications Act 1994**

The ICT sector in Zambia is currently still regulated by the Telecommunications Act of 1994<sup>15</sup>, which establishes the Communications Authority of Zambia (CAZ) as the regulator for telecommunications. The Authority is mandated to supervise and promote the provision of telecommunications services throughout Zambia. The specific functions of the Authority include a consumer protection mandate to “promote the interest of consumers, purchasers and other users of telecommunication services (including, in particular, those who are disabled or of pensionable age) in respect of the prices charged for, and the quality and variety of, such services and apparatus supplied for the purpose of such services”<sup>16</sup>.

The Act gives the CAZ powers to vary the conditions of the licence or attach new conditions where a licensee “has on repeated occasions contravened the conditions of the license, or has been the subject of such complaints by the users of the service provided by the licensee”<sup>17</sup>. Furthermore, the Act gives the CAZ powers to revoke an operator’s licence where the licensee “has been a subject of such complaints by the public as, in the opinion of the Board, to warrant action”<sup>18</sup>. The Act also gives the minister powers to establish a Telecommunications User Advisory Committee whose principal function is to consider complaints and comments from users of telecommunications services<sup>19</sup>. In the Telecommunications (Consumer Protection) Regulations, subsequently issued by CAZ in terms of this Act<sup>20</sup>, consumers are, however, following global best practice, advised to initially launch their complaint to the service provider and, only when they are dissatisfied with the outcome, to escalate this to the Communications Authority, putting their complaint in writing.

Through the Regulatory Alliance, which was established in 2005 to bring together the sector regulators responsible for ICT, energy and water, respectively the Communication Authority of Zambia (CAZ), the Energy Regulation Board (ERB) and the National Water Supply and Sanitation Council (NWASCO), Consumer Watch Groups (CWGs) have been formed in several districts where the three regulators have offices. The Regulatory Alliance has facilitated the forming of seven (7) Consumer Watch Groups in the following towns: Lusaka, Ndola, Kitwe, Chingola, Luanshya, Mufulira and Mongu<sup>21</sup>. This has provided a level of representation by consumers in issues of water, energy and ICTs, although there appear to have been some administrative difficulties in their operation<sup>22</sup>.

The Telecommunications Act provides for nine members on the Regulatory Board overseeing CAZ. The new Information and Communication Technologies Bill goes on to keep the previous stipulation by the Telecommunications Act (1994) that one member of the Regulatory Board shall be a person nominated by the Zambia Consumers Protection Association, along with other stakeholder representation, including nominees from the

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<sup>15</sup> (1994), *Telecommunications Act, No 23, Cap. 469*, Republic of Zambia, Lusaka. This Act is in the process of being replaced by The Information and Communication Technologies Bill, currently before Parliament

<sup>16</sup> (1994), *Telecommunications Act, No 23 of 1994, Cap. 469*, Republic of Zambia, Lusaka, Section 5 (2) (b)

<sup>17</sup> Ibid, Section 8(3)

<sup>18</sup> Ibid, Section 12

<sup>19</sup> Ibid, Section 19

<sup>20</sup> CAZ (nd): *Consumer Protection Regulation*, Communications Authority of Zambia, Lusaka, available online at: [http://www.caz.zm/index.php?option=com\\_content&task=view&id=52&Itemid=55](http://www.caz.zm/index.php?option=com_content&task=view&id=52&Itemid=55)

<sup>21</sup> ERB (nd), “*Organisational Profile*” leaflet by Energy Regulation Board, Lusaka

<sup>22</sup> Interview: 12 August 2009 with Mrs. Susan Mulikita, Communications Authority of Zambia, Lusaka

National Farmers' Union and the trade union movement<sup>23</sup>. This varied representation on the Authority's Board, whilst not new, may serve to strengthen the voice of ICT consumer interests.

### **2.3 Information and Communications Technologies Bill - 2009**

The Information and Communications Technologies (ICT) Bill was drafted in 2007 and enacted by Parliament in July 2009. This new Bill, once given presidential assent, will repeal the existing Telecommunications and Radiocommunications Acts, both of 1994. One of the objectives of the new Bill is to "protect the rights and interests of service providers and consumers"<sup>24</sup>. The ICT Bill contains more detailed provisions with regard to the powers of the regulatory authority and consumer protection in particular. In the consumer affairs section, the ICT Bill takes into account a number of consumer issues such as quality of service, complaints procedures and a service provider code of conduct, which was not the case before<sup>25</sup>. The consumers will have more say on what type of service they are getting from market operators if the regulators effectively implement the new ICT Bill's guidelines on consumer protection.

On Consumer Affairs generally, the Information and Communication Technologies Bill requires service providers to:

- (a) *meet such minimum standards of quality of service as the Authority may specify and publish;*
- (b) *deal reasonably with consumers; and*
- (c) *address consumer complaints; in accordance with the guidelines issued by the Authority under this Act*<sup>26</sup>.

The Bill goes into considerable detail in respect of guidelines for the handling of complaints, empowering the Authority to "establish guidelines for the making, receipt and handling of complaints of consumers regarding the provision of [ICT] services... [which] shall be binding on licensees"<sup>27</sup>. The guidelines are fairly extensive and may include "procedures for meeting consumer needs and requirements; the handling of consumer complaints and disputes, including an inexpensive arbitration process... the compensation of consumers in the event of a breach of the Code of Conduct; the protection of consumer information"<sup>28</sup>. The guidelines are backed by suitable sanctions, with the Authority given the power to "resolve any complaints from consumers in relation to matters of service provision and consumer protection including the quality of service or the failure by a licensee to comply with [the] consumer protection guidelines"<sup>29</sup>.

A further consumer protection provision of the new Bill is the requirement that the Authority should implement a "code of conduct for licensees" covering issues such as the "provision of information to consumers... provisioning and fault repair...persons with

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<sup>23</sup> First Schedule, Part I, 1(2),(2009), 'Information and Communication Technologies Bill', Republic of Zambia, Lusaka, available online at

[http://www.parliament.gov.zm/index.php?option=com\\_docman&task=cat\\_view&gid=107&Itemid=113](http://www.parliament.gov.zm/index.php?option=com_docman&task=cat_view&gid=107&Itemid=113)

<sup>24</sup> Ibid.

<sup>25</sup> Ibid, Part VII Consumer Affairs

<sup>26</sup> Ibid, 67 (1)

<sup>27</sup> Ibid, 68 (1)

<sup>28</sup> Ibid, 68(3)

<sup>29</sup> Ibid, 68 (4)

disabilities...consumer charging [and] billing...practices”<sup>30</sup>. Such a code will considerably strengthen protection of ICT consumers, although the section remains vague in respect of enforcement sanctions.

Another significant milestone that this Bill has achieved is to change the name of the Authority from Communication Authority of Zambia to an all-encompassing Zambia Information and Communication Technology Authority (ZICTA). Taken together, the consumer provisions in the Bill represent a considerable advance for Zambian ICT consumers.

#### **2.4 The Telecommunications (Consumer Protection) Regulations**

The Communications Authority ensures that consumers make informed choices and get affordable, efficient and high quality services. The consumer protection mandate to the Authority under the Telecommunications Act has been implemented through the Telecommunications (Consumer Protection) Regulations which were developed by the Communication Authority after consultation with stakeholders at national level. The Communication Authority issued these regulations in 2004, and revised them in 2006, once they had been accepted by all stakeholders. Among other things, the regulations specifically outline consumer rights, consumer choice, complaint handling procedure and penalties. The consumer rights embody essential elements such as, full disclosure, privacy, high quality, reliable sources, timely accurate bills and redress, responsive regulator authority, emergency services, market abuse and safety”<sup>31</sup>.

Section 10 of the regulations provides an outline of the consumer complaints handling procedure. The complaint should initially be lodged with the service provider, but, where a consumer is not satisfied with the licensee’s feedback, the consumer can refer the complaint to the CAZ, which will then investigate the matter.

The CAZ does not have to wait for consumer complaints to reach it, but may take the initiative to launch its own investigations on any matter relating to the provision of service which in its view warrants an investigation by the authority<sup>32</sup>. The investigation can range from poor service provision by inferior technical capacity provided, to failure to offer acceptable service levels to consumers by service providers. The investigation could also be breaches of contract between consumer and operators where such contracts exist.

These investigative powers are backed by the right to impose sanctions on recalcitrant operators with the authority granted powers to suspend, or revoke or refuse to renew the license on its expiry where the licensee has breached any of the provisions of the consumer protection regulations<sup>33</sup>. The Authority has from time to time warned operators that it would revoke their licence but has never actually taken such action to date against any operator.

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<sup>30</sup> Ibid, 69 (2)

<sup>31</sup> CAZ (n,d), *Telecommunications (Consumer Protection) Regulations*, Communications Authority of Zambia, Lusaka, available online at [http://www.caz.zm/index.php?option=com\\_content&task=view&id=52&Itemid=55](http://www.caz.zm/index.php?option=com_content&task=view&id=52&Itemid=55)

<sup>32</sup> Ibid as stipulated under section 11 of the Regulations.

<sup>33</sup> Ibid Section 21 of the CAZ (n,d), *Telecommunications (Consumer Protection) Regulations*, Communications Authority of Zambia, Lusaka

## 2.5 Self Regulation

There are several organisations in Zambia that exercise some form of self regulation in the ICT sector. Internet Service Providers, for example, are regulated by the Internet Service Providers Association of Zambia (ISPAZ). This is an association composed of Internet Service Providers in the country and formed under the Societies Act<sup>34</sup>. Although this association has no statutory powers, its constitution has a provision for dealing with consumer complaints regarding the quality of service provided by its members. The issue of consumer protection is, however, only obliquely mentioned in the mission statement of this association which reads “ISPAZ’s mission is to provide a non-profit forum through which Internet Service Providers can address issues of common interest and interface with industry stakeholders *so that end-users receive world-class service* and industry participants earn a fair return on their investments”<sup>35</sup>. ISPAZ can, in appropriate cases of consumer complaint, advise its member to take remedial measures. Unfortunately, ISPAZ appears not to have a website. It is, therefore, unclear how consumers will learn about these provisions, and find out how to lodge complaints, much less how the outcomes of such complaints will be publicised.

Among other bodies that exercise some form of self-regulation in the ICT sector is the Computer Society of Zambia. The mandate of the society includes protecting consumers from unscrupulous computer professionals who may provide poor quality services. However, the only remedy available is to expel an offending member from the professional body. Such an expelled member, may, nonetheless still continue to undertake ICT-related duties as there is no legal requirement for ICT experts to belong to the Computer Society of Zambia before they can be allowed to provide ICT services. The services being referred to here are professional ICT services and not necessarily aimed at those who will trade in ICT equipment and the like.

## 3 Level and type of complaints

There appears to be a pronounced level of illiteracy on the part of the general Zambian subscriber with respect to the procedures for lodging ICT complaints. Anecdotal evidence suggests that even seemingly well-informed, well-educated consumers do not push their complaints further than the service provider or do not know the way forward after being dissatisfied with the service provider’s resolution<sup>36</sup>. The formal research to be undertaken as part of this project should indicate if this trend is more widespread.

Anecdotal evidence suggests that many complaints have arisen from poor quality of service and high call tariffs. It is, however, notable that many subscribers do not bother to find out the true translation of the so many times advertised calling rates. It is a common trend to find subscribers complaining about the deficits of one service provider compared with another. In general, the complaints end there and some subscribers change networks with the hope of finding better quality of service and lower tariffs. Consumer literacy and knowledge of rights comes into play in this respect. CAZ has produced circulars, brochures

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<sup>34</sup> Chapter 119 of the *Laws of Zambia*

<sup>35</sup> Mission statement of the Internet Service Providers Association of Zambia, *emphasis added*, website unavailable

<sup>36</sup> Informal interviews (2009) with colleagues and students at the University of Zambia

on complaint procedures; however, access to this literature requires urban location and generally being knowledgeable of your consumer rights.

Operators are required to submit quarterly reports to CAZ on the numbers and types of complaints received from consumers, although this was not reflected in the 2007 CAZ Annual Report, the document available at the time of writing this report. On Quality of Service (QoS) standards, the referred to report indicates that “a consultative process with key industry stakeholders<sup>37</sup>” was used to develop standards to be adhered to by service providers. “[These] standards are also aimed at empowering consumers of services as it provide a forum by which consumers can participate in the process of determining the level of service being provided to them”<sup>38</sup>.

### **3.1 Consumer Awareness**

The Communications Authority undertook among other things “ research related work during the 2008 period and substantial progress had been made in ... research activities [such as] Consumer Awareness and Perception Study, aimed at gauging the Authority’s effectiveness in awareness programmes, and the public perception [of the Authority]”<sup>39</sup>. A joint study was conducted by the CAZ and a researcher from the University of Zambia on the “Consumer and Public Perceptions of the Communications Authority of Zambia”. The report was concluded and written in July 2008 and the following conclusions were revealed following the involvement of 1,965 respondents countrywide:

- (a) “..., the results indicated partial support of the statement that the dissemination of information by the CAZ about its existence and role has been unsatisfactory.
- (b) ..., the results did not indicate support for the statement that the CAZ according to the perception of the public and consumers had performed unsatisfactorily in providing supervision to the service providers.
- (c) ..., the results indicated support of the statement that the public and consumers are not well informed about their rights”<sup>40</sup>.

The above mentioned indicators may reflect the need for the CAZ to evaluate their approach to consumer awareness. There is need for the CAZ to strategise on the methods of implementation that will enhance the awareness of consumers’ rights to the public. In the same vein of awareness, the CAZ has published posters on consumer rights. The posters are based on the consumer rights contained in Section 4 of the Telecommunication (Consumer Protection) Regulations. This effort is indeed commendable, although the dissemination of this information has limited accessibility to rural parts of the country. Such an exercise would certainly require substantial funding as it may be desirable to translate the posters in some major local languages in order to accommodate the majority of the population that may not be able to read the posters in English. The CAZ has

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<sup>37</sup> CAZ (2007), *Annual Report 2007*, Page 8-9, Communications Authority of Zambia, Lusaka

<sup>38</sup> Ibid

<sup>39</sup> CAZ (2009) ‘*Country Paper for Zambia*’,(page 19), presentation on CRASA website by CAZ Acting CEO, Mr Richard Mwanza, 31 March 2009, available online at [http://www.crasa.org/docs/reports/ctry\\_rp09/Zambia%20Report%202009%20Presentation.pdf](http://www.crasa.org/docs/reports/ctry_rp09/Zambia%20Report%202009%20Presentation.pdf)

<sup>40</sup> Mwaba O C Sidney .Dr, CAZ (2008), A joint study on “Consumer and Public Perceptions of the Communications Authority of Zambia”. Communications Authority of Zambia, Lusaka

produced these posters in the major local languages that are spoken in Zambia and these include Bemba, Lozi, Luvale, Nyanja and Tonga. The CAZ has gone public on these by having road shows and series of meetings in all provinces of Zambia. These awareness campaigns have included both the service providers and the consumer community. The Joint Consumer Watch groups referred to earlier also serve to strengthen consumer awareness and empower consumers despite some teething problems.

### **3.2 Consumer Literacy**

According to the 2000 national census statistics, a large segment of the Zambian Population remains uneducated and illiterate. Since 1990, 45 % of the population aged 5 years and above remained illiterate. The level of illiteracy remained higher among female than male population. The problem of illiteracy is more common in rural than in urban parts of Zambia. More than half of the rural population aged 5 years and above has been identified with illiteracy since 1990. Nearly all provinces registered very marginal changes in the proportion of the population that can read and write in any language between 1990 and 2000, when the adult literacy national average was 67.2%<sup>41</sup>.

The information on consumer protection is mainly being disseminated in English and this limits the number of persons who can read and assimilate the information accurately. It has been observed that currently, services in the ICT Sector particularly mobile telephony are no longer a preserve of the literate urban population. Even those who can not read and write extensively utilize ICT services. Any awareness campaign in the sector should take cognizance of this fact. Another aspect related to literacy is that of lodging of complaints. According to Section 10 of the Telecommunications (Consumer Protection) Regulations, consumers are expected to lodge their complaints using a form designed for that purpose. These forms are in English. A number of users are, therefore, not in a position to fill these forms in order to lodge a formal complaint and are, therefore, discouraged from pursuing their complaints. Admittedly, it could be costly to provide forms in various local languages. However, if consumer protection is to be a reality, it is essential to devise simple complaints procedures.

### **3.3 Capacity of the Communications Authority**

The ICT sector is highly technical and dynamic as technological innovations are a trend being experienced day by day. Continuous skill development in ICT is one of the necessary facets to effectively administer such a sector. ICT service providers are naturally in a better position to keep abreast of any developments in the sector compared to national regulators. This imbalance poses a great challenge to the Regulatory Authority and invariably undermines its capacity to effectively superintend the providers of ICT services. The capacity issue are being addressed by the CAZ, as well as by other self regulatory bodies such as Computer Society of Zambia through committees established by the Ministry of Transport and Communication which is the line Ministry for ICT. Capacity needs to be built through a deliberate, continuous staff development programme to ensure that its members of staff are always up-to-date with the current ICT trends.

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<sup>41</sup>CSO (2000), *Zambia Census Analysis*, Central Statistical Office, Republic of Zambia, Lusaka, available online at [http://www.zamstats.gov.zm/media/cen\\_atl.pdf](http://www.zamstats.gov.zm/media/cen_atl.pdf)

The Communication Authority has shown determination in extending their regulatory capacity in consumer awareness<sup>42</sup>. This can be seen from a number of consumer awareness programmes that were carried out in various districts of Zambia in the year 2008. Strategic media campaigns were carried out to empower consumers with awareness of consumer protection issues. The Authority participated in various activities including road shows where they showcased their services in relation to consumer protection. Workshops to sensitize disabled consumers about their rights and obligations on respect of ICT services were tackled. The first ever National Consumer Conference aimed at bridging the gap between service providers, consumers and regulators was carried out in 2008 by the Regulatory Alliance. The second National Consumer Conference was held in January 2009.

#### **4 Processes in place to resolve complaints**

The process to resolve complaints is outlined in the Telecommunication (Consumer Protection) Regulations starting with the completion of the form, investigations and resolution of the complaint<sup>43</sup>. However, considerable consumer education is still needed for the consumer to implement and follow up the laid down complaint procedures. Some leaflets have been developed and distributed, indicating that the consumer should in the first instance attempt to resolve the complaint with the service provider. In the event that the consumer fails to achieve a satisfactory resolution to the problem, the consumer may refer such a complaint to the regulator<sup>44</sup>.

As mentioned previously, under these regulations CAZ has extensive investigative and adjudication powers. These include awarding of compensation in cash or kind in relation to the complaints. The authority may also refer any complaints to a suitable operator's body, depending on the nature of the complaint. The CAZ website contains information on such general complaints and consumers are encouraged to air their views and comments on the CAZ website for the Authority's attention<sup>45</sup>, (Refer to sample Complaint Procedure<sup>46</sup>, Customer Complaint Acknowledgement Form and Consumer Leaflet in Appendix I).

#### **5 The role of the regulator**

Following the economic downturn in the 1990s various Acts of Parliament were enacted to ensure the regulators provided among other things issuance of licences, promotion of competition by setting operating standards, receiving and attending to complaints from consumers. In this respect, the CAZ had to establish some regulation to promote and protect consumer interest. Section 15 of the Telecommunications (Consumer Protection) Regulations gives the regulator, the CAZ, powers to develop industry key performance indicators (compliance standards). These indicators provide a benchmark that service operators are supposed to meet and continuously observe. Failure to meet these key performance indicators constitutes an offence. The regulator, under section 10 of the regulations, is mandated to issue complaints registration procedures and forms to be used.

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<sup>42</sup> CD from CAZ, ERB, NWASCO (2009), *The Regulatory Alliance National Consumer Conference* held at Mulungushi International Conference Centre, January 26<sup>th</sup>-27<sup>th</sup>, 2009, Lusaka

<sup>43</sup> Section 10 of the CAZ *Telecommunications (Consumer Protection) Regulations*, Lusaka

<sup>44</sup> CAZ (nd), *Consumer Rights Information* leaflet, Communications Authority of Zambia, Lusaka

<sup>45</sup> CAZ (nd) *Telecommunications (Consumer Protection) Regulations*, Lusaka

<sup>46</sup> CAZ (nd), *Complaint Procedure*, Communications Authority of Zambia, Lusaka, available online at [http://www.caz.zm/index.php?option=com\\_content&task=view&id=49&Itemid=52](http://www.caz.zm/index.php?option=com_content&task=view&id=49&Itemid=52)

The regulator may investigate any complaints referred to it and may also initiate own investigations as provided under section 11 of Regulations. While the regulator has not taken direct action, it has issued warnings to operators whenever it has observed complaints raised. The regulator can institute penalties as provided under the Act and the regulations. The regulator is responsible for the dissemination of consumer rights to the public.

“The Authority has established a consumer affairs unit comprising three officers. The unit’s functions include:

- (a) *Receipt and investigation of consumer complaints*
- (b) *Conduct consumer education programmes*
- (c) *Formulate consumer protection regulation*

[The Authority] had faced a number of problems in [its] complaint resolution mechanism. Firstly, operators took long in responding to investigations especially for those whose headquarters are outside Lusaka. Secondly, [the Authority] never knew officers within the providers who were dealing with consumer complaints in that all correspondence was made to the chief executive officers”<sup>47</sup>.

The Consumer Affairs Unit committee ensures that all personnel dealing in consumer complaints both with CAZ and the service providers work collectively. This committee has been instrumental in formulating streamlined consumer complaint handling procedures and has substantially improved on time taken to offer a response to the complainant.

## **6 Consumer organisations and related bodies**

This section identifies other bodies that deal with issues that are consumer related. The representation may not be exclusively for ICT related complaints. These bodies include the Zambia Competition Commission, Zambia Consumers Association, The Weights and Measure Agency, Computer Society of Zambia, e-Brain forum, Energy Regulatory Board, National Water Supply and Sanitation Council and others.

### **6.1 The Zambia Competition Commission**

The Ministry of Commerce Trade and Industry is the government body mandated to oversee among other things competition and fair trade throughout the whole country. Zambia has established competition laws. The Zambia Competition Commission (ZCC) a Statutory Body corporate mandated with the responsibility was established under the Competition and Fair trading Act Section 4 of Chapter 417 of the Laws of Zambia to prevent anti-competitive and restrictive business practices and to promote consumer welfare. The law came into force in February 1995. The Commission is an autonomous corporate body under the Ministry of Commerce, Trade and Industry. The enforcement of systematised competition and consumer protection in Zambia has been in existence since 1997. The primary purpose of such a system has been to ensure that individuals and businesses complied with the competition, fair-trading and consumer protection law<sup>48</sup>.

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<sup>47</sup> CAZ (13<sup>th</sup> August, 2009) , ‘*Status of Consumer protection in Zambia*’ presentation at ‘Empowering regulators to protect consumer rights in ICT sector’ launch workshop by CAZ Consumer Affairs Manager, Mr. Katwamba Mwansa in Lusaka

<sup>48</sup>See Zambia Competition Commission website online at [http://www.zcc.com.zm/the\\_promotion\\_and\\_protection\\_of\\_consumer\\_welfare\\_and\\_interests\\_in\\_zambia.php](http://www.zcc.com.zm/the_promotion_and_protection_of_consumer_welfare_and_interests_in_zambia.php)

The Competition and Fair trading Act deals with agreements, decisions and concerted practices by firms and organisations that prevent, distort and restrict competition in Zambia, which in turn affect consumer welfare. The ZCC is aware that there are cases when consumer rights have been violated by dishonest traders and, therefore, this body provides the procedures on how a consumer can lodge the complaint against the erring trader, up to the resolution of the complaint (Refer to Appendix II). This, to some level, gives consumers protection and representation against violation of their rights by traders.

The ZCC is currently engaged in a process to develop a comprehensive national consumer protection policy, leading to a comprehensive consumer protection law. Details are currently not yet publicly available, so it is unclear to what extent the position of consumers of ICT goods and services will be strengthened.

## **6.2 The Zambia Consumers Association**

The Zambia Consumer Association (ZACA) is the major consumer body in Zambia. The country has seen late development of consumer protection bodies and ZACA was established in the year 2000. ZACA is a leading consumer advocacy voice in Zambia. ZACA's main activities are complaints handling and campaigning. Its campaign areas are fair trade (checking for product weights) and health (tobacco control and chemical safety). ZACA works in collaboration with regulatory bodies in Zambia to address consumer complaints. The Association had three major campaigns in 2007-2008: Zambia's ratification of global tobacco treaty; a campaign on underweight products on the market and a lead poisoning awareness campaign<sup>49</sup>. Representation of the Zambia Consumer Association has been observed in some Zambian ICT forums and workshops.

## **6.3 The Zambia Weights and Measure Agency**

The Zambia Weights and Measure Agency (ZWMA) is a statutory body that falls under the Ministry of Commerce and Industry. This body ensures fair trade in transactions where measurements are made and it provides consumer protection in commercial transactions that requires accurate measurement by seller. According to section 32 of the Weights and Measures Act, Chapter 403 of the Laws of Zambia, one of the principal objectives of the committee is to protect consumers from false statements as to weight, measures<sup>50</sup>. However, in its current form, it would require great legal ingenuity to successfully invoke the provisions of the act with regards to ICT related services. The Act does not contain any unit measurements pertaining to ICT such as bandwidth and other units that are a basis for service charges in the ICT sector.

## **6.4 The Zambia Bureau of Standards**

The Zambia Bureau of Standards (ZABS) specializes in standardisation, quality assurance and testing. One of its roles is to coordinate the efforts of producers and consumers in the improvement of appliances, processes, new materials and products. The Bureau is

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<sup>49</sup>See Consumer International website at <http://www.consumersinternational.org/Templates/System/MembersDetails.asp?NodeID=99093%20&int1stParentNodeID=89655&int2ndParentNodeID=92711&int3rdParentNodeID=92711&int4thParentNodeID=92711&int5thParentNodeID=92711&int6thParentNodeID=92711>

<sup>50</sup>See Ministry of Communications Trade and Industry homepage <http://www.mcti.gov.zm/>

established under Section 4 of the Standards Act, Chapter 416 of the Laws of Zambia. The Act empowers the Bureau to establish both voluntary, compulsory and export standards. In the event that a commodity is supplied in contravention of a compulsory or export standard, the person to whom the commodity was supplied may recover from the supplier as a debt any money paid for the commodity. Under section 10 of the Act, the minister is empowered to direct the supplier of a defective commodity to recall the commodity in a specified manner and within a specified period<sup>51</sup>.

Enforcing certain compulsory standards offers consumer protection from unscrupulous suppliers who may supply inferior products. The Bureau does not have capacity to monitor and effectively implement the provisions of the Act, countrywide. The Bureau only has offices in Lusaka and a few major towns in the country. Like other government institutions, funding is inadequate and staffing levels low thereby undermining its operations. Lately, there have been campaigns in Lusaka where counterfeit music and video compact disks have been confiscated and destroyed.

## **6.5 Consumer Related Bodies**

Apart from the Communications Authority of Zambia, there are organizations that are mandated to protect consumer rights. These organizations are not confined to the ICT sector and, therefore, take a much broader view of consumer protection. They are, nonetheless, important to consumers of ICT services since by virtue of their generality, ICT consumers can also be embodied in the protection by such bodies.

### **6.5.1 Regulatory Alliance**

In the quest to propagate consumer protection, a national regulatory alliance has conducted two annual conferences in 2008 and 2009 to discuss and find out solutions of mutual interests between *Zambian regulators and consumers*.

The second National Consumer Conference under the theme “Regulation: Key to Effective Service Delivery and Consumer Protection” was hosted on 26 and 27th January, 2009. This event hosted by the Regulatory Alliance comprising CAZ , ERB and the National Water and Sanitation Council attended by over 250 delegates from within Zambia, offered a unique platform for regulators, services providers and consumers in communication, energy and water sectors. Unlike other mostly urban represented conferences, one highlight was that there was rural consumer representation and presentation at the conference. Discussions and attempts to resolve the complaints were held and those that could not be resolved were recorded for the presentations to the relevant authorities for further action.

The following were the key objectives of the conference:

- (a) Bridging the gap between service providers, consumers and regulators;*
- (b) Enlightening consumers on their role in the regulation of service provision;*
- (c) Creating a sensitized Zambia consumer community that is aware of its rights and obligations in the use telecom, energy and water;*
- (d) Availing service providers an opportunity to outline the challenges and constraints they face;*

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<sup>51</sup> Ibid

(e) *Providing a platform for consumers to express what they would like to see in the various sectors technology, tariffs, and differently abled*<sup>52</sup>.

### **6.5.2 Computer Society of Zambia**

The Computer Society of Zambia is an association of professionals in the Information and Communication Technology (ICT) industry. However, membership is also open to ICT students and non-ICT professionals. It is a non profit making organisation and whose membership is open to any ICT person or organization irrespective of nationality, religion, race or sex. The Society has a number of objectives most important of which is to be a professional forum for persons and organisations directly or indirectly involved in Information and Communication Technologies (ICTs) in Zambia. Among other objectives, the society provides a vehicle for advising the government and industry on information technology and informatics as well as its implications for the country<sup>53</sup>.

### **6.5.3 e-Brain forum**

Established in June 2001, the e-Brain Forum of Zambia is a national multi-stakeholder organisation whose over-riding objective is to develop a common knowledge-sharing community on the use of ICTs to foster social and economic development. e-Brain is a member - based organization and active in the areas of policy dialogue, awareness raising and membership support. One of e-Brain objectives is to promote advocacy activities on the effective use and application of ICTs including awareness raising and knowledge sharing<sup>54</sup>.

## **7 The role of the media**

The media plays a pivotal role in highlighting not only technological advancements but also short-comings in the ICT sector particularly those that affect consumers. For instance, the media have in the recent past highlighted the topical issue of international gateway in the country through a series of articles that were published in one of the major daily newspapers, *The Post*.

Zambia has only one available international gateway through ZamTel. The International gateway has an impact on consumers as open access to it by many service providers could provide the potential of reducing international communications costs. Congestion or indeed failure of the only available international gateway can adversely affect availability of ICT services to consumers.

There have also been some articles on the issue of the Voice over Internet Protocol (VoIP). Further, the media also helped in highlighting the ICT policy formulation process in the country. The media has made the general public aware of the Information and Communications Technologies (ICT) Bill, currently on the table in Parliament.

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<sup>52</sup> CD from CAZ, ERB, NWASCO (2009), The Regulatory Alliance National Consumer Conference held at Mulungushi International Conference Centre, January 26<sup>th</sup>-27<sup>th</sup>, 2009, Lusaka

<sup>53</sup>See Computer Society of Zambia webpage online at [http://www.csz.org.zm/index.php?option=com\\_content&view=article&id=47&Itemid=79](http://www.csz.org.zm/index.php?option=com_content&view=article&id=47&Itemid=79)

<sup>54</sup>See ebrain forum website online at [http://www.ebrain.org.zm/index.php?option=com\\_content&task=view&id=1&Itemid=1](http://www.ebrain.org.zm/index.php?option=com_content&task=view&id=1&Itemid=1)

Cases that deal with issue like prices and, poor services are occasionally brought up by ICT advocacy forums, in letters to the editor, or through op-ed pieces. Through these channels forums are able to make some impact on these issues as individuals will not easily get a hearing from the line Ministries.

The media has also been used to publicise the facilities and promotions of a particular network. Some of these adverts have been misleading in that they present the provider's network as congestion-free while the truth on the ground may be different.

Issues of network outages and the public outcry have been reported in the media. Recently, in June 2009, one network had an outage lasting two days. The media covered this issue and the apology which was tendered to the nation by the network provider in question<sup>55</sup>.

Notwithstanding the above, it should be observed that the media has an inherent limitation in articulating some ICT-related issues since they mostly tend to be highly technical. There is, therefore, need to train media personnel on ICT- related topics to enable them confidently to write on ICT matters. Another option would be for ICT experts and academics to contribute articles and op-ed pieces to reputable daily papers for publication. There is also need to address the issue of a regular column in the daily and popular newspaper to write on ICT-related issues and particularly on matters pertaining to consumer rights. The articles should be written in less technical jargon to enable even ordinary consumers understand the message. When consumers understand their issues and rights with clarity, they will be able to make right and informed choices.

## **8 Policy and legislative input**

The policy formulation processes have been mostly consultative and consumers have had significant input. This is manifested in the formulation of the National ICT Policy which was adopted by Government in 2007. Consumers were consulted through public debates and workshops during which consumers were given an opportunity to discuss the draft policy. A total of three sessions were held at national level, people invited to these workshops were from all walks of life, and it included, people from consumer groups, practitioners, traditional leaders, and politicians. Furthermore, a number of workshops were held at provincial level. The consumer protection body was also included on the committee that prepared the ICT draft policy. Consumers, under what is termed as “the pillars” of the policy, were constantly consulted during the policy formulation process. The process of consultation included, written submission or oral contribution at the time the team was in particular areas of the country. There were representatives from, amongst others, the agriculture sector, the education sector, the youth and bodies involved in gender related issues.

With regards to legislation, consumers are consulted at various levels and in various forms. For instance, during the formulation of the new Information and Communications Technologies Bill, submissions were obtained from various consumers and other ICT market players. A one-week consultative workshop was held in the capital city, Lusaka. The major concern is whether an ordinary consumer can effectively contribute towards this

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<sup>55</sup> See Muvi Television website, this article is available online at <http://www.muvi.tv/zm/newsindepth.php?id=348>

consultative process. There is a danger that the final product may still be skewed towards the dominant market players whose representatives can ably articulate highly technical matters as is usually the case in the ICT sector. The line ministry has made comments on such issues before together with the Non-Governmental Organisation Coordinating Council (NGOCC) and other lobby groups<sup>56</sup>.

## **9 Conclusion**

This report mentioned that the geographical location of the regulators is concentrated in the major urban centres, along the line of rail. The regulator's physical presence is more pronounced in the country's capital city and, therefore, most of the influence in consumer protection and education may effectively be felt in Lusaka. This has provided a drawback in effective dissemination of consumer rights information in areas devoid of the regulators presence. Budget constraints and limited manpower makes it difficult for the regulators to have their presence felt country-wide and as a result some service providers have taken advantage by providing services that are below standard in areas seemingly outside the scope of the regulators.

Bearing this in mind, pertinent concerns must be addressed in order to empower regulators to protect consumer rights in the ICT sector. Will the new Information and Communications Technologies Bill prove adequate in its provision of consumer protection? Will the regulator be empowered enough to put in practice its stipulations? How might the process be improved in ensuring that illiterate consumers know about their rights and complaint procedures available? How can gender-based barriers be removed to ensure effective complaint resolution from both sexes? How easy can it be made for rural consumers to complain? How can the attitude and addressing of consumer issues be improved for low-income consumers?

A comprehensive addressing of the questions raised in this concluding part of the Zambia baseline position report to be considered in this research will help the regulators, operators and consumers in meeting their obligations in letting the consumer know and practice their rights. Out of this research project it is hoped that the Communications Authority of Zambia will be empowered to develop and implement a string action plan to strengthen and improve its protection of consumers in the ICT sector.

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<sup>56</sup>See [http://www.ngocc.org.zm/index.php?option=com\\_frontpage&Itemid=1](http://www.ngocc.org.zm/index.php?option=com_frontpage&Itemid=1) for monthly bulletins on NGOCC advocacy

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## Appendix I

### ICT Indicators Update in Zambia

#### Mobile Phone Growth Trend in Zambia

Year	Country Population	Subscribers	Per 100 Inhabitants	Mobile Internet	Growth rate (%)
2000	9,885,591	49,957	0.505	-	32.47
2001	10,089,492	97,900	0.97	-	95.97
2002	10,409,440	139,258	1.338	-	42.25
2003	10,774,382	204,150	1.895	-	46.6
2004	11,089,691	413,120	3.725	-	102.36
2005	11,441,469	949,558	8.299	-	129.85
2006	11,574,190	1,663,051	14.369	-	75.14
2007	11,708,450	2,639,026	22.539	215,472	58.68
2008	11,900,000	3,207,679	26.955	791,464	21.54

#### Internet & ISP Connectivity Data–Zambia

Year	Country Population	Total Subscribers	Per 100 Inhabitants	Type of Internet		Growth rate (%)
				Dial Up	Broadband	
2001	10,089,492	8,248	0.082	7,627	621	
2002	10,409,440	11,647	0.112	10,826	821	41
2003	10,774,382	12,000	0.111	10,857	1,143	3
2004	11,089,691	16,288	0.147	15,334	954	36
2005	11,441,469	10,882	0.095	10,179	703	-33
2006	11,574,190	11,996	0.104	10,067	1,929	10
2007	11,708,450	17,946	0.153	12,578	5,368	49.6
2008	11,900,000	18,078	0.152	12,484	5,671	0.73

#### PSTN SUBSCRIPTION

Year	Country Population	Subscribers	Per 100 Inhabitants	Per 1000 Inhabitants	Growth rate (%)
2001	10,089,492	85,680	0.849	8.49	2.83
2002	10,409,440	87,674	0.842	8.42	2.33
2003	10,774,382	88,561	1	10	1.01
2004	11,089,691	90,663	0.818	8.18	2.37
2005	11,441,469	94,665	0.827	8.27	4.41
2006	11,574,190	93,427	0.807	8.07	-1.31
2007	11,708,450	91,789	0.784	7.84	-1.75
2008	11,900,000	90,600	0.761	7.61	-1.29

## **Complaint Procedure**

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### **First step**

Before you complain to the Authority, complain to your service provider first. It is advisable that you do this in writing so that you have a record for yourself. After receiving a response if you are not happy with it, then can you complain to the Authority.

### **Second step**

Visit, write or call the Authority to register your complaint. All verbal complaints should be followed by a physical visit or a written detailed complaint so that it is fully understood. The manner in which a complaint is lodged will highly be dependent on the nature of the complaint.

For example complaints related to poor quality of service in a certain area can be made over the telephone while those related to billing should be written and supported by documentary proof.

Your written complaint should bear the following information:

- Full names
- Contact address
- Contact telephone, email address or fax numbers.

We also request that you attach all the relevant documents related to your case.

# COMMUNICATIONS AUTHORITY

## LICENSING AND CONSUMER AFFAIRS DEPARTMENT

### Customers Complaint Acknowledgement Form

#### 1) DETAILS OF COMPLAINANT

- a) Name: .....
- b) Surname: .....
- c) Postal Address: .....
- d) Physical Address: .....
- e) Contact Telephone Numbers: .....
- f) Fax Number: .....
- g) Email Address: .....

#### 2) DETAILS OF COMPLAINT

- a) Who is the complaint against: .....
- b) Particulars of the Officer Dealt with (C/F A above): .....
- c) What is the nature of the complaint: .....
- d) Date/Time when the event Occurred: .....
- e) Action taken by the service provide against who the complaint is made: .....
- f) Attachments handed over: .....

#### 3) DETAILS OF PERSON RECEIVING COMPLAINT

- a) Name: .....
  - b) Position/Department: .....
  - c) Time of Receipt of Complaint: .....
  - d) Advise to Complainant: .....
  - e) Action taken: .....
  - f) Recommendations: .....
- Signature ..... Date .....
- Supervisor's comments/Instructions .....

## **Consumer Leaflet**

The Act mandates the Authority to:

“Promote the interests of consumers, purchasers and other users of telecommunications services (including in particular those who are disabled or of pensionable age) in respect of the prices charged, the quality and variety of such services”.

### **What are your rights as a consumer?**

Some of your rights are enshrined in the service agreement entered into between yourself and the service provider. Ensure that you read and understand the agreement before you sign it. The service agreement may also be enshrined in conditions of sale in a SIM pack for the pre-paid customers.

However, there are a number of rights which may not be contained in the service agreements and these include:

**Disclosure:** You have a right to receive clear, conspicuous and complete information about rates and conditions for available and proposed products and services from service providers.

**Choice:** You have a right to affirmatively select a telecommunication provider and services.

**Privacy:** You have lawful choice to personal privacy which should be protected against unauthorized access to or use of personal conversation or information.

**High Quality, reliable service:** You have a right to high quality, reliable service. Timely, accurate bills and redress: You have a right to accurate and understandable bills for services consumed and to fair, prompt redress for problems related to bills or that may arise during the use of services.

**Emergency services:** You have a right to call emergency services toll free.

**Market abuse:** You have a right to be protected from market abuses such as unfair trade practices, including false and misleading advertising and anti-competitive behaviour.

**Making complaints:** You have a right to lodge a complaint with your provider and receive a satisfactory response. If you are not happy with the response you have a right to report the provider to the Authority.

### **How do you complain to the Authority**

#### **First step**

Before you complain to the Authority, complain to your service provider first. It is advisable that you do this in writing so that you have a record for yourself. After receiving a response if you are not happy with it, then can you complain to the Authority.

#### **Second step**

Visit, write or call the Authority to register your complaint. All verbal complaints should be followed by a physical visit or a written detailed complaint so that it is fully understood. The manner in which a complaint is lodged will highly be dependent on the nature of the complaint.

For example complaints related to poor quality of service in a certain area can be made over the telephone while those related to billing should be written and supported by documentary proof.

Your written complaint should bear the following information:

- Full names
- Contact address
- Contact telephone, email address or fax numbers.

We also request that you attach all the relevant documents related to your case.

### **FEEDBACK TO YOUR COMPLAINT**

You should ensure that you receive a feedback to your complaint within fourteen working days of filling the complaint.

### **WHERE TO YOU LODGE A COMPLAINT.**

Walk in to either Plot 3141  
Corner Lumumba/ Buyantanshi Roads  
Heavy Industrial Area, Lusaka

Or Photocopying House  
Buteko Avenue, Ndola.

Email: [info@caz.zm](mailto:info@caz.zm), [pro@caz.zm](mailto:pro@caz.zm), [cazn@coppernet.zm](mailto:cazn@coppernet.zm)

**Write to: The Controller**  
Communications Authority  
P.O. BOX 36781, Lusaka

**The Controller**  
Communications Authority  
P.O. BOX 70728, Ndola  
Telephone 21-1 - 246698, 21-1-241236  
02- 620865/7, Fax 21-1- 246701, 21-2-620806

## **Appendix II**

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### **Complaint Procedure at Zambia Competition Commission**

#### How to complain

There are many instances when the consumer rights are violated by traders and because of the long judicial process in Zambia, consumers usually give up and their concerns or violations are not redressed. The Zambia Competition Commission established a consumer complaint desk in 1998 where consumers can lodge in complaints. This is done by giving full details of the violation such as name of the violator, date of violation, location, time where possible, nature of the complaint and the complainant's full particulars.

#### HOW TO COMPLAIN

There are five ways in which a consumer can lodge in a complaint with the Zambia Competition Commission and these are by:

- Physical visit to the Commission's offices;
- Phoning the Commission;
- Writing a letter to the Commission;
- E-mailing the Commission at the following e-mail address: [zcomp@zamtel.zm](mailto:zcomp@zamtel.zm) and;
- Faxing

However, in making a complaint, consumers should note that for their complaints to be effective, the Commission needs evidence of purchase from the trader or seller e.g. receipts or receipts rather than mere suspicion of wrong doing.

#### WHAT WILL ZCC DO WITH THE COMPLAINT

In the first instance, the Commission will check that the complaint can be dealt with under the Competition and Fair Trading Act. If the complaint involves one of the regulated sectors for example energy, telecommunication, water etc, it will normally be referred to the relevant regulator who will then pursue the matter directly with the complainant. In this case the complainant is usually informed of the development before the matter is referred to other regulators.

However, if the subject of the complaint falls under the Competition and Fair Trading Act, Complainants are usually told on how the Commission proposes to deal with their complaints and complainants are usually kept informed of the progress being made in redressing their complaints.

#### Possible Redress

Refunds by traders under the Competition and Fair Trading Act are available when there is concrete evidence of a breach of one of the provisions under section 12 of the Act by a trader. Consumers have a right to cancel the purchase transaction or contract and demand for a refund if any of the provisions under section 12 of the Act are breached.

However, to obtain a refund, a consumer should:

- Return the goods within reasonable time;
- Not dispose of, lose, or destroy goods;
- Not allow the goods to become unexchangeable through failure to take reasonable care to preserve them;
- Not damage the goods by using them in an abnormal way;
- Provide proof of purchase where possible, which could include a cash register receipt or a witness; and
- Provide details of violations of Section 12 of the Competition and Fair Trading Act.

Email Address \*

Name \*

Company

Telephone

Please detail your complaint \*

Send

## **Appendix 7 – In-country Research Report Ethiopia**

# **Consumer Issues in Communications Sector in Ethiopia**

## **A Qualitative Survey**

**Final**

**December 2009**

Table of Content

<b>1. Introduction</b> .....	2
<b>1.1. The Communications Network Environment</b> .....	2
<b>1.2. The Regulatory Context</b> .....	5
<b>1.3. The Legislative Context of Consumer Protection</b> .....	7
<b>2. Methodology</b> .....	8
<b>3. Findings: - Consumer Issues in Communication Services in Ethiopia</b> .....	12
<b>3.1. Comparative Analysis of Different Services</b> .....	12
<b>3.2. Major Consumer Issues</b> .....	12
<b>3.2.1. Mobile Networks</b> .....	12
<b>3.2.2. Short Message Services</b> .....	14
<b>3.2.3. Third Generation Mobile Services</b> .....	15
<b>3.2.4. Dialup Internet Services</b> .....	15
<b>3.2.5. Broadband Services</b> .....	16
<b>3.3. Compliant Handling Process</b> .....	18
<b>3.4. Knowledge of Rights</b> .....	20
<b>3.5. Awareness of the Role of the Regulator</b> .....	20
<b>3.6. Recommendations for Different Stakeholders</b> .....	21
<b>3.6.1 What should the Government do?</b> .....	21
<b>3.6.2. What Should the Operator do?</b> .....	22
<b>3.6.3. What Should the Regulator Do?</b> .....	24
<b>3.7. Focus Groups Results</b> .....	24
<b>4. Conclusion and Recommendations for Policy and Regulatory Actions</b> .....	27
<b>Annex: Survey Questionnaire</b> .....	29

## **1. Introduction**

This paper outlines the result of a qualitative survey of consumer issues in telecommunications sector in Ethiopia. The purpose of the paper is to shed light on key consumer complaints in the telecommunication sector to provide policy makers, the regulator and the operator with a tool for improving the communication services in the interest of consumers.

### **1.1.The Communications Network Environment**

Ethiopia is one of the countries that retained public monopoly of the communications sector (fixed, mobile and Internet). It is expected that consumer issues in the communication sector to be influenced by the vertically integrated market structure and the monopoly of communication services. Consumer are expected to be subject to the range of challenges arising from the behaviour of monopoly market such as excessive pricing, production inefficiencies, lock-in and absence of choice, poor service quality that has undesirable effect on the profitability of the operator and the communication service offerings to users.

In effect, the existence of a vertically integrated monopoly market structure has been characterised by slow network growth, unfulfilled demand and low quality of services. Ethiopia is one of the countries that face limited territorial coverage of mobile and fixed services and unmet demand as demonstrated by a large waiting list and the lag of the country in terms of introduction of state of the art services available in other African countries.

Telecommunications data released in March 2009 shows that there were 3,319,493 mobile subscribers and 906,069 fixed line subscriber giving a total subscribers base of 4,321,042. The mobile tele-density stands around 4.2% a low figure compared to the penetration in the world, where some countries in Africa such as Botswana, South Africa have now achieved over 100% and neighboring countries like Kenya and Sudan has achieved a penetration ten folds to that of Ethiopia.

Access to fixed line services is characterized by a high pent up demand. The registered waiting list for fixed line communication was 13,579 in 2007. This was increased by a third to 19,013 in 2008<sup>1</sup>. The waiting list for mobile services is extensive, with over a quarter of the population that is eligible are waiting for mobile access. The unmet demand did not only inhibit social and economic development but also led to the deterioration of the quality of services that had direct impact on the revenues of the ETC and government tax and the declining competitiveness of enterprises.

Comparative Analysis of Communications Market in Ethiopia, Kenya and Sudan shows that Ethiopia lags very much behind its neighbours.

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<sup>1</sup> Ethiopian Telecommunications Corporation, Annual Telecommunications Report, 2008

	Ethiopia	Kenya	Sudan
Mobile (2008) <sup>2</sup>	3% <sup>3</sup>	39%	30% <sup>4</sup>
Internet Users <sup>5</sup> (2009)	360,000	3,360,000	3,800,000
Broadband Penetration (2008)	.0005%	0.01%	0.02%
Driver of Universal Access	Incumbent	CCK	NTC
Regulator	Partially independent	Fully independent	Partially independent

Source: Ethiopian Telecommunications Corporation and Various Reports of regulators in Kenya and Sudan

Notwithstanding the acknowledgement of these setbacks, the government's effort in introducing competitiveness in the communication market has been very slow. The Ethiopian Telecommunications Corporation was empowered by the Council of Ministers' regulation No. 10/1996 to retain a monopoly status on fixed, mobile and Internet segments. In 2002-2003, the government attempted a partial privatization of the ETC through offering a sale of 30 percent of its equity. Despite hiring an international consulting firm to assist in the privatization effort, the ETC did not receive suitable bids for partnership. Since this failed attempt at partial privatization, the government's policy has been to make the ETC into an efficient and profitable state-owned corporation by changing its management structure.

The government pursued a change management as a tool for improving ETC's effectiveness since 2003. A failure of a billing system in 2006 did not only cost the incumbent hundreds of thousands dollars, but also raised concerns about the validity of the government assumption that the changes in the top management could actually make a monopoly service provider more efficient. The ETC changed most of its management in 2006 following the problem with the billing system<sup>6</sup>. The new management promised a significant improvement in services and launched a Request for Proposal (RFP) for upgrading the infrastructure through a vendor financing scheme. Collaboration agreement was signed between ETC and ZTE of China to raise mobile density by 10% and extending access to 15 000 villages and laying 10 000 Kms of fibre.

While the vendor financing scheme was regarded as attractive to respond to the short term access and network rollout needs through fast and relatively easy access to foreign loan, experts argue that the vendor financing approach will not address the huge pent up

<sup>2</sup> <http://www.itu.int/ITU-D/ict/newslog/Kenya+Poised+For+Huge+Growth+In+Mobile+Services.aspx>

<sup>3</sup> Ethiopian Telecommunications Corporation

<sup>4</sup> See, <http://www.arabianbusiness.com/534475-etisalat-unit-canartel-expects-sudan-mobile-licence>

<sup>5</sup> <http://www.internetworldstats.com/africa.htm>

<sup>6</sup> Billing System Failure Costs ETC WELL Over 14min Birr  
[http://www.balancingact-africa.com/news/back/balancing-act\\_328.html](http://www.balancingact-africa.com/news/back/balancing-act_328.html)

demand in communications in Ethiopia in the longer term. It is likely that it locks the operator to the ZTE equipment and services and may increase the cost of communication.

Despite the loan of US\$1.5 billion and promises that the infrastructure programme through vendor financing will provide the needed Next Generation Network (NGN) for competitiveness, Ethiopia kept lagging behind other countries with regards to the penetration of communications services by many folds. The incumbent has not only fallen short behind the pent up demand for communication services but was also unable to raise the standards of the service.

Access to mobile services is limited throughout the country. Customers face considerable SIM card shortage. There have always been long queues to obtain SIM cards, each time the ETC makes them available. The upgrade for network often takes a year, thus leading to a long list of customers waiting for SIM Cards; a phenomenon that became a history in other part of Africa.

The monopoly of Internet services was another cause of the substandard dialup Internet and broadband services. The dial up Internet subscriber has been 71,059<sup>7</sup> with a user base of about half a million. While this is considered as high by domestic standards, it is very low compared to user number in neighboring countries such as Kenya that has around 4 million users.

In August 2005, the government issued a directive that allows private companies to provide Internet service through the ETC's infrastructure, but the regulations to implement Virtual Internet Service Provision (VISP) were not promulgated. Consequently, Internet services remained a monopoly of the incumbent, often resulting in frustratingly slow connections and sometimes complete disconnection from the global network altogether.

The incumbent operator retains monopoly on the International gateway – by pass through VSAT is allowed only to international organizations on case by case basis. The broadband market remained the least developed in Africa. There were only 3500 broadband subscribers in June 2009, a very low figure compared to the sheer size of institutions, SMEs and households that can afford access to high speed networks. The introduction of CDMA network has made some dent to the pent up demand for broadband services. However, the quality of service became worse as more users discovered high speed wireless network.

While pricing of the voice network remains affordable in comparison to other African countries, broadband prices are the highest in the region, even with the downward

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<sup>7</sup> Ethiopian Telecommunications Corporation, Annual Budget Report, <http://www.ethionet.et/news/news.php?id=26>

revision of the tariffs in May 2009. A 1 Mbps DSL connection costs around US\$750<sup>8</sup> per month in Ethiopia, US\$75 in Lesotho<sup>9</sup> and around US\$25 in the United States<sup>10</sup>.

More importantly, the quality of service of the communication network remained very low. Among the factors that have contributed to the declining quality of communication services were the:

- Inability of the incumbent to meet the pent up demand. The growing demand for communications meant that the incumbent operator was forced to add more subscribers to existing network without increasing the switching capacity. The problem is severe in rural towns and certain parts of the capital where the switches that were intended to a few thousand subscribers are over congested due to mobility and population concentration.
- Lack of adequate human resources – The ETC lacks adequate highly skilled workforce that optimises and maintains its network.

The absence of adequate consumer protection regulation is another factor that contributed to declining quality of services in communication.

## **1.2. The Regulatory Context**

Ethiopia does not have a consumer regulation in the communication sector. Consumer issues in the telecommunication sector do not feature in the policy documents. Policy makers tend to assume that tariff reduction is the main approach to addressing consumer issues and quality of service is barely mentioned in telecommunications documents. In the absence of specific regulation, the licensing framework is currently the major safeguard of consumer rights in communication. Yet, the license obligations were not enforced due to a weak regulatory framework.

The regulator, the Ethiopian Telecommunication Agency was established following Proclamation 49/1996. ETA is empowered to “ensure that telecommunication services conform to specified service quality and standards” and provide licence to operators and ensure that the licensees comply with “technical standards or requirements including performance standards as may be specified in the license”<sup>11</sup>. The ETA neither has independent board of directors nor consumer representation in its structures. Consequently, its ability to regulate the market from the consumer perspectives has been very weak.

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<sup>8</sup> Ethiopian Telecommunications Corporation, Broadband Multimedia Prices, <http://www.ethionet.et/services/leasedlineinternetbbmmtariff.html>

<sup>9</sup> DSL Prices of Telecom Lesotho, [http://www.telecom.co.ls/products/ASDL\\_Tariffs.php](http://www.telecom.co.ls/products/ASDL_Tariffs.php)

<sup>10</sup> Bellsouth, DSL Prices, <http://www.bellsouth.com/consumer/inetsrvcs/index.html>

<sup>11</sup> Ethiopian Government, Telecommunications Proclamation, No. 49/1996, [http://www.eta.gov.et/Scan/Telecom%20Proc%2049\\_1996%20NG1.pdf](http://www.eta.gov.et/Scan/Telecom%20Proc%2049_1996%20NG1.pdf)

The Council of Ministers' Regulation No. 10/1996 that established the ETC as a public enterprise with monopoly over fixed, mobile, Internet and data services states that the incumbent should<sup>12</sup>:

- Establish procedure for efficient customers support services;
- Issue bill to customers that clearly indicate the type of service and the units for which charges are made;
- Ensure fault reporting calls remain free of charge.

The Ethiopian Telecommunications Agency has issued a licence to the ETC in 2002 to provide fixed, mobile, Internet and Value Added Network services with efficiency and quality of service targets as per the Proclamation for the Regulation of Telecommunication Services. Each year the ETC must submit a performance and business report to the regulator and to its influential board of directors. However, the regulator was not able to enforce consumer rights and monitor network efficiency, billing, fault handling and overall service level supplied by the incumbent operator. First, the ETC licence did not explicitly stipulate consumer protection issues except for the service standards. Second, the ETA remained relatively weak in enforcing quality of service standards.

The government does not directly intervene in the day-to-day operations of the ETC and the regulator has not been empowered to take sanctions against missed quality of service targets. For example, while improvements have been made between 2004 and 2007 in terms of network rollout to 7 400 villages, rolling out 4 000 km fibre, migrating to IP-based broadband network; the mobile and fixed line targets were not met<sup>13</sup>. The regulator has not been able to take action even if the incumbent misses these targets or customers complain continually about the substandard services. Both the ETC and the ETA belong to the same Ministry of Transport and Communication that acts as the owner and regulator of the communications infrastructure in the country. This made very difficult for the regulator to take any action against missed targets and consumer complaints.

In 2008, a new legislation was drafted by the Ethiopian Telecommunications Agency to provide it with further powers to regulate the incumbent and take legal actions against unfulfilled performance targets. However, the regulation did not go through to parliament and Council of Ministers.

The regulator undertook a study on consumer protection and customer complaint handling procedures as part of its Business Re-engineering Process (BPR) initiative in 2007.<sup>14</sup> The study reviewed global best practices from countries such as Australia, Barbados, Malaysia, New Zealand, Tanzania and United States and domestic consumer protection procedures, regulation and codes of practices in utility companies such as

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<sup>12</sup> Council of Minister's Regulation No. 10/1996, [http://www.telecom.net.et/~eta/Proc\\_No\\_10\\_1998.htm](http://www.telecom.net.et/~eta/Proc_No_10_1998.htm)

<sup>13</sup> Lishan Adam, Telecommunications Sector Performance Review, 2007, [http://www.researchictafrica.net/images/upload/07\\_%20Ethiopia.pdf](http://www.researchictafrica.net/images/upload/07_%20Ethiopia.pdf)

<sup>14</sup> Ethiopian Telecommunications Agency, A study on consumer complaint and consumer complaints handling procedure, 2007 (Amharic version)

electricity and water distribution agencies in Ethiopia. The study recommended for strengthening the ETA's capacity in handling consumer rights issues. Consequently, the ETA has established a Consumer Affairs Department to look after consumer rights and complaints. The department is intended to:

- Increase the awareness of consumers on the types of services available, obligations and rights,
- Put consumer complaints resolution mechanisms in place to hold the ETC accountable to consumers for delivering the services.
- Promote consultation with consumers with regards to service offerings and regulatory decisions.

There has been some progress with consumer rights and complaint handling process following the establishment of the consumer department at the ETA. A compliant handling procedure where complaints are registered, investigated and forwarded to the ETC for redress has been put in place. Training and consultation were held with the customer support staff of the Ethiopian Telecommunications Corporation. The incumbent was able to strengthen its consumer affairs unit and publish price information for all its services on its website ([www.ethionet.et](http://www.ethionet.et)).

Some progress was also made in pricing of the communications services. The ETC cut its tariffs for broadband access, SIM cards and dial up Internet in 2009. However, the reduction of prices was arbitrary often a surprise to consumers.

### **1.3. The Legislative Context of Consumer Protection**

Although the protection of consumers is enshrined in the Ethiopian constitution, in practice there is no systematic framework to protect consumers. Article 26 sub article 2 of the Constitution states that “everyone has the right to the inviolability of his notes and correspondences including postal letters, and communications made by means of telephone, telecommunications and electronic devices.”<sup>15</sup>

Ethiopia has neither integrated Consumer Protection Policy nor consumer right law that deals with communication issues. Consumer issues are addressed through different regimes like the penal code, civil code, trade law and other specific regulations. The Ethiopian Civil Code provides laws that ensures that the products (and services) procured by consumers are safe, the quality is up to their expectation, and the contract terms are fair. The national standard authority deals with consumer goods but has not established quality of services standards for the telecommunications sector. Moreover the existing laws are too old and do not take contemporary consumers issues such as communications rights into the account.

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<sup>15</sup> Constitution of the Federal Democratic Republic of Ethiopia,  
<http://www.ethiopiafirst.com/Election2008/Constitution.pdf>

The absence of strong legislative framework for ICT and the lack of competition policy was further exacerbated by absence of consumers association who actively advocate for their rights. Efforts by the Ethiopian Consumer Protection Association (ECoPA) to produce Consumer Protection Law, based on United Nations Guidelines on Consumer Protection have not borne the desired fruit<sup>16</sup>. A draft consumer policy was drawn up by the ECoPA, but this was not endorsed by the government.

In the absence of consumer protection law and strong consumer association, the right of consumer in the communication sector has not been adequately addressed. This study makes evident that consumer related issues in communications have determinant effect on the competitiveness of individuals, enterprises and the nation as a whole and need to be addressed squarely by the government and the regulator.

The study aims to discuss consumer right issues from the perspective of communications users in Ethiopia with focus on fixed line, mobile and Internet services. It presents the findings of a qualitative study of consumers.

This study has the following objectives:

- Understand broader consumer issues with regards to communications in particular with mobile phone, main lines and Internet services in Ethiopia,
- Review the degree of confidence, knowledge and perception on the level of protection in relation of consumer rights in communication services,
- Understand the level of awareness of consumers rights and responsibilities by consumers and other stakeholders in particular the level of satisfaction

The analysis seeks to identify policy, regulatory, legislative and awareness interventions needed to address consumer issues in Ethiopia. It aims to provide a detailed insight into the different experiences of consumers in the communication sector.

The remainder of report is divided into six part. The next section (section 2) deals with the methodology of the qualitative study. Section 3 discusses the findings of the qualitative interviews and focus groups. Section 4 provides conclusion and areas of policy and regulatory action.

## **2. Methodology**

The qualitative survey was conducted in Addis Ababa between June and August 2009. Qualitative interviews covered consumers' perception and understanding of the operators and their services, areas of dissatisfaction with the services including cost, network quality, coverage, billing process, equipment problems, complaint handling process, perception on the role of different actors and recommendation to improve the existing

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<sup>16</sup> New Consumer's Policy draft discussion, [http://www.capitalethiopia.com/archive/2007/december/week2/local\\_news.htm#2](http://www.capitalethiopia.com/archive/2007/december/week2/local_news.htm#2), see also Geberemedih Birega, Country Paper on Competition Regime: Capacity Building in Competition Policy in Eastern and Southern Africa, Unpublished, 2007

service. The survey was also intended to understand consumer awareness of their rights and their abilities to claim their rights. Focus groups were held in order to validate the findings of the interviews and provide more insight into the implications of gender, geographical, economic, educational differences in consumers' understanding of their rights.

Twenty four participants drawn from private sector, academia, civil society and the public sector were involved in the study. The interview sample was purposive with the aim to secure a reasonable demographic spread of the consumers of telecommunications services. Table 1. lists the participants in the survey.

Field	Gender	Age Group	Employment for (years)	Marital status	Area
IT manager, public sector	Male	25-34	<15	Single	Bole
Government Employee	Female	18-24	<15	Single	Yeka
Telecentre user	Male	18-24	<15	Single	Gerji
Network Manager, Software firm	Male	18-24	<15	Single	Bole
Technical manager, a college	Male	35-44	<15	Single	Gerji
IT Technical manager, University college	Male	25-34	<15	Single	Sidit kilo
Network Manager, Private Bank	Male	35-44	<15	Single	Temenja yaj
IT manager, Development Bank	Female	35-44	<15	Single	Temenja yaj
Head of network, Addis Ababa University	Male	25-34	<15	Single	Sidit kilo
Unemployed woman	Female	25-34	<15	Single	Lafto
Systems analyst	Female	18-24	18	Married	Bole
Director of programme, NGO	Female	35-44	15-18	Married	Yeka
Medical student	Female	18-24	<15	Married	Saris
Director of ICT operations, Bank	Male	35-44	18	Married	Beklobet
Director, software company	Male	18-24	<15	Single	Gerji
Business woman	Female	35-44	<15	Married	Lafto
Student, Medical	Female	18-24	<15	Married	Piazza
President of IT college	Male	35-44	15-18	Married	Bole
IT manager, private company	Male	25-34	<15	Married	Sidit kilo
Mobile services head	Male	18-24	<15	Single	Piazza
Network manager, private enterprise	Male	35-44	<15	Married	Bole

Government Employee, head of ICT standard	Male	35-44	15-18	Married	Lideta
Systems developer	Female	25-34	<15	Married	Piazza
IT Instructor	Male	25-34	<15	Married	Bole
Academic/scientist	Male	25-34	<15	Single	Hayahulet

Table 1. Profile of Survey Participants

The sample included 9 female and 15 male participants. Although it was planned to have equal men and women, it was observed that women in Ethiopia lag very much behind their male counterparts in accessing to the new technologies. A survey conducted on mobile phones and livelihoods in Ethiopia has shown that even if women buy or receive cell phones they tend to give it to their husbands or male family members. The survey took the male domination of communication services into the account.

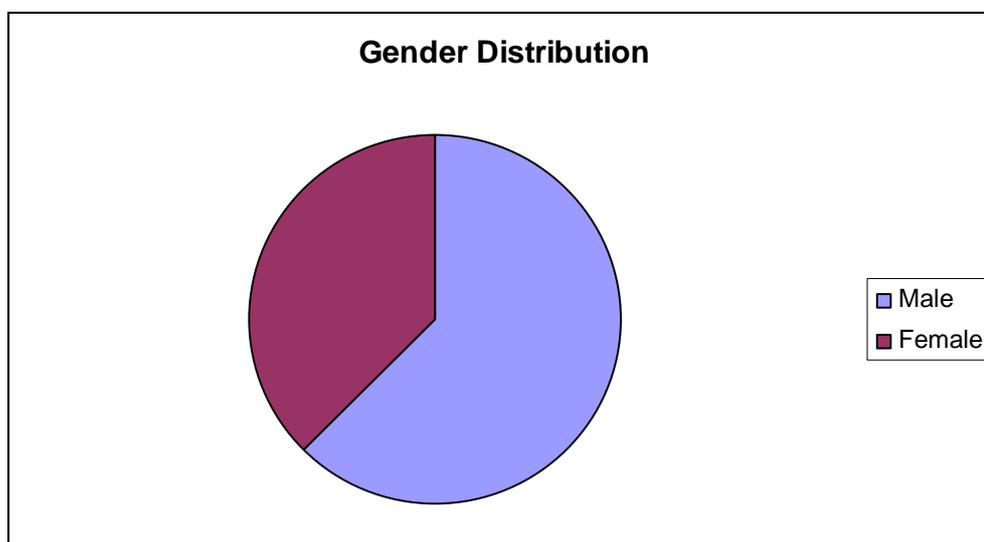


Figure 1: Gender distribution of survey participants

The interview covered those who are relatively young and employed. The age distribution took the fact that technology adopters often fall between 18 and 44 years. The age group was further divided equally into three categories of communications users.

- Enthusiastic communication users: usually younger consumers (aged 18 to 24) who tend to be knowledgeable about new services and technology and engage more heavily with advanced mobile and Internet services,
- Technology adopters: Those who fall between 25 and 34 years of age and who tend to use communications technology for day to day business,
- Mainstream followers: Those who fall within the age group between 35 and 44. This group tends to keep up with services on a required basis but are less likely to proactively seek knowledge about new technology and services and complaints

about consumer rights.

Figure 2 shows age distribution of the sample that is fairly represented among the three age groups.

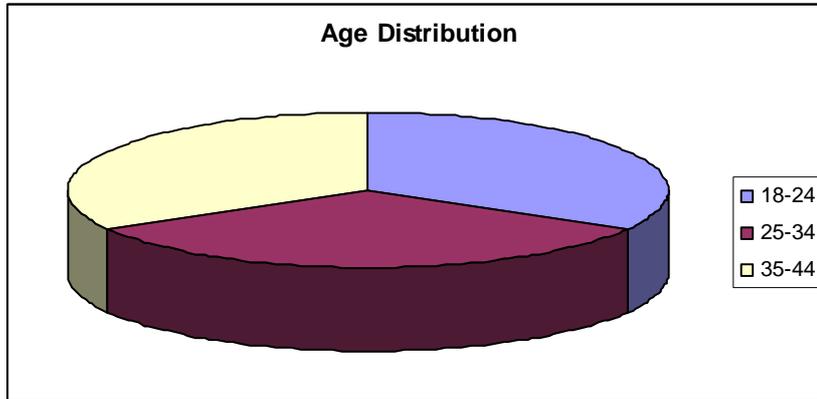
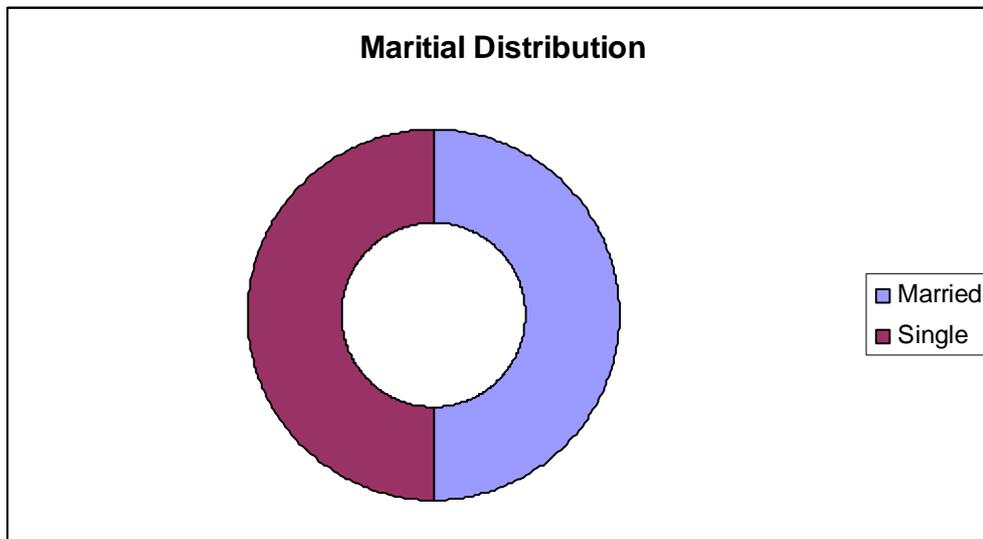


Figure 2: Age Distribution of survey participants

The marital status is another factor that was considered in order to collect different opinions of consumer right issues. Twelve of those interviewed were married and equal number were single.



The interviews focused on the following issues:

- Operators and their services including prices of services offered by different service providers. In the absence of competition, it was not possible to analyse the services offered by different operators,

- Consumer issues such as satisfaction with the quality of the network and services provided by the operators. This includes the degree of satisfaction with pricing, coverage, billing, etc.
- The complaint made and the process of resolution of complaints.
- Consumers' understanding of the role of policy makers, regulators, consumers and operators in improving consumer rights,
- Consumers' recommendation to improve the services.

Two focus groups were held in different locations in Addis Ababa to validate the result of the interviews and to discuss the impact of gender, education, employment on consumer rights. The focus group discussions were conducted among consumers aged 18 and over who were selected on the basis of age, gender, employment and educational achievements. Focus group respondents were recruited from a random sample, with each group containing six participants.

### **3. Findings: - Consumer Issues in Communication Services in Ethiopia**

#### **3.1. Comparative Analysis of Different Services**

The monopoly over fixed, mobile and Internet services implies that there are no alternative options for consumers in Ethiopia against which they compare service and prices. However, there is a general understanding of the low quality of service compared to what is available to the consumers in other countries. Some of the interviewees have traveled abroad and experienced different level of mobile and Internet services in other countries. Overall, the service provided by the Ethiopian Telecommunications Corporation was regarded as inadequate compared to offerings in other countries.

*I watch TV and hear from friends that there is a good competition in Kenya and Sudan. It would be better if the government opens up the market. That way we can have competition between two or more operators and the prices will fall. Tele (ETC) will be more active and effective. (Network Manager, Private Bank)*

#### **3.2. Major Consumer Issues**

Low network quality and high prices were top on the list of consumer issues in communications in Ethiopia. Complaints regarding fixed line and the Internet were somewhat fewer than those of mobile services. The major complaint of mobile services include network congestion and call drops, lack of network coverage, high price of SIM cards and high tariffs and lack of adequate billing information.

##### **3.2.1. Mobile Networks**

The main complaints about mobile phone are limited availability of SIM cards, poor network coverage, frequent call drops, poor voice quality, call congestion and high call tariffs. The limited access to mobile SIM card implies that getting access to mobile

network is one of the key consumer complaints in Ethiopia. The demand for mobile access far outstrips the supply therefore it is generally difficult to get access to SIM cards particularly outside of the capital.

*“I wanted to buy a SIM card for a family member but they told me that SIM cards are not available.” (System Analyst)*

Network coverage is regarded very poor in areas outside of major town and major highways. The vast majority of Ethiopia has yet to be covered. Mobile signal is available at less than 10% of the country. According to the interviewees there is limited option for accessing to mobile network outside of Addis Ababa.

*“I have difficulty to connect to the network on Jimma road. Most areas have no coverage at all.” IT Technical Manager, University College*

Network coverage is a problem even in the areas that have some access to mobile signal.

*“I live in an area called Kolfe in Addis Ababa. I do not get a signal and no one can reach me there. I have to walk for sometime before I get a signal.” (ICT Manager, Ministry)*

Call congestion is a major phenomenon that leads to frustrating attempts to get connected. The temper of most of the interviewees was found very high when it comes to call congestion of the mobile network.

*“I am tired of calling Lafto and Mebrat Hyle area in Addis Ababa and Wonji area outside of the capital. I cannot reach my clients outside of Addis Ababa especially in Awassa and Nazerth. No network coverage in Illubabor where I often call.” (Programme Manager, NGO)*

*“I cannot connect to the network even if I try so many times. I receive error message that says “the subscriber you have dialled is not available” “ all lines are busy” “network busy” most of the time.” (Student, Medical)*

*“Network congestion is unbearable. I cannot get access to friends and family during day time and weekends when everyone is busy calling. Forget calling someone during holydays. I reverted to calling some friends in the evening or early in the morning.” (unemployed woman)*

The lack of coverage and network congestion implies that there is often confusion whether the problem is actually access to the network or call congestion. One interviewee indicated that he wanted to call a friend nearby, but the message he got was that the cell phone of his friend was switched off.

*“I got an error message indicating that my friend has switched off his handset although I knew he didn’t. The message you get from the operator is confusing.” (Mobile Maintenance Services Head, Private company)*

The absence of electric power in 2009 was also blamed as a major cause for the poor network quality and call congestion. The rationing of power in 2009 was one of the major hurdles that the consumers faced and had impact on their communications.

*“Mobile network is dependent on electricity, therefore it is difficult to have signal when the power is off. The ETC should ensure that they operate the network on 24/7 basis.” (Director, Software Company)*

Call drops are also common during conversation. Although this varies from place to place, some interviewees felt that call drops are the last thing they would like to experience during conversation.

*“Call drop during conversation makes me unhappy as I sometimes feel that I was the one who is guilty of breaking the conversation.” (unemployed woman)*

The mobile service is regarded as generally free from cross-talk compared to fixed line. However, some interviewee expressed that they hear echo specially during long distance calls.

*“I did not have a problem with cross-talk, but I get echo when I talk sometimes for a long distance calls. I do not want to hear my own voice. It makes me nervous and I cannot talk well when I hear echo on the network. (Academic/scientist)*

The survey showed that there was a mixed feeling with regards to mobile tariff. While some said the current tariff was too expensive, the majority indicated that local calls are cheap. There was a consensus that long distance and international calls are expensive.

*“Cost of communication is not high for me as I am not calling out. I just send “please call me” message to friends and the call me back.” (Medical Student)*

Some interviewees indicated that there is little innovation with regards to pricing of services to attract customers. The ETC does not have attractive packages and special tariffs for specific target groups or for specific usage. There are no bundles. The gap between demand and supply implies that the operator has focused mainly on expanding access than increasing the value of the network for its customers.

### **3.2.2. Short Message Services**

The short message service (SMS) is largely underdeveloped in Ethiopia due to lack of phones that are capable of sending the Amharic scripts. Although some of the local languages such as the “Oromiffa” that are widely spoken use the Latin alphabet, SMS has not picked up with the same vigour in other countries.

Mobile phone ownership of young people is relatively low and SMS is not widely adopted by the youth. The high charge of international SMS cost is one of the major deterrent to adoption. SMS costs about \$0.03 cents for local calls and \$.5 cents for international calls.

*“Cost of SMS 0.30 cents is affordable for me, this does not mean it is cheap for many people. Sometimes the SMS message is not delivered. I pay for the service even if the message is not delivered.” (Director, Software Company)*

The interruption of SMS service over two years and the absence of innovative products such as mobile banking are the other factor for its slow adoption. The lack of handsets with local language implies even if the applications are available they should be localized to the widely used Amharic language.

### **3.2.3. Third Generation Mobile Services**

The ETC introduced wireless broadband service based on CDMA and HSDPA in 2008. Although the take up for network services was slow at the beginning, it did pickup in 2009. The high pent up demand for network services means that those who use CDMA currently can afford to pay for the network. The major complaint was that the service was not available in most areas and the quality was getting bad gradually.

*“CDMA is affordable but the network does not work in most areas of the capital. The quality is getting bad. The coverage of mobile wireless service very limited. They should improve broadband wireless services” (Network Manager, Public University)*

Some of the interviewees felt that the ETC staff lacked knowledge of how to deal with some of the most basic problems for its Wireless CDMA links.

*CDMA service is better than dialup access but the ETC staff is not well trained on mobile broadband services and unable to explain to consumers how to setup one. It is a trail and error process. I have to rely on friends to get it right. (Director, Software Company).*

### **3.2.4. Dialup Internet Services**

The number of dial up Internet users has improved significantly over the last five years. The reduction of Internet access tariff and increasing awareness of the benefits of the Internet has fuelled its wider use. Internet coverage is limited to the major

towns and some customers from rural towns have to travel to Addis Ababa or major towns to get access to the Internet.

*“The problem with Internet is coverage, we do not get Internet access or go to cyber café in our area. I have to come to the city centre to get some access and send email.” (Telecentre User)*

The standard of Internet services was regarded very poor. The installation and reconnection time takes is too long with ongoing call drop and slow connection.

*“My dialup Internet is too slow during the day. I cannot transfer large files, but wait for the evening to send off the file. I cannot download software because the network is extremely slow.” ( Systems Analyst)*

Some interviewees felt that the slow internet connection and frequent disconnection are responsible for the high bills they incur every month.

*“Internet service often difficult to access. Cost of service is too expensive. Internet is always busy and slow. I get connected but no transmission occurs most of the time. As a result I have to pay too much for the service not used” (IT Manager, private company)*

One interviewee doubted the technical competence of the ETC staff arguing that ongoing disconnection may have to do with lack of expertise to manage a smooth network.

*I doubt the technical capacity of the Internet service provider. Internet service is not smooth, the network is slow and often difficult to get connected. (Network Manager, Public University)*

The power blackout and rationing of electric in 2009 and regular use of earthmoving equipment for road construction were also blamed as a main cause for disruption of Internet service that resulted in loss of thousands of dollars.

*“Power supply is important. It is difficult to use the Internet without energy.”, (IT Instructor)*

*My service was disconnected due to road construction. The ETC and the municipality do not work together. Cables were cut off when new roads are built and we are without network service for almost a month before they restored it. No one apologized for the service interruptions. (IT Technical Manager, University College)*

### **3.2.5. Broadband Services**

The demand for broadband service has been slow until it picked up in 2008 and 2009. Access to broadband fiber and wireless network outside of the capital and major towns is the key challenge for expansion of broadband services.

*“We were trying to set up broadband networks for our clients out of Addis Ababa, but no network exists.” (Network Manager, Software firm)*

There is a consensus that broadband service was improving recently, although consumers are still experiencing slow connection and disconnections. The majority of institutions use shared broadband networks where the traffic fluctuates during the day based on usage.

*“Our broadband service faces ongoing disconnection without notice. Packets drop regularly and the connection is too slow. Both the network and the quality of service fluctuates. It is worse during the day, better in the morning and the evenings, Sometimes we get a good connection in other cases the network gets slower.” (Network Manager, Software firm)*

The maintenance of broadband services was regarded as one of the major area of weaknesses of the incumbent. Institutions such as banks and the universities cannot afford disconnection of services for longer period. The experts in these institutions felt that restoring broadband service after disconnection is their main preoccupation.

*“It takes about a week to rectify our broadband problem. The staff of the ETC tries to resolve our problem, sometimes by changing routers and cables. In general it takes them quite a long time to rectify the problem. I think they do not have adequate skills in complex network troubleshooting.” (Network manager, public university)*

*“I think there is limited awareness by the ETC with regards to the role of communication for business. We are running a mission critical service heavily dependent on good communication. Disruption of the network will not help us and them (from the revenue point of view). (IT Operations Manager, Private Bank).*

The ETC charges monthly fee even when the network is down for a longer period. The low quality of service means customers are forced to pay for the network even if the connection was down for two months. The absence of a One Stop Service where broadband customers file complaints and pay for services was considered as the main problem.

*“Once upon a time we have had network disruption for two month and we were forced to pay for the time we have not used the network. The ETC does not have a one stop service for billing and technical support. It should establish a one stop service to ensure that customers do not pay for services that was not used for a longer period.”, (Network Manager, Software firm)*

*“Cost of broadband service is too high. We pay for services which we have not used due to cable disconnection, disruption due to road construction or regular power outages. It is frustrating to pay for such a low quality of service” (Network Manager, Private Bank)*

One network manager argued that the absence of Service Level Agreement (SLA) with the ETC was one of the reasons for inefficient service.

*“The contract with ETC is not binding to them although we are bound by the law to pay for the services. The operator has not signed for delivery of good quality of service.” (IT Operations Manager, Private Bank)*

### **3.3. Compliant Handling Process**

Most of the participants in the interview indicated that they have filed complaints with the ETC and had mixed experiences. Complainants felt that the quality of response from the operator varied considerably depending on the complexity of the problem. The key complaints ranged from changing a SIM card, complaining for inaccurate billing or faulty broadband connection. The more the complex the problem, the less the ETC was forthcoming in redressing their complaints. Inefficiencies and mistakes on the part of the operators were often exacerbated by an inappropriate attitude from customer service staff and reluctance to accept responsibility for errors.

*“I lost my SIM card and made complaints to the ETC face to face and they handled that relatively fast. I paid 25 birr and it took them a day to restore my service.” (Medical Student)*

*“My SIM card has not been working for sometime. I had to queue to get a new one. It took about one and a half day to restore my service even after I paid for the SIM card. If I buy a SIM card, access should be automatic. The absence of service over the weekend also left me without access to communication for sometime”. (IT Technical Manager, University College)*

One interviewee said that he had suffered bad experiences with the SIM card complaints process because the SIM card was malfunctioning due to network technical error.

*I complained about a malfunctioning SIM card caused by the operator’s technical fault. They did not apologize. They said I should pay 25 birr to get a replacement. I do not know why I should pay again for a malfunctioning SIM card? They should issue it for free.” ICT instructor*

The ETC generally insists that customers present in person to file complaints. This has been a waste of time for most of the interviewees. Telephone complaints are used mainly for reporting maintenance problems. The outcome of telephone complaint filing process ranged from discourteous or unhelpful staff to lack of technical expertise to understand the problem of the complaint.

*“ Most of the time I have to go to the ETC service station to resolve a problem with billing or disconnection from their network.” (Network Manager, Software firm)*

*“I have made complaints by phone and face to face about maintenance of our broadband services. Sometimes it is difficult to know whether the problem can be resolved. The person you talk to often pass the problem to the other and so on therefore no end is in sight.” (IT Manager, Public University)*

Broadband service related complaints are the most widely cited with relatively limited redress. The consensus among complainants was that most of the ETC staff did not have sufficient knowledge to deal with the broadband related problems.

*“We have complained about network disruption when there was disconnection for almost a week, but the ETC failed to restore the network citing that the disruption was due to international fiber link.” (Director, Software Company)*

*“The Bank complains about network disconnection. The ETC often restores the service on time. In some cases it takes days. That is lost business. However, there is some improvement about services in recent weeks.” (ICT Operations Manager, Private Bank)*

Corporate customers noted despite the low quality of network in 2008, they have seen some improvement in broadband services in 2009. The ETC has initiated a customer support effort for its broadband network in 2009. However, this did not resolve the underlying problem with broadband network.

*“The ETC customer service department gave us a brochure about their broadband service and whom to call. I wish they should have a similar level of customer service for fixed and mobile networks. I do not think the brochure will solve the problem.” (IT manager, Ministry)*

The absence of broadband consumer forum was cited as a reason for lack of well designed consumer complaint handling process. The effort to bring broadband users together and complain in one voice has not been successful.

*“Forum has been created to air our views with regards to broadband services. However, the forums lacked continuity and have not been sustained.” (ICT Operation Manager, private Bank).*

In sum, the interviews indicated that despite some improvement, there is strong evidence to suggest that current processes for complaints handling for the fixed, mobile and broadband services has not been that effective.

### **3.4. Knowledge of Rights**

The discussion during the interviews indicates that consumers have become savvy and most of them are aware of some basic consumer rights for telecom services. The most important rights are the rights to:

- Obtain information about the scope of services provided by operators,
- Obtain adequate quality in services complying with international standards and standards defined by the regulator,
- Obtain non-discriminatory access to communications by paying fair prices,
- Make subscription agreement with the operators providing telecommunication services,
- Access clear, detailed and current information about tariffs and tariff packages,
- Get informed before the tariff packages go into effect,
- Demand being anonymous or not in the publicly open directories,
- Use directory services free of charge and/or by paying price and right to be enrolled in subscriber directories without discrimination,
- Obtain information about emergency numbers and right to access these numbers free of charge,
- Demand itemized billing where technically possible,
- Demand limiting some kinds of the calls from his/her telephone,
- Demand non-discriminatory practices in eliminating break downs except the cases related with health, fire, disaster, security and emergency,

Interviewees felt that know that they are entitled to most of these rights in particular the right to get access to affordable voice and Internet services. They are aware of the fact that ETC's network should meet international standards and if not they should be compensated for loss of business, time and opportunity. They are all aware that telecom service providers have the obligation to provide regular, accurate and timely bills to consumers. However, there is somewhat a sense of powerlessness against the monopoly of service and lack of choice.

*“I know my rights, but cannot do much about it. It does not get any better even if I complain.” (Head of IT Standard, Government)*

Other felt consumer education is a key to improve the awareness about rights.

*“I do not think we know our rights fully, as there is no consumer education. We complain when there is a problem.”, (IT Manager, Private Company)*

### **3.5. Awareness of the Role of the Regulator**

The response to a question “Do you know the telecom regulator?” ranged from surprise about the existence of a telecommunications regulation and acknowledgement of the weakness of the regulator. The idea of telecom regulation sounded strange to most of the

interviewees. The majority of the interviewees have not heard of the existence of a telecom regulator. A few that knew about the Ethiopian Telecommunications Agency felt that the regulator is ineffective and unable to regulate under a monopoly setting.

*“I do not know if there is a telecommunications regulator and what they are doing.”, Systems Analyst*

*“I know the ETA but do not actually understand what they are doing...” , IT instructor*

*I know the ETA and their role. I am not sure if they are that active in fulfilling their mandates. I do not expect them to regulate under a monopoly. The regulator does not have the necessary power to assume its role. (Director, Software Company)*

It is evident that the regulatory process is not conveniently accessible to the public and the ETA is not well known.

### **3.6. Recommendations for Different Stakeholders**

The high degree of frustration with the current services indicates consumers are aware of what is best for the sector, the operator and the government. Interviewees recommended the following improvements in order for their rights to be protected and the sector becomes effective.

#### **3.6.1 What should the Government do?**

Interviewees felt the monopoly of communication services is the root cause of the problem. The introduction of competition was felt as the most important step to improve the quality of service and lower the costs of communication. However, there was apprehension whether the government is actually aware of the cost and benefits of liberalization.

*The government should liberalize the service gradually specially the Internet and mobile services. Government should consider managed liberalization similar to what they did to the banks. (Network Manager, Private Bank)*

*“I suggest that the government introduces competition in the communication sector. Competition could result in innovation and better service to consumers.” (IT Technical Manager, University College)*

Others felt that some of the value added services and innovations should be opened for the private sector. One interviewee went on to indicate that the incumbent telecommunications can gain a lot by teaming up with corporate consumers such as banks

to launch innovative services. This would not only improve choices for consumers but also increases the incumbent's revenue base.

*“There are options for private sector to use the mobile service more innovatively. The government should encourage money transfer and other innovation by allowing the banks and the telecom company working hand in hand.” (IT Operations Manager, Private Bank)*

Some interviewees noted that besides opening up the sector, the government should play a key role in expanding access and bringing the prices of network down. Government policy should focus not only on physical access to broadband and ICTs, but also on affordability, awareness and training, and effective use by local communities.

### **3.6.2. What Should the Operator do?**

Improvement in ETC's network and switching capacity as well as quality of service were singled out as the main areas of focus to enhance the quality of service to consumers. However some felt that the quality of service may not improve under the current setting since monopoly is prone to substandard services. The consensus was that the incumbent operator has a lot of room for improvement of its current services.

*“The ETC does not seem to have the right equipment. The quality of switches is very bad. There should be enough switches to accommodate the number of customers the incumbent is signing on.” (Network manager, Public University)*

The pricing of mobile and Internet services was regarded competitive, however some felt the current tariff did not take the social and economic condition of the vast majority of consumers. Therefore there is a need for reduction of mobile and broadband Internet tariffs. Interviewees also suggested innovative pricing of ETC's products including bundles for students and smaller denominations for mobile phones.

*“Price reduction is essential as this provides more incentive for network usage. This is particularly important in the area of broadband services”. (Network Manager, Private Company)*

There was a strong feeling about lack of highly skilled staff at ETC in particular with regards to advance network and project management, network troubleshooting and customer services. Interviewees suggested that the ETC should build a critical mass of highly skilled technicians, managers and customer service representatives.

*“The human resource of the ETC is not capable to address advanced network technologies. I do not think they have enough highly qualified technicians. The quality of staff needs to be improved.” (IT Instructor)*

*“The staff of the incumbent operator has not been trained in customer services. They do not see customers are important and bring value to the organization. I think they should be trained on customer handling.” (Systems Analyst)*

*“The staff of ETC should know their services well. They should be trained about the functionalities of different services including broadband wireless networks. Competency of staff is one of the failures to provide a good quality of service. Competence cannot be achieved without a significant investment in training and hands on experience. Staff should be hired based on merits and expertise.” (IT manager, private company)*

Others felt that the ETC is “doing everything”. The vertical integration of the incumbent and large staff base makes it very inefficient. It is therefore essential for dividing the ETC in different segments. One interviewee argued that the ETC should outsource some of its services such as Internet and bill collection. The operator should forge relationships with corporate consumers. Corporate consumers like Bank can come up with innovative solutions that improve its revenue.

*“Some of the services of the ETC such as Internet, bill collection should be outsourced.” (Network Manager, Private Bank)*

One frustrated interviewee suggested that there is a need for proper urban planning that brings all utility companies such as the road authority, electric company and the water and sewerage authority together in order to avoid cable plundering during constructions.

*“I suggest that there is some cooperation between the telecommunications company and the road authority. The cables should be moved prior to road construction. Customers should not suffer.” ( Director, Software Company)*

Complainants were very consistent in terms of their recommendations for handling complaints. Recommendations included:

- Responding to queries promptly;
- Demonstrating an understanding of the problem by offering more than a basic response;
- Apologizing where appropriate rather than implying that the customer was somehow at fault;
- Giving honest answers as opposed to fobbing customers off with excuses;
- Complying with agreed times and dates;
- Making follow-up calls after the problem is resolved, to demonstrate an appropriate level of customer care.

Finally, the interaction between consumers and the operator was underscored as an important aspect for improved consumer protection. Consumer education and forums that

address their grievances would help the ETC to act on consumer complaints, adjust its services to the needs, ensure that its operations are effective.

*“Consumer education is an important solution to some of the problems that the ETC has now.” (IT Manager, Public Bank)*

*“I suggest that the telecommunication company work with users and involve them on regular basis, hold users workshops or forums.” (IT Manager, Ministry)*

### **3.6.3. What Should the Regulator Do?**

The low level of awareness of telecommunications regulation among the participants was reflected in the recommendations made to the regulator. The main recommendation was that the regulator needs to be empowered in the first place to assume its consumer protection duties including the development of regulation on consumer protection and monitoring compliance.

*“The regulator should be empowered.” (Director, Software Company)*

It was felt that the regulator can do more even under the current constraints. Interviewees felt the regulator needs to ensure that the Service Level Agreements are signed between the operator and corporate consumers and a service charter is established by the ETC to enable ETC’ customer service staff deliver high quality service to its customers.

*“The regulator should force the signing of SLA with cooperate customers.” (Network Manager, Private Bank)*

The other area where the regulator can improve its intervention was in researching consumer issues. One interviewee felt that a good research capacity of the regulator is essential for setting appropriate tariff instead of the current practice where tariff is set arbitrarily by the incumbent. Other areas where research can be conducted include network coverage and Quality of Service.

Consumer education, increasing interaction with consumer and the provision of information for consumers was also regarded as an essential activity of the regulator to improve its consumer protection efforts. In the absence of strong consumer association, some felt that the regulator has a major duty to represent the consumers and provide them with the tools and information they need to confront the operator.

*“Consumers should be able to know what services are available and how to get those services without hassle.” (Business Woman)*

## **3.7. Focus Groups Results**

The purpose of the focus group was to explore major issues that have emerged from the interviews and to identify possible solutions. The underlying theme was to illuminate issues and gain insights into participants' understanding and perceptions of consumer rights and more specifically the impact of illiteracy, gender, geographic location and income on consumer awareness of consumer rights.

The focus group discussions highlighted the broader challenges that were addressed in the interviews. Preliminary discussions focussed on major consumer complaints concerning network quality, complaint handling and awareness of the role of the different actors. The conversation then went on the impact of literacy, gender differences and economic and social factors on consumer voices.

Literacy was regarded as important for usage of network and understanding of consumer issues. The level of education is one of the socio-demographic characteristic that has an influence on consumer satisfaction. It is expected that the more consumers are educated, the more they tend to be satisfied with the communication services and the less they complain. On the contrary, the observation during the focus group discussion showed that the frustrations increased with the level of education.

Those who are well educated indicated that they have more complaints about Internet, broadband and mobile services. The complaints of less educated were fewer than those of well educated. Regular mobile network congestion, lack of signal reception, poor quality of customer services were some of the factors of dissatisfaction of those which were educated. Internet issues include low connection speeds and quality of service. Inadequate mobile signal reception and limited information about tariffs were the key complaints of those which were less educated.

The high degree of dissatisfaction with communication sector across the board shows that both the literate and illiterate consumer indicated that they know their rights but they are powerless to make changes. In the absence of consumer protection and complaint redress process, their hope is that the government may open up the sector and bring about choice and quality in the communication service.

The focus group has showed that there is not that much gender difference between men and women with regards to complaining about quality of service. However more discussions revealed the wide variety and often multifaceted nature of many of the complaints. For many of these complainants, what began as a single isolated problem became more complex. For example, it was revealed that women are generally the victims of theft of mobile handsets. Therefore more women are likely to have visited the ETC service stations for new SIM cards. Network managers in the institutions are generally men, therefore there is a tendency for men to complain about broadband services compared to women.

Information from focus groups indicated consumers in rural areas and small towns are not fully aware of the range of communication option and therefore do not use the phone for anything other than voice calls. Therefore the scope of complaints was limited to

problem related to network quality such as congestion, call drop and lack of coverage. It was also revealed that rural consumers are more cost conscious compared to their urban counterparts, therefore they are likely to feel the heat of high tariffs. Group discussion indicated that those who access phones in rural areas relatively well resourced entrepreneurs who pay for communication services even if the cost is high.

The hierarchical nature of the ETC's operation makes it difficult for rural consumers to complain directly. They have to first go to the nearest service station where they file their complaints. The decision has to be made elsewhere where they have no power to influence; therefore they are at the mercy of redress they get from that particular service station. Informing rural and small customers of their rights and improving the quality of service at service station level were suggested as a key step towards improving their situation.

Focus groups showed that urban consumers have more channel for complaining including news papers, radios and direct contact with ETC offices. In addition to network congestion and line drops they face Internet related problems such as slow connection speed and low quality of service. Therefore the complaints of urban consumers are wider than those of their rural counterparts.

The situation is far worse for corporate and high income consumers that rely on broadband Internet connections for day to day businesses. Focus group discussion indicated that high-income individual may work around problems by using multiple communication channels (fixed, mobile, Internet, 3G), but are often the most frustrated consumer compared to households and individuals. Consumers such as Banks, IT companies, International NGOs, academic institutions cannot afford to operate without Internet connectivity, therefore disconnection of the broadband link is their main preoccupation.

On the other hand, corporate consumers are the main revenue source for the ETC. Therefore their complaints are more likely to be heard by the operator. However, the discussion showed that corporate consumers lack a united front and often complain individually, therefore unable to make breakthrough with regards to obtaining the quality of service they are paying for. The initiatives by the ETA to enforce Service Level Agreement (SLA) and recent reach out by the ETC staff has not yet addressed the underlying problem of network quality of service, competence and customer service of high standard from the ETC.

The focus group discussion showed that the concept of communications sector regulation has not gained roots in Ethiopia. The regulator is largely unknown and many think that the incumbent operator should be responsible for consumer protection by reducing tariff and increasing its network capacity. A careful look shows that problem of consumer protection is far too deep and complex in Ethiopia. The weak regulatory environment, inadequate capacity of the judiciary and policy makers are some of the key factors. The general institutional environments, including the extent to which civil society participates in rulemaking and the strength of other institutions such as the judiciary and legislature,

have a direct bearing on consumer involvement in telecommunication policy and regulation.

#### **4. Conclusion and Recommendations for Policy and Regulatory Actions**

As argued consistently by the participant there is a direct link between consumer protection and the ability of the policy makers to ensure competitiveness of institutions, individuals and enterprises in the global market. In other words, Ethiopia's competitiveness cannot be met through the current vertically integrated market structure in the communication sector. Monopoly is neither desirable from the competitiveness individuals, firms and nations as a whole nor from the revenue that the government generates from the communication sector.

Experience in most African countries shows that governments fare better when they create an environment for competition and innovation than holding on to inefficient incumbents. In Kenya for example, the combined government tax revenue from the operators is close to \$1 billion. Sudatel is one of the most competitive operators in the African market. Nothing prevents Ethiopia to achieve a similar progress over the next decade, if careful policy choices are made in the communication sector.

Regulatory independence is a second important factor for improved consumer protection. Empowering the Ethiopian Telecommunications Agency is essential to ensure a fair deal for consumers and for it to act as impartial referees among all the stakeholders. The empowerment process would involve:

- Providing the ETA with distinct legal mandate to issue regulations in the consumer interests;
- Establishing an independent board of directors that steers the development in the communications sector;
- Appointing the regulator and board of director for fixed terms and protecting them from arbitrary removal;
- Exempting the regulating agency from civil service salary rules that make it difficult to attract and retain well-qualified staff;
- Providing the ETA with a reliable source of financing its operations.

The ETA also needs to enhance its legitimacy and independence by improving its competence in telecommunications policy and regulation and regulating in the public interest while promoting innovation and profitability of operators. The creation of an ETA board/council drawn from government, civil society, private sector would increase its legitimacy and independence. Consumer representation to the ETA board would also create a direct channel for feeding consumer input into the policy and regulatory decision-making process. This has to be complemented with the availability of consumer protection mechanisms, consumers service guarantees and consumer education.

The regulator needs to improve its complaint handling mechanisms to provide consumers with simple and accessible procedures for complaint resolution on all aspects of service provision. The process of consumer complaint redress should address both individual complaints and the underlying systemic challenges facing the communications sector in Ethiopia. This ranges from making the monopoly service provider accountable for low quality of service and the payment of financial and other compensations for the damages it causes to the business of the consumer in particular the corporate customers.

The ETA can make the operator accountable through enforcing the signing of Service Level Agreements that guarantees acceptable quality of service. A better customer handling and service charter that meets individual consumer needs should also be introduced by the operator in consultation with the regulator to enable ETC staff to adhere to a high level of customer service standards.

The ETA should also launch an ongoing consumer awareness program in order to educate consumers about their rights and obligations, obtain feedback from the public about their perception of the services and effectiveness of the consumer protection mechanisms. Print products such as brochures and Newsletters, radio and TV programmes with consumer content need to be developed to improve the awareness of consumers. The ETA web site should also be revamped to allow consumers to file complaints and to provide links to information from other consumer groups and agencies. It should also establish protection hotline or information and referral service staffed for consumer inquiries and complaints.

A regulation on consumer protection based on the experience of other countries would also provide opportunities for the ETA to improve its activity in this area. In addition, the ETA needs to establish performance indicators and set benchmarks to protect the consumers.

## **Annex: Survey Questionnaire**

### **IDRC - Empowering regulators to protect consumer rights in the ICT sector**

#### **Research methodology final**

##### **1. Core methodology**

The research will combine the following research approaches:

- 1.1 In-depth, face-to-face, one-to-one interviews to explore in detail the issues outlined below (45 - 60 minutes).
- 1.2 Focus groups to explore what might be done (in terms of choices) about the issues raised (90 - 120 minutes).

Both categories of interviews will be based on a selection criteria (see below) chosen. Please audio record all interviews, even those not conducted in English or French.

##### **2. Number of interviews**

The methodology is qualitative and the number of interviewees and groups reflect the budget allocated for the task. Each of the country researchers will interview a minimum of 24 individuals. The selection of the interview sample is purposive, aiming to secure a reasonable demographic spread of the consumers of telecomms services. It should be based on the following variables (numbers are guidelines):

Male: 12  
Female: 12

Young (below 40): 12  
Older (Above 41): 12

Rural: 12  
Urban: 12

Literate: 16  
Illiterate: 8

Low income\*: 12  
High income\*\*: 12

\* No regular monthly income or low monthly income

\*\* White collar, regular monthly income

Based on the findings of these interviews, the country researcher will bring together a focus group of 6 - 8 people largely drawn from the interviewees to look at how the particular issues raised in the interviews might be tackled.

So, using the literacy / illiteracy example, the focus group attendees might be asked to look at and comment on different solutions to tackling the issues raised that might be adopted by the regulator in partnership with consumer groups.

### **3. Protocol for the one-to-one interviews**

The interviews will cover the following ground in each case:

#### **3.1 Socio-demographic details**

Those interviewed should be asked to provide the following details about themselves:

Please tick the age category the interviewee falls into:

18-24 [ ]    35-44 [ ]    55-64 [ ]  
25-34 [ ]    45-54 [ ]    65+ [ ]

Gender of the interviewee:

Male [ ]  
Female [ ]

Age finished education:

Below 15 [ ]  
15 [ ]  
18 [ ]  
25 [ ]  
Over 25 [ ]

Job or occupation:

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Marital status:

Single [ ]  
Married [ ]

Where they live:

Name of village, town or city: \_\_\_\_\_

For city, name of district: \_\_\_\_\_

#### **3.2 Qualitative consumer information**

Interviewees will initially need to be asked to co-operate. The purpose of the research should be summarised, along with the value of their contribution. Anonymity should be guaranteed. Use a standard protocol to cover.

The substance of the interview is broken down into four main sections, viz:

***Understanding of operators and their services:***

This section asks interviewees to compare the different service offerings on the market. The focus is likely to be on mobile, given its market share, but other service offerings such as fixed, Internet access etc can also be covered.

- 1      What telecommunications services do you consume (Mobile? Internet? Fixed?)  
What is(are) your service provider(s) (ie who do you see yourself as a customer of)?
  
- 2      Which service provider in your country do you think provides the **best service** to its customers? Why? Explain.  
(Prompt: Quality of service (explain if necessary: dropped calls / call completion / voice quality etc)? Network coverage? Range of packages and offerings?)  
(Also record if interviewee does not know / does not have a view.)
  
- 3      Which service provider in your country do you think is the **cheapest**? Why? Explain.  
(Prompt: Starter packs? Contracts? Recharge vouchers? Minutes?)  
(Also record if interviewee does not know / does not have a view.)
  
- 4      Which service provider in your country do you think provides the **worst service** to its customers? Why? Explain.  
(Prompt: Quality of service (explain if necessary: dropped calls / call completion / voice quality etc)? Network coverage? Range of packages and offerings?)  
(Also record if interviewee does not know / does not have a view.)
  
- 5      Which operator in your country do you think is the most **expensive**? Why? Explain.  
(Prompt: Starter packs? Contracts? Recharge vouchers? Minutes?)  
(Also record if interviewee does not know / does not have a view.)
  
- 6      Where do your views come from? How do you know about the services of the operators and their quality of service / packages / pricing / coverage areas (as answered above)?  
How do you get this kind of information? Friends and family? Radio? TV? Newspapers? Company websites? Other?
  
- 7      Have you switched from one service provider to another? If yes, why? If not, why not?

***Consumer issues raised***

This section is designed to allow consumers to identify the issues of concern to them as consumers and where intervention by the regulator might increase consumer protection. Allow the interviewee to come up with issues they raise first and note the order in which they appear. The intention is to both cover the full range of issues, as well as to identify their prioritisation. Then take the list of issues below and prompt them on issues they have not already raised:

- 8 Would you say you are generally satisfied or dissatisfied with the service you receive from your service provider(s)? (see question 1)
- 9 What are the main **problems** you have with your mobile / Internet service? Please explain in each case.  
Prompt questions (if first answer is short / thin):  
Is the **cost** of service a problem for you as a consumer? Are prices too expensive? Are you being charged too much for what you get? Are prices too expensive for certain aspects of the service? (eg SMS?)  
Is the **quality** of service a problem for you as a consumer? Do you experience a lot of dropped calls? Do you have difficulty completing a call? Do you have difficulty calling from one network to another? Is the voice quality a problem? Do you find the network congested at certain times of the day? Are Internet service outages a problem?  
Is network **coverage** a problem for you as a consumer? Is there a lack of network coverage in certain areas? Where exactly?  
Is **charging and billing** a problem for you as a consumer? Are you being charged for things you think you ought not to be charged for? Are charges made sufficiently clear to you as the consumer? Is it easy to buy and load airtime?  
Is **equipment** a problem for you as a consumer? Handsets? Batteries? Computers? Modems? Etc?
- 10 Which one of the issues above would you single out as the most important / **main problem** (from the issues identified above)?

Conclude by thanking the interviewee for participating, and asking if they would be prepared to participate in the focus group (and take their details if they are).

***Consumer contact and complaints made:***

This section is designed to identify whether consumers are aware of when their rights as consumers have been infringed, and whether they aware of the channels of redress available to them, and if they have used these channels.

- 11 Have you ever used the customer help line of your service provider? If you have, why and what for? If not, why not? Were you satisfied with how you call was dealt with?
- 12 Have you ever made a complaint to your service provider? If so, on what issue(s)? If not, why not?

- 13 What channel(s) did you use to pursue your complaint(s)?  
(Prompt: if no complaint has been made, ask what channel they would use if they did have a complaint. Also record if they are not aware of any complaints channels.)
- 14 How was(were) your complaint(s) handled? Were you satisfied with the outcome? If not, what, if anything, did you do to escalate the complaint?  
(Prompt: also record if they are not aware of any complaints escalation channels.)
- 15 What rights do you have as a consumer of telephony and Internet services? How do you know about these rights?  
(Prompt: also record if they are not aware of any consumer rights.)

***Who is doing what and what might be done***

The interview can then be concluded by covering two related topics, identifying what consumer know about what is being done in respect of consumer protection, and what sorts of interventions they would like to see.

- 15 Are you aware of your country's telecoms regulator? Do you know its name?  
**If aware:** What do you think the regulator does? How effective do you think the regulator is at doing these tasks?
- 16 What do you think the following organisations / groups can do to improve the experience of consumers? Please make specific suggestions.
- Government?
  - Regulators?
  - Service providers?
  - Consumer groups?
  - Others?
- 16 What else do you think might / should be done to help consumers of telecomms and Internet services?

**4. Protocol for focus group**

The purpose of the focus group is twofold:

- to explore in more depth and detail the major issues that have emerged from the interviews;
- to identify possible solutions that consumers are able to propose to the particular issues they have raised.

Overall solutions will come from several directions:

- ideas proposed by those attending the initial workshop;
- solutions identified and explored by consumers in the one-on-one interviews and the focus group;

- proposals discussed at the concluding workshop.

The members of the group are being asked to comment on and discuss the different ideas. The aim is to have a discussion that will allow participants to react to and modify the ideas presented to them and be able to add further ideas of their own.

Guidelines for conducting the focus groups will be sent separately to the country researchers at a later point, along with a methodology for analysis.

A recording of the group is essential even if the language used is not English.

## **5. Focused issues to be picked up by particular countries**

The issues for the focus groups are as follows:

**The impact of illiteracy:** What do illiterate consumers know about their rights? Do they complain? If they do complain, how do they do it? How might processes be improved to help them complain?

**Gender difference:** Are women more or less likely to complain? What barriers do women perceive that there are to making effective complaints? How might these barriers be removed?

**Rural and small town consumers:** Are there particular issues that affect rural and small town consumers? How easy is it to complain in rural and small town areas? What practical steps might be taken to improve the situation?

**Urban consumers:** What are the particular issues that affect urban consumers? What are the main channels of complaint and how effective are they? What practical steps might be taken to improve the situation?

**Low-income vs high-income consumers vs corporate<sup>17</sup> consumers:** What are the differences in attitude to consumer issues between these different groups? What practical steps might be taken to improve the situation?

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<sup>17</sup> In other words, those who have a phone or Internet account paid for by the business they work for.

## Appendix 8 – In-country Research Report Mauritius

Consumer Protection Rights in the ICT Sector -  
The Mauritian Case

**July 2010**

**Ref : cybernaptics/0710**

## Contents

<b>1. Introduction</b> .....	3
<b>2. The Communications Network Environment</b> .....	3
<b>2.1. The Regulatory Context</b> .....	4
<b>2.2. Information and Communication Technologies Authorities (ICTA)</b> .....	6
<b>2.3. The legislative context on consumer protection</b> .....	6
<b>3. Qualitative Survey on Consumer Complaints</b> .....	9
<b>3.1. Objectives</b> .....	9
<b>3.2. Methodology</b> .....	9
<b>3.3. General Outlook</b> .....	12
<b>3.3.1. Market Landscape</b> .....	12
<b>3.3.2. Operators Landscape</b> .....	15
<b>3.4. Consumer Issues</b> .....	18
<b>3.4.1. Network and Quality of Service</b> .....	19
<b>3.4.2. Tariffs</b> .....	20
<b>3.4.3. Billing</b> .....	21
<b>3.4.4. Customer Service</b> .....	22
<b>3.4.5. Complaint Handling Process</b> .....	23
<b>3.4.6. Awareness of Consumer Rights</b> .....	23
<b>3.5. Who is doing what and what can be done?</b> .....	25
<b>4. Recommendations for Policy and Regulatory Actions</b> .....	26
<b>5. Conclusions</b> .....	26

## 1. Introduction

The global telecoms industry has entered a dramatic period of explosive growth and this change in landscape has positively impacted for small island economies like Mauritius. This telecoms revolution has been characterized by competition, technology change, privatization of our national service provider and the arrival of new global players on the market. State policies have ensured that local consumers are properly equipped with necessary infrastructure, regulatory framework and adequate consumer protection rights to take advantage of the changing global environment.

This document highlights the results of a quality survey on consumer issues in the telecommunication sector in Mauritius. Its overall objective is to provide the relevant stakeholders, an overall assessment of the level of consumer satisfaction within this industry, evaluate the efficiency of the consumer complaint process and put forward suggestions on areas for improvements.

## 2. The Communications Network Environment

As part of its overall vision to transform the country into a knowledge hub, the Government of Mauritius (GoM) recognised early that its Information and Communication Technology (ICT) sector is important to future development of the country. GoM sees ICT as a tool to support business processes and information flow within and across economic activities, leading to increase in value added at the national level. Thus, the Government of Mauritius has been active in the promotion of information and communication technology in every socio-economic sphere and steering the country towards the information age.

Today the Republic of Mauritius sports some of the best telecommunication market indicators in Africa and has been the first with many innovations: Africa's first cellular system was launched there in 1989, the first commercial 3G mobile service in 2004, the world's first nationwide WiMAX wireless broadband network in 2005, and one of Africa's first IPTV services in 2006. The present telco leader, Mauritius Telecom (MT) has been partially privatised and all sectors of the market are open to competition.

Served by a modern, digital fixed-line network, two fibre optic submarine cables for international connectivity, three mobile networks, various broadband and other service providers, Mauritius is actively pursuing a policy to make telecommunications the fifth pillar of its economy and to become a regional telecom hub. At more than 80% penetration, the mobile market is approaching saturation. The 3G service segment is showing the highest growth rates for the two GSM-based networks - Orange (MT in partnership with France Telecom) and Emtel. The strongest overall subscriber growth is currently seen by the third mobile network, Mahanagar (MTML), which is also the country's second fixed-network operator. Combined with the well-developed infrastructure this has led to the introduction of converged voice, Internet and broadband TV services which have been taken up by the majority of broadband users. Further improvements in this sector and lower

prices are expected from the landing of the second international submarine cable which is providing alternative routes to Europe.

Telecommunications data released in March 2009 shows that there were 928,600 mobile subscribers and 361,300 fixed line subscribers.

Based on the dynamics of the telecom sector, there has been a total shift in the role of regulation during the last fifteen years. Thus, the focus of regulatory authorities, during the pre-liberalisation era was, essentially, “policy-oriented” where the role of the regulator was to implement government policy and the incumbent had to execute. Then liberalization came about and the regulator’s mandate was changed to facilitate this process. Now that liberalization is well under way, it is realized that the regulator needs to become more consumer focused.

## 2.1. The Regulatory Context

Unlike most countries of the African region, Mauritius has adopted at early stage a consumer protection policy to deal with communication issues. Indeed, the role of the regulator in consumer protection is provided for by several sections of the ICT Act with section 16(b) highlighting following elements:

**“The objects of the Authority shall be-**

**(b) to create a level playing field for all operators in the interest of consumers in general.**

In furtherance of this object, the Authority has in terms of

(i) Section 18 (c) to

**“ promote and maintain effective competition, fair and efficient market conduct between entities engaged in the information and communication industry in Mauritius and to ensure that this Act is implemented with due regard to the public interest and so as to prevent any unfair or anti-competitive practices by licensees”**

(ii) Section 18(h) to

**“report, in such manner as may be required, to the Minister or to any other person on any matter that lies within its purview, such as the performance of public operators, the quality of consumer service and consumer satisfaction, measured against the best available international standards of practice**

(iii) Section 18(o) to

**“Entertain complaints from consumers in relation to any information and communication service in Mauritius and, where necessary, refer them to the appropriate authorities.** The above provisions of the ICT Act captures in a nutshell, what one may term the blueprint of the regulatory mandate of the regulator. It extends from the creation of a competitive market to the examination of complaints whilst also addressing issues of quality of service as well as consumer satisfaction.

The regulator’s actions or omissions to act will impact positively or negatively on consumer protection in the ICT sector. Whilst competition brings in its wake diversity of offers of service and multiplicity of choices for the consumer, the tariff regime to be implemented by operators is solely decided by the regulator. For new entrants in the ICT Sector, they can only take market share from the bigger players if their tariffs are competitive enough to attract former clients of these big players.

Consequently the role of the regulator is very crucial in the advent of new players, in the proposal of new offers and in the establishment of better tariff regimes for the consumer. It is a fact that the regulator has up to now not differentiated between small/new players and big players. The tariffs approved by the regulator have been based on similarity of treatment. This has had the result of consolidating the weight of big players and has not allowed the emergence of a competitive ICT market. In short all operators offer the same tariffs for the same service. This nips in the bud any new offer on differentiated tariffs resulting in limitations to consumer choices.

If in the future the regulator applies asymmetric regulation by differentiating between big and small players and their respective tariffs, as it can do in terms of the National Telecom Policy document of 2004 read together with section 18(1) of the ICT Act, the door would be opened to competition and all its benefits to the consumer.

The regulator has also been given a clear mandate to entertain the complaints of consumers and also the faculty to refer same to the competent authorities where it finds that it is necessary to do so. If this provision of the law is strictly interpreted it would mean that the regulator’s role is not limited to taking cognizance of the complaint, it will have to investigate and as a result thereof inform the complainant of its findings. But it is suggested that its action does not stop there. Where an operator has been found to contravene any provision of the ICT Act the regulator must see to it that all the measures provided for under the Act are implemented to prevent recurrence. Such actions must be brought to the attention of consumers to be more effective.

In order to ensure consumer protection the regulator is also bestowed with the tasks of informing consumers on the technical aspects of certain operations where they might be exposed to health hazards.

The proper and more economic way of utilizing mobile phones, the sitting of relay towers in residential zones, the effects of exposure to radiation from frequency utilization are issues of importance which the regulator has to address. It is here suggested that the regulator must play

a more proactive role in such issues and be of assistance to consumers and consumer groups where technical matters are involved.

Moreover the regulator, in the discharge of its mandate for consumer protection, has the duty to inform consumers and consumer organization of new development in technologies as well as offers for provision of services using new technologies. The supply of broadband services based on wireless or wired technology is an example where the regulator should intervene and act proactively in the interest of consumers.

The wide legal mandate given in terms of the sections of the law cited above calls upon the regulator to undertake pedagogical and informative to serve consumer interests. Consumers are by far the biggest client of the regulator in a liberalized and competitive ICT sector.

## 2.2. Information and Communication Technologies Authorities (ICTA)

The ICT Act has established the Information and Communication Technologies Authority, the national regulatory agency for Mauritius.

### **Provision of ICT Act**

In terms of Section 16 of the Act, the regulator has been mandated to achieve inter alia the following objectives regarding the consumer and consumer protection.

- (i) To take into account
  - (a) Quality of service
  - (b) Diversity and plurality in the choice of services
- (ii) the creation of a level playing field for all operators in the interest of consumers in general
- (iii) To ensure that ICT services are reasonably accessible at affordable cost

Moreover the Act also provides in its Section 18 for the functions which the regulator has in order to achieve the above objects namely

- (i) promote and maintain effective competition
- (ii) report to the Minister inter alia on the quality of consumer service and consumer satisfaction
- (iii) Entertain complaints from consumers in relation to any ICT service in Mauritius and where necessary refer them to the appropriate authorities

## 2.3. The legislative context on consumer protection

The regulator's actions regarding the consumer issue has been limited to the entertaining of complaints only. The Executive Director of the ICTA has explained that the Authority sees its regulatory mandate as a "continuum" starting with the regulating of the liberalization and privatization process of the ICT sector. It was basically concerned with the preparation of the regulatory framework for the advent of new players generally licensing activities.

It then focused on such issues as interconnection agreements, allocation of frequencies and numbering during a second phase which was more geared towards easing the entry of new entrants in the ICT sector.

It is now poised to undertake what was termed as the "third wave" of regulatory intervention i.e looking at the interest of the end user-the consumer.

### **The implementation of the "third wave" of consumer oriented regulations.**

- (a) The modus operandi
- (b) The actions envisaged
- (c) Relationship with other agencies-Consumer associations, Ministry of Consumer protection, Competition Commission

#### (a) The modus operandi

The regulator in furtherance of its recognition of the need to address the consumer issue more profoundly is implementing a modus operandi whereby it is creating an administrative structure for this purpose. Moreover the function of this department will ensure more and effective interaction with consumer organizations and other relevant authorities.

##### (i) The establishment of a specialized department

The regulator in its implementation of consumer related regulations is putting up a specialized department headed by a director to oversee the relationship between the ICTA and consumers. This decision will also lead to a widening of the regulator's mandate regarding consumer issues. The interest of the consumer will become a priority of the regulatory functions of the ICTA. The department will be called the Department of Communication, Consumer Affairs and Marketing wherein the director will be assisted by a manager and the other clerical cum administrative personnel.

##### (ii) Interaction with consumer organization & other relevant bodies

ICTA has admitted that at present there has not been much interaction between consumer organizations and the regulator. Apart from participation in open house sessions on specific aspect of ICT policy, such interaction is quasi nonexistent and the ICTA is very much aware of it and has also decided to remedy same. According to the ICTA, consumer organizations have not manifested their presence to a great extent in the ICT sector.

In the first place the setting up of a Consumer Advocacy Body is being envisaged though the manner in which it is to be done has not yet been spelt out. The objective is to move away from the unilateral model of complaint examination to a bilateral relationship with ongoing consultation on consumer issues.

(iii) Establishing contact with the new Ministry of Consumer Protection and Citizens' Charter.

It is worth reporting that a Ministry for Consumer Protection and Citizens' Charter has been established. The regulator intends to interact with the Ministry with a view to map out the jurisdiction of each party for future actions. It is too early to weigh the impact of this Ministry but it certainly holds the potential to be the apex organization for developing consumer oriented policies.

(iv) Memorandum of Understanding with the Competition Commission.

With the setting up of the Competition Commission following the promulgation of the Competition Act, the regulator will sign a memorandum of understanding with the said commission. The recognition and implementation of competition principles and concepts in the ICT framework is not new. The regulator is still bound by Section 30 of the ICT Act to apply competition rules in its licensing and adjudication activities. The novelty of the Competition Act and the Competition Commission is that decisions of the regulator can be examined by another body specifically on the issue of competition. This augurs well for consumers.

From the regulators angle it can be said that it is now gearing itself to tackle consumer issues. With the setting up of other organizations or bodies dealing with consumer matters, the protection of consumers is becoming at least potentially a major concern.

### 3. Qualitative Survey on Consumer Complaints

#### 3.1. Objectives

To supplement the existing evaluation of the regulatory framework, a qualitative study was conducted to assess the level consumer rights issues from the perspective of communications users in Mauritius

The current study focused specifically on fixed line, mobile and internet services and aimed at achieving the following objectives:

- Describe the overall telecoms market landscape
- Understand broader consumer issues with regards to communications in particular with mobile phone, main lines and Internet services in Mauritius
- Assess customer service and complaint process
- Understand the level of awareness of consumers rights and responsibilities by consumers and other relevant regulatory bodies

Provide customer recommendations for improvement

#### 3.2. Methodology

Several techniques were used among which face to face interviews and focus groups to provide detailed feedback from the consumer's perspective on the mobile and internet service lines. Different areas related to customer service were covered including network, tariffs, quality of services and billings.

Interim results were validated through a focus group to provide more insight on issues raised and solutions put forward.

##### Face to face interviews

Face to face interviews were carried out to have an overall picture of the consumer situation in mobile and internet industry. Various themes have been covered during the face to face interviews namely – usage of mobile, internet and fixed, shift from operators; performances of various operators in service and tariff; consumer issues with mobile and internet mainly; customer service and complaints system; consumer rights awareness and usage; solutions to solve their issues among others. These themes have been highlighted as the most pertinent ones with respect to the research objectives.

The following quotas were observed:

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Total number of interviews:	24
Male:	12
Under 40 yrs	13 (variance of 1 as target was 12)
Literate (up to HSC)	15 (variance of 1 as target was 16)
Urban	12
High income (> Rs 15k/month)	12

These quotas are a fair reflection of the Mauritian society in general. The questionnaire has been designed as follows: closed questions with Y/N or multiple choice questions for usage mainly and open ended questions (verbatim) for opinion questions. There is a right balance between closed and open ended questions to make the questionnaire pleasant to keep full attention of the interviewee.

Also the interviewees were from various professional backgrounds ranging from housewives to top managers (Consultants, teachers, cooks, programmers, administrative assistant, graphic designers, technical managers)

### Focus Group Discussions

A focus group discussion was conducted thereafter to probe into more details consumer issues raised in the questionnaires and to brainstorm on solutions. Participants were selected based on their responses in the face to face interviews; the group was made up of 7 participants from various backgrounds: 3 female, managers and staff, all literate, 2 above 40 yrs.

The focus group was a semi directive where the framework was proposed but participants were allowed to express themselves through open ended questions. The following framework was used:

- Summary of issues raised during face to face interviews
- Issue 1 – Network.
    - a. Views and comments on output of face to face. What issues and Why these issues?
    - b. Brainstorming on How to solve these issues and Who?
  - Issue 2 – Tariffs.
    - c. Views and comments on output of face to face. What issues and Why these issues?
    - d. Brainstorming on How to solve these issues and Who?
  - Issue 3 – Quality of Service

- e. Views and comments on output of face to face. What issues and Why these issues?
- f. Brainstorming on How to solve these issues and Who?
- Issue 4 – Billing
  - g. Views and comments on output of face to face. What issues and Why these issues?
  - h. Brainstorming on How to solve these issues and Who?

#### Data Communications Survey (Aug 2009)

Extracts from the Data Communications Survey conducted in August 2009 have been used to enrich the study. Extracts pertain mainly to usage of communications services and operator performances.

The Data Communication Survey was a survey carried out with 500 consumers of communications services thru face to face interviews. The sample is representative of the Mauritian population consuming Data Communication Services (15 yrs-50 yrs).

### 3.3. General Outlook

#### 3.3.1. Market Landscape

The Communications Services Market is growing rapidly in Mauritius with an increased demand from consumers for ICT products and services. The chart below shows the various services used and owned by Mauritian consumers.

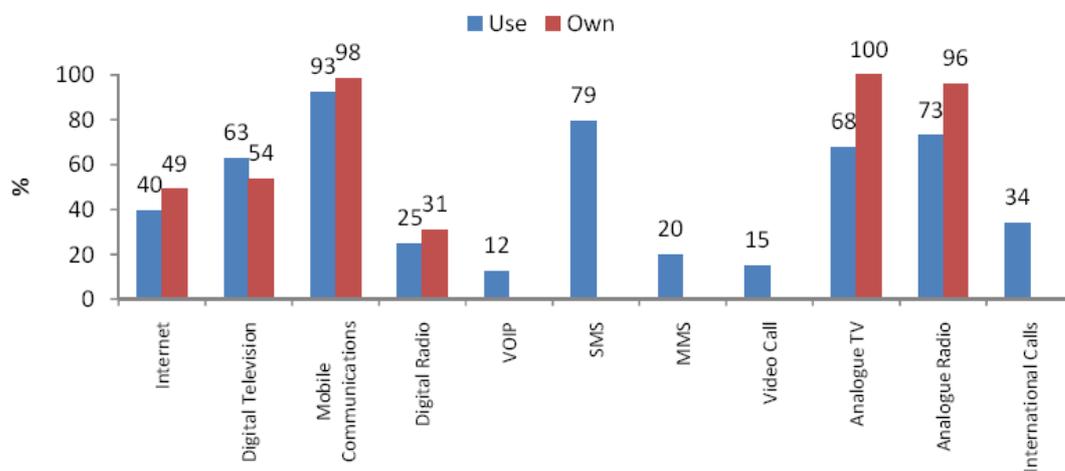


Figure 1: Ownership and Usage of ICT Services

Sample Size: 500 respondents

#### Key Features

Unsurprisingly, Mobile services are most used and owned. Almost every Mauritian own a mobile phone and 9 out of 10 make use of that mobile communications, SMS is also very popular with 8 Mauritian out of 10 texting. Internet is owned by one out of two Mauritians while 40% claim to make use of same. Digital TV is also rapidly catching up on classic analogue TV.

It can be concluded that Mobile and Internet are becoming more and more popular among Mauritians consumers who have been exposed for the past decades to the explosion of these two services.

Overall customer satisfaction with regards to Mobile suppliers

Chart below shows the various elements that the consumer takes into account when he or she chooses an operator.

#### 8.4.2 Criteria for choosing a Mobile Service supplier

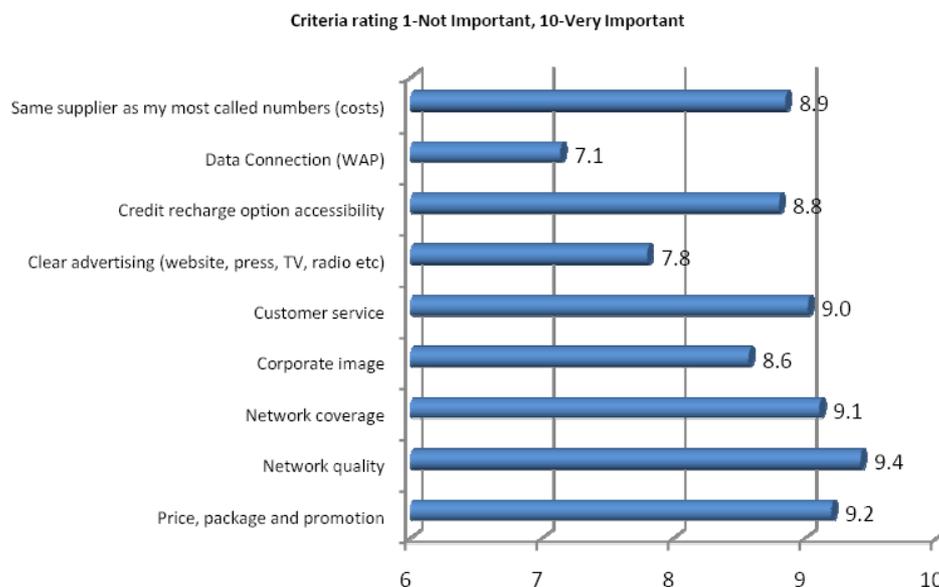


Figure 2: Criteria for choosing a mobile Service Supplier

Sample Size: 491 respondents

From the figure 2, it is clear that consumers have some preference for certain specific aspects in the industry's service portfolio to drive their choice namely network quality, tariffs and customer service. This view has been confirmed during the interview phases where the main reason claimed for shifting mobile operator is network followed by friends and family being on another network.

The figure below shows the various consumer ratings with regards to the selection criteria:

#### 8.4.3 Supplier ratings

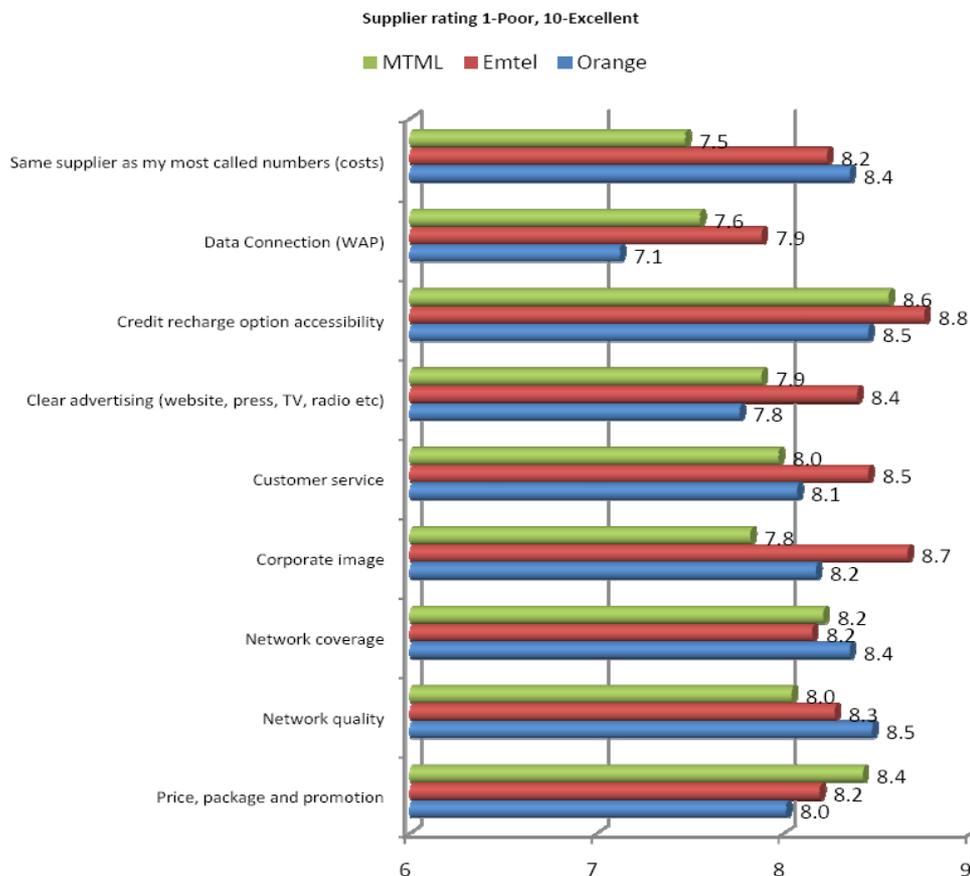


Figure 3: Supplier Ratings

Sample Size: 491 respondents

Consumers, generally, have a fairly clear idea on the strengths and weaknesses of three major operators in the mobile industry. While Orange is praised for its network quality and big customer base, Emtel is known for its image, marketing and customer service. MTML strength lies mainly on price competitiveness.

The following report will focus mainly on consumer views more precisely on issues that they have experienced with their mobile and internet operators and eventually the actions and decisions that various stakeholders may take to solve their problems, still from a consumer perspective.

### 3.3.2. Operators Landscape

The chart below shows the level of customer satisfaction regarding the use of mobile, internet and fixed.

#### Mobile

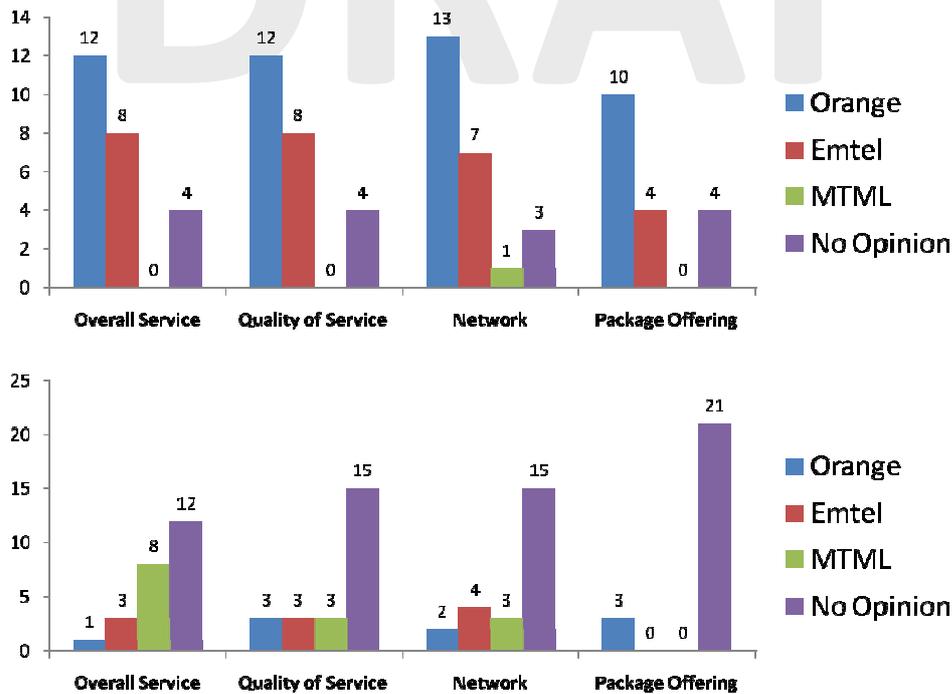


Chart 1: Service Level: Best and Worst

As shown in the chart above, Orange was rated as having the best service. With regards to worse service, the majority of respondents did not state an operator. Amongst those who did have an opinion, MTML was rated as having the worse overall service.

The following reasons have been stated for 'Orange as Best'

- Have used Emtel in the past and had network issues (2)
- Been with Orange since the beginning and never had any issues (3)

The following reasons have been stated for 'Emtel as Best'

- Been with Emtel since the beginning and never had any issues (5)
- Emtel offers more services and promos (2)

Consumers rated mobile operators on tariffs as follows:

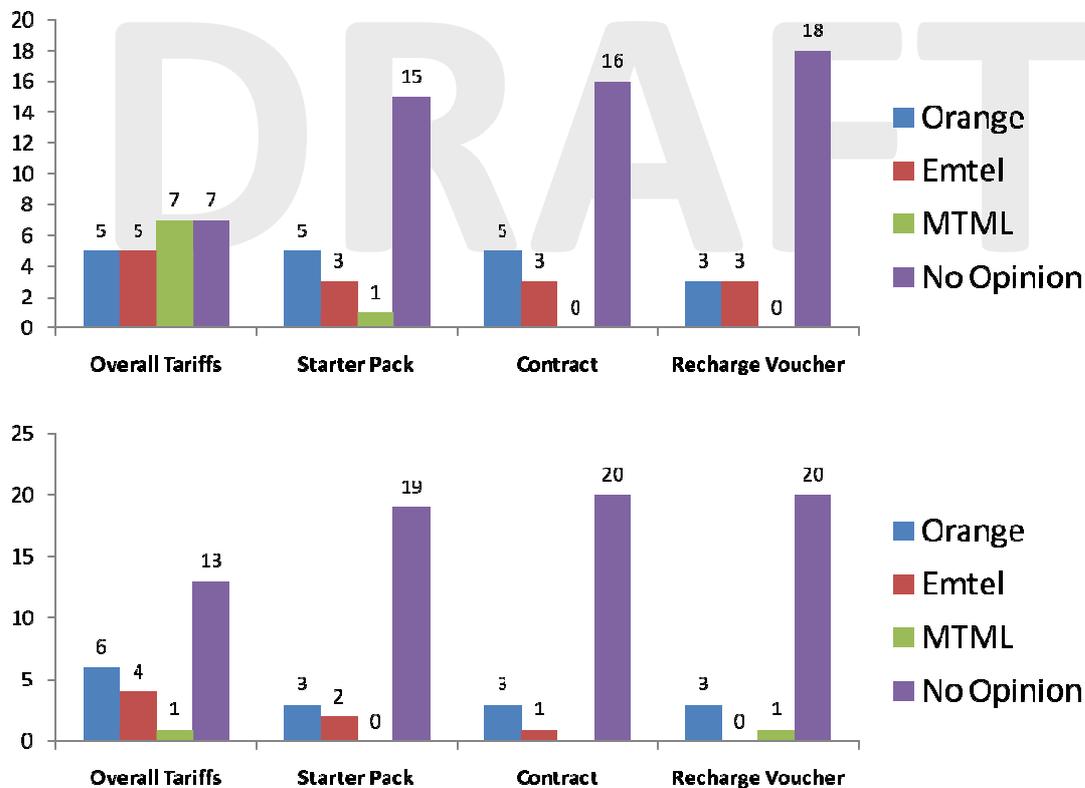


Chart 2: Tariffs Ratings: Best and Worse

With regards to tariffs, the respondents’ opinion were shared as to whom had the best tariffs. With regards to Starter pack, contracts and recharge vouchers, ever few had an opinion, and in most cases Orange was mentioned.

With regards to worse tariffs, most respondents did not have opinion. Strangely, Orange was mentioned as having the worse overall tariffs.

The following reasons have been stated for ‘Orange as Cheapest’:

- Calls on Emtel are more expensive based on respondents’ experience (2)
- More people on Orange (Friends & Family Effect) (1)

The following reasons have been stated for ‘Emtel as Cheapest’:

- Emtel is more focused on Corporate Customers

The respondents have the following main sources on which they base their opinion:

- Their own experience (15)
- Their friends/relatives experience (4)
- Information from media (Press / TV / Radio / Website) (8)
- Information from operator (1)

### 3.4. Consumer Issues

Looking first at consumer satisfaction with their mobile operators, it can be concluded that majority of interviewees 83% (20 out of 24) are satisfied with their current operator. However, the picture is different for internet where the satisfaction level drop 66% (8 out of 12 interviewees responded favorably). Fixed line gathers the most satisfaction level with 87% favorable response (13 out of 15 were satisfied).

Consumer issues raised can be classified into two main groups namely technical and commercial. On the technical perspective, network coverage and quality of service are most often mentioned and on the commercial side, tariffs, customer service and services are most often mentioned. Below is a list of issues raised by consumers during survey

Issues raised	# times mentioned					
	TOTAL	Under 40	Male	Urban	Literate	High Income
Network issues	15	9	7	8	12	9
Tariffs (high)	12	9	7	8	8	6
Poor quality of service	8	6	3	6	7	6
Issues with equipment linked	5	2	3	2	4	3
Billing and charging	4	2	1	1	3	3
<b>TOTAL # RESPONDENTS</b>	<b>24</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>16</b>	<b>12</b>

From the above table, consumers highlight that network 52% and tariff 29% constitute the majority of their issues.

### 3.4.1. Network and Quality of Service

Network or rather, absence of network access, has been most often noted as a source of problem for our consumers followed by issues with tariffs (internet tariff and cross network tariffs are the main tariffs highlighted as being excessive especially when compared to situation in other countries).

Network issues have been experienced across all sub sections (old/young, Urban/Rural, Literate/Illiterate, High Income/Low Income), around 3 consumer out of 4 confirm that network is one of the issues they have with their mobile mainly.

From a consumer perspective, Orange is being perceived as having a better network coverage than Emtel with 13 mentions out of 23 (56%) while Emtel has been mentioned 7 times only (30%) with 2 people mentioning that both have the best network (9%)

More precisely, following opinions have been expressed on network/quality of service:

- Consumers have been 'forced' to use paid services like missed call alert, voice mail etc. Some consumers have pointed out that these services are basic ones and should be free because the problem lies with the network.
- Network is not handset dependent
- For internet, there is a belief that dial up quality is purposely bad because Mauritius Telecoms force people to move to ADSL

Sometimes issues on network can be beneficial to the choice of an alternate product or competitor: Indeed, in the area of mobile supplier, 7 people who switched mobile operator, 4 have migrated mainly because of network issues. The others have migrated because of tariffs and friends being with other operator.

The same pattern does not apply for internet services since very often consumers view the opportunity cost of switching to a competitor of Mauritius Telecoms is not relevant and will lead to increase connection issues.

In summary, the market is not perceived as efficient and consumers need very often to sort their network issues without assistance. The common perception is that most of them are not aware how to channel these complaints or grievances.

Some customer complaints noted :

*Because of the bad network I was forced to use a new service >> the 'missed call alert', when people tried to call me I heard anything so I asked my operator to provide me this new service since I did not know when people was trying to call me, this wasn't a handset problem since it happened also with other mobile phones.*

*How is it possible that I can't receive calls but with the 'missed call alert' I receive the message?*

*The 'missed call alert' is a basic service and I think that it should not have been charged*

*My friends using Orange operator don't have network in the office whereas with emtel I have no problem of this kind. (At Ebene)*

*The same thing happened to me in the Hong Kong Bank building: all Orange users had to go outside of the building to call while Emtel users hadn't.*

*Problem with the network is constant, we have to move with the mobile phone to see whether the network is better all day long*

*When I call it is better than when I receive a call (international call)*

*On several operators when we call there is an echo: we can hear two voices (international call)*

*Orange customer service doesn't listen to its customers at all, the person to whom we talk isn't aware, they don't make any follow up, for eg. when I took the MyT package, they rush to sell it to you, the technical support calls you for an appointment but when there is a matter the technical support is never available (constantly busy)*

*Problem with the dial up, I think it is done on purpose... (internet)*

*At the customer centre the persons know that we will perforce need them so they take advantage of the situation and I think that for mobile services it's the same...*

*MyT thinks they are the best so they know people will come to them. I took the package MyT and they told that because I lived At Baie du Tombeau I won't have the TV, it wasn't right since I pay for that. They sell a service they can't afford to provide.*

### 3.4.2. Tariffs

Consumers mention that tariffs are relatively high in Mauritius, especially the internet tariff when compared to other countries. High tariff is proportionately more an issue for young (under 40) -75% and urban subsection - 67% (while overall 50% consumers have issue with tariff). This can be explained by the fact that young and urban consumers tend to be more aware about tariffs both at local and international level as revealed by the interviews and focus group discussions.

As for mobile, the cross network tariff is viewed as being very expensive when compared to on net calls and SMS. Some people mentioned that the difference in tariff between on and off

net is disproportionate when compared to other countries, others have noted that ILD tariff to some destinations are less expensive than off net calls.

Nonetheless, as for the mobile operators, people view MTML (mentioned 7 times) as being the least expensive (following massive price offers) and view both Orange and Emtel (5 times) as being the least expensive. 3 people mentioned that Orange and Emtel were the same in terms of pricing. This reflects the market realities whereby tariffs are relatively stable (and regulated) for the main competitors and they compete mainly on the portfolio of products and services.

In summary, the consumers feel that they are not really getting a good service for what they are paying (especially for the internet). Nonetheless the consumers believe that the market is distorted and there is a general belief of collusion between the major players to maintain a high price to maximize revenues. ICT is not viewed as an essential commodity (although for some, it is a vital part of their job) for which preferential tariff policy could apply.

Extract of discussion below:

*Internet is too expensive*

*For the price I pay I would have preferred something faster.*

*Before launching MyT they had less cables (editor's note: submarine cable capacity), they should have lower prices but they don't want to.*

*Packages are abusive: eg. the iphone was around Rs40 000 at its launching in Mauritius...*

*The tariff for calls between different operators is too high, I prefer using a fixed line for calling a network other than mine.*

### 3.4.3. Billing

Billing and equipment represent an issue mainly for literate and high income subsections. This is explained by the fact that low income and illiterate consumers tend to use more prepaid cards and hence are not exposed to billing process.

Consumers have the impression that they are being billed for items that either they are not aware of they have not consumed, an example given was an Ring Back Tone charged while no request was sent, the issue was that the '\*' sign was accidentally pressed and the command was sent.

The other point raised also is that there is no means for the consumer to really check what has been 'consumed' as opposed to what is in the bill...airtime is immaterial and they have to trust the operator bill.

Extract of discussion below:

*There are parts of my bill that I don't really understand...*

*On a prepaid it is worst, for eg. they tell me that I have been charged for Emtel Caller Tunes while I have never been using the service, it was a mistake (\*). I was charged Rs20, I called the customer service to tell them that I didn't want it but I haven't been refunded.*

*I do not know exactly in the middle of the month what is the amount of my bill ... (post paid customer)*

\*: Emtel Caller Tunes is a special service from Emtel whereby a client can automatically subscribe to a another Emtel subscriber's caller tune by pressing "\*" on his handset.

#### 3.4.4. Customer Service

The following table summarises our survey on customer service

Used Customer Service	TOTAL	# times mentioned				
		Under 40	Male	Urban	Literate	High Income
Yes	15	11	9	10	11	9
No	9	2	3	2	4	3
<b>TOTAL # RESPONDENTS</b>	<b>24</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>15</b>	<b>12</b>

15 out of 24 people interviewed have used the customer service of an operator. People call mostly for the following main reasons:

Commercial - e.g. to check information on promos and services (4)

Operational - e.g. to check their billing, recover lost password and how to use certain services (11)

Out of those who have used the customer service of operators, 67% (10 out of 15) were satisfied with the way their request was handled.

### 3.4.5. Complaint Handling Process

Ever Complained	# times mentioned					
	TOTAL	Under 40	Male	Urban	Literate	High Income
Yes	11	8	7	7	9	8
No	13	5	5	5	6	4
<b>TOTAL # RESPONDENTS</b>	<b>24</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>15</b>	<b>12</b>

11 out of 24 people have complained at least once to operators. The complaints can be regrouped into two categories:

1. Technical (SIM not working, fixed line not working, cannot make calls from mobile phone, scratch card not valid) (10)
2. Billing (2 numbers on one bill) (1)

Those who do not complain do not do so as they prefer to ask for assistance from someone they know who can provide the required assistance. In two cases, the respondents had never had any issues with their provider and therefore never had the need to complain.

10 out of the 11 complaints were made by phone and one by email. Several channels were used then to pursue such as showrooms, email, phone and letter. Only four complaints were resolved to the customer satisfaction.

#### Escalation process

No respondent escalated their complaint due to lack of awareness on the resolution process. In that view, policy makers and relevant agencies will need to ensure that adequate code of practices and guidelines are put in place to address consumer complaints in a fair and just manner.

### 3.4.6. Awareness of Consumer Rights

Aware of Consumer Rights	# times mentioned					
	TOTAL	Under 40	Male	Urban	Literate	High Income
Yes	6	4	5	4	5	4
No	18	9	7	8	10	8
<b>TOTAL # RESPONDENTS</b>	<b>24</b>	<b>13</b>	<b>12</b>	<b>12</b>	<b>15</b>	<b>12</b>

Only 6 out of the 24 interviewees have an idea of their rights as customers. The most common right mentioned is the right to privacy (3 mentions), other mentions are good service for price paid and protection against misuse.

The other interviewees have no idea at all.

### 3.5. Who is doing what and what can be done?

The existence of a telecom regulator is not well understood or even perceived by most consumers interviewed.



*Awareness of Regulator*

The ICTA as a regulator has very low awareness among the general population with only 4 people mentioning ICTA as being the regulator despite 10 respondents mentioning that they are aware about the existence of a telecoms regulator. Other mentions are Mauritius Telecoms and IBA where the respondents were confused between an operator and a regulator.

The following mentions were linked to the role of ICTA: regulating tariff, preventing monopoly and abuse, protecting consumer rights.

A few perceived positively the efficiency of the regulator, with one respondent out of 10 assessing that ICTA is doing a good job, 5 thinking differently and 4 having no opinion.

#### 4. Recommendations for Policy and Regulatory Actions

Although there is a general satisfaction on the quality of service provided among operators, consumers listed network and tariffs issues as the main areas of concern. In that respect, improvements in networking and competitive pricing policy have been highlighted to enhance the quality of service to consumers.

Moreover, very few participants are truly aware of the span of duties falling under the responsibility of the telecoms regulator and how their consumer rights are protected by the said body.

Literacy was regarded as important for usage of network, billing and understanding of consumer issues. In that respect, it will be highly advisable to explore further capacity building exercises and relevant sensitization campaigns to allow adequate protection of consumer rights.

#### 5. Conclusions

The survey on consumer issues in the ICT sector of Mauritius has revealed itself to be useful in the assessment of the magnitude and complexity of those issues. More importantly, it has shed more light on the unique and necessary role of the regulator in addressing those issues. The regulator, it is submitted, must be seen as the application arm of the policy maker.

The main concern of policy makers in the post-liberalization phase of ICT development has been to focus on network roll-out and the extension of access. This survey has brought in the clear that the quantitative aspect of access has been the target of the original policies of governments. The qualitative aspect—quality of service, affordable tariffs, choice etc have been seen as an accessory to the infrastructural deployment. Another important indication obtained from the survey was the uncovering of real and tangible consumer issues which up to now has been shrouded in the very positive results measured in terms of teledensity, number of household connected, the upgrading of bandwidth capacity.

One important question which may be immediately raised is whether consumer issues should still be seen as the “third phase” issue in the make up of policy by governments and its application by the regulator?

The convergence of technologies leading to the delivery of bundled ICT services to the consumer should be the opportunity for both the policy maker and the regulator to fine tune and map out such policies and regulations which would place consumer issues in the forefront.

It is suggested that the survey could to some extent, pending further probing, be a blueprint for the reflection on new measures which would pave the way for institutional and regulatory innovations focusing on the consumer issues either to correct deficiencies in services or to improve such services in the wake of the continuing technological development in the ICT sector.

It is our considered view that the recommendations emanating from the survey could be the focal point of the initial exercise which the regulator has to start together with such stakeholders as consumer associations, the ministry dealing with consumer affairs and the service providers.

The regulator needs also, in our opinion, to carry out an introspection exercise to explore the shortcomings of its own process in such matters as determination of tariffs, licensing of new players and even in assisting local authorities regarding relays, towers and antenna installations. In short it must endeavour to become more transparent and open. It should really identify who its main "client" is.

An example to follow in the medium term is Finland which has only recently made access to the internet with a minimum of 1Mb for households a legal right. This could be a target or a model to follow.

## **Appendix 9 – In-country Research Report Rwanda**

# **Empowering Regulators to Protect Consumer Rights in the ICT Sector**

**Consumer Research:  
Rwanda**

**Albert Nsengiyumva**

**February 2011**



# List of Acronyms

RURA	Rwanda Utilities Regulatory Agency
ICT	Information and Communication Technology
IDRC	International Development Research Centre
CDMA	Code division multiple access
GSM	Global System for Mobile Communications
ISP	Internet Service provider
RDB-IT	Rwanda Development Board
SEACOM	South Africa - East Africa - South Asia - Fibre Optic Cable

# Table of Contents

- 1. Executive Summary ..... 5
- 2. Introduction ..... 8
  - a) The finalisation of a draft ICT Bill..... 9
  - b) Accelerated investment in national ICT infrastructure ..... 10
  - c) Increased competition era in the Mobile and Internet sectors ..... 10
- 4. Consumer protection: the context in Rwanda ..... 14
  - 4.1. Consumer Affairs ..... 14
  - 4.3. Enhancing the setting up of Consumers’ Associations ..... 15
  - 4.4. Achievements ..... 15
  - 4.6. Association of Consumers..... 15
- 5. Consumer Issues in the ICT Sector in Rwanda ..... 17
  - 5.1. Methodology ..... 17
  - 5.2. ICT services used by interviewees ..... 20
  - 5.3. Understanding of operators and their services by consumers ..... 22
    - 5.3.1. The Best Service Provider ..... 22
    - 5.3.2. The cheapest service provider ..... 24
    - 5.3.3. The worst service provider ..... 25
    - 5.3.4. The most expensive operator..... 26
  - 5.4. Switching from one service provider to another ..... 27
  - 5.5. Major Consumer Issues in communication Service in Rwanda ..... 28
    - 5.5.1. Issues in terms of prices ..... 29
    - 5.5.2. Issues in terms of quality of services..... 30
    - 5.5.3. Issues in terms of network coverage ..... 31
    - 5.5.4. Issues in terms of equipment ..... 32
    - 5.5.5. Issues in terms of charging and billing..... 32

5.6. Consumer Contact and Complaints Made ..... 32

    5.6.1 Complaint Handling Process ..... 32

    5.6.2. Knowledge of Consumers’ Rights..... 33

5.7. Knowledge about the Role of the Regulator ..... 34

5.8. Role of Different Institutions in Improving the Consumer Experience ..... 35

    5.8.1. What should the Government do? ..... 35

    5.8.2. What should the Operators do? ..... 36

    5.8.3. What should the Regulator Do? ..... 37

    5.8.4. What should the consumer groups do?..... 39

6. Focus Group Results ..... 40

7. Conclusion and Recommendations ..... 42

# Consumer Issues in the ICT Sector in Rwanda

## 1. Executive Summary

The aim of the research "*Empowering Regulator to protect Consumer's rights in ICT Sector*" is to assist the Regulator in developing a comprehensive strategy for regulatory intervention in protecting consumers of ICT services in Rwanda.

The report tried to demonstrate the current issues faced by consumers of ICT in Rwanda as well as the perception of communication services by consumers, and provides possible solutions. The statement outlines the brief context of ICT sector development in Rwanda where it shows that Rwanda has made significant reforms by developing ICT sector in general. Currently, ICT market enjoys competition between three major operators that provides Internet, Mobile and Fixed phone.

In order to conduct data collection exercise, we have chosen a small cross section of consumers (24 persons) of ICT services. (Mobile, Fixed and Internet) The methodology used for the data collection is composed of two approaches. The first approach used was one to one interviews. The aim of this approach was to explore in details the issues raised by ICT Sector consumers and then identify those that affect them most.

The second approach was the Focus groups. The aim of the Focus groups was to explore with the interviewees what should be done in terms of possible solutions that address the issues raised during the one to one interviews. The sampling was based on the following criterion: Gender, Age, Location, Educational level and Income generation.

The findings of the survey showed the major issues that affect consumers of ICT services in Rwanda: The high cost of communication services came on top while quality of service was also mentioned as one of the critical issue. Others including charging and billing, network coverage as well as issues related to equipments and accessories. On the other side, the report indicates the role that can be played by different organizations to improve access and usage of ICT in Rwanda. Finally, the report concludes by giving a wide range of suggestions on how ICT services should be improved. In this context, it has suggested

that Government of Rwanda take charge of setting up the rules that can protect effectively the consumer's rights of the ICT sector and encourage different service providers to improve the quality of their services. As claimed by most of interviewees that RURA is not known by many consumers, it has suggested that the regulator shall enhance its awareness campaign in order to educate and sensitize the Rwandan population in general and ICT consumers in particular. This campaign could also emphasize on the role of Consumers to protect their rights and educate the general Population on the importance of ICT in social and economic development of the country.

Consumer's Associations have been indicated as important organs that can play a significant role in protecting consumers' interests. For that reason, it has suggested that these associations shall be established and empowered in order to provide better intervention on behalf of the consumers.

Accordingly, the following recommendations are made:

- The government of Rwanda should strengthen the provisions in the law that empower the regulator, RURA, more effectively to protect consumer rights in communications;
- The regulator, RURA, should intervene more strongly to protect consumers by, inter alia, encouraging operators to improve their services, by requiring greater network coverage on the part of the operators, by intervening in respect of pricing and quality of service;
- RURA should regularly survey consumer perceptions regarding the various service providers, including the reasons behind such perceptions, and should publish the results of such surveys on its web site;
- RURA needs to engage more effectively in marketing itself to the public of Rwanda, via a variety of channels (including but not limited to SMS and its web site), advertising its role and responsibilities vis a vis those of government and the operators, and claiming greater public credit for its achievements and successes, particularly those in defence of consumer rights;

- The establishment of at least one association dedicated to the cause of consumers, to defending their rights, identifying and publicising their issues, and to advancing the cause of the consumers of communications services, should be supported.

## **2. Introduction**

This report on Empowering Regulators to Protect Consumer Rights in the ICT Sector examines the qualitative research conducted between December 2009 and March 2010 on consumers of ICT services in Rwanda, especially consumers of mobile, fixed line and Internet services.

The purpose of this report is to analyse the results of a series of in-depth qualitative interviews conducted in the field within a small cross-section of consumers of ICT services. It reflects the views and perceptions of consumers on in relation to consumer protection issues, examining in detail their perceptions of the service providers, of the issues affecting them, of their understanding of their rights as consumers, and of the roles of the different organizations (including the regulator, the Rwanda Utilities Regulatory Agency (RURA)).

A number of countries on the continent of Africa have gone through different steps to build a strong consumer protection environment. During the monopoly era, it was almost impossible to initiate a consumer protection campaign as the telecomms sector was a government-owned monopoly with a very limited number of consumers. The issue of consumer protection started to emerge with the liberalization of the ICT sector, and the consequent introduction of mobile and Internet services. Countries such as Kenya and Uganda in the Eastern African region have been in the forefront of establishing strong regulatory agencies with a critical mass of consumer advocacy groups to support the emergence of consumer associations in the ICT sectors.

Rwanda is now in a better position to accelerate the development of consumer protection associations: on one hand, the tremendous increase of penetration particularly for mobile coupled with the liberalization of ICT services that have seen a great numbers of new players competing in mobile and Internet services, and on the other hand the current strengthening of the regulator, particularly the Consumer Affairs Unit, provide a hope that the tackling of consumer issues will be strengthened and the support to consumer's protection associations will be reinforced in order to address consumer issues and encourage the emergence of credible and effective consumer groups within the country.

### 3. ICT context in Rwanda

At the time of writing, the current status of ICT in Rwanda can be characterised by three major features:

- a) The finalisation of a draft ICT Bill;
- b) Accelerated investment in national ICT infrastructure;
- c) Increased competition era in the Mobile and Internet sectors.

#### ***a) The finalisation of a draft ICT Bill***

The aim of this draft Law is to establish a harmonized framework for policy and regulation across the broad information and communication technologies (ICT) sector, including:

- i. Electronic communications;
- ii. The Postal Sector;
- iii. Information Society;
- iv. Broadcasting Sector.

#### **The Objectives of the new Legislative Framework for ICT include:**

- (a) To establish Rwanda as a major global centre and hub for communications and Multimedia information and content services;*
- (b) To promote a civil society where information-based services will provide the basis for continuing the enhancement of quality of both work and life;*
- (c) To grow and nurture local information resources and cultural representation that facilitates the national identity and global diversity;*
- (d) To regulate the sectors for the long-term benefits of the consumers and investors;*
- (e) To promote a high level of consumer awareness and confidence in service delivery from the industry;*
- (f) To ensure an equitable provision of affordable services over ubiquitous national infrastructure;*
- (g) To create a conducive business environment for robust ICT applications;*
- (h) To facilitate the efficient allocation of resources such as skilled labour, capital, knowledge and national assets;*

*(i) To promote the development of capabilities and skills within Rwanda's convergence industries; and*

*(j) To ensure information security, network reliability and integrity<sup>1</sup>.*

The objective “promote a high level of consumer awareness and confidence” highlights the relevance of and need for research to inform and empower regulatory to ensure the promotion of consumer-based awareness as a critical milestone towards empowering the consumers to become active members of the Information Society.

### ***b) Accelerated investment in national ICT infrastructure***

The government of Rwanda and the major telecommunication companies are heavily investing in Broadband networks across the country. The government has initiated a the laying of a national fibre backbone of 2 300 km that will reach each of the 30 districts of the country. The aim is also to allow all the telecomms players to share broadband infrastructure across the country. At the same time the three major telecom companies (namely MTN, Tigo and RwandaTel) are also expanding their Broadband networks, and 3G networks have become the standards used by these three big players. In addition, the arrival of the SEACOM cable has been eagerly awaited since December 2010, and will change dramatically the Internet business in Rwanda with a great impact on the major sectors such as Education, Health, Finance and Import-Export businesses.

### ***c) Increased competition era in the Mobile and Internet sectors***

Consumers in Rwanda are currently enjoying heightened levels of competition, especially in Mobile and Internet services. The growth rate of mobile penetration is almost 26% per year after the introduction of GSM service by RwandaTel in December 2008 and Tigo in November 2009. The country as a whole has reached 25% mobile penetration over the last year or so. This great improvement is worth underscoring as Rwanda has always lagged behind in ICT penetration and in respect of mobile in particular due to monopolist behaviour that has lasted for more than 10 years. Internet penetration is still very low due to a number of factors including the low availability of access to electricity in the country

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<sup>1</sup> RURA (2010) 'Rwanda's Draft ICT Bill', Rwanda Utilities Regulatory Agency, Kigali, available online at [http://www.mhc.gov.rw/fileadmin/templates/PdfDocuments/ICT\\_BILL.pdf](http://www.mhc.gov.rw/fileadmin/templates/PdfDocuments/ICT_BILL.pdf)

and the persistence of high cost of Internet connectivity, but, since last year a number of Internet service providers have been launched, particularly in Kigali City, as well as in the larger towns. Competition has strengthened, particularly in respect of mobile Internet services provided by the three major competitors.

**Table 1. Active Mobile Subscribers in Rwanda as of 16 January 2010**

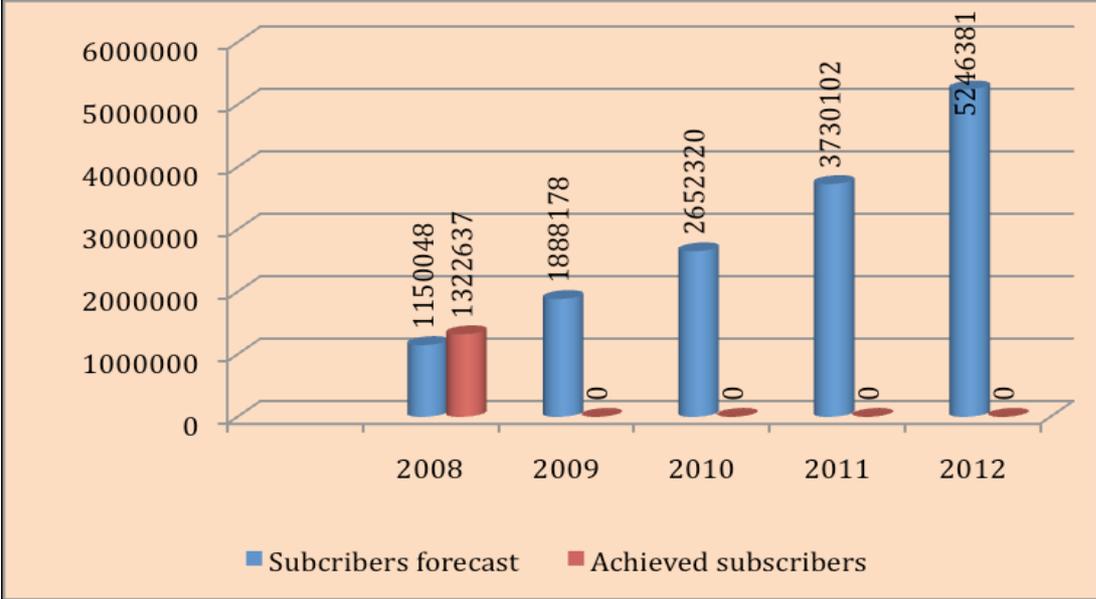
<b>Telecom Company</b>	<b>Active Subscribers</b>
MTN	1 886 023
RwandaTel	487 250
Tigo	123 897
<b>Total</b>	<b>2 497 170</b>

Source: RURA, <http://www.rura.gov.rw/index.php>

MTN, RwandaTel SA and the recently licensed Tigo are the major players in telecomms market. Those companies have bundled licenses for fixed and mobile telephony as well as Internet services. Currently, the trend shows a significant improvement in mobile penetration rate from 7% in 2007 to 13,8% in December 2008. This is essentially due to a tremendous growth in subscribers, now totalling 2 497 170 for the three companies (RwandaTel SA, MTN and Tigo). Although its subscriber base has fallen from 88% of the total in December 2008 to 76% in January 2010, MTN remains overwhelmingly dominant in the mobile telephony. MTN Rwandacell registered a significant subscriber growth rate from 608 832 in 2007 to 1 886 023 subscribers in January 2010, representing an increase of over 300% over the three years. This growth can be attributed mainly to the introduction of cheaper handsets on local market. RwandaTel SA, on the other hand, registered a subscriber growth rate of 71% on its CDMA network between 2007 and 2008, from 25 710 to 43 963 subscribers. RwandaTel SA further reported 120 000 GSM subscribers in December 2008. With regards to mobile public access points, the deployment of mobile public pay phones across the country has continued, but at low rate of increase. In September 2008, the number of mobile public pay phones had increased from 9 023 (in December 2007) to 9 467, representing a mere 5% increase. If all the network rollout commitments are not altered and are complied with, and the total cost of ownership reduces, then the following forecast of projected subscriber growth in the mobile sector by the regulator, from 2008 to 2012, looks set to apply.

If anything, the current figures reported by RURA (Table 1 above) suggest actual subscriber growth will exceed these projections. Mobile telephony is thus a sector characterised by rapid growth, bringing greatly increased numbers of consumers onto the market.

**Figure 1 : Mobile Subscriber Projections (2008 – 2012)**



Source: RURA annual report 2008

**3.2. Fixed Telephony**

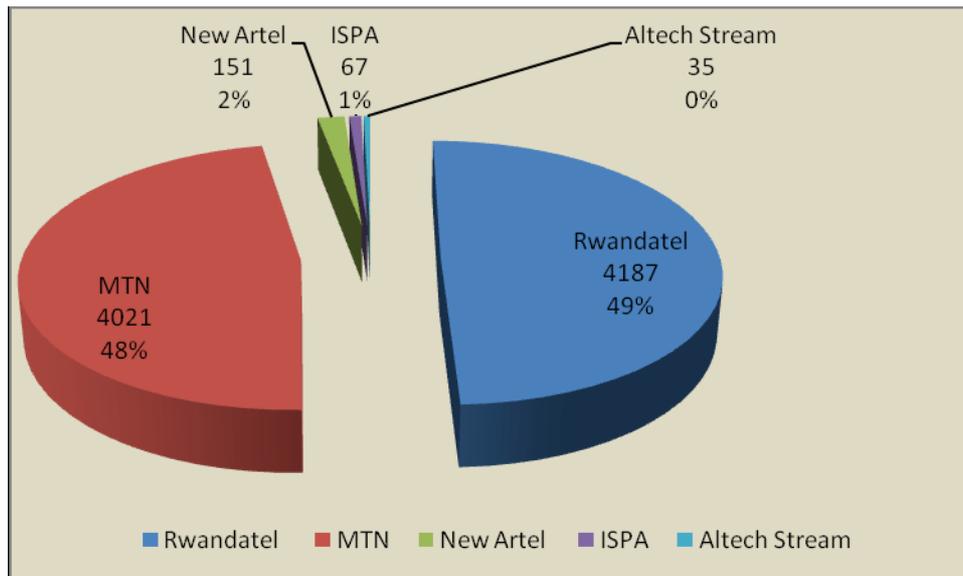
RwandaTel SA remains the major provider of fixed telephony services. However, an analysis of subscriber figures in this sector now reveals decreasing numbers of subscribers - from 22 643 in 2007 to 16 770 in 2008, representing a significant decrease of 26%. The company reports a mere 1 195 public payphones on its fixed network. The consumers of fixed telephony services clearly therefore represent a small and declining percentage of telephony consumers, some 13% of the total.

**3.3. Internet Subscribers**

The following figure shows the trend in subscriptions in respect of both fixed and mobile Internet access as at the end of 2008 in Rwanda. Although the total number of Internet subscribers as that date was less than 10 000, it is a sector with high levels of growth, and was reported to represent a 67% increase over the 2007 figure<sup>2</sup>.

<sup>2</sup> RURA (2008) 'Annual Report 2008', Rwanda Utilities Regulatory Agency, Kigali, p44.

**Figure 2: Internet subscribers**



**Source:** RURA annual report 2008

## **4. Consumer protection: the context in Rwanda**

The Rwanda Utilities Regulatory Agency (RURA) is authorised and structured by Law No 39/2001 of 2001 as a public entity with autonomy in its daily activities<sup>3</sup>. The main functions and responsibilities of the Regulatory Board as stipulated in the Law are to regulate the activities of identified public utilities, namely: ICT (telecommunications network and services), broadcasting, postal services, electricity, water; removal of waste products from residential or business premises; extraction and distribution of gas and transport of goods and persons. The above objectives are realised through the Regulatory Board's power in the granting of licenses, issuance of regulatory guidelines, setting up of competitive frameworks for the regulated sectors, enforcement of consumer rights, the enforcement of network interconnection obligations and the management of the Universal Access Fund in accordance with Presidential Decree.

### ***4.1. Consumer Affairs***

The UN guidelines state that "all citizens, regardless of their incomes or social standing, have basic rights as consumers"<sup>4</sup>. Nevertheless, the rights of consumers continue to be denied or violated by some service providers, and various powerful sections of society. In Rwanda, consumers are at the heart of the economy. Empowered consumers are important drivers of competitiveness and public utilities are basic to the competitiveness of an economy. However, in order for consumers to be able to play this role in imperfect markets where the balance of power lies in favour of businesses and suppliers, consumers must be protected. The main aim of the Consumer Affairs Unit within RURA is the co-ordination, and enforcement of measures for the benefit of the consumers in respect of the quality of services and products in the sectors regulated by RURA, along with the education of consumers in respect of their rights.

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<sup>3</sup> Rwanda (2001) 'Law No 44/2001 of 30/11/2001 Governing Telecommunications', Republic of Rwanda, Kigali.

<sup>4</sup> UN (1985) 'United Nations Guidelines for Consumer Protection', General Assembly Resolution 39/248, United Nations General Assembly, New York

### ***4.3. Enhancing the setting up of Consumers' Associations***

With the encouragement and help of RURA's Consumer Affairs Unit three consumer associations have been registered. As the Ministry of Commerce has established a new unit responsible for consumer protection targeting all key utilities. The main issue is the capacity for such a unit to perform the campaign to sensitize associations as well as the capacity to educate consumers particularly in the ICT sector. Another issue that will need to be addressed is related to working relation between the consumer protection under RURA and the one under the Ministry of Commerce for smooth operation.

### ***4.4. Achievements***

RURA reports that from January 2009 to June 2010, 5745 complaints were registered against the existing operators<sup>5</sup>. RURA suggests that 99,6% were resolved which is a great performance particularly because of the limited human resources available in the unit responsible for consumer protection. The report stipulates the main reasons behind the complaints as the following:

- Billing
- service interruption
- poor customer services
- Equipment damage

RURA has also reviewed existing types of contracts between operators and consumers and had proposed amendments in a bid to address abuses against per consumers rights.

### ***4.6. Association of Consumers***

There are currently a number of consumer associations in the country but since there is no single database to locate them, it is very difficult at this stage to identify which ones have a

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<sup>5</sup> RURA web site ' Report ( 2009-2010', Rwanda Utilities Regulatory Agency, Kigali, p41.

particular focus in ICT. The Consumer Right Unit within RURA has already supported the establishment of three associations that will focus on ICT consumer rights<sup>6</sup>.

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<sup>6</sup> RURA web site ' Report ( 2009-2010', Rwanda Utilities Regulatory Agency, Kigali, p41.

## **5. Consumer Issues in the ICT Sector in Rwanda**

The following section of this report outlines the findings of a series of qualitative in-depth semi-structured individual interviews conducted with a sample of 24 stakeholders, followed by an in-depth focus group. The aim of this research methodology was to highlight levels of awareness and identify the issues affecting consumers in the ICT sector in Rwanda and suggest regulatory or policy interventions for the improvement of the experience of consumers. The data collection exercise was undertaken by using the methodology as outlined below.

### ***5.1. Methodology***

In order to collect the data in the qualitative in-country research phase of the project, two research approaches have been used. The first approach used is the face-to-face semi-structured in-depth interview using purposeful sampling with a degree of stratification. The purpose of using this methodology is to surface the issues affecting consumers of ICT services in Rwanda and to explore in some detail consumer perceptions of those issues.

The face-to-face interview covered and reflected the consumers' views, including those in respect of the ICT services they use, the quality of those services, their perception of services rendered by different service providers, complaint handling processes and procedures, perceptions on the role of different stakeholders in the ICT sector, knowledge of consumers about their rights and channels they use to make complaints. Also the interviews reflect suggestions for the improvement of the experience of consumers.

The sample size was intentionally small, designed to allow relevant issues to emerge and be fully explored. The interview sample is intentionally not statistically representative, and cannot be extrapolated nationally, although care was taken to ensure inclusion and a balance between urban and rural, female and male, young and old, literate and illiterate, rich and poor.

The second approach used in this qualitative research was a focus group. The purpose of this approach was to validate the findings of the face-to-face interviews, examine key issues that surfaced during the interviews in greater detail, and to explore possible solutions to address the issues raised during the face-to-face interviews.

The sample of this research was twenty-four individuals. The selection of participants was based on the criteria as indicated below:

- Male: 12
- Female: 12
- Young (below 40): 12
- Older (Above 41): 12
- Rural: 12
- Urban: 12
- Literate: 16
- Illiterate: 8
- Low income: 12
- High income: 12

The criteria to choose the sample of participants based on the different variables above is reflected in the breakdown of the actual sample reflected in the table below:

		Literate				Illiterate		TOTAL
		M	M	F	F	M	F	
RURAL	Young (below 40)	1	1	1	1	1	1	12
	Older (above 41)	1	1	1	1	1	1	
	Low income	1	1	1	1	1	1	
	High income	1	1	1	1	1	1	
		2	2	2	2	2	2	
URBAN	Young below 40	1	1	1	1	1	1	12
	Older above 41	1	1	1	1	1	1	
	Low income	1	1	1	1	1	1	
	High income	1	1	1	1	1	1	
		2	2	2	2	2	2	
<b>S/total</b>		<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>24</b>
<b>Grand Total</b>		<b>16</b>				<b>8</b>		<b>24</b>

*Table 3: Variables of selection of the interviewees*

The following table outlines a breakdown of participants in terms of category of employment, gender, age group, marital status and location:

<b>Employment Category</b>	<b>Gender</b>	<b>Age group</b>	<b>Marital status</b>	<b>Location</b>
Cashier in bank	male	25-34	Single	urban
Government Employee	Female	25-34	Single	urban
Business man	Male	35-44	Married	rural
Supervisor of programme, public institution	male	45-54	Married	Rural
Business Woman	Female	35-44	Married	Rural
Legal affairs in public institution	Female	25-34	Married	Urban
University student	Male	25-34	Single	Rural
Director of Project	Male	25-34	Single	Urban
Employee in a Security Company	Male	25-34	Single	Urban
Secretary in a Public Institution	Female	45-54	Married	Urban
IT Content Specialist	Female	35-44	Married	Urban
Business woman	Female	35-44	Married	Urban
President of Cooperative	Male	25-34	Single	Rural
Cooperative Member	Female	25-34	Single	Rural
Masonry	Male	35-44	Single	Rural
Cashier in the Bank	Female	25-34	Single	Rural
Business man	Male	25-34	Single	Rural
Secretary of Community Association	Female	45-54	Married	Urban

School Teacher	Male	35-44	Married	Rural
Manager of Cyber café	Male	35-44	Married	Urban
Cleaner	Female	35-44	Married	Rural
Farmer	Female	35-44	Married	Rural
House keeper	Female	25-34	Single	Urban
Shop Manager	Male	45-54	Married	Rural

**Table 3: Breakdown of interviewees by employment, gender, age, marital status, location**

## **5.2. ICT services used by interviewees**

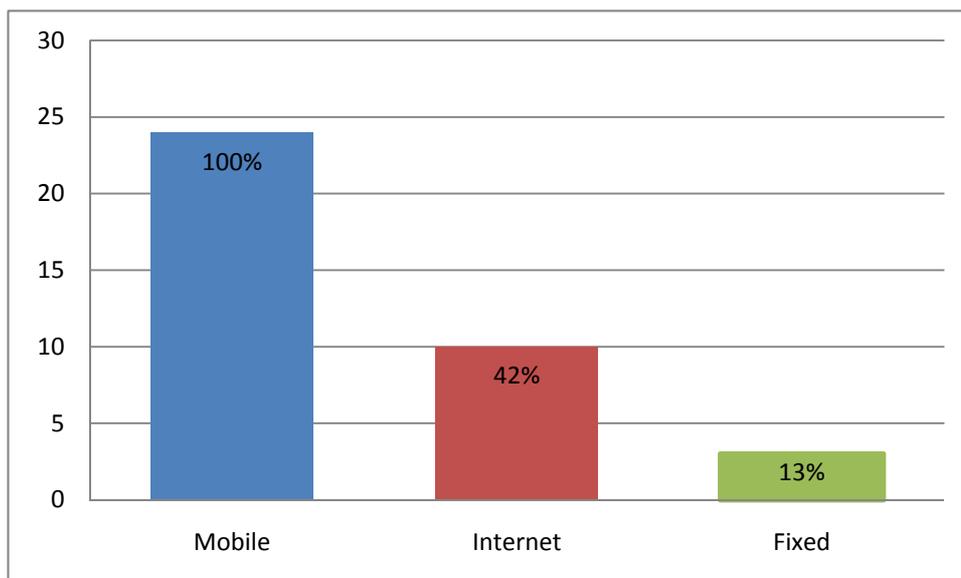
The use of mobile services was universal within the interview sample, with Internet use widespread, but little use of fixed line telephony services. While this shows the sample not to be reflective of the usage patterns across Rwanda as a whole, from the point of view of determining the perceptions of the consumers of ICT goods and services, it reflects a useful population. The table below shows the distribution of ICT services used by the 24 interviewees::

Services	Number of users out of 24 <sup>7</sup>	Percentage
Mobile	24	100%
Internet	10	42%
Fixed	3	13%

**Table 5: Access to ICT services**

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<sup>7</sup> Note that interviewees may be users of more than one ICT service.



***Figure 4: Consumers of Telecommunication services***

As can be observed above, the use mobile communication services was universal amongst the interview sample. This reflects the fact that interviewees were selected on the basis of their being consumers of mobile, Internet or fixed phone services.

Fixed phone users in Rwanda are decreasing due to the exponentially increasing penetration of mobile services. Comparing to past years, as we saw above, Internet users are increasing and this is partially coming from the increased presence of Internet service providers in the market. For example, all mobile operators have introduced mobile Internet through their mobile phones which allow subscribers with Internet-capable handsets to have access to Internet services in the major part of the country.

Another interesting observation is the number of subscribers for each of the mobile operators in Rwanda. MTN Rwanda is leading as the major operator with the biggest number of customers. RwandaTel SA has been identified as the second mobile operator while Tigo as the newcomer is still developing its customer base.

Also to note that most of the users can access Internet through cyber cafes.

### 5.3. Understanding of operators and their services by consumers

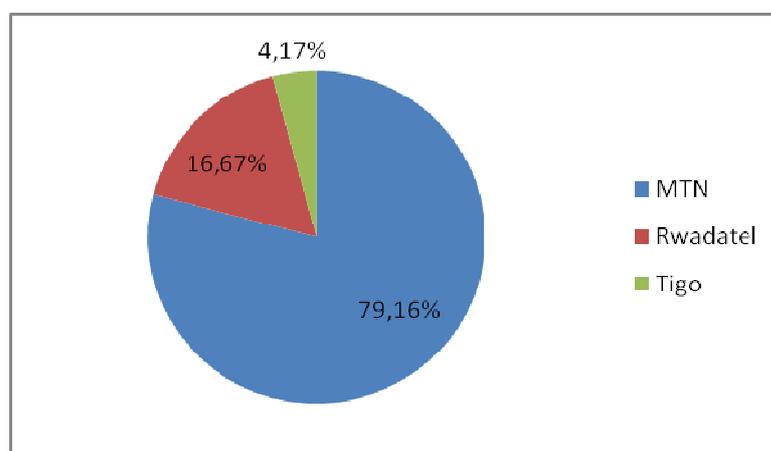
Rwanda is currently in a competitive era with three major operators that are in competition in the overall telecommunication market. In this context, consumers have to be empowered for them to make a better choice. This can guide them in terms of choosing the best operator that provides the best service at affordable price. For that reason, consumers have been asked to make the comparison of different service providers on the market in terms of the best services and affordability of price.

#### 5.3.1. The Best Service Provider

The first question asked to the interviewees was to make a comparison between different service providers on the market based on their offerings, giving their view as to which service provider offers the best services in Rwanda<sup>8</sup>. On this question, different views from consumers were provided as outlined in the table below:

Service provider	No of Respondents	Percentage
MTN	19	79%
RwandaTel	4	17%
Tigo	1	4%

*Table 5: Best service provider*



*Figure 5: Best Service Provider*

<sup>8</sup> No specific definition of “best” was suggested to respondents, who were thus asked to make their choice according to entirely subjective criteria - although reasons for their choices were also solicited and explored.

As shown above, the overwhelming majority of the respondents answered that MTN is the operator which provides the best service to its customers. This perhaps reflects the performance in the market of MTN Rwanda, which started its operations in 1998 and appeared to be the best service provider that has gained an extensive experience in communication services, along with the fact that the overwhelming majority of respondents were MTN customers.

*“I think that MTN Rwanda is the best service provider because it’s the first company of mobile telephony in Rwanda, for that reason it has a great experience in telecommunication services market” (Business man)*

The respondents emphasised network coverage and affordability of price as the key factors that make MTN the best service provider. MTN’s national coverage has reached 90% of the country, while affordability is more a matter of competition era that the country has entered in with the introduction of two new telecom providers.

*MTN provides the best services to the customers because its network coverage reaches the maximum part of the country and it seems to be constant even in the rural area (Programme Supervisor in Public institution)*

A much smaller but still significant number of interviewees felt that RwandaTel provided the best services in Rwanda, mostly citing the view that RwandaTel offers more advantages to its customers.

*RwandaTel provides the best services because it gives more promotion to its customers, for example using air time for 500 Rwf (USD 0.9) for a whole day (University student)*

Finally, only one respondent responded that Tigo Rwanda is the best service provider in Rwanda. His reason was based on the fact that although Tigo is still marketing its products, it offers low price of interconnection when compared to other existing mobile service providers in Rwanda.

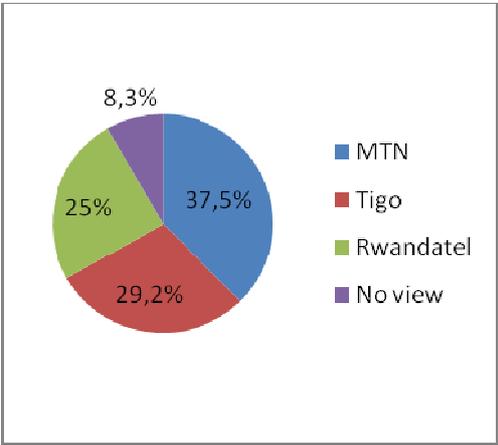
As outlined above, most of our interviewees were of the view that the best service provider in mobile telecommunications was MTN Rwanda.

**5.3.2. The cheapest service provider**

In this section, exploring further the understanding of the operators by consumers, the question was to identify the service provider considered by consumers as the cheapest as well as explaining their reasons. This has been highlighted in the following table:

Cheapest Service provider	No of Respondents	Percentage
MTN	9	38%
Tigo	7	29%
RwandaTel	6	25%
No choice	2	8%

*Table 5: Cheapest service provider*



*Figure 6: Cheapest Service Provider*

As per the findings above a substantial number of the respondents believed that MTN was the cheapest service provider, with smaller groups favouring Tigo (29%) and RwandaTel (25%). The responses are fairly evenly divided here, suggesting there is no clear overall public perception of a price market leader in this market. Notwithstanding this, only 8% of the respondents said that they have no views regarding the cheapest service provider in Rwanda.

Taken together with the responses to the previous question, and coupled with the fact that the overwhelming majority of respondents are MTN customers, this result shows firstly that a number of consumers perceive a provider other than their own to be the cheapest, and hence, secondly, that consumers are making a price versus quality choice, and that their choice of service provider is driven by factors other than raw price.

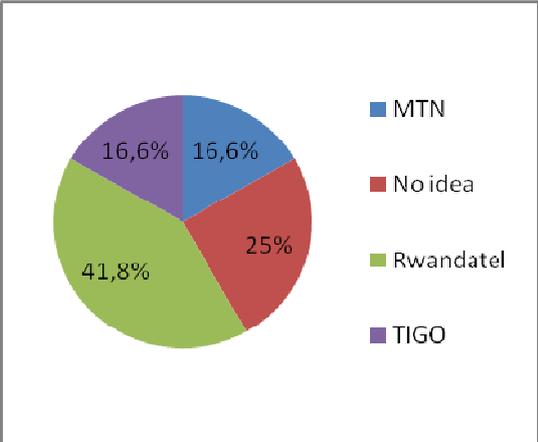
Those respondents supporting the idea that MTN continues to come ahead as the cheapest service provider, argued that it has an extensive experience and has introduced more new services than any other operators in the country.

*MTN Rwanda always brings new services for which its customers have to make their choice and I think MTN zone is a tariff plan which enable consumers to save enough money while making calls. (University student).*

It is perhaps unsurprising that the new entrant with the smallest subscriber base, Tigo, is viewed as cheapest by nearly a third of respondents, since price differentiation is a typical market entry strategy.

**5.3.3. The worst service provider**

A further question aimed to identify which service provider was considered by consumers to provide the worst services to its customers<sup>9</sup>. The results with regard to this question are highlighted in the graph below:



**Figure 7: Worst Service Provider**

The graph and table above suggest that RwandaTel is viewed as the operator which provides the worst services by a substantial number (42%) of respondents. Common reasons cited by 60% the respondents for this view were problems with RwandaTel’s network coverage and its call prices seemed to be higher than those of its competitors. Some suggested RwandaTel does not have enough base stations in order to provide proper coverage around the country.

<sup>9</sup> Again, respondents were allowed to use a subjective definition of what they considered to be “worst”, but again reasons for their choices were sought.

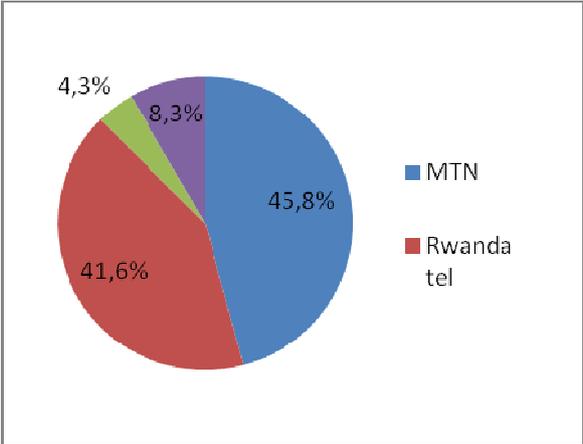
During the interaction, 30% of respondents suggested that most of RwandaTel’s base stations are installed in the major towns with very limited coverage in rural areas.

*Network coverage of RwandaTel is not reaching every part of the country, and it charges more when we make calls to other operators. (Cashier in a Bank)*

*“I am getting trouble in switching to RwandaTel since its network doesn’t reach our district. This brought me to choose MTN which covers the whole country and allows us to be in communication with our friends from anywhere “ (lecturer).*

**5.3.4. The most expensive operator**

The final point related to the understanding of the service of operators by consumers was to know from the interviewees the operator they think is the most expensive in Rwanda. On this question, various opinions were given as shown below:



**Figure 8: Most expensive Service Provider**

The findings of the interviews show us that MTN has been mentioned by a substantial number (46%) of respondents as the operator which is the most expensive. A further sizeable number (42%) believe that RwandaTel is the most expensive, while only 4% mentioned Tigo. Finally, 8% said that they didn’t have any opinion on this question.

The responses to this question may appear to some extent to contradict previous responses about the cheapest service provider, where a nearly similarly substantial number (38%) of respondents viewed MTN as the cheapest operator. The results, however, may simply reflect MTN’s position as market leader, and thus a provider about which firm and definite views are held. Different reasons are raised by consumers pointing to MTN as the most

expensive telecommunication company in Rwanda, many referring to the previous experience during the monopoly era when MTN was the only player on the ground.

They emphasized that MTN products are still expensive and other services like SMS are too high compared to Tigo and RwandaTel.

Some of the interviewees suggested that MTN should capitalise on its position as the first mobile service provider by decreasing the prices of its products and services offered.

#### ***5.4. Switching from one service provider to another***

Besides exploring consumers' understanding of the operators by making comparison of the different service offerings on the market, another interesting question, especially with Rwanda's telecommunications market now entering an era of competition, was to understand the ability of consumers to exercise choice and empowerment in the telecomms market, by asking if interviewees had switched from one service provider to another.

Very few interviewees (10%) stated that they have switched to another service provider, with reasons cited including hoping to benefit from various promotional advantages, and network congestions.

*I have switched from MTN to RwandaTel because it came with different promotional services to its customers, I could make free calls from RwandaTel to RwandaTel during one month (Business woman)*

*I switched from MTN to RwandaTel because many times I received a signal that network is busy, so that it was not easy to be connected with my friends (University student)*

Another observation from some interviewees is that people like to use two or three SIM cards from different operators so that they can get benefits of each service providers during the time when there are promotional campaigns. An estimate of 25% of overall subscribers is holding two SIM cards as per the Rwanda Sector Performance Report 2009-2010. The lack on number portability was cited by some as a barrier to switching providers, because many people know you through your previous service provider's number. In addition some consumers are not interested to the new operator since they haven't got any problem and

found that it is less attractive. Some of the interviewees seemed to adopt a conservative attitude and were simply reluctant to change from their first service provider.

**5.5. Major Consumer Issues in communication Service in Rwanda**

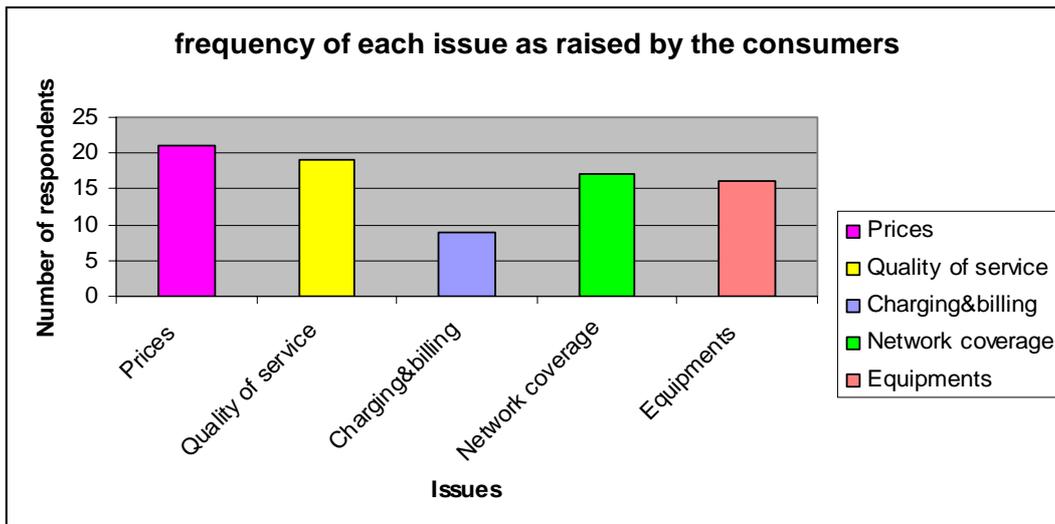
The focal point of this section is to identify various issues which affect the consumers of ICT services in Rwanda. From this regard the issues raised by consumers have been grouped into different categories.

As we will show below, issues in terms of pricing, quality of service, charging and billing, network coverage and equipment are on the top of major issues raised by consumers in the telecommunications sector.

The table below shows the frequency of each issue as raised by the consumers interviewed. Each issue will be discussed in greater detail below.

<b>Issues raised</b>	<b>No of respondents (out of 24)</b>	<b>Percentage</b>
Pricing	21	88%
Quality of service	19	79%
Charging and billing	9	38%
Network coverage	17	71%
Handsets	16	67%

**Table 6: Frequency of Issues**



*Figure 9: Frequency of Issues*

### **5.5.1. Issues in terms of prices**

Amongst the issues affecting the consumers of telecommunication services in Rwanda is the problem of pricing, with the issue of high prices for telecommunication services being raised by the majority of the interviewees as the most important consumer issues and one that constitutes the barrier for many consumers to have access to the telecommunication services. The overwhelming majority (88%) of the interviewees said that prices for telecommunications services, especially mobile services, were still a big problem and they are being charged too much.

*“The prices are too expensive, I have difficult to talk everything by using my mobile phone because MTN charges me too much”. (Technician in the private company)*

Some 70% of interviewees showed that many consumers see affordability as a key issue, making a comparison between their income and the prices of telecommunication services.

*“Here in Rwanda the cost of service is still too high. It is difficult to use phone every day compared to my income generation.”(Secretary, Association)*

65% of interviewees said that mobile service was very expensive compared to other services like Internet and fixed line, pointing to the high prices charged by some service providers to send an SMS, and to high interconnection rates<sup>10</sup>.

*“I spend 30 francs only to send one SMS from MTN to MTN. I am very frustrated by MTN because the charges are too high to send the SMS to other operator”.*  
(Student)

In addition to the cost for calling and sending SMS locally, 40% of the interviewees felt that international calls are too expensive. They suggested that costs of telecommunication services should be reduced in order to be accessible for many people living in the country.

### **5.5.2. Issues in terms of quality of services**

The issue of quality of service was identified as a second priority issue affecting consumers in the telecommunication sector in Rwanda. As shown above, a substantial majority of interviewees (79%) said that the quality of service delivered by operators in Rwanda is still poor. Just over half (52%) of those mentioning quality of service agreed that they experienced a significant number of dropped calls while calling from one operator to another.

*“I experienced many dropped calls when I make a call to Tigo and RwandaTel; during conversation I face some cuts which affect me in the conversation”.*  
(Manager, Construction Company)

Another issue raised in relation to quality of service was the inadequate quality of voice. Consumers said that they are faced with a problem of inadequate quality of voice especially when calling across networks to another service provider. Further, a third (32%) of those interviewees mentioning quality of service said this was manifested through network congestion at the certain times of the day, especially during the weekends and public holidays.

*“Sometimes during the weekend, the network becomes congested; I try to call my colleagues but I receive a signal that network is busy”.* (Masonry)

Some 35% of interviewees cited quality of service issues in respect of the Internet, pointing to the problem of slow Internet connection and saying that they experience frequent

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<sup>10</sup> Interconnection prices were recently published in the daily press known as The New Times in January 2009 , which accounts for consumer awareness of what are essentially wholesale prices.

disconnection and cuts which have the negative impact to their businesses in terms income generation.

*“Frequently we have a slow Internet connection and disconnection. For that reason the users of the cyber café leave without paying which causes to me a big loss”. (Manager, cyber café)*

Regarding Internet quality of service, one interviewee raised the issue of low modem capacity. He said that they have a problem when doing their activities like downloading or sending the big documents.

*“I suggested to the operators to improve the capacity of their modems, I face with the problem of low capacity of modem when I want to download the big documents. It is not possible for me by using the Modem of 2 G”. (Director, Project)*

### **5.5.3. Issues in terms of network coverage**

A further substantial proportion of interviewees (71%) feel that Rwanda’s telecommunication sector is faced with a problem of network coverage, but this is more a perception as opposed to reality, especially in remote and rural areas such as the northern and eastern provinces of the country. Interviewees said that the lack of access to the network is a critical issue which disturbs their activities which require the use the mobile phone.

Interviewees citing lack of network coverage as a key consumer issue pointed to some service providers whose network coverage does not reach the maximum part of the country, singling out especially the newcomers, namely TIGO and RwandaTel, and pointing to coverage in areas of difficult terrain, particularly in the numerous valleys in Rwanda’s rural areas. They felt that the resultant lack network availability was highly problematic.

*“It is difficult for me to make a call if I am located in the remote area especially in the valley. I have to climb the mountain in order to get network”.*

Even if Rwanda seems to have enough network coverage in the urban areas, some interviewees said that they experienced a lack of network coverage in some urban areas where network would have been expected.

*“My friends send me an SMS saying that they can’t reach me because I switch off my mobile phone, in reality it is a problem of lack of network coverage instead of switching off a phone”.(Young woman)*

#### **5.5.4. Issues in terms of equipment**

The quality of telecommunication services depend on the quality of end-user equipment, handsets in particular. Another substantial majority (67%) cited problems with equipment as a key consumer issue. Equipment issues raised by interviewees include the short life of cell phone batteries, which means that they need to be recharged very often. Also, they mentioned the problem of handsets which do not comply with the standards required for being used and can cause damage to their health. Finally 40% cited the poor quality of voice from handsets currently on the market.

#### **5.5.5. Issues in terms of charging and billing**

The issue of charging and billing was further raised by a fairly substantial number of consumers (38%) as a problem which they encounter. They claim to be charged for things for which they are ought not to be charged, and suggest that the way in which charges are made and presented seems to be insufficiently clear.

*“Sometimes or certain time of the day MTN charges me too much and other moment charges are less especially when I use MTN per second. The way in which charges are made is very complicated to me”.(Employee, company)*

Beside these issues, some interviewees mentioned the absence of electric power in rural areas, meaning that they have to walk long distance for recharging the batteries of their mobile handsets, especially in those remote areas where there is no electric infrastructure.

### ***5.6. Consumer Contact and Complaints Made***

#### **5.6.1 Complaint Handling Process**

This section of the interview was designed to identify whether consumers were aware of when their rights as consumers had been infringed, and whether they were aware of the channels of redress available to them, and if they have used these channels. Some 30% of interviewees stated that they had made complaints to their service providers. The majority (60%) of the

participants said that they had never made any complaint because they were not sure that their complaints would be handled and that it would be a long process in order to receive redress.

Those few complaints which have been made to the service providers include those related to the charging and billing process, particularly being overcharged due to lack of clarity on call pricing, as well as complaints about Internet disconnection, and complaints about long procedures for doing a SIM swap after losing a SIM card.

*“One day I loaded into my phone the airtime of 500 Rwf but automatically all the amount was charge. I called MTN [to say] what happened and [to tell them] to reimburse it, but till now no reimbursement is made”.(University student)*

*“I made a complaint asking why the Internet connection has frequent cuts, but the service provider doesn’t pay us what we lost “. (Manager, cyber café)*

One interviewee claimed that her service provider had cut her Internet service on the grounds that she hadn’t paid her bill, despite her having already paid before even receiving an invoice.

Even if their problems remained unresolved, no participant said that they had escalated their complaint, describing this as a waste of their time without any result.

In contrast, however, a majority (60%) of interviewees said that they often use the customer help line of their service provider for various reasons including requesting for assistance to register into a new system, loading airtime on the phone, requesting information about charging, requesting technical assistance when there is problem related to calling or sending SMSs.

### **5.6.2. Knowledge of Consumers’ Rights**

The research also aimed to test consumer awareness of their basic rights. The findings of this survey show us that consumers know very limited rights in the telecommunication services. Amongst the rights identified by consumers were the following:

- 25%: Access to the information about services delivered by operators to the customers and where to make complaints;
- 70%: Get technical support for handsets and other devices used;
- 30%: To be heard by service provider when asking information;

- 50%: To know any time what call costs are;
- To receive good service as paying customers;

Get enough information on the new systems brought onto the market..

Some interviewees indicated that they pay for the services used, for that reason service providers have the obligation to offer to them good service all the time.

*“Service providers have to improve the quality of services delivered to the customers considering what we are paying for”. (Content specialist, Educational project)*

### ***5.7. Knowledge about the Role of the Regulator***

The interview were concluded by covering two related topics, identifying what consumers knew about what is being done in respect of consumer protection, and what sorts of interventions they would like to see. Interviewees were asked if they knew the regulator responsible and to give its name. Only a very few (20%) of the interviewees were aware of Rwanda’s telecommunication Regulator.

*“I do not know Rwanda’s telecom regulator and its name”. (Director, Project)*

Some respondents appeared confused, mentioned the names of service providers or other public institutions.

*“I think Rwanda’s telecom Regulator is MTN”. (Woman, Rural area)*

*“The telecom Regulator in Rwanda is Rwanda Development Board (RDB)”.  
(University student)*

Those who were aware of the regulator said that, although RURA (Rwanda Utilities Regulatory Agency) was trying to do its tasks, it still had much to accomplish in terms of protecting the consumers of telecommunications services.

*“The regulator (RURA) should care about the concern of consumers from the services they receive”. (Employee, Public institution)*

*“RURA has to regulate services and prices from the operators”.* (Business man)

### ***5.8. Role of Different Institutions in Improving the Consumer Experience***

Interviewees mentioned that different organizations can play important role in order to help consumers in telecommunication services in improvement the services they receive.

#### **5.8.1. What should the Government do?**

The Government of Rwanda was been mentioned by the vast majority (90%) of consumers interviewed as the high-level engine to empower all other institutions involved in telecommunication sector. 40% of the participants identified what should be done by the Government, but often confusing the respective roles of government and the regulator, saying that Government should put in place the rules and regulations governing the various service providers and should take the necessary measures against those operators that do not comply with regulations.

*“Government should set up telecom consumer legislation and show the standards of complaints handling”.* (Legal Affairs, Public institution)

It was suggested by the majority of interviewees that Government should support consumer associations and ensure that the regulator is fulfilling its responsibilities, and further that Government should educate consumers about their rights.

*“Government should help their people by educating them about their rights”.*  
(Business man)

Some participants said that government has to play a big role in price regulation and ensure that rules are followed by service providers and if their products are not expensive.

*“Government should make the follow up of all operators and ensure that their services are offered on the affordable prices”.* (Masonry)

A third of the interviewees suggested that Government has an obligation of regulating the sector and ensuring that customers receive their services at affordable prices, even mainly to ensure that all Rwandese receive the same services (network coverage) wherever they are even in the rural areas. Some even suggested that Government should be involved in the complaints handling and resolution process.

### **5.8.2. What should the Operators do?**

Operators have been noted by all the interviewees as the entities that need to play an important role in improvement of the experience of consumers. A majority of the interviewees noted that the operators should improve the quality of their services and should provide better service to the consumers.

*“Operators should provide good quality of services to the consumers by offering the promotional services and respect them”. (University student)*

*“Operators should make the improvement of the quality of services provided to their customers”. (Person in the Rural area)*

One interviewee felt that all operators should put work closely with customers, suggesting that they put in place mechanisms for collaboration with consumers and follow up on the service rendered by their employees.

*“Operators should work closely with the customers and make follow up on the services rendered by its employees to the customers”. (Business man)*

Apart from such collaboration with customers, some interviewees suggested that all operators should collaborate and share information between themselves on how to offer good service to customers.

*“All service providers should have a good collaboration within themselves”.  
(Legal affair Officer, public institution)*

*“All services should have a good interconnection and collaboration”. (Worker in Private Company)*

“Two frustrated participants” said that the operators should improve their customer service in terms of dealing with the customers. In this context, they should improve the knowledge of their staff on how to give good service. Also, the Operators should improve their internal administration in order to offer quick services to the customers.

*“The Operators must provide good services to the customers, to have good internal administration which facilitates the customers for payment and to share the information within employees”. (Content specialist, Project)*

*“The service providers’ heads should sensitize their customer care services on how to deal with the customers”. (Employee, Security Company)*

Some interviewees suggested that operators should provide more information related to their services, particularly on the new technologies used as well as the cost of services.

*“The Operators must publish information about their services and about new technologies and cost associated”. (Business man)*

In order to deliver good services to the consumers, the interviewees said that Operators should respect the clauses of the contract signed before starting working; and the Regulator have to ensure if they are applicable.

### **5.8.3. What should the Regulator Do?**

Many interviewees mentioned that prices of telecommunication services on the market seem to ignore the social and economic conditions of the consumers in Rwanda. For that reason, a majority (67%) of interviewees suggested that Regulator should intervene in price regulation.

*“The Regulator should make price regulation according to the income generation of Rwandans, [and] defend the interest of customers”. (Content specialist, Project)*

*“Regulator should help us to reduce the prices in order to be access to the telecommunication services by many people”. (Business man)*

*The Regulator should put in place the standards of prices country wide for mobile and Internet use (Business man)*

A few interviewees suggested that the Regulator should continually monitor the services offered by operators to customers to ensure that they meet the requirements of licences and regulations. Others suggested that the Regulator should also be involved in consumer complaints procedures in order to ensure that both sides are balanced in terms of satisfaction.

One participant said that Regulator should put in place free telephone lines for consumers to lodge complaints or report other problems regarding the service received from the operators.

*“The regulator should put in place free telephone lines for customers so that they can make calls whenever they get a complaint with their service providers”.  
(Employee, Security Company).*

Some respondents felt that Regulator should work hand in hand with the Government. Others felt that Government should empower the regulator in order to be improve the environment in the telecommunications sector in the country.

Some respondents suggested that the regulator extend its activities countrywide, opening branch offices in different parts of the country, including in rural area, in order to work closely with and know the views of consumers about the services they receive, even in remote areas.

As pointed out earlier, Rwanda’s telecomms regulator is not known by many of the respondents. Consumers therefore felt that the Regulator should sensitise people about its activities in its various domains, especially in the telecommunication sector.

*“The Regulator should work as possible in other to inform all consumers what is able to help them in case of serious problems”. (Business Woman)*

#### **5.8.4. What should the consumer groups do?**

The concept of consumer groups or associations in the telecommunication sector sounded strange to many of the interviewees, with none being aware of any consumer association in the country.

A few of the interviewees did however suggest that consumer groups would be useful in defending and representing the interests of consumers, and in speaking on their behalf in decision making in the telecommunication sector. Some participants suggested that consumer groups should ensure that complaints made by consumers are properly resolved, and should collaborate with service providers to this end.

*“Consumer Groups should defend and represent the interests of consumers”.  
(Teacher, Primary school)*

*“To ensure and follow how the complaints made by the consumers are handled and defend the interest of consumers”. (University student)*

One interviewee suggested that consumer groups should mobilise consumers to boycott the operator which provides worst services to its customers, and get involved in the pricing process.

*“Consumers Groups should boycott an operator which provides worst services to the customers, [and] negotiate about prices of services”. (Content specialist, Project)*

## **6. Focus Group Results**

The purpose of focus group was to explore in greater depth and detail the major issues that have emerged from the interviews and to identify possible solutions that consumers are able to propose to the particular issues they have raised. Other issues tackled in the focus group included understanding and highlighting the impact of illiteracy, gender, geographic location and impact of income on consumer attitudes and on consumer protection.

The discussions in the focus group focused particularly on the major consumers issues raised, such as the complaints concerning charging and billing, network coverage and quality of service. Literacy was viewed by the focus group as having a direct impact on consumer perception about the quality of services offered by the various service providers. The discussion during the focus groups suggested that literate consumers are far more empowered to complain about the quality of service, especially in respect of mobile and Internet services, such as problems of network congestion, low speed of the Internet and dropped calls. Those who are less educated identified complaints concerning charging and the cost of calls on mobile. The discussion showed that consumers who are less educated are not aware about consumer rights, with some agreeing that they hesitate to make complaints about poor service. This suggests that level of literacy affects both perception of consumer issues and the ability to complain about service problems.

Regarding Gender difference, the discussion during the focus groups suggested that men are more likely to make the complaints than women. Women appear less likely to complain, saying that they do not have enough time and that the complaint process takes too long for them. Women participants further reported facing more problems regarding the theft of their handsets. The participants suggested greater collaboration between the police and consumer groups to track down and recover stolen handsets.

The focus group identified issues affecting consumers in rural areas as poor network coverage and equipment problems in particular, but also the lack of electric power in order to recharge batteries. Further, rural consumers have complaints about lack of availability of airtime and few if any nearby customer centres to lodge complaints, as well as the price of telecommunication services, especially mobile calls. The focus group suggested that service providers, in collaboration with government, should help rural consumers to resolve the problem of power and extend customers service centres in the rural area.

The focus group suggested that the issues for urban consumers were more likely to be in relation to slow Internet connectivity, network congestion, the poor quality of customer care and the frequent theft of mobile handsets. The focus group suggested that service providers should train their employees better in dealing with consumers.

The focus group identified issues for corporate consumers as quality of service; customer care and network quality. For improvement of this situation, the participants in the focus group suggested that the service providers should increase the capacity of network.

## 7. Conclusion and Recommendations

This report outlines the major findings of the survey conducted to the interviewees regarding the issues which affect them. While definitive national results cannot be extrapolated from the findings in respect of a relatively small sample such as this, a number of useful conclusions can be drawn.

Firstly, it is clear that consumers have definite and clear views on the various service providers in the market, in respect of the price and the quality of the respective service offerings, and are able to give reasons for their views. It would therefore seem important to monitor consumer perceptions of the various service providers and their reasons for such perceptions on systematic and ongoing basis, and to report the results of such surveys to the public of Rwanda.

Secondly, a number of issues affecting the consumers of communications services appear to be prevalent, including: pricing, quality of service, charging and billing, network coverage as well as issues related to equipment. Whilst the relative national prevalence and weighting of these various issues cannot be gauged from a small sample such as this, their relative weighting within the sample suggests that they are real and prominent issues, necessitating further investigation, followed by specific intervention in defence of consumer interest by the regulator.

Thirdly, the research shows a considerable lack of awareness on the part of consumers as regards the regulator and its role, along with some confusion regarding the respective roles and responsibilities of the various bodies involved in consumer protection in Rwanda. This is to some degree natural and to be expected in a complex modern society, but it does suggest the need for improved communication with consumers and the public in general, along with a need for educational and awareness-raising interventions.

Accordingly, the following recommendations are made:

- The government of Rwanda should strengthen the provisions in the law that empower the regulator, RURA, more effectively to protect consumer rights in communications;

- The regulator, RURA, should intervene more strongly to protect consumers by, inter alia, encouraging operators to improve their services, by requiring greater network coverage on the part of the operators, by intervening in respect of pricing and quality of service;
- RURA should regularly survey consumer perceptions regarding the various service providers, including the reasons behind such perceptions, and should publish the results of such surveys on its web site;
- RURA needs to engage more effectively in marketing itself to the public of Rwanda, via a variety of channels (including but not limited to SMS and its web site), advertising its role and responsibilities vis a vis those of government and the operators, and claiming greater public credit for its achievements and successes, particularly those in defence of consumer rights;
- The establishment of at least one association dedicated to the cause of consumers, to defending their rights, identifying and publicising their issues, and to advancing the cause of the consumers of communications services, should be supported.

## **Appendix 10 – In-country Research Report Uganda**



**UGANDA  
COMMUNICATIONS  
COMMISSION**

**Republic of Uganda**

**UGANDA COMMUNICATIONS COMMISSION**

**Empowering regulators to protect consumer rights in the ICT Sector**

**Prepared By:**



*Suite 501 Communications House*

*Plot 1, Colville Street*

*Kampala*

## Table of Contents

1. INTRODUCTION.....	2
2. STATUS OF THE SECTOR WITH RESPECT TO CONSUMER PROTECTION AND EMPOWERMENT.....	4
2.1. Introduction.....	4
2.2. Policy, Laws, Regulations, and Institutions.....	4
2.3. Consumer Groups.....	5
2.3.1. Uganda Consumer Protection Association (UCPA).....	5
2.3.2. Uganda ICT Consumer Protection Association (UICPA).....	5
2.3.3. Consumer Education Trust (CONSENT).....	6
2.4. Specific Examples of Consumer Protection Failure.....	6
2.4.1. Mobile telephone services.....	6
2.4.2. Internet services.....	6
2.5. Major Areas for Consumer Protection and Empowerment in Uganda.....	7
2.6. Conclusion.....	7
3. INTRODUCTORY WORKSHOP.....	8
3.1. Introduction.....	8
3.2. Structure and Methodology.....	8
3.3. Presentations and Discussions.....	8
3.4. The Focus Group Discussions, Conclusions, and Recommendations.....	9
4. IN-DEPTH INTERVIEWS.....	12
4.1. Introduction.....	12
4.2. Methodology.....	12
4.3. Findings.....	12
4.3.1. Awareness of Consumer Rights.....	12
4.3.2. Fulfillment of rights and reasons for failures.....	13
4.3.3. Awareness of ICT Consumer Organisations and their Role.....	15
4.3.4. The Challenge of Literacy.....	15
4.3.5. Gender Concerns.....	16
4.3.6. The Focus Group Discussion.....	16
4.3.7. Conclusion.....	18
5. PUBLIC DISSEMINATION WORKSHOP.....	19
5.1. Introduction.....	19
5.2. Key Recommendations from the Consumer Satisfaction Survey Presentation.....	19
5.3. Key Recommendations from the Consumer Protection and Empowerment Research Presentation.....	20
5.4. Input from the Discussion.....	20
6. RECOMMENDATIONS ON REGULATORY ACTIONS.....	22
Appendix 1 - Attendance List for Introductory Workshop.....	24
Appendix 2 - Introductory Workshop Programme.....	26
Appendix 3 - Introductory Workshop Programme.....	28
Appendix 3 - Introductory Workshop Presentations.....	29
Appendix 4 – In-depth Interview Participants.....	30
Appendix 5 – In-depth Interview Guide.....	31
Appendix 6 – Public Dissemination Workshop Participants.....	32
Appendix 7 – Public Dissemination Presentation.....	33

## 1. INTRODUCTION

Most African governments have now gone through two cycles of sector reform. The first cycle saw corporatisation and partial liberalisation based on privately controlled monopolies or limited competition. The second cycle is full liberalization, combined, in some cases, with a converged policy and regulatory environment. The focus in the first cycle was increasing efficiency and penetration of services through the attraction of private investment. The second cycle, in addition to attracting more investment, also has the focus of offering the consumers more choice. The difference in focus necessarily makes a difference on the main focus of policy and regulation. In the first cycle, the policy and regulatory focus was on attracting and protecting investors. In the second cycle, it must be consumer protection and empowerment. The challenge is then to get this message across to regulators and to enable them to change to address the issues around consumer protection and empowerment

This research addresses the questions:

- i. What has been implemented or initiated in terms of policy, laws, and regulation to address the need for consumer empowerment and protection? It should be noted that while the study proposal was targeted at consumer protection, we chose to extend this to consumer protection and empowerment: we believe that it is only empowerment that eventually leads to market regulation in a fully liberalised environment.
- ii. What consumer organizations are in place, and how effective are they in creating and sustaining the necessary changes in policy, laws, and regulation?
- iii. How can the regulators and consumer groups work together to address the challenges of consumer empowerment and protection?
- iv. What are the key issues that must be addressed to ensure equity of benefit through consumer protection and empowerment initiatives?

An applied research study was initiated in 5 African countries to identify, implement and monitor best practice policy and regulatory interventions to protect consumer rights in the ICT sector. The Uganda Phase of the Study, led by Knowledge Consulting Ltd, was conducted in four stages:

- i. Preliminary research to document the status with respect to consumer protection and empowerment in Uganda.
- ii. An Introductory workshop at the start of the study, where key stakeholders reviewed the status based on preliminary findings, and discussed opportunities and challenges in advancing the status of policy, regulation, and practice in consumer protection and empowerment. This workshop also identified the key concerns of literacy and gender as requiring specific research.
- iii. Engagement of selected expert stakeholders to further explore the challenge of consumer protection and empowerment, with some specific focus on literacy and gender concerns. This included one to one interviews and a Focus Group discussion.
- iv. A final workshop for the dissemination of findings.

The process in Uganda was enriched by the fact that the Uganda Communication had just commissioned Knowledge Consulting Ltd to conduct a Consumer Satisfaction Survey. This created opportunity for cross-fertilisation of both studies because of the large areas of overlap and commonality of the key sponsor, Uganda Communications Commission. While this

report focuses on the specifics of the Consumer Protection and Empowerment study, insights from the UCC Consumer Satisfaction Survey enriched the findings in this study. Indeed, the final workshop consisted of two presentations covering each of the two related studies, and a common discussion of the issues that came out of the studies. This is also included in this report.

Section 2 of this report discusses the status of consumer protection and empowerment within the ICT sector in Uganda, while Section 3 presents the conclusions from the Introductory Workshop. The methodology, findings and recommendations from the engagement of selected stakeholders and the Focus Group discussion are given in Section 4. The Public dissemination forum was very rich in terms of input from the audience, and this is discussed in Section 5 of the report. Section 6 gives the conclusions and recommendations, including recommendations on policy and strategy initiatives.

## 2. STATUS OF THE SECTOR WITH RESPECT TO CONSUMER PROTECTION AND EMPOWERMENT

### 2.1. Introduction

This section examines the policy, laws, and institutions through which consumer protection and empowerment in the ICT sector is addressed in Uganda. It also looks at the consumer groups in the area and examines their strengths and weaknesses. Examples are given of instances where consumer protection has failed, and the major tasks ahead for entire in addressing consumer protection and empowerment are identified.

### 2.2. Policy, Laws, Regulations, and Institutions

There is no formal cross-cutting policy that addresses the protection of consumers in Uganda. The absence of formal policy is also reflected in the absence of formal laws. Consumer empowerment needs to start at the macro-level, and one important aspect of this is the continuing assurance of the availability of real choice to the consumers. This is assured only if there are no anti-competitive practices that eventually trap consumers into single choice circumstances. There is currently no law or set of laws in Uganda that addresses the exclusive subject of competition in business. It has been left to the different sectors to handle this as best as they can through their legislated laws and enabling regulations. Examples are the Patent Statute, 1991, that explicitly prohibits patent owners from making licensing conditional<sup>1</sup>; and the Uganda Communication Act<sup>2</sup> sections 57 – 63 that contain the legal provisions for fair competition and equality of treatment.

The Uganda Communication Act has only three provisions specific to consumer protection and empowerment under Section 5, “The Functions of the Commission”:

- To establish a tariff system to protect consumers from excessive tariff increase and to avoid unfair competition;
- To receive and investigate complaints relating to communication services and to take necessary action upon them;
- To promote the interests of consumers and operators as regards quality of communication services and equipment.

It can be argued that these combined provisions provide sufficient legal basis for the regulators to take action that will ensure consumer empowerment and protection: the rest them becomes a matter of what weight the regulator gives to these provisions.

Within the IT sub-sector, the NITA Act became law during 2008<sup>3</sup> and the institution to implement it is just under construction at the moment. It remains to be seen what steps NITA will take to protect and empower consumers: This study provides opportunity for them to learn from best practices as well as failures that exist nationally and regionally.

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<sup>1</sup> [siteresources.worldbank.org/.../Resources/UgandaMonograph.pdf](http://siteresources.worldbank.org/.../Resources/UgandaMonograph.pdf)

<sup>2</sup> [http://www.itu.int/ITU-D/treg/Case\\_Studies/Licensing/UGANDA\\_CS.pdf](http://www.itu.int/ITU-D/treg/Case_Studies/Licensing/UGANDA_CS.pdf)

<sup>3</sup> <http://www.i-network.or.ug>

UNBS is the only institution that comes closest to being at the center of consumer protection. Their approach is a macro-approach that ensures that substandard and dangerous goods are kept off the shelves in order to protect consumers<sup>4</sup>: they do not extend to the enforcement of consumer rights. More importantly, they cover only goods, not services.

## **2.3. Consumer Groups**

### **2.3.1. Uganda Consumer Protection Association (UCPA)**

UCPA was established in 1993. It is an Affiliate Member of Consumers International and has a membership of 365 with six chapters in Mbarara, Mbale, Bushenyi, Fort Portal, Soroti and Gulu.<sup>5</sup> The association is engaged in policy advocacy for an environment that enables consumers to exercise their rights by influencing business practices and regulatory activities. Its main activities are: food and nutrition rights; fair trade in goods and services and effective regulatory conduct. In the next three years UCPA will focus on food and nutrition campaigns and on consumer rights to access clean water, and will lobby for the enactment of a consumer protection law. This group has also been active especially in the telecommunications sector, and was, for almost a decade, the only audible voice for consumers.

The aims, objectives and activities UCPA include educating consumers about their rights and responsibilities; creating a forum for consumers and interested groups; gathering and disseminating information on consumer welfare and defending consumer rights; working as pressure group; and providing legal services and for consumers.

### **2.3.2. Uganda ICT Consumer Protection Association (UICPA)**

Following a series of discussions on various mailing lists and especially on the I-Network ICT Mailing list for about three years (with regard to ICT services and products in Uganda), a few individuals decided to explore the idea of bringing together dissatisfied ICT consumers. These individuals have now set up the Uganda ICT Consumer Protection Association (UICPA). The association is membership based and membership is open to all ICT consumers and stakeholders. UICPA recognises the existing institutions (and channels of dealing with consumer concerns) and works collaboratively with such institutions with the aim of improving ICT services and goods for the consumers: From Internet services to voice services and all the way to hardware products, consumers have to reportedly make do with sub-standard goods and services, and the few bodies mandated to protect consumers like the Uganda Communications Commission and the Uganda National Bureau of Standards seem to be overwhelmed by their wide mandates, and in some cases limited budgets and inadequate human resource.<sup>6</sup>

UICPA provides a collective platform / voice through which ICT consumers concerns can be addressed. This includes billing complaints; poor quality of ICT goods and services; pricing irregularities that result in loss of money by consumers; performance of the universal service fund under the Uganda Communication Commission; (UCC); and the high failure rate of hardware (for example promotional mobile phones).

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<sup>4</sup> <http://www.unbs.org/>

<sup>5</sup> [www.consumersinternational.org](http://www.consumersinternational.org)

<sup>6</sup> [www.i-network.or.ug/.../introducing-the-uganda-ict-consumer-protection-association-uicpa.html](http://www.i-network.or.ug/.../introducing-the-uganda-ict-consumer-protection-association-uicpa.html)

UICPA has joined the US Corporation of Non-commercial Users Constituency (NCUC) and the African Information and Communication Technologies Consumers Network (AICN). The move follows membership by the Kenyan ICT Consumer Society that joined NCUC and introduced UICPA to the recently formed international corporation that represents over 100 members from more than 40 countries. UICPA officials said the move would enable them to increase their advocacy and lobbying efforts to protect ICT consumers in Uganda and improve their role in Internet governance.

### **2.3.3. Consumer Education Trust (CONSENT)**

The objective of the Consumer Education Trust (CONSENT) is to work for a socially informed and just society, through empowering consumers, by offering advisory services, promoting ethical practices among businesses and engaging policy makers to enact people-friendly policies for present and future generations. In partnership with MS(??) Uganda CONSENT is implementing the Consumer Empowerment for Active Citizenship project, which includes five Consumer Advice points in Arua, Gulu, Kampala, Mbale and Mbarara. It will also conduct consumer awareness sessions and publish regular consumer guides. CONSENT participates in Trade Empowerment<sup>7</sup>

## **2.4. Specific Examples of Consumer Protection Failure**

### **2.4.1. Mobile telephone services**

For a long time, tariffs in the mobile sector have remained unregulated despite the fact that operators had been permitted to use mobile subscriber count (qualified by quality of service) as a substitute for universal access rollout obligations. When competition increased in the mobile sector, especially after UTL operationalised its mobile license as Mango (2001), price wars also started with dominant operators reducing call tariffs significantly in a development that bore the hallmarks of a combination of predatory pricing and setting more realistic levels. Again the regulator played the safe role of simply observing because prices were on a downward trend. Research establishes rates in Uganda as being currently the most expensive regionally. While operators blame this on the excise duty on airtime – imposed in total disregard of consumer rights – the underlying causes of high tariffs are different and need to be addressed.

### **2.4.2. Internet services**

Price wars also broke out among Internet service providers between 2001 and 2002 leading to the collapse of several Internet cafes in Kampala. However, the matter was “resolved” by the Association of Internet Cafes that decided that net time (per-minute charges) should not be reduced below UGX25 (USD 0.013). It could be argued that this is cartel pricing that works to the detriment of the consumers. In 2002, the UCC waived license fees to Internet cafes as a step to encourage proliferation of communications services. The move also removed some financial pressure off Internet cafes, which could have contributed towards stability of prices and dampened the price wars.<sup>8</sup> Key challenges that the regulator failed to deal with during this period were this cartel pricing approach; and the fact that the national operators that were enjoying protection through the duopoly provisions were also operating as retailers, leading to the closure of many operators who relied on the national operators for upstream connectivity.

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<sup>7</sup> <http://www.ms.dk/sw19200.asp?cardId=376>

<sup>8</sup> *ibid*

## **2.5. Major Areas for Consumer Protection and Empowerment in Uganda**

The following major areas have been identified as requiring attention to move the consumer protection and empowerment agenda forward in Uganda:

- i. Generally protecting and promoting the interests of the Consumer;
- ii. Fostering competition and a fair marketplace;
- iii. Monitoring trade practices;
- iv. Lobbying for better legal protection for consumers;
- v. Collecting mark information on goods and services;
- vi. Educating consumers about their rights and responsibilities;
- vii. Resolving disputes between consumers and businesses;
- viii. Assuring product quality and safety;
- ix. Promoting environmental protection and consumer health;
- x. Disseminating consumer information.

## **2.6. Conclusion**

The findings in the baseline report shows us that while there are some activities in regards to consumer protection in Uganda, major gaps still remain at the levels of policy, laws, and regulation. Given the right policy and legal environment, there are enough institutions to translate these to regulations that will lead to the objectives. The consumer activists, despite their well-stated intentions, remain generally weak and need to be educated in ways that will make them more effective. A positive note is that UCC has woken up to the need for consumer empowerment and protection as demonstrated by the establishment of a new department responsible for consumer affairs. This needs to be followed through to create the kind of cooperative effort that would have regulators, consumers, and indeed the private sector pulling in the same direction.

### **3. INTRODUCTORY WORKSHOP**

#### **3.1. Introduction**

The workshop introductory workshop held on 2<sup>nd</sup> of June 2009 in Kampala, Uganda, had a four-fold purpose:

- i. To bring together selected stakeholders who have a role to play in addressing the challenge of quality of service and therefore initiate a community of practice in this area. Specifically, consumer groups and regulators would get together and start pulling from the same side in addressing quality of service as well as consumer empowerment and protection;
- ii. To inform this group about the status of consumer protection in the ICT sector in Uganda;
- iii. To identify priority areas of concern that the research should address;
- iv. To provide a formal forum for the launch of the research in Uganda.

The participants of the workshop were selected mainly based on the relevance of their organisations and/or expertise in this area: policy makers from government; regulators; consumer organizations and activist bodies or NGOs which deal with ICT issues; representatives from the major telecom operators in Uganda; the media; researchers; and consultants.

#### **3.2. Structure and Methodology**

The workshop was based on an open interactive approach that sought to bring out key qualitative issues from the audience as responses, questions, or supplements to issues raised by the presenters. The workshop was attended by 39 participants who came from consumer associations, regulatory organizations, education and research institutions, the private sector, ICT service providers, the Ministry of ICT, and the media. The Minister for State for ICT, Hon Alintuma Nsambu, gave the keynote address. The full list of participants is given in Appendix 1. After the main session and interactions, a small representative group of twelve participants remained to distil the issues in a Focus Group setting.

#### **3.3. Presentations and Discussions**

Presentations covered the background to the research and the baseline. The perspectives of the regulators, the service providers, and consumer associations were given by individuals from each of the groups.

The Uganda Communications Commission (UCC) presentation addressed the scope that UCC, as a regulator covers. There was a Consumer Complaints Handling Mechanism in place at the UCC for some, but its effectiveness could not be assessed. A very encouraging issue was that UCC had, during the current year set up a new department that specifically deals with Consumer Protection and Empowerment activities. Key among the objectives of UCC is the promotion of consumer awareness and protection of the interests and rights of the consumer in the communications sector through an effective regulatory and licensing regime. Other issues include fostering competition in the provision of services, containing potential market abuses, monitoring license conditions (non discrimination, confidentiality etc), monitoring quality of services and setting up national standards.

Speaking on behalf of the service providers, MTN, the telecom operator with the largest mobile subscription in Uganda, talked about the MTN operation and what efforts the organisation was putting in to make sure that consumers felt involved in the whole process.

UICPA highlighted consumer issues and what they (UICPA) were doing, in partnership with other organisations to put consumers and consumer affairs higher on the agendas of telecom and other ICT organisations.

It was very interesting to note the diverse membership of the I-Network through their presentation, the last one. Major activities include the provision of a knowledge sharing platform (seminars and workshops, publications, website and a discussion list). They also provide advisory services to various organisations in the use and harnessing of ICT. I-Network is also involved in capacity building in ICT, and process facilitation using the round table process for project design and development.

The full presentations are enclosed at Appendix 3.

### 3.4. The Focus Group Discussions, Conclusions, and Recommendations

The objective of the Focus group discussion was to distil further what had been discussed in the main workshop, and to identify key issues that should be researched at depth in Uganda from among the issues proposed under the regional study.

It had the following representation:

Fred Otunnu	UCC	<a href="mailto:otunnu@ucc.co.ug">otunnu@ucc.co.ug</a>
Joseph Kizito	UCC	<a href="mailto:jkizito@ucc.co.ug">jkizito@ucc.co.ug</a>
Kiapik F	CPAUG	<a href="mailto:secretariat@cpaug.ug">secretariat@cpaug.ug</a>
Dennis Kitamirike.	Knowledge Consulting	<a href="mailto:denniskit@kcl.co.ug">denniskit@kcl.co.ug</a>
Russell Southood	Balancing Act	<a href="mailto:russell_southwood@hotmail.com">russell_southwood@hotmail.com</a>
F.F. Tusubira	Knowledge consulting	<a href="mailto:tusu@kcl.co.ug">tusu@kcl.co.ug</a>
Kimera Henry Richard	Consumer education trust(consent)	<a href="mailto:consentug@yahoo.com">consentug@yahoo.com</a> <a href="mailto:kimehenrich@yahoo.com">kimehenrich@yahoo.com</a>
Natalie Kimbugwe	Knowledge Consulting	<a href="mailto:nkimbugwe@bdeconsults.com">nkimbugwe@bdeconsults.com</a>
Lucy Palia	Consumer education trust	<a href="mailto:lucypalia@yahoo.com">lucypalia@yahoo.com</a>
Baker Ntambi	UCC	<a href="mailto:Antambi@ucc.co.ug">Antambi@ucc.co.ug</a>
Joan Kyokutamba	UICPA	<a href="mailto:j.kutamba@yahoo.co.uk">j.kutamba@yahoo.co.uk</a>
Dorothy Okello	UCC/Dept.of Electrical Eng, Makerere/WOUGNET	<a href="mailto:dokello@wougnet.org">dokello@wougnet.org</a>

Most of the participants in this session were the leaders of their teams, especially those who came from organisations that actively worked within the consumer affairs departments.

Key issues discussed:

- i. Literacy, Gender differences, Rural and small town consumers, Urban consumers and Income

- ii. How the five issues above affect the level and quality of service that one receives
- iii. What measures the regulator has put in place to deal with consumer issues.
- iv. How various operators address consumer issues especially tariffs and quality of service.
- v. How government interfaces with the various organisations through the Ministry of ICT.

The Focus Group Discussions (FGD) also talked about the ways in which consumers are involved directly or indirectly in regulatory and policy processes, especially those related to consumer protection. In Uganda, indications were that most consumers were not aware of the huge voice they had through the UCC. While UCC says that they have an open-door policy to listen to all complaints and is committed to doing whatever it takes to investigate and deal with all genuine cases, most consumers did not bother complaining as they assumed that their complaints would fall on deaf ears. This pointed to awareness and credibility gaps.

The FGD also went into the media coverage of ICT consumer issues, as well as types of media work carried out by UCC to sensitize consumers to particular issues. I-Network and other discussion groups are known to hold discussions about ICT issues freely. The interesting part is that while the discussion group membership can be anonymous, some people do identify themselves in association with the organisation they represent and they sometimes present or represent the views of the company.

At the end of the workshop the following conclusions were made:

- i. UCC is aware that the environment in which they are now operating is one that has moved from static to dynamic. They are moving to be more responsive to the needs of the consumer and have since created a new department within their structure to reflect this.
- ii. There is need for change of mindset from emphasis on attracting investment – this has now largely succeeded – to quality of service and consumer protection/empowerment.
- iii. In addition to price, quality and access issues, there are emerging consumer issues such as environmental and social content.
- iv. The consumers generally lack information about legislation and regulations put in place to safeguard them.
- v. The workshop recommended:
  - i. Interfacing between regulators and consumers.
  - ii. Increased industry self-regulation.
  - iii. Simplification of information exchange and complaint processes between the consumer and the service providers.
  - iv. Use of suitable media i.e. electronic for those who have access, or print and radio broadcasting media targeting those without computer access, for consumer awareness and outreach programs.
  - v. Reduced time lag in complaint handling, i.e., reaction when complaints are still current and relevant.
  - vi. Increased collaboration between UCC and consumer lobby groups.
  - vii. Consumer education with the aim of protecting service providers, operators and consumers.
  - viii. Further research to focus on the following issues from among the list shared by the case study countries.

- Literacy
- Gender

***Literacy:***

The main area for a Uganda case would be the impact of illiteracy: It is currently not known what illiterate consumers know about their rights, whether they complain and, if they do complain, how they do it. UCC is keen to know how processes might be improved to help the illiterate – who remain a large part of the population (and also tend to be generally poor) put across their complaints and get them addressed.

***Gender:***

In Uganda, for a long time, women have been known to be disadvantaged. Uganda laws have been enhanced with gender related laws, which generally give women a bigger all-round voice. It was however agreed that gender related challenges need to be examined. This ranges right from ‘who is more likely to complain’ to ‘whose complaint will yield results – better or quicker’

## 4. IN-DEPTH INTERVIEWS

### 4.1. Introduction

The in-depths interviews with selected stakeholders had the objective of capturing expert and informed input, first about the general issues that came up as key areas of concern in the stakeholders workshop, and second about the specific issues that were agreed as requiring further exploration, namely literacy and gender concerns vis a vis consumer protection and empowerment. The in-depth interviews were followed by a Focus Group discussion again aimed at getting further insight into the issues that came up from those interviewed.

### 4.2. Methodology

After an initial round of interviews covering 25 people, it was agreed by the team that the key issues of literacy and gender concerns had not been sufficiently addressed. 20 respondents were then targeted for a second round of interviews that also went over the ground covered earlier. Of these, 17 respondents were able to meet the interviewers.

Respondents were also categorised into two groups one being a general group of respondents from different fields and the other being respondents from the gender or literacy sector. The respondents were interviewed based on a semi-structured guide (See Appendix 5) that had seven key questions focusing on consumer rights, satisfaction levels, channels of registering complaints, improvement of processes, awareness, and influence of Gender and Literacy on services and consumer protection in general. Those in the general group answered questions 1-5 and those in the Gender or Literacy sectors answered an additional two questions, 6 and 7.

The key areas explored were:

- i. Awareness of rights as a consumer
- ii. Assessment of whether or not rights were being fulfilled; reasons for failures where they occurred;
- iii. Utilisation of the complaints processes; effectiveness of such processes; and proposed improvement to the processes;
- iv. Awareness of existing consumer organizations; their role; and their effectiveness.
- v. Literacy challenges in consumer protection and empowerment
- vi. Gender challenges in consumer protection and empowerment

### 4.3. Findings

#### 4.3.1. Awareness of Consumer Rights

*“As an ICT consumer I believe ICT consumer protection is all about ensuring that ICT consumers understand and know what their obligations are as ICT consumers and what the obligations are for their providers be it data, voice hardware or soft ware. If I am buying a computer for example, I have the right to get all the information about this computer such as its capacity, its make or if it is has warranty. I also expect the vendor to give me this information but I should also have knowledge of what I want to buy before I go to the store”.*

All respondents had a fair to good idea of what their rights as ICT consumers are. Examples given included: the right to know the quality of services they were getting and the cost of the

services; the right to access information they needed (and to chose which information they did now want to see or receive); the right to availability of services/good quality of service; the right to complain; the right to privacy; the right to make a choice; the right to health friendly services; the right to affordable services; the right to get good products with suitable guarantees; the right to understand contracts they get into with service providers; the right to use the same SIM card on another network; the right to contracted service levels.

Some of the respondents however felt that not everyone was necessarily aware, and that there were a lot of short-comings around awareness of rights. As one respond put it:

*“I am not sure if I know them but I am aware that I should have rights, such as a right to health and thus safe from health hazards caused by technology. I should also have access to cost (information) and also knowledge of what is to be charged. Consumers in most cases have no rights in almost everything because in Uganda we have no systems and structures in place. I do not think that people have channels for complaints and channels for their complaints to be addressed.”*

While this response does not typify what came out of the in-depth interviews, it does represent a very situation, especially among those who do not fall in the privileged category of citizens

#### **4.3.2. Fulfillment of rights and reasons for failures**

*“My rights are not being fulfilled because communication costs are very high, the agency that is supposed to protect us has also failed because for instance you heard about the battle between UCC and MTN, this serves as an example to show us who is in control and in this case MTN seems to be stronger”*

Twelve out of the 17 respondents felt consumer rights are not being fulfilled. Key issues of concern raised included unfair pricing due to high interconnection rates; failure by service providers give feedback to consumers' complaints; lack of transparency; lack of awareness; and limited security. Some of the answers from respondents state these sentiments very strongly:

*“Yes I do feel that my rights are being fulfilled but probably because I do not do anything that is so secretive so I do not feel threatened. However I am opposed to the phone-tapping bill that is being proposed in Uganda. I think that this will be intruding on my rights as a phone user. Some times I also feel that the information we receive is edited and thus we do not get the actual information. When we see a media station being shut down it means that information meant for the public is being withheld”.*

*“No my rights are not fulfilled because I am not made aware of the different opportunities or services. I think it is the responsibility of the regulator as well as service providers to inform people about their rights and obligations. Consumers also have responsibilities to adhere to and there is need for awareness creation especially in the rural areas. UCC is trying but whom do they target? And who knows about this? The satisfaction levels are therefore not high”.*

*“No they are not (fulfilled); I am hoping that with more competition the arrogance of the big players will boomerang”.*

Failure to fulfil rights by service providers leads to the issue of whether or not consumers then register complaints. It would appear that a very large majority of consumers among those who know their rights do try to raise complaints. Many of them, while knowing their rights, never complain because they believe it is a futile exercise. The feeling in this group is that the majority of consumers do not complain because they either do not know their rights, or are unable to register their complaints. What however also emerged was that in the majority of complaints raised by those who know their rights and are able to register their complaints, these are mostly either not satisfactorily handled, or not at all. To quote some of the respondents:

*“Yes I have complained a lot .... , however many times there is either no or limited response”.*

*“No I have not (complained) because the system in Uganda is broken; in particular mobile phone companies behave like they own, and perhaps they do, all the people who could advocate for consumers. However I know what I need to do to lodge a complaint”.*

*“Unfortunately I have not taken time to register some of these complaints. I have always wondered why I should ask questions when they will most likely not be answered and I know that there are very many women in my category”.*

*“I would say that about 15 to 20 % of people in Uganda complain about ICT services because the majority do not know where to address their complaints and thus do not complain”.*

*“No, I anticipate it would be a futile exercise judging from the experiences of some people I have spoken to”.*

The general feeling among the respondents is that a lot can be done to improve awareness of rights as well as the convenience and effectiveness of complaint processes. Actions recommended range from service providers training their staff in customer care to creating consumer awareness using methods that reach across all consumer categories. Access to complaints desks – set up by service providers and regulators – is another barrier. Localisation of such desks was seen as part of the solution: walk-in complaints are perceived as being responded to more effectively. Illiteracy was recognised as a process challenge, requiring that the complaints process should enable even those who are illiterate – these would also benefit from decentralised complaints desks where they could go and communicate verbally in their native languages. It was also suggested that where service providers and UCC are unable to directly mount the initiatives addressing customer awareness and easy access for lodging complaints, they should set aside funds that enable other entities (like consumer groups) to do so.

*“UCC is very centralised, they have no contacts at district level so it would be hard for people to reach them, they also need to make processes simpler and let people know how to lodge complaints by for example putting them in different languages. Public vendors should also have this information - it would be more cost effective than opening offices upcountry. Radio is also another effective channel that could be used for sensitisation”.*

The current negative perception was recognised as a key challenge: many believe that even if one complains, either nothing will be done or, should it go to a higher level, the service provider will be favoured regardless. UCC has to address this negative attitude by demonstrating action and publicising cases where they have taken action in favour of the consumer.

The issue of security from threatening or abusive communication brought on board proposals that cautiously back the registration of all SIM card owners.

#### **4.3.3. Awareness of ICT Consumer Organisations and their Role**

In what one would consider an informed group of respondents, it was surprising that only eight out of 11 had heard of any consumer organisations active in the ICT sector. Indeed, this was our experience in doing the baseline: external organisations appeared to know more than the consumers in Uganda about these consumer organisations. We are inclined to agree with one of the responses that the consumer organisations tend to be elitist, and we also find from the answers we received that they are not effectively reaching out to their constituency. This poses a major legitimacy challenge for the organisations. The following sample answers tell the story:

*“...I also know the Consumer Protection Association as well as the Uganda ICT Consumer Protection Association (UICPA). However I have heard complaints about the UICPA ...that this association is only for the elite groups. We therefore need an association for the poor in the villages. The word ICT should probably be removed because no one understands ICT”*

*“UICPA can be a useful platform to address consumer rights in the ICT sector but it is not being used extensively. Not many people know about them and they still need to put their structure together without taking on responsibilities of call centres for example, but rather being able to channel complaints to the right people”.*

*“I don’t know of any, such organisations can indeed play a role by promoting awareness about rights and highlighting incidents of abuse of those rights; they can shame the service providers and put pressure on the regulators to do more in protecting consumers”.*

*“The Communications Commission is the closest we have to an ICT consumer organisation and its current role is more of a regulatory one”.*

#### **4.3.4. The Challenge of Literacy**

Twelve out of the seventeen respondents felt that literacy is a very important factor in consumer protection and empowerment. Literacy poses multiple challenges. First is the basic inability to read even in the native language. Second, a challenge often forgotten because English is the main official language in Uganda, is the often associated inability to understand English. Third is the consequent lack of confidence and therefore acceptance of what is without challenging it. Illiteracy is also associated with poverty, compounding the ability to register complaints, even if there was awareness of rights. These are multiple barriers that the regulator, consumer associations, and service providers have to consciously address in their communication strategy if those who illiterate are to have access to equal treatment.

*“Literacy affects consumer protection in ICT because one needs to be literate to have access to services or to use them properly and also have the ability to complain”.*

*“Literacy is everything, without literacy you can hardly register complaints or even understand what consumer protection is about...”.*

*“Unfortunately they are very few literate people in Uganda and majority of those who are illiterate are women. Interestingly though you find people in villages who can not read English but can read their mother tongue, this shows that translation of rights into local languages could help some more people”.*

*“Even for those who might not be literate, the key issue is for them to be aware of how to lodge a complaint and this awareness can be raised say over radio and in local languages”.*

*“For mobile phone services, I have not met any problem in reporting my complaint because we are given options to report in the language we feel more conversant in speaking”.*

#### **4.3.5. Gender Concerns**

While there was recognition that gender is an issue in ICT, only three out of the seventeen respondents felt that whether one was male or female had significant influence on equality in consumer protection and empowerment. Three respondents thought that gender has an influence on the ability to register complaints mainly because women are more illiterate than the men, and by nature men are more aggressive. Three respondents were not certain if it has any influence and 11 respondents felt that gender has no influence at all, because the factors that influence the ability to register complaints are not necessarily gender related but rather cross cutting issues.

*“Being a woman there will always be a problem in a patriarchal society. Even though women are now filling up the space in ICT, the majority of the ICT sector is still occupied by men..”.*

*“I do not think that this is a factor at all and it has never crossed my mind”.*

*“I think it is easier for men to get access to services because women do not have time to look at what is available say on the phone: Women also have a lot of work and it is very difficult for them to attend training. I think there is need to raise awareness in gender because response is based on what you complain about and how you complain...”.*

*“I am not sure how gender influences consumer satisfaction but ...women usually do not register complaints immediately because of their nature. If they do not get the help they need immediately many times they will give up because they are not as aggressive as men. I would also say that when it comes to gender it is usually boils down to attitude”*

*“If you design programs for consumer awareness there is need to address interests of the different people. For example what time are the women most likely to watch TV? Do they read newspapers?..”*

#### **4.3.6. The Focus Group Discussion**

The Focus Group discussion was conducted with ten people selected because they were fully conversant with sector and the process. This group examined the following questions that emerged as areas of concern from the individual interviews:

- i. Do you think you are protected as an ICT consumer?
- ii. As an ICT consumer, what issues would you like to see addressed?
- iii. Are you aware of any ICT consumer organizations? What impact do these ICT consumer groups have?
- iv. Do you think and feel that UCC as a regulator is providing you with enough information?
- v. How could the current situation be improved?

***Do you think you are protected as an ICT consumer?***

The general finding was that consumers of ICT are not protected. The main reasons put forward by the group was that UCC has shown bias to the service provider; and that consumers are not well informed about their rights and their protection under regulations and the law. A specific example cited was the services provided by ISPs: consumers appear to always get much less than they were made to expect.

***As an ICT consumer, what issues would you like to see addressed?***

Action is required in reinforcing the law – like, for example, enhancement of the Sales of Good Act, and going further if necessary to come up with new legislation to protect consumers. This should include clear mechanisms of redress. Action is also required in enforcing honest and clear offers, contracts, and advertising. Sensitisation was seen as a very critical area of action targeting all categories of consumers so that even those who are normally marginalised fully understand their rights and the mechanisms for redress.

***Are you aware of any ICT consumer organizations? What impact do these ICT consumer groups have?***

The group had very limited awareness of any consumer groups in ICT, especially in the sense of playing an effective role in consumer awareness and empowerment. This topic actually attracted the least discussion from the group.

***Do you think and feel that UCC as a regulator is providing you with enough information?***

There was general agreement that UCC has the information needed by consumers, but that such information is not reaching the typical (the majority) consumer, partly due to the use of ineffective communication strategies.

*“UCC does not know yet how to best communicate to the masses, they need to change their method of disseminating the information that they have, for example their statistics are not well taken down”.*

There was also the view that consumers did not know they had a right to the relevant information from UCC, and that consumers, if empowered, would actually demand that

information from UCC. The issue of bias in favour of the service providers keeps on coming up, and has to be addressed by UCC if it is to emerge as a balanced adjudicator.

*“Consumer protection is part of the market but it had been relegated as a non issue until consumers protested. The regulators are trying to make sure that consumers are protected but maybe not hard enough, there is still something lacking”.*

#### ***How could the current situation be improved?***

The discussion on this question was very specific, with key recommendations being empowering and educating users on their rights, and holding service providers accountable for their actions. Regulators should also take a more aggressive role in issues related to consumers, especially in the enforcement of quality standards and requirements: UCC needs to be publicly seen to take action where service providers default. Legislative gaps, where they exist, need to be addressed. The regulator should also look into contracts issued to consumers by service providers to ensure that they meet minimum standards.

#### **4.3.7. Conclusion**

The in-depth interviews with sector, literacy, and gender experts point to the following conclusions:

- i. There is very limited awareness of consumer rights in Uganda. Awareness is high among the elite class, but is apparently very limited in the majority of the consumers.
- ii. Where there is awareness, the majority lodge complaints. Most of the complaints are either not addressed, or are not addressed to the satisfaction of the consumers.
- iii. A large percentage of consumers who are aware of their rights do not lodge complaints because they feel their complaints will not be addressed in a satisfactory fashion, if at all.
- iv. There are many awareness and process gaps that are within the easy reach of the regulator, the consumer organisations, and the service providers to address.
- v. Consumer groups have not yet established legitimacy and relevance among the majority of consumers.
- vi. Literacy is a major issue that acts as a barrier under the current approaches to consumer protection and empowerment.
- vii. While gender issues need to be consciously addressed in both awareness strategies and the complaints process, it is not a key barrier to equality in consumer protection and empowerment.

## **5. PUBLIC DISSEMINATION WORKSHOP**

### **5.1. Introduction**

The public dissemination workshop held on 14<sup>th</sup> December 2009 and attracted 81 participants (See Appendix 6). The workshop was jointly organised by Uganda Communications Commission – which also chaired the proceedings – and Knowledge Consulting Ltd.

Two presentations were given – one primarily based on the UCC Consumer Satisfaction Survey; and the other based on this research. Both presentations are included in Appendix 7. The summary below captures the recommendations from both presentations as the discussion that followed.

### **5.2. Key Recommendations from the Consumer Satisfaction Survey Presentation**

The following recommendations came out of the Consumer Satisfaction Survey rather than this research. They were presented in the joint dissemination workshop.

UCC should:

- i. Enforce penalties for QoS violations that to-date, service providers have got away with even when they are well documented.
- ii. Implement effective education of consumers about the role of UCC and the rights of consumers, and how to exercise those rights (reach those not normally reached). More face-to-face contact with consumers (to address say the challenge of illiteracy) is important.
- iii. Publicise through popular media results of the regular technical QoS network performance measurements, customer satisfaction surveys, faults reporting and other relevant information. The format should be easy to understand and enable consumers to make informed choices.
- iv. Carry out a strict examination of interconnection rates is required so that consumers pay fair prices.
- v. Explore the issue of requiring number portability so that customers who are not satisfied with service providers can migrate without barriers.
- vi. Recognise Call Centres as a critical element of the quality of service value chain. Their capacity development and awareness about the needs of the sector need to be addressed through guidance or soft regulation. This can include say guidelines that call for (voluntary) compliance and certification by UCC.
- vii. Work with service providers to facilitate integrated services that appeal to the consumers in terms of cost, quality and data speeds. They should also provide objective information on the advantages and disadvantage of different bundles to enable easy comparisons by consumers.
- viii. Expand and refine QoS parameters; reviewing the methodology and periodicity of evaluation/ enforcement; publicising results to enable informed choices by consumers
- ix. Review QoS standards to take into account the trend to bundled services.
- x. Change the current mindset from being investor-centric to playing a more active role in consumer education and empowerment; and putting key resources like numbers in the hands of the consumers rather than the operators.

### **5.3. Key Recommendations from the Consumer Protection and Empowerment Research Presentation**

- i. There is very limited awareness of consumer rights in Uganda. Awareness is high among the elite class, but is apparently very limited in the majority of the consumers.
- ii. Where there is awareness, the majority lodge complaints. Most of the complaints are either not addressed, or are not addressed to the satisfaction of the consumers.
- iii. A large percentage of consumers who are aware of their rights do not lodge complaints because they feel their complaints will not be addressed in a satisfactory fashion, if at all.
- iv. There are many awareness and process gaps that are within the easy reach of the regulator, the consumer organisations, and the service providers to address. These are discussed further in the recommendations Section 6.
- v. Consumer groups have not yet established legitimacy and relevance among the majority of consumers.
- vi. Literacy is a major issue that acts as a barrier under the current approaches to consumer protection and empowerment.
- vii. While gender issues need to be consciously addressed in both awareness strategies and the complaints process, is not a key barrier to equality in consumer protection and empowerments.

### **5.4. Input from the Discussion**

The discussion raised various questions relating to methodology, clarification, and sometimes insight. The participants however also made some specific recommendations as summarised in this section.

- i. There is need for clear policy and laws on e-waste management: consumers are being endangered through unregulated disposal of old computers and phones.
- ii. Awareness about consumer rights, and the role of UCC is limited. UCC should examine popular activities like theatre and music, and engage actors and musicians in its public education campaign to reach sectors of the population often missed out.
- iii. The issue of number portability and its linkage to the proposed registration of SIM cards as well national ID initiative calls for a balance between privacy and convenience. UCC pointed that it was already planning a study into number portability and its possible implementation.
- iv. There should be closer coordination among bodies like UCC, the National Bureau of Standards, and the Uganda Bureau of Statistics because their functions and the data sets they collect complement each other especially with respect to consumer protection and empowerment.
- v. The QoS Surveys should be ongoing so that people receive regular updates on how the different service providers are performing. This would also be good for UCC's image.
- vi. UCC needs to move from its current requirement of written complaints to open up other methods in order to include those who are functionally illiterate.
- vii. SMS was a dominant means of communication, especially among the youth and the poorer sections of the consumers, making it a basic means of communication. It was unregulated and over-priced. UCC needs to look into this.
- viii. The erection of masts needs to be rationalised and regulated in order to protect the environment.

- ix. When publishing quality of service and other statistics, UCC should also give statistics from the region to give consumers a comparison.

## 6. RECOMMENDATIONS ON REGULATORY ACTIONS

Almost all the findings out of the two related studies lead to straightforward action recommendations that are within the immediate ambit of UCC and Consumer organisations to address. These are not repeated in the section: The proposals below specifically relate to initiatives that are not covered in the earlier action recommendations.

It clear that the key concerns rest around the following five areas:

- Awareness of consumers about their rights and especially the channels of redress;
- A complaints process that excludes the majority and is not trusted (with the mistrust sometime extending to Uganda Communications Commission);
- Consumer organisations that lack legitimacy among consumers and are not fulfilling their stated objectives.
- Exclusion of those who are illiterate.
- Health and safety concerns

These challenges actually create the opportunity for the regulator and the consumer organisations to work together. Consumer organisations would be seen as an objective representative by the consumers, and can therefore be used as vehicles for educating consumers about their rights, using the multiple approaches that reach all categories of consumers. This would provide much needed revenue for consumer organisations, not through being dependent on UCC for subventions, but providing value for money.

UCC can work with consumer organisations and service providers to develop a new complaints process that does not exclude those who are illiterate, and supported by decentralised access (for example at District level). It would be very expensive for UCC to run such offices. It is however possible for consumer organisations, using part-time resources, to run such offices (say as add-ons to local businesses). Consumer organisations would have a stake in following up the resolution of complaints as per set standards as this would legitimise them in the eyes of the consumers. Again, this would provide an income stream to consumer organisations based on value delivered.

Efficiency and effectiveness of consumer organisations will be increased if they are permitted to compete, through a transparent process, to offer the key services that UCC needs: creating awareness among consumers about their rights (and obligations) and proving a channel for consumer complaints and feedback at the local level.

While the nature of the two recommendation above means that those who illiterate would be included, it is important to underscore that both the awareness creation and the complaints processes need to be consciously evaluated from the perspective of literacy. In addition, while as pointed out earlier in the report gender was not found to be a major concern in consumer protection and empowerment, it is important that new approaches and processes are evaluated from a gender perspective.

The issue of disposal of e-waste that was raised requires policy level action that will lead to the laws and regulations for enforcement. Consumer organisations need to take a lead in this area that appears to be generally neglected in Uganda. This will also strengthen their legitimacy.



## Appendix 1 - Attendance List for Introductory Workshop

<b>IDRC/UCC Consumer protection workshop 02/06/2009.</b>				
Name	Organisation	Email	Telephone	No. of meetings attended.
Jon Gosier	Appifrica	<a href="mailto:j.gosireappfrica.org">j.gosireappfrica.org</a>	0773806071	1
Ferd Otunnu	UCC	<a href="mailto:otunnu@ucc.co.ug">otunnu@ucc.co.ug</a>	0772424882,0414339012	2
Joseph Kizito	UCC	<a href="mailto:jkizito@ucc.co.ug">jkizito@ucc.co.ug</a>	0772455791	2
Maggie Mukiibi	Warid Telecom	<a href="mailto:Maggie.lutwana@waridtel.co.ug">Maggie.lutwana@waridtel.co.ug</a>	07040006103	1
Mukiibi Mark	Consumer education trust(consent)	<a href="mailto:m-mukiibi@yahoo.com">m-mukiibi@yahoo.com</a> , <a href="mailto:conse-ntug@yahoo.com">conse-ntug@yahoo.com</a>	0774145128,0483425598	1
Muhangi Ezra Kampororo	Uganda institute of information and communications technology-UIICT	<a href="mailto:eakampororo@uiict.ac.ug">eakampororo@uiict.ac.ug</a>	0751338988	1
Topista Agoa Mpora	UNBS	<a href="mailto:Topista.agoa@unbs.go.ug">Topista.agoa@unbs.go.ug</a> , <a href="mailto:topista10@yahoo.com">topista10@yahoo.com</a>	0772685925 07702685925 0414286123	1
Russell Southwood	Balancing Act	<a href="mailto:russell_southwood@hotmail.com">russell_southwood@hotmail.com</a>		2
Alice Nakalema Todd	Utl	<a href="mailto:alice.nakaema-todd@utl.co.ug">alice.nakaema-todd@utl.co.ug</a>	0714391695	1
F.F Tusubira	Knowledge consulting	<a href="mailto:tusu@kcl.co.ug">tusu@kcl.co.ug</a>	0772502140	2
Kimera Henry Richard	Consumer education trust(consent)	<a href="mailto:consentug@yahoo.com">consentug@yahoo.com</a> <a href="mailto:kimehenrich@yahoo.com">kimehenrich@yahoo.com</a>	0751502441 0772502441	2
Lucy Palia	Consumer education trust	<a href="mailto:lucypalia@yahoo.com">lucypalia@yahoo.com</a>	0772691423	2
U. Wamala	Sms media ltd	<a href="mailto:Wamala@smsmedia.info">Wamala@smsmedia.info</a>	0716819800	1
Halima Sarah Basisira	MTN U	<a href="mailto:basisira@mtn.co.ug">basisira@mtn.co.ug</a>	0782212070	1
Denis Abigaba	MTN U	<a href="mailto:kakongd@mtn.co.ug">kakongd@mtn.co.ug</a>	031212445	1

Kakonge				
Ronald Zakumuge	MTN	zakumur@mtn.co.ug.	0782212047	1
Elizabeth Ntege	NFT consult	Elizabeth.ntege@nftconsult.con.	0712305001	1
Baker Ntambi	UCC	Antambi@ucc.co.ug	0782794888	2
Mirembe Eunice	I-Network	mirembe@i-network.or.ug	0414578228	1
Lilian Nalwoga	CIPESA	<a href="mailto:lilian@cipesa.ug">lilian@cipesa.ug</a>	0392843512	1
Joan Kyokutamba	UCPA	j.kutamba@yahoo.co.uk	0712400064	2
Keith Muzani R	UNBS	Keith.muzani@unbs.go.ug	0702574730	1
Dorothy Okello	UCC/Dept.of EE,mak.	dokello@wougnet.org	0772957550	2
Badru Ntege	UISPA/PAYPIUS UGANDA	<a href="mailto:Badru.ntege@paypius.co.ug">Badru.ntege@paypius.co.ug</a>	0754700088	1
Samson Wahinya	Afsat communications (u)ltd	swahinya@iwayafrica	+256772704119	1
Nkezza Angello	UBC	a.nkeza@ubconline.co.ug.	0772433463	1
Ambrose Serunjogi.	UCC	aserunjoji@ucc.co.ug	0312339000	1
Doreen Byengama	Orange	<a href="mailto:doreen.byengoma@orange.co.ug">doreen.byengoma@orange.co.ug</a>	0790792050	1
Johan Heilstrom	UPGRAID	<a href="mailto:johan@upgraid.org">johan@upgraid.org</a>	0753932939	1
Idris A Rai	FCIT,MAK	<a href="mailto:rai@cit.mak.ac.ug">rai@cit.mak.ac.ug</a>	0753866810	1
Kiapik.F	CPAUG	secretariat@cpaug.ug	0414577017	2
Dennis kitamirike.	Knowledge consulting	denniskit@kcl.co.ug	-	2
Hope Rosette	CPAUG	Hoperose@yahoo.co.uk	0774159225	1
Christine kasadde	NEMA	ckasedde@nema.ug.org	-	1
Berna Ngolobe	WOUGNET	bngolobe@wougnet.org	-	1
Elisha Wasukira	i-network	wasukira@i-network.or.ug		2
Natalie Kimbugwe	Knowledge consulting	<a href="mailto:nkinbugwe@bdeconsults.com">nkinbugwe@bdeconsults.com</a>		2
Michael Niyitegeke	FUT-MAK	<a href="mailto:mniyitegeka@cit.mak.ac.ug">mniyitegeka@cit.mak.ac.ug</a>	-	1

## **Appendix 2 - Introductory Workshop Programme**

<b>Time</b>	<b>Presentation / Activity</b>	<b>Presenter</b>	<b>Organisation</b>
8:00-9:00am	Arrivals		
9:05-9:20am	Short intro IDRC Research project	Russell Southwood	Balancing Act
9:25-9:55am	Baseline report Uganda	Natalie Kimbugwe	Knowledge Consulting Limited
10:00-10:15am	Key Note Address	Hon. Alintuma Nsambu	MoICT
<b>10:20-10:50am</b>	<b>COFFEE BREAK</b>		
10:50 – 11:15am	What we do for consumers (processes and procedures)- Network, consumer involvement in regulatory process	Patrick Masambu	Uganda Communications Commission
11:20-11:35am	How operators see consumer issues and deal with them for example rural and urban consumers (MTN)	Anthony Katamba	MTN
11:40-11:55am	How the media handles (or doesn't handle these issues) UJA, UMA	Robert Kabushenga	NewVision / Uganda Radio Network URN / Uganda Media Association
12:00-12:15pm	Consumer organisation person - How consumer issues might be handled in partnership with the regulator – UICPA –	Frederick Kiapi	<b>UICPA</b>
12:20-12-35pm	Q&A		
12:40-12:55pm	I-Network – consumer involvement in regulatory processes (direct or indirect) – dgroups	Elisha Wasukira	I-Network
1:00-1:15	Q&A		
<b>1:15-2:30pm</b>	<b>LUNCH BREAK</b>		
2:35-4:00pm	Focused Discussion		

### **Appendix 3 - Introductory Workshop Programme**

Name	Organisation	Gender	Contact

## **Appendix 3 - Introductory Workshop Presentations**

## Appendix 4 – In-depth Interview Participants

Name	Organisation	Gender	Contact

## **Appendix 5 – In-depth Interview Guide**

## **Appendix 6 – Public Dissemination Workshop Participants**

## **Appendix 7 – Public Dissemination Presentation**

## **Appendix 11 – In-country Research Report Zambia**

# Empowering regulators to protect consumer rights in the ICT sector

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## QUALITATIVE RESEARCH FOR ZAMBIA June, 2010

David Mukosa, University of Zambia  
&  
Charley Lewis, LINK Centre, University of the Witwatersrand



# TABLE OF CONTENTS

- Acknowledgements..... 1**
- 1 Executive Summary ..... 2**
- 2 Introduction ..... 3**
  - 2.1 ICT environment in Zambia ..... 3
  - 2.2 Consumer Protection ..... 6
- 3 Methodology ..... 7**
  - 3.1 Issues Covered..... 8
  - 3.2 Interviewees Socio-Demographic details..... 9
- 4. Qualitative Consumer Information ..... 12**
  - 4.1 Understanding of Operators and their services ..... 12
  - 4.2 Consumer Issues raised ..... 19
  - 4.3 Knowledge of consumer rights and complaint escalation procedures ..... 20
  - 4.4 Specific recommendation for stakeholders to improve consumer experience ..... 22
    - 4.4.1 Government and the Regulator ..... 23
    - 4.4.2 Service providers..... 24
    - 4.4.3 Consumer Groups..... 25
    - 4.4.5 Other Issues ..... 25
- 5. Focus Group Results ..... 26**
  - 5.1 The impact of illiteracy ..... 27
  - 5.2 Gender Difference ..... 27
  - 5.3 Rural vs. Urban ICT consumers ..... 28
  - 5.4 Low income vs. High income ICT consumers ..... 28
- 6. Focus Group Recommendations ..... 29**
- 7. Conclusion..... 31**
- 8. Final Recommendations ..... 32**
- 9. Works Cited ..... 35**
- 10. Appendices ..... 37**
  - Appendix I – Baseline Report: Zambia..... 37
  - Appendix II – Focus Group Participants..... 38
  - Appendix III – Introductory Workshop Programme..... 39
  - Appendix IV – List of Workshop Participants..... 40
  - Appendix V – Research Interview Tabulated Consumer Response ..... 42
  - Breakdown of Mobile Interviewee Subscriptions..... 43
  - Appendix VI – Consumer Response Graphical Representation ..... 46
  - Appendix VII – Research Interview Questionnaire ..... 47

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I would like to thank all the principal research project partners at University of Witwatersrand, South Africa and Balancing Act, United Kingdom for all the support and guidance during the research project.

## **1 Executive Summary**

This is the second stage of a research project into consumer protection in the Information and Communication Technology (ICT) sector in Africa, following up on the first phase<sup>1</sup> where findings indicated the need for ICT sector regulators clearly to focus on the needs of and complaints from consumers. Findings in the first phase of the research brought out a number of issues in relation to consumers and their protection and empowerment, viz:

- The identification of “key issues from a consumer perspective: ...price of service, quality of service and access to service”
- The need for a proper “consumer framework – law, regulation and codes of conduct”;
- The need to ensure proper mechanisms for “complaint resolution”;
- The need to develop an “informed consumer”, empowered by “information to help choice”;
- The need to support and develop an “independent consumer movement... in the telecoms and internet sector”;
- The need to strengthen the “role of the regulator”<sup>2</sup>.

As a result in particular of the last recommendation, under the umbrella of the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA) and with ARICEA’s support, five (5) African countries were chosen to carry out further research on consumer needs, complaints and knowledge of their rights.

This report reflects part of the results of the qualitative research undertaken in terms of this second phase, presenting the findings in respect of consumer issues in Zambia. It is hoped that the findings presented in this research report will empower policy-makers and regulators in charting the way forward in protecting consumer rights in the ICT sector.

This qualitative research involved in-depth semi-structured face-to-face interviews with twenty four (24) individuals, from different countrywide geographical locations. These interviews provided an initial stepping stone to realising what strategies and actions could empower regulators to protect consumer rights in the ICT sector.

The results collected from the interviews and the focus group, selected from the interviewees, indicate the following overall recommendations:

- 1. Increase focus on mobile customers as the overwhelming majority of consumers of ICT goods and services;**
- 2. Prioritise rural consumers in respect of policy and regulatory interventions to protect consumers;**
- 3. Increase the profile of the sector regulator, ZICTA, amongst ICT consumers;**

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<sup>1</sup> Southwood, R, Nguo, J, Sagna, O & Lewis, C (2006) Assessing consumer activity in the telecoms and Internet sectors in Africa, International Development Research Centre, Ottawa, available from <http://www.afridigital.net/downloads/IDRCconsumerdftV2.doc>

<sup>2</sup> Ibid, pp 11,12

- 4. Undertake general consumer education;**
- 5. Publicise channels through which consumers can complain;**
- 6. Prioritise key consumer issues, viz: lack of network coverage in certain areas, frequent dropped calls, poor quality of service and pricing;**
- 7. Publish comparable benchmark pricing information in a single location;**
- 8. Investigate further the phenomenon of SIM-swapping;**
- 9. Remain aware of future consumer protection trends in a continually evolving sector.**

## **2 Introduction**

On an African perspective the levels of illiteracy in consumer rights in ICT services and usage are relatively high. This has resulted in consumers being unaware of their rights in relation to issues among others, quality of service and pricing<sup>3</sup>. This has disadvantaged consumers in that they have little knowledge on what to say and where to lodge their complaints in cases where a service provider offers poor service. Complaints relating to dropped calls and high tariffs are rarely lodged, with some consumers seeing migrating to another service provider as a solution<sup>4</sup>.

This research was aimed at further addressing issues related to consumer rights, that were raised in the initial research. The research aimed at finding out how much information the consumers knew about their rights in ICT usage, what type of ICT services do they consume, what type of procedures are available to them for escalating their complaints and what recommendations consumers have for various for different stake holders in the ICT industry. Results from these in-depth interviews were analysed and recommendations to be advanced to the national ICT regulatory authority were put forth.

### **2.1 ICT environment in Zambia<sup>5</sup>**

Before the liberalisation of the communications industry in Zambia in 1992, the government owned the only monopoly that managed and controlled the postal and telecommunication services, the Postal and Telecommunications Corporation, popularly known as PTC at the time.

The Zambian Government liberalised the telecommunication industry through an Act of Parliament in 1994. This Act led provided for a separation of postal and telecommunication service provision bringing in the formation of the Zambia Telecommunication Company (ZamTel) Limited and the Zambia Postal Corporation (ZamPost)<sup>6</sup>.

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<sup>3</sup> Africa Partnership Forum, 2008, "ICT in Africa: Boosting Economic Growth and Poverty Reduction", Tokyo, Japan available online at <http://www.oecd.org/dataoecd/46/51/40314752.pdf>

<sup>4</sup> Generalisation deduced from answers given by participants in this 'Empowering regulators to protect consumer rights in ICTs' research interview

<sup>5</sup> See Appendix 1 for a detailed report on the baseline situation in Zambia at the start of this research.

<sup>6</sup> (1994) Telecommunication Act, Republic of Zambia, Lusaka

The Telecommunication Act of 1994 brought in further dramatic changes as it also opened way for private operators in the telecommunications industry. Apart from fixed line communication, the only means of voice communication at the time, the country saw the introduction of mobile communications, with further developments resulting in the pioneering of Internet services in Zambia by a University of Zambia company known as ZamNet Communication Systems in 1995. The country has since then seen a gradual rise in the number of Internet service providers (ISPs) and mobile communication service providers, along with a dramatic rise in users of both services.

Zambia currently has three mobile service providers, namely Cell Z, MTN Zambia and Zain Zambia. Plans to have a fourth mobile provider have been shelved by government. According to the press statement released by the Minister of Communications and Transport on 9 October 2009, “CAZ [now ZICTA] intends to issue no additional fixed or mobile licences for the foreseeable future”<sup>7</sup>. The government-owned Zambia Telecommunications Company Limited (ZAMTEL) remains the only fixed line, service provider, and is currently earmarked for 75% privatisation<sup>8</sup>. ZAMTEL owns a monopoly over the country’s international gateway.

Data released by the then Communication Authority of Zambia (CAZ) (now renamed the Zambia Information Communications Technology Authority (ZICTA) by the 2009 Act of Parliament)<sup>9</sup>, indicate that the country’s mobile subscriber base of 3 207 679 of which 791 464 are mobile internet subscribers too, has far outstripped the fixed line subscriber base of 90 600<sup>10</sup> for 2008. ISP and Internet connectivity data for both dial up and broadband for 2008 indicated 18, 078 subscribers, an increase of 0, 73% from the previous year<sup>11</sup>.

It is therefore clear that the use of mobile ICT services in Zambia is showing a tremendous increase. The use of the Internet in Zambia is no longer restricted to either desktops or laptops. Much as literacy can somewhat be thought as a deterrent to using modern gadgets for mobile communications, it is not uncommon to see people who are illiterate using mobile ICT services in their day to day lives, be it social or business both in urban and rural areas (see Table 1 in section 3.2 below).

The ICT usage increase mentioned above is clearly reflected in the steady increase in the number of mobile subscribers in the country. Zain Zambia Plc recently announced a landmark record of three million subscribers on its network. It is clear, although this number almost certainly overstates the number of active users, as it includes subscribers with duplicate or multiple SIM cards along with SIM cards in application usage<sup>12</sup>, it reflects mobile as the dominant communications market.

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<sup>7</sup> SATURDAY POST newspaper, October 10, 2009, Lusaka, Zambia

<sup>8</sup> [http://www.parliament.gov.zm/index.php?option=com\\_docman&task=doc\\_download&gid=468](http://www.parliament.gov.zm/index.php?option=com_docman&task=doc_download&gid=468)

<sup>9</sup> Computer Society of Zambia (nd) , Bills and Acts of Parliament downloads found online at [http://www.csz.org.zm/index.php?option=com\\_docman&task=cat\\_view&gid=48&Itemid=67](http://www.csz.org.zm/index.php?option=com_docman&task=cat_view&gid=48&Itemid=67)

<sup>10</sup> CAZ (2009), *ICT Indicators Update in Zambia*, Communications Authority of Zambia, Lusaka, available online at [http://www.caz.zm/index.php?option=com\\_content&task=view&id=92&Itemid=101](http://www.caz.zm/index.php?option=com_content&task=view&id=92&Itemid=101)

<sup>11</sup> Ibid

<sup>12</sup> See Goldstuck (2009) ‘Mobility 2009 reveals SA’s cellular gap’, World Wide Worx, Johannesburg, available online at <http://www.worldwideworx.com/archives/204>. Goldstuck estimates a 20% - 30% over-reporting of mobile users in South Africa, due to, inter alia: recharge arbitrage (using and discarding starter packs); dual contracts (13% of upper income subscribers); churn (customers moving networks) and SIMs in least cost routers, SIM farms etc.

This increase in mobile subscription may as well be attributed to the ease and low cost of getting SIM starter packs, which can easily be obtained cheaply (for approximately US \$1,06) from shops, markets and small roadside makeshift stalls popularly known as '*tuntamba*' in local vernacular. In Zambia, one does not need to sign a contract with the service provider or provide any kind of identification to purchase and activate a SIM card. Starter packs are also easily obtained in rural areas.

It is not uncommon to have individuals who subscribe to either two or all the three mobile networks<sup>13</sup>. Some individuals move with two to three handsets accommodating different SIMs from different networks. This trend has been further enhanced with the advent of mobile cellular phones that accommodate dual SIM cards that are common on the Zambian telecommunications market.

Comparative data from the ZICTA web site indicates a significant number of subscribers currently preferring mobile communications to fixed line communication. The mobile subscriber base continues to grow at the exponential rate of 21, 54% in the year 2008 compared the slow shrinkage of fixed line subscriptions which fell by 1, 29% in 2008<sup>14</sup>.

Prior to the introductions of mobile communications in the country, it was not very easy to get a landline phone. Waiting times were long, depending on the state of the landline network in the area of the applicant. Limited accessibility of copper cables that supply the lines to diverse areas in the country was a drawback to quick access to owning a landline. It can be speculated that subscribers feel individual ownership and privacy on the mobile phone than when using a landline.

ZamTel recently introduced what they call a *fast track line* in Lusaka, where subscribers can now get a post-paid landline installed at their premises in less than a month<sup>15</sup>. This could appear to be a campaign of addressing the ongoing decline in their fixed line customer base.<sup>16</sup>

In relation to the increase in mobile subscribers, the Post newspaper quoted the public relations and corporate affairs manager of Zain Zambia, Kennedy Mambwe, claiming that the record-breaking achievement within the Zambian telecommunications industry was an endorsement that 'Zain [Zambia] is truly the most preferred mobile phone service provider covering the nation's 72 districts and beyond'<sup>17</sup>.

These assertions are not only limited to Zain Zambia. MTN Zambia has also made pronouncements that they are the fastest growing network and are on their way to becoming the country's most preferred network. These adverts in the media have promoted competition

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<sup>13</sup> Evidenced from informal oral surveys, information from research participants views and researcher's personal experience. (See total breakdown Interviewees' breakdown of mobile subscription in figure 5 which much higher than the 24 individuals interviewed)

<sup>14</sup> CAZ (2009), *ICT Indicators Update in Zambia*, Communications Authority of Zambia, Lusaka, available online at [http://www.caz.zm/index.php?option=com\\_content&task=view&id=92&Itemid=101](http://www.caz.zm/index.php?option=com_content&task=view&id=92&Itemid=101).

<sup>15</sup> Evidenced by recent recently door-to-door telephone application forms found being distributed in Handsworth Flats, University of Zambia, Lusaka

<sup>16</sup> CAZ (2009), *ICT Indicators Update in Zambia*, Communications Authority of Zambia, Lusaka, available online at [http://www.caz.zm/index.php?option=com\\_content&task=view&id=92&Itemid=101](http://www.caz.zm/index.php?option=com_content&task=view&id=92&Itemid=101)

<sup>17</sup> The Post Newspaper, 2<sup>nd</sup> December, 2009 Lusaka, Zambia

and it can be said that MTN has also gained some ground, increasing their share in the Zambian mobile market. This can be observed by the jump made from 200, 000 subscribers to one million subscribers in three years<sup>18</sup>. It can arguably be said Cell Z, has not been in the past been so aggressive in their marketing campaign, although their motto emblazoned on their SIM cards is “Connecting the Nation”.

Although the assertions above have been made widely by service providers, as a way to increase their subscriber customer base, there are visible levels of dissatisfaction from current mobile communication subscribers, as will be seen from the research reported below.

## **2.2 Consumer Protection**

Issues of consumer protection are well articulated in Zambian laws on other goods on the market other than that of ICT services<sup>19</sup>. The fact that consumer protection in ICT is not so elaborate may not be surprising as emerging technologies are slow to be reflected in terms of legislation. However, the Telecommunication and Radiocommunications Act of 1994, which was repealed in 2009, has provided a more focused emphasis on consumer affairs. Issues on minimum standards to be provided by service providers that must be adhered to as specified and published by the regulatory authority were tackled, and service providers have also been urged to deal reasonably with consumers and address consumer complaints according to the guidelines stipulated by the regulatory authority<sup>20</sup>.

There are a number of bodies and organisations that deal with consumer-related issues in Zambia. These include the Zambia Competition Commission (ZCC), Zambia Consumers Association (ZACA), the Zambia Weights and Measure Agency (ZWMA), Computer Society of Zambia, e-Brain Forum, Energy Regulatory Board (ERB) and the National Water Supply and Sanitation Council (NWASCO). Among these bodies, the Zambia Consumers Association, formed in the year 2000, is the major consumer body and is the leading consumer advocacy voice in Zambia. Its activities include complaints handling and campaigning<sup>21</sup>. Though ICT consumption is a relatively new trend in Zambia, ZCC and ZACA representation has been observed in ICT forums, including at introductory workshop for this research project which was held in Lusaka.

While other bodies may have a broader perspective in looking at general consumer issues, the ZICTA is specifically mandated to protect the interests of consumers of ICT services, within its broader mandate to supervise and promote the provision of telecommunications services throughout Zambia. The specific functions of the Authority include a consumer protection mandate to “promote the interest of consumers, purchasers and other users of telecommunication services (including, in particular, those who are disabled or of pensionable

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<sup>18</sup> *Zambian Economist* (2009) ‘MTN vs. ZAIN’, *Zambian Economist*, Lusaka, 28<sup>th</sup> August 2009, available online at <http://www.zambian-economist.com/2009/08/mtn-vs-zain.html>

<sup>19</sup> See Baseline Study, Appendix I.

<sup>20</sup> Republic of Zambia (2009), *Information and Communication Technologies Act*, Republic of Zambia, Lusaka, available online at <http://www.parliament.gov.zm>

<sup>21</sup> See Consumers International web site at

<http://www.consumersinternational.org/Templates/System/MembersDetails.asp?NodeID=99093%20&int1stParentNodeID=89655&int2ndParentNodeID=92711&int3rdParentNodeID=92711&int4thParentNodeID=92711&int5thParentNodeID=92711&int6thParentNodeID=92>

age) in respect of the prices charged for, and the quality and variety of, such services and apparatus supplied for the purpose of such services”<sup>22</sup>.

In terms of consumer protection and awareness in ICTs, ZICTA has put a consumer leaflet, complaint procedures and consumer complaint form information on their web site<sup>23</sup>. Brochures on consumer rights and obligations are available at the regulatory authority’s offices. ZICTA has regularly carried out consumer sensitisation presentations in the media and road-shows.

### **3 Methodology**

As an initial step in the second stage of this research, the stage was set by updating the ICT baseline for Zambia (see Appendix I). This report was presented at an introductory workshop, held in Lusaka on 13 September 2009, with stakeholders in the Zambian ICT industry to acquaint them with the purpose of this research and get their views on how this should be conducted.

This group of stakeholders included officials from the Ministry of Communication and Transport, senior staff of the then Communication Authority of Zambia, service operators, consumer groups and other general stakeholders (refer to Appendix IV). There was a recognisably full representation from the line Ministry and the regulatory authority, and their presentations indicated their support and concern on the issue of consumer empowerment in the ICT industry.

The ICT baseline report for Zambia (see Appendix I) was updated before the introductory workshop was held. This baseline report on the current ICT status for Zambia was presented at this workshop and comments were solicited from the workshop participants. The sessions were interactive and attendees expressed their opinions on the purpose of the research and the benefits that would be derived from it. It was confirmed that the research was intended to be qualitative and in-depth. The outcome would provide the line of action the regulator must take, and at the same time act a stepping stone for further countrywide research over the same matter if need be.

The research did not aim at a representative sample of respondents, but rather sought to explore themes in detail and surface issues. The choice of interviewees was, therefore, purposive rather than random, with areas where interviews were to be conducted picked to ensure a balance of location (urban vs. rural), gender (male vs. female), age range and levels of literacy. Interviewees were accordingly drawn from seven of Zambia’s nine provinces, namely the Copperbelt, Luapula, Lusaka, North Western, Northern, Southern and Western Provinces (see political map of Zambia in figure 1). The twenty four interviewees were drawn from Kasama, Kitwe, Luanshya, Lusaka, Mufulira, Ndola, Samfya, Senanga, Siavonga and Zambezi. The interview aim sought to secure a reasonable demographic spread of consumers of telecommunications.

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<sup>22</sup> Republic of Zambia (2009), Information and Communication Technologies Act, Republic of Zambia, Lusaka

<sup>23</sup> ZICTA (nd) Consumer Leaflets, found online at <http://www.caz.zm/index.php/consumer-protection.html>

Qualitative, in-depth individual interviews were conducted in various parts of Zambia to assess the levels of know-how on ICT consumer rights, consumer complaint escalation and knowledge about the regulatory authority, among other issues.

### **3.1 Issues Covered**

The four core key issues were covered in the interviews. These were

- Consumers' understanding of operators and their services

Here consumers were asked to state which ICT services they consume, express their level of satisfaction and compare the different service offerings on the market.

- Consumer issues raised

Consumers were asked to identify key issues of concern to them and to suggest what practical measures should be taken by regulatory authorities to increase consumer protection.

- Consumer contact and complaints made

This section sought to assess how much the interviewees were aware of their rights as ICT consumers and to test their awareness of channels through which to express and escalate any complaints.

- Who is doing what and what might be done

The interviews concluded by identifying what consumers knew about what is being done in respect of consumer protection, and what sort of interventions they would like to see.

After the research interviews were concluded, six participants drawn from the interviewees were selected to further discuss and condense the findings of the research issues. Concerns and recommendations on what would be the way forward in order to empower regulators to protect consumer rights were highlighted and discussed. The selection of the focus group to discuss, validate and analyse the data collected as a focus group was based on their indication of pertinent consumer issues during the interviews. The focus group discussion was held in Lusaka. The focus group comprised a mix of the employed, unemployed and university students.



Figure 1. Political Map of Zambia<sup>24</sup>

The focus group discussed issues that are important and are of concern to consumers, such as:

- What are the problems encountered in their use of the ICT goods and services?
- What consumer rights do users of ICTs have?
- What do consumers think about these same issues?
- What do consumers know about the operators and the regulatory authority?
- What would consumers like the country's ICT regulatory authority do about the concerns they have raised?
- Are low income consumers disadvantaged in presenting their complaints?
- What are some of the gender issues that arise in relation to the protection of consumers in the ICT sector?
- Are there any advantages or disadvantages between rural and urban users of ICTs?
- Are either urban or rural consumers disadvantaged or privileged when it comes to making complaints?

### 3.2 Interviewees Socio-Demographic details

Table 1 below lists some socio-demographic details of the participants who took part in the survey.

<sup>24</sup> <http://zambia.maruien.com/zambia/info/zambia-provinces.gif>

<b>Respondent Occupation</b>	<b>Gender</b>	<b>Age Group</b>	<b>Marital Status</b>	<b>Literacy</b>	<b>Location</b>
1. IT Manager (ISP)	Male	35-44	Married	Literate	Riverside-Kitwe
2. Secondary Teacher	Male	35-44	Married	Literate	Boma-Zambezi
3. Housewife	Female	25-34	Married	Illiterate	Litampia - Senanga
4. Marketer	Female	55-64	Widowed	Illiterate	Kalingalinga-Lusaka
5. ICT Trainer	Female	18-24	Single	Literate	Chilumba -Samfya
6. Accountant	Female	35-44	Married	Literate	Mufulira
7. Shop Owner	Male	35-44	Married	Literate	Council-Samfya
8. Primary Teacher	Male	35-44	Married	Literate	Prison Area-Samfya
9. Gardener	Male	35-44	Married	Illiterate	Handsworth -Lusaka
10. Unemployed Graduate	Female	25-34	Single	Literate	Olympia Park-Lusaka
11. Basic School Teacher	Female	25-34	Single	Literate	Boma - Samfya
12. Unemployed Female	Female	18-24	Single	Literate	Kaunda Square - Lusaka
13. Businessman	Male	35-44	Married	Literate	Lusaka West-Lusaka
14. Police Officer	Male	35-44	Married	Literate	Kariba - Siavonga
15. Unemployed Female	Female	25-34	Single	Literate	Lusaka
16. Secondary School Teacher	Female	35-44	Married	Literate	Lusaka
17. Office Orderly	Male	25-34	Single	Literate	Lusaka
18. Software Engineer	Male	25-34	Single	Literate	Avondale - Lusaka
19. Court Clerk	Female	25-34	Single	Literate	Kasama
20. Psycho-socio Counsellor	Female	35-44	Married	Literate	Funyama Ave. Luanshya
21. Tailor	Male	35-44	Married	Literate	Lusaka
22. University Lecturer	Male	45-54	Married	Literate	Lusaka
23. University Student	Male	25-34	Single	Literate	Lusaka West - Lusaka
24. School Leaver	Female	18-24	Single	Literate	Northrise - Ndola

Table 1. Interviewees' socio-demographic details

A fair gender balance was sought for the participants in this research. A varied range of age groups was considered, with the youngest interviewees being in the range of 18 to 24 years category and the oldest being in the 55 to 64 years category.

Since a reasonable balance in gender was a requirement in the methodology for this research, a gender balance of 12 female and 12 male was implemented. This was not difficult to implement as there is no apparent difference in the numbers of individuals using ICTs, culturally or otherwise, for both sexes in Zambia.

There was no specific choice that was given to choosing the age group of the participants apart from young and old in this survey. However, there was a need taken into consideration of participants who would voice out their concerns.

About 80% of individuals that were picked for this interview were economically active adults between the age of 25 to 44 years. Of these, 8 interviewees were between the age group of 25 to 34 years and 11 interviewees were in the age group of 35 to 44 years of age. Three interviewees were in the age group of 18 to 24. There was one interviewee in each from the 45 to 54 and 55 to 64 age groups. The variation of the age groups of the interviewees is as shown in figure 2.

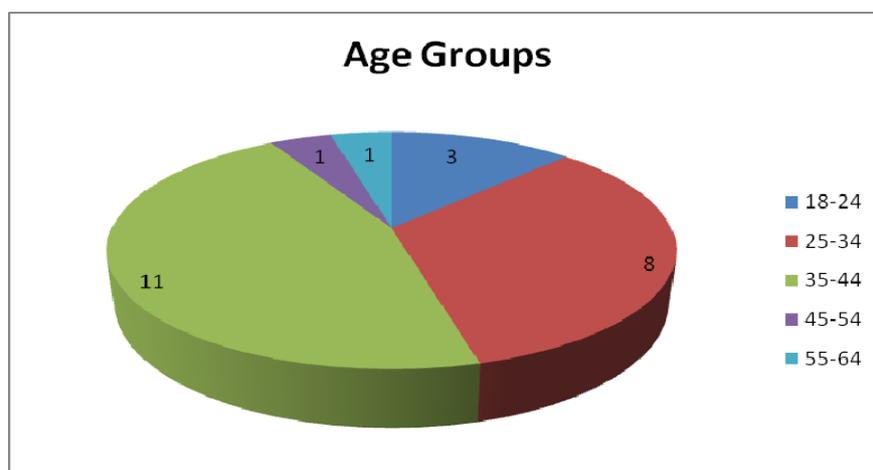


Figure 2. Age group of interviewees

The marital composition of the 24 interviewees showed that 54% were married, 42% single and 4% widowed. Figure 3 shows this breakdown. It must be noted that interviewees were not chosen based on their marital status.

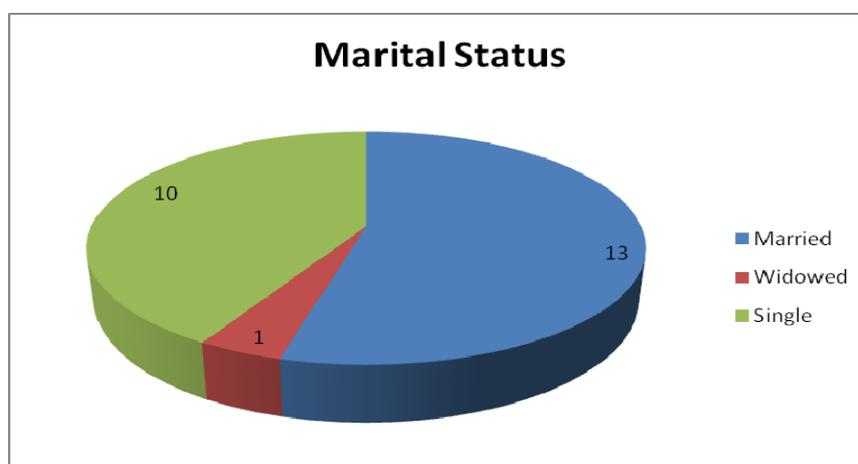


Figure 3. Marital distribution of interviewees

Of the 24 interviewees, only 13% were illiterate (see figure 4 below), while 29% of the respondents were from rural areas with the balance coming from urban areas. This preponderance of urban interviewees mirrors the penetration bias of ICT services in Zambia<sup>25</sup>.

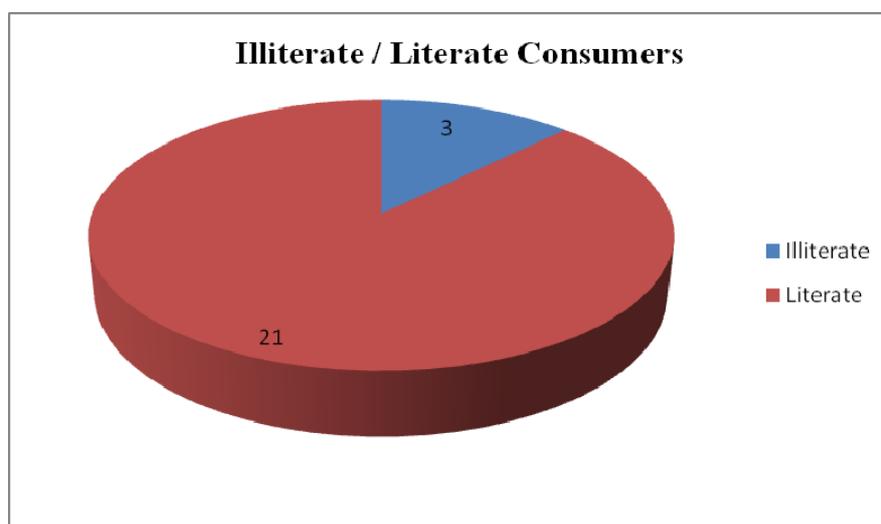


Figure 4. Number of illiterate and literate interviewees

Initiating an interview with illiterate participants proved somewhat difficult, and it was difficult to get information from them. The fact that the interview was to be recorded also deterred some of the illiterate would-be interviewees from participating.

It is worthy re-emphasizing that the nature of the research was qualitative, so that, despite the smaller sample size, the depth of the interview, and the varied location of the sample compensated for the sample size. While the responses are not intended to be representative of opinions across the whole country, key consumer issues and attitudes in ICT usage remain likely to have been surfaced and explored.

## **4. Qualitative Consumer Information**

This section discusses and analyses the qualitative information that was obtained in the course of the research. Verbatim comments from selected interviewees are presented where these shed light on the consumer issues raised. All of the participants in this research use mobile phones and, therefore, the concentration of this research is more focussed on mobile voice ICT usage.

### **4.1 Understanding of Operators and their services**

All participants in this interview were consumers of mobile communication services (refer to breakdown in figure 5 below and the table in appendix V). Interviewees were asked particular

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<sup>25</sup> See for example: Mulavu, S (2007) 'Zambia Telecommunications Sector Performance Review' Research ICT Africa!, Johannesburg, available online at [http://www.researchictafrica.net/new/images/uploads/RIA\\_SPR\\_Zambia\\_07.pdf](http://www.researchictafrica.net/new/images/uploads/RIA_SPR_Zambia_07.pdf)

information on who their service providers were. All of them explicitly stated who their service providers were although there were cases when midway the interview one would include another service provider. It could not be clearly established whether the service provider mentioned initially was the most preferred by the interviewee or not. The total number of responses can be seen as shown in the figure below to have exceeded 24 since some interviewees subscribed to more than one network provider. In fact the numbers show that the use of multiple SIM cards and SIM-swapping are widespread phenomena, with fully 75% of respondents having more than one SIM card (including two interviewees with a SIM card for every one of Zambia's three networks).

### Interviewees Breakdown by Service Provider and use of Internet

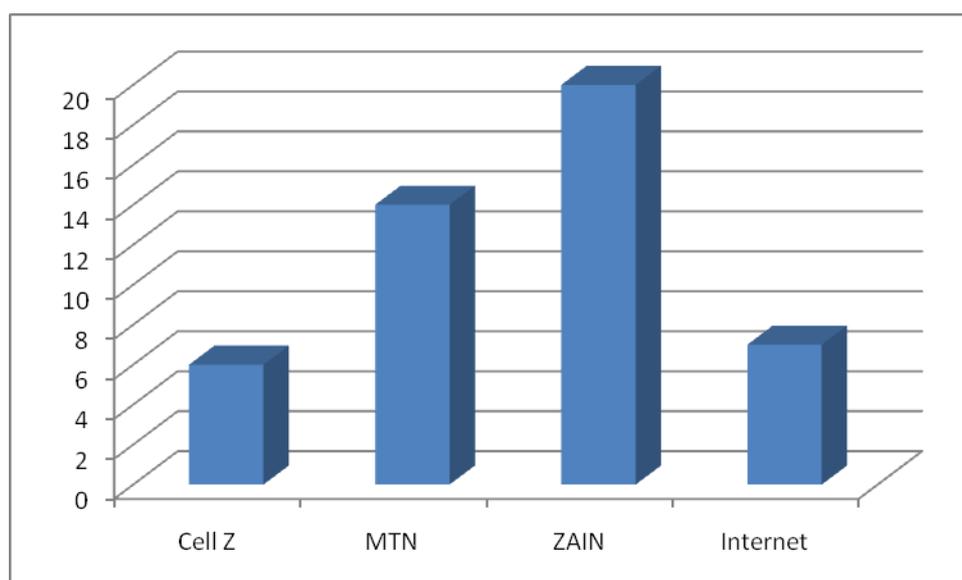


Figure 5. Interviewees' breakdown of mobile subscriptions & Internet use

Seven interviewees out of the overall total of 24, which is 29% of the total interviewees (see figure 5 above), claimed to be regular users of Internet services and therefore, had comments to issue on Internet services. All but one of these Internet users was found in an urban area. Only one of the professed Internet users was from a rural area, using the Internet by virtue of her job as an ICT trainer: this reflects the urban preponderance of Internet users.

There were a variety of answers on who the interviewees thought was the best service provider<sup>26</sup>. Some of the responses are as outlined below.

*"[The] best service provider is Zain followed by MTN, then Cell-Z." (Shop Owner – Samfya)*

<sup>26</sup> The breakdown of preferences in the following graphs should be taken as indicative rather than representative. In many cases they are influenced by consumer market perceptions and by relative market shares of the various service providers, as well as by customer (dis)loyalty. They nevertheless provide an indication of customer preferences and perceptions, and are worth testing on a larger, more systematic scale.

*“MTN provides the best service – favourable rates. Coverage is good. I think by now they have covered the whole country.” (Businessman- Lusaka West)*

*“MTN, because whenever we try to call someone, we always go through; there is no congestion most of the time, unlike the other networks. Some of the mobile providers have not reached villages - like Cell Z. Somebody in the village cannot manage to be a member of Cell Z because they haven’t reached that place. I don’t encounter dropped calls when I am using MTN. I always get through - e.g. when I am sending an SMS [short message service], if it’s not through then they won’t deduct money from my balance. [This is] unlike Zain, the other mobile provider, which I am with, [where] you find that even if the message doesn’t reach the person you are intending to send to, they always deduct money from you.” (Secondary School Teacher-, Lusaka)*

The basis of comparison for ‘best’ service provider given by the interviewees ranged from comparing how long talk time lasted on a particular network to how congested the network was, and to the difficulty of making a call. Some interviewees even made a correlation of their best service providers as being those they considered to be the cheapest on the market.

*“MTN is the best service provider because it seems you can talk for a long time when you buy talk time. I am on both MTN and Zain, but MTN seems cheaper when I compare the two.” (Unemployed Female- Lusaka)*

There were varied answers when it came to which network was the cheapest and which one was the most expensive. Some interviewees stated that the networks they did not belong to were the most expensive while others thought their network was the most expensive or vice versa. Tabulated results of which one was the cheapest, expensive, best and worst network provider, from interviewees responses are further discussed below (refer as well to Appendix V). The results do not have any statistical significance, due to the small sample size, but are nonetheless interesting as indicative of consumer views and preferences within this sample.

As can be seen from the graph below, the majority of respondents believed MTN to be the cheapest service provider, with a further substantial number rating Cell Z cheapest.

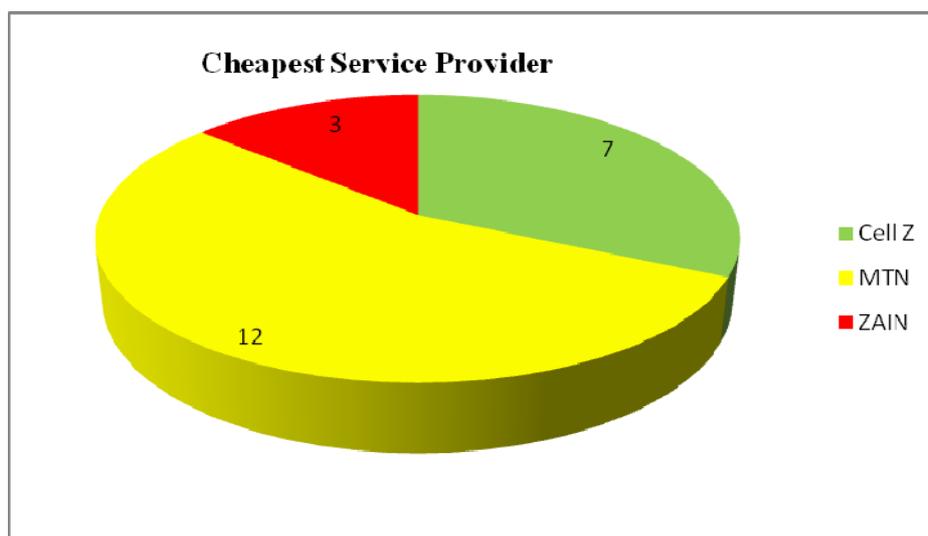


Figure 6. Interviewee responses - cheapest service provider

Interviewees justified their responses are as follows:

*“Cell Z [is the cheapest. It’s cheap because the rate at which they charge when you send to any network is just the same, ... Cell Z to Zain, Cell Z to MTN same charge.”*(Police Officer- Siavonga)

*“MTN is the cheapest because when you are sending a message it’s K 300, 00 and it is K 20, 00 per second [for a voice call] and when you are sending across networks the charge is the same.”* (Basic School Teacher- Samfya)

*“MTN is the cheapest because it has the same charge across networks”.* (Shop Owner, Samfya)

Conversely, interviewees were also asked which service provider they thought was the most expensive service provider and were further asked to explain their view (see figure 7 below). In this case a substantial majority (63%) ranked Zain the most expensive, the mirror of the small number (see figure 6 above) who ranked them cheapest.

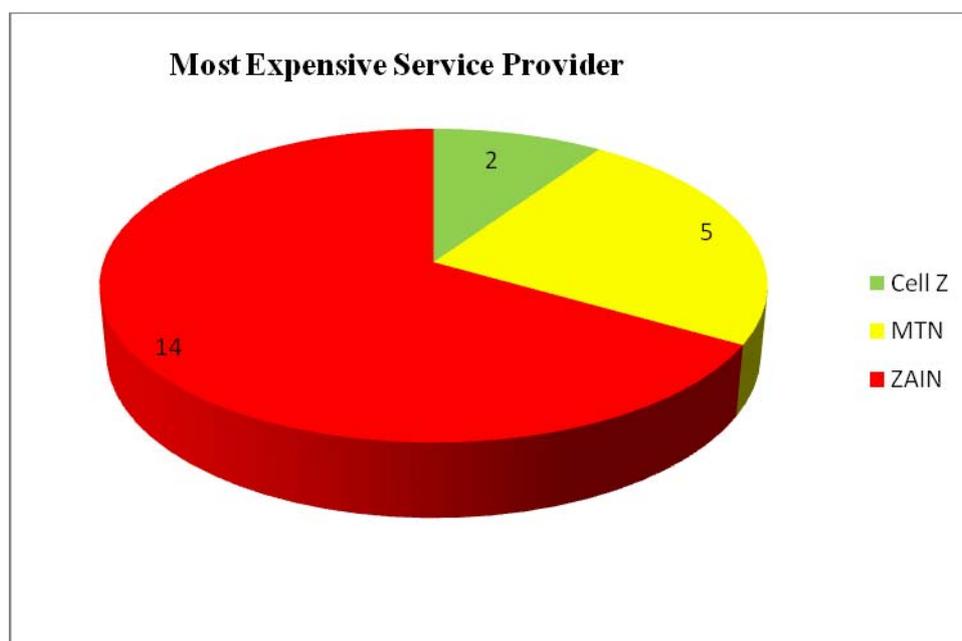


Figure 7. Interviewee responses - most expensive service provider

Reasons given for interviewees’ rankings were varied, and sometimes mixed:

*“Zain, because it’s expensive and sometimes [the] network is not clear. When you call sometimes it indicates that the phone is off when it’s not off. Zain is the most expensive because when you are sending across networks they charge more.”* (Basic School Teacher- Samfya)

*“Cell Z, because it has no promotions. It’s good when it comes to network connection.”(Unemployed Female- Lusaka)*

*“Cell Z is the worst because it doesn’t have many customers... [But], they have no dropped calls and voice quality is good.” (Shop Owner – Samfya)*

*“Zain is the most expensive operator. Like these days, they have brought up these services where you can top up with any amount of money, but then you wouldn’t know. Sometimes you would go there, give them the money, then sometimes you would purchase for the same talk time, but then it doesn’t reach you. So you just lose out.” (Unemployed Graduate-Lusaka)*

One interviewee, a software engineer, claimed his view of the most expensive operator was based on research information he had recently found on the Internet.

*“I think MTN is the most expensive at the moment. When you compare the..... Sorry, I will keep on comparing to how much it costs to call another network. Well, according to my statistics here MTN is actually the most expensive (Software Engineer – Lusaka)*

In the absence of clear, reliable and comparable information on relative pricing between the different service providers the lack of unanimity above is understandable. The difficulty in obtaining clear information is further compounded by the lack of comparability across service provider packages, and the plethora of short-term special offers.

Interviewees were further asked to rate which service provider they thought was best and worst. Interestingly, Zain, previously ranked as the most expensive, is nonetheless felt to be the ‘best’ by fully 50% of respondents, with MTN ranked best by a further 38%. In both cases this may mirror the fact that the overwhelming majority of interviewees owned Zain SIM cards, inter alia.

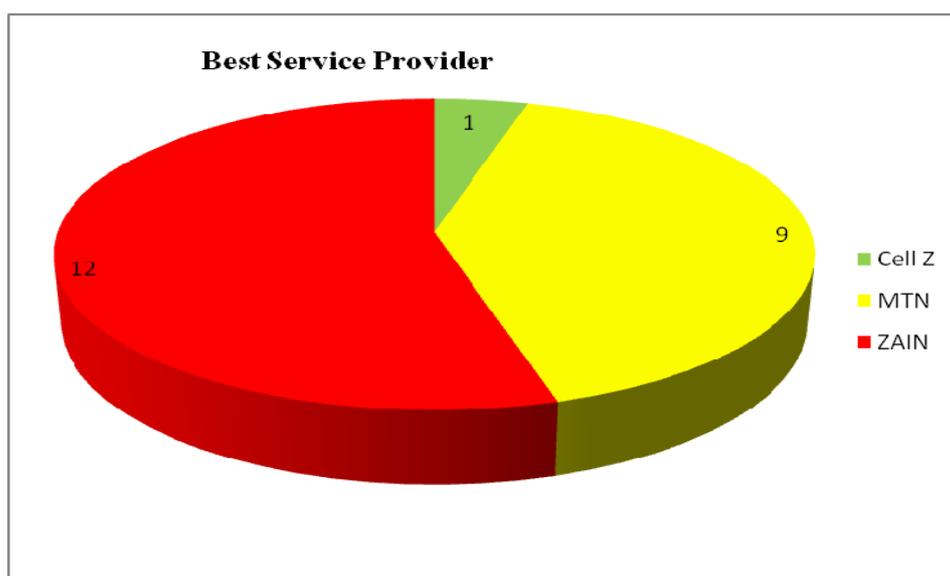


Figure 8. Interviewee responses - 'best' service provider.

Interviewees were reluctant to express views on which service provider was the 'worst' with as many as 42% not prepared to venture an opinion. Interestingly, although Zain again leads the rankings, no one ranked MTN as the 'worst' service provider.

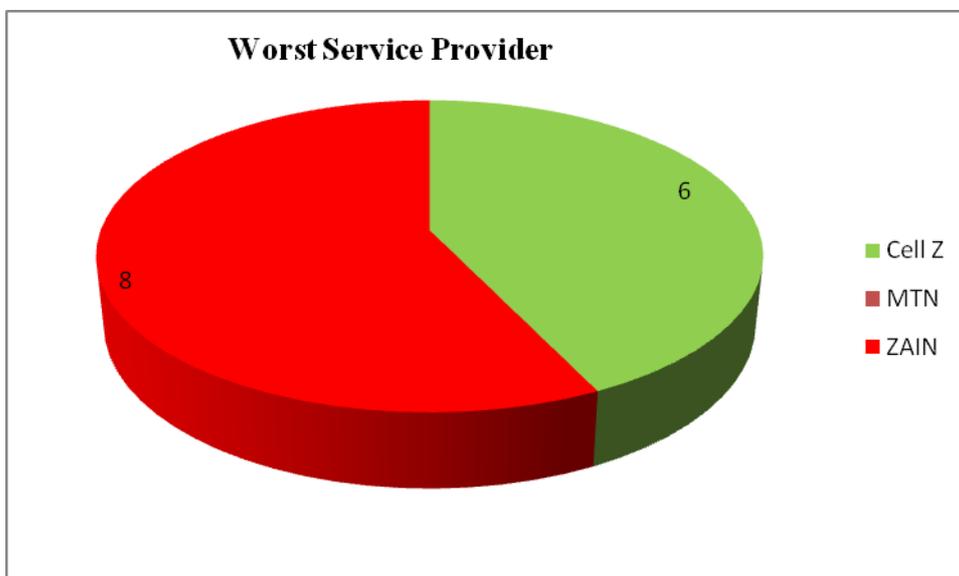


Figure 9. Interviewee responses - 'worst' service provider.

54% of the interviewees said they had switched from one service provider to another. However, the general trend for those who claimed to have switched networks was that, in fact, they subscribed to more than one network after seemingly abandoning their first network. Their use of multiple networks was confirmed when their "yes" answer on whether they have switched from one network to another, was compared to the answer they gave when asked who they considered to be their service providers.

*"Yes [I have switched] from Zain to Cell Z and Cell Z to MTN. [I] Just wanted to have all SIM cards. When there is no [signal from one network] I would easily switch to the other one." (Basic School Teacher – Samfya)*

Interviewees were further asked to explain generally their satisfaction with the services they received from their various service providers.

*"Currently I haven't found any problem with Zain network. It's just okay because they sometimes help the poor by ploughing back into the community and they were giving us mbasela<sup>27</sup> although it's not there at the moment. When you buy airtime for ZMK 10 000, 00 they would give you ZMK 2 000, 00 mbasela." (Gardener – Lusaka)*

<sup>27</sup> A local word in some of the Zambian languages meaning; something one gets as a bonus or bonsella for having bought something.

*“There isn’t a lot of competition so we are not exposed to some of the best services out there, so I would rather say I am content with what the service providers are providing at the moment. [However], I think [that], because there are only three mobile service providers... they are taking advantage of us: really so, I sometimes think so. I wish there were much more so that competition was more so that we are not taken advantage of.” (Software Engineer – Lusaka)*

*“I wouldn’t say it’s 100% okay. If I am to grade it I would say it’s 60 % or so because there are time that you have to struggle to get a good signal or clear conversation.”(IT Manager- Kitwe)*

Cost of service was another issue that was pointed to as another bothersome milestone. 58% of the interviewees indicated that cost of service was expensive.

*“Yes, it’s a problem... If you compare the rates that we have locally and the rates at which are in other countries (because I have been to other countries), if you look at the mobile rates, if I am allowed to make that comparison of cost, when you call from outside Zambia, to consume 5 units it really takes long. You can make an international call, but on our side locally if I were to make an international call, on my Zain, it really would cost me a fortune.” (IT Manager-Kitwe)*

*“You are even sure that someone has gotten this message but it hasn’t been forwarded to the intended person and they deduct from the balance that you have. It’s one of the problems especially with Zain.” (Secondary School Teacher – Lusaka)*

Problems relating to network coverage and network instability also emerged as a common theme, being explicitly mentioned by a number of interviewees.

Zain Zambia, with its proportionately large chunk of subscriber share in the mobile communication market, naturally features prominently in these comments, but MTN Zambia also came in for attention, with one respondent calling for all operators to increase their coverage.

*“My network has covered most of the country. Zain has covered most of the country....I think Zain at the moment is not good because it is expensive also and then you get a lot of dropout of calls particularly when you call” (IT Manager for an ISP)*

*“Sometimes their [Zain] network would close down.....or like maybe you try to dial a number [they] would tell you the person has their phone switched off then afterwards when you try you get through. That’s the problem I have seen with Zain.”(Housewife- Senanga)*

*“MTN should increase their coverage.” (Accountant- Mufulira)*

## 4.2 Consumer Issues raised

Interviewees were asked to single out what they thought would be one of the most important issue and some of the responses that stood out were those of high rates,, network congestion and dropped calls. 58% of the interviewees claimed the cost of making calls was too high. 29% of the interviewees complained that they experienced a lot of dropped calls. 50% of the interviewees mentioned that their network was congested at certain times of the day (see figure 10 below).

### Breakdown of presented issues

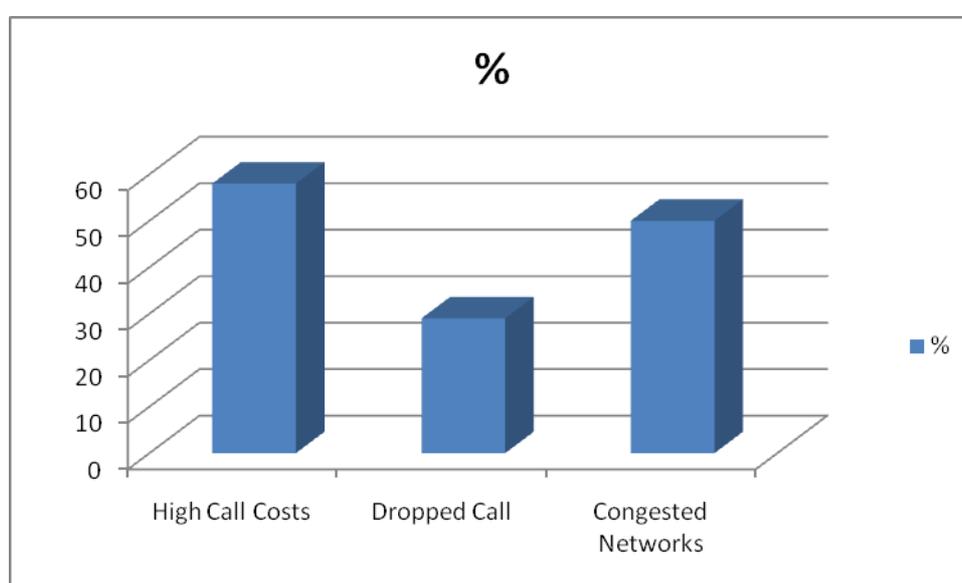


Figure 10. Breakdown of presented issues

Some of the responses on these complaints are as shown below.

*“The rates [prices of mobile phone calls] are too much.” (Marketer - Lusaka)*

*“This time around, I don’t remember when I last wrote a letter to anybody, if coverage can be anywhere. Improved network coverage, we would appreciate it.” (Accountant – Mufulira)*

*“I think the one on the cost of service. I want it to be made affordable because I am sure they can afford to make it affordable.” (IT Manager – Kitwe)*

*“They should sensitise consumers on their billing system” (Marketer- Lusaka)*

*“They [service providers] should improve on the network coverage.” (School leaver – Ndola)*

Few interviewees appear to have detailed knowledge of call charges, with some apparently not even sure of how to ascertain this. Of the 24 interviewees, 54% replied that charges were not made clear to them while 4 of them were not sure and only the remaining 29% replied that charges were made clear by the service providers (see Appendix V on charges).

*“The problem is we don’t know the charges of calls.” (Marketer - Lusaka)*

*“Consumers should have the right to know if what they are paying for is rendered.” (Unemployed University Graduate - Lusaka)*

Buying and loading airtime seemed to be a problem with only a very few interviewees: only two reported that they faced difficulties when recharging their cell phones with talk time.

*“Sometimes it is tricky to recharge the account [for] both Cell Z and MTN. Sometimes for Cell Z you just have to call then you enter the numbers fast. If you make a mistake then it will not be entered. If you repeat several times then the line will close.” (Basic School Teacher - Samfya)*

### **4.3 Knowledge of consumer rights and complaint escalation procedures**

This section reports and analyses what ICT consumers knew about their rights in ICT usage. It further goes on to verify what these consumers know about the complaint procedures and complaint escalation procedures that are available to them.

The use of the customer help line was reported both in rural and urban areas, by 63% of interviewees: 6 in rural areas and 9 in urban reported having used the customer helpline before. This was usually in cases where interviewees had problems with their recharge vouchers.

*“At one time I had a problem in recharging the SIM card that I bought. That was for MTN, so the customer help line helped me. They reloaded it for me. And then at one time, I forgot my PIN code, and I didn’t know the PUK. They helped me. That was MTN. But I heard somebody complaining about Zain recently - this person called and was told to hang on, was on the phone for over 20 minutes and eventually the line got cut.” (Accountant - Mufulira)*

However, the remaining 37% of the 24 interviewees appeared to be either ignorant of the existence of the customer helpline, or never to have used it.

*“No I have never used it”. (Marketer – Lusaka)*

One of the consumers suggested the service provider’s customer helpline was preferable to a written complaint, even though it had not brought success for him.

*“I have not done in writing but just like to call the consumer help line. I have made a complaint on the help line. The problem was the same on dropping of calls and loss of talk time, and they didn’t seem to have a solution.” (IT Manager – Kitwe)*

Few interviewees were aware of complaints procedures that they could follow to have their problems addressed. Only 33% of those interviewed reported as having been aware of where to make complaints.

*“[I am] not aware of any channels to pursue my complaints.”(Housewife - Senanga)*

*“[When I have a problem] I don’t know what next, who to see, or who to call.” (Unemployed Woman-Lusaka)*

*“I would use the customer help line [to complain]. Then I would tell them that the airtime that I bought did not commensurate with the time I have spoken. I will ask them to tell me as to why that kind of thing has happened.” (Primary School Teacher – Samfya)*

Despite - or perhaps because of - the lack of awareness of what channels they could use to have their complaints addressed, interviewees voiced considerable frustration at the difficulty in having their complaints dealt with.

*“The main problem is that when you lose talk time, they are not able to address that issue. Particularly, when bought talk time and then you experience these drop-outs in the network. There are times when you make a call and them it’s just silent on the other side but meanwhile the units are going and then there is no avenue to address that. I don’t know if they can even trace a call in their system and say no here it didn’t work well, we need to give a rebate. But if you call their customer support and mention that I had bought this talk time and I never had any meaningful conversation on it and it’s finished, they have never been able to address that.” (IT Manager – Kitwe)*

A number of subscribers expressed no knowledge of where to take their complaints other than make a call to the service provider. At least one suggested she would change service providers if she was not satisfied with how her complaint was handled.

*“I would initially call the service provider and complain if they do not satisfy me I would switch to another network.” (Basic School Teacher – Samfya)*

One University student expressed how difficult it was to complain as he did not know the steps to take when lodging a complaint.

*“It’s hard. It’s difficult for me because I don’t know what the next step is. Usually I would just brush it off and say: okay that’s life; it happens. Because*

*usually I am told when the customer care can't handle the issue then I just have to forget about it." (University Student/Radio Announcer)*

When questioned about consumer rights few interviewees displayed awareness on the issue, and most were unable to cite any specific consumer rights.

*"As at now I don't know of any right that I have as a consumer of ICTs. (University Student/Radio Announcer)*

*"I know I have [human] rights but don't know the consumer rights." (Housewife - Senanga)*

#### **4.4 Specific recommendation for stakeholders to improve consumer experience**

The ICT consumers who were part of this research survey were asked to identify institutions involved in protecting their rights and to make recommendations on what they thought different stakeholders involved in the telecommunications industry needed to do to improve their welfare as consumers. The different stakeholders in question included the Government, regulators, ICT service providers and consumer groups.

There were very low levels of awareness of the sector regulator amongst both rural and urban consumers alike, with very limited knowledge about who the ICT regulator was and what they do: only 21% even knew of the existence of ZICTA.

*I don't know of any regulator." (Housewife - Senanga)*

*"No" (School Leaver- Ndola)*

*"It is ZamTel." (Police Officer - Siavonga)*

*"Yes, I know. I have forgotten the name [of the national ICT regulatory authority]. The regulator is there to ensure the people receive the kind of service they deserve." (Primary School Teacher - Samfya)*

*I only know of the Zambia Communications Authority [sic]... If they were very effective I would have known about them. To start with I am in the media. I haven't heard more on the Communications Authority." (University Student/Radio Announcer<sup>28</sup>)*

*"Is it the ICT regulation board or something? But there should be a board". (Counsellor- Luanshya)*

These responses may indicate both that ZICTA has not marketed itself aggressively enough to the public and that there is limited public interest in existence and duties of their regulatory

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<sup>28</sup> That this interviewee is a prominent public commentator on social and economic issues on a local Lusaka radio station underlines the overall lack of awareness of ZICTA amongst the interviewees as a whole.

authority. ZICTA, however, has time and again presented programmes about itself, not only on the Government-owned television but also on the private television station MUVI television.

The thoughts expressed by the interviewees confirmed the findings of previous research commissioned by the then Communications Authority of Zambia. Recommendations made in a joint study on perceptions by consumers and public of the Communication Authority of Zambia suggested that “CAZ should upscale its efforts in sensitising people about its existence” and that “CAZ should at every appropriate opportunity inform the public on how it is protecting the interests of the individual consumers and those of ordinary members of the public”<sup>29</sup>.

An interviewee felt the limited presence of the regulatory authority’s offices to a few major towns hampered their monitoring of service providers’ operations as they relate to consumer satisfaction.

*“The regulator should move to other parts of the country to ensure that service providers are doing their work because mostly they are confined to the urban areas.” (Primary School Teacher – Samfya)*

Interviewees’ views on the prospective roles of the various respective stakeholders were to some extent qualified by the fact that many were not able to differentiate the specific role of the government in respect of ICT consumer protection from that of the regulator, and to a lesser extent from that of the service providers. Some interviewees seemed unable even to distinguish the role of the service providers from that of government and the regulator.

*“What we buy from them they [Government] must satisfy us” (Marketer)*<sup>30</sup>

#### **4.4.1 Government and the Regulator**

Despite some lack of clarity on the respective competencies and jurisdictions of government and the regulatory authorities, there was consensus that either or both institutions need to intervene decisively and effectively in support of consumers.

*“[Government] should provide guidelines to the service providers and customers.” (Basic School, Teacher- Samfya)*

*“I think [the Communication Authority should] be given the authority to prosecute, like to prosecute a wrongdoer, whether it is one of these providers, instead of saying we will report to the relevant authorities. I think they need more clear cut- authority. When something goes wrong they [should] have the power to prosecute on behalf the people of Zambia”. (Student / Radio Announcer- Lusaka)*

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<sup>29</sup> Mwaba, O (2008) ‘A joint study on “Consumer and Public Perceptions of the Communications Authority of Zambia”’. Communications Authority of Zambia, Lusaka.

<sup>30</sup> This perception may be rooted in a broader Zambian cultural approach that tends to conflate industry and government and to see government as the overall representative of civil society.

Another interviewee emphasised the need for the government to publicise the rights of the ICT consumer so that consumers are well aware of their rights and, therefore, know what steps to take when their rights are infringed.

*“I think they should like introduce means and ways... Like most people in Zambia watch TV, so I would advise them to bring up programmes that would make us to know [our rights]... [Let them] publish in newspapers so that we get knowledge and our right are not abused.” (School leaver – Ndola)*

As previously pointed out above, few interviewees were aware of the ICT sector regulator in the country or of its role. This meant there were fewer specific recommendations that were made due to the little knowledge about the regulator. Amongst the few recommendations was one indicating the need for regulators to work hand in hand with service providers.

*“The regulator must engage the service providers, influence them on infrastructure sharing and ensure the service providers improve on quality of service delivery.” (IT Manager- Kitwe)*

#### **4.4.2 Service providers**

The majority of the interviewees felt that they were being exploited by service providers since they thought service providers were more interested in making money than in providing a service, and hence saw little role for service providers in ensuring that consumer rights and interests were protected. Only some 21% of the interviewees felt they were not being exploited by the service providers. There was therefore consensus that service providers needed to do more to address the needs and rights of consumers.

*“We know that there are in business - but, even when they are making money, let them give us the best services.” (Secondary School Teacher- Zambezi)*

*“The [service providers] should serve us the best way we want to be served, not just the best way they can. They should meet our demands as customers” (Counsellor- Luanshya)*

Some identified the need for the authorities (it may be more appropriately the responsibility of the regulator than that of the ‘government’ mentioned below) to curb behaviour of the service providers.

*“I think the government should come in... [to] try to make sure that these providers of these services are doing the right thing. Like there is one misleading advert for MTN where they say ‘MTN everywhere you go!’ - but you go in some places they don’t have the network there. So that one is a bad misleading statement.” (Secondary School Teacher - Zambezi)*

### **4.4.3 Consumer Groups**

Some interviewees expressed ignorance about the presence of consumer groups in the country. This is reflective of the lack of a strong consumer lobby in the ICT sector, as previously identified in the baseline report (see Appendix I). When one interviewee, a businessman in Lusaka, was asked if he knew any consumer groups he explicitly expressed no knowledge of such groups.

*“I don’t know” (Businessman- Lusaka West)*

Others mentioned having heard of the Zambia Consumer Association. The focus group also agreed that having consumer groups dealing with ICT issues would be helpful as it would give a stronger voice to consumer issues, including the raising of broader consumer complaint issues. The IT manager who expressed knowledge of a certain consumer group was asked what consumer groups should to enhance consumer protection for ICT users.

*“I do know, but the only one I am aware of [consumer group] is the one that is... [Involved] not in ICT as per se.....or does the same one handle the same issue [ICTs]? Because the consumer association I know of I haven’t seen it take a proactive role in ICT... mostly its on food and other stuff. ...Consumer groups should take a proactive role of position I might say when it comes to gadgets that people use from [ICT] service providers [as some of the gadgets do not carry enough warrant].” (IT Manager – Kitwe)*

### **4.4.5 Other Issues**

Among other issues raised by the interviewees, a concern over the poor level and quality ICT services provided in rural areas stood out, even in the views expressed by urban consumers.

*‘For example, like rural areas they should educate people on how to use the Internet. They should open up a lot of places where people should access the computers since we have become a global village’ (Unemployed Female-Lusaka)*

*“You find that in rural areas maybe they have just a certain place, if they move to that place that is where [they] find the signal. People in urban areas are better placed to complain.” (Police officer - Siavonga)*

Comments about lack of coverage were very common, not only, as one would have expected, amongst rural respondents, but amongst urban interviewees too. For example, one interviewee pointed to an area on the outskirts of Lusaka where it was difficult to get a phone signal.

The varying quality of responses from interviewees in different socio-economic brackets made it occasionally challenging to grasp the essence of their views in response to the various questions. Some of the answers from poor or illiterate interviewees suggested that they may not have understood the essence of some of the questions. For example, in one case an

interviewee admitted not knowing what was meant by ‘rights’, which meant he was unable to answer the question(s) on consumer rights.

Consumers from higher socio-economic backgrounds were conversely and not unexpectedly far more aware of the issues and of their rights as consumers and far more articulate and detailed in their responses. This suggests an overall need to focus especially on addressing the issues and protecting the rights of poorer, less empowered consumers.

Appendix IV tabulates the responses obtained individually from the 24 respondents in relation to issues and questions where clear-cut “yes” or “no” type answers were required. Responses that were equivocal or that did not answer the question have been tabulated as blank in the table.

## **5. Focus Group Results**

A focus group comprising eight participants was held by the researcher for this project to discuss and explore in greater depth the principal issues of concern which emerged from the interviews reported above.

The main aim was for the group to analyse and consolidate the views of the consumers and to explore in greater detail the core issues and problems in order to suggest how they can be addressed.

Initially the group was asked to identify and rank the main areas of concern after reading through the interviewees’ responses. Critical issues were tabled and ranked by the entire focus group as being;

1. Bad network coverage

The group felt the mobile service providers needed to do much more in improving their network coverage countrywide. Though certain providers claim to have covered all the districts in Zambia, there were still pockets in certain (particularly rural) areas within the country where there was no signal.

2. Dropped calls / Congested networks

The group indicated that there was a visible trend of congestion on certain networks, such that it has become common to have dropped calls or even difficult to make calls during peak periods such as the festive season. It was felt that mobile service providers should look into improving on this.

3. High prices of telephony equipment to some consumers

The group identified the need to reduce prices for both handsets and telephony services, especially for the poor and those in rural areas. Despite the existence of promotional offers for “cheap” phones, it was felt that providers could go further to reduce prices even more.

4. Inadequate publicity on ICT consumer rights

The group agreed that more publicity and education needed for ICT customers, in order to create well-informed and empowered consumers.

The focus group was asked to discuss and present suggestions on how the issues related to consumer rights and complaint escalation can be resolved in relation to:

1. The impact of illiteracy
2. Gender difference
3. Rural vs. Urban ICT consumers
4. Low income vs. High income ICT consumers

This was done by means of breakaway groups and a subsequent plenary discussion.

### **5.1 The impact of illiteracy**

The group agreed that lack of literacy plays a negative effect in both the use of ICT and the sense of consumer empowerment on the part of ICT users. It was felt that less educated or illiterate individuals were correspondingly more reluctant to use ICT goods and services, and even fearful of doing so.

This had already been noted from those interviewees who were illiterate, who were less willing to give out information on their use of ICTs, gave shorter answers and were less likely to voice views that they suspected would get them into trouble with the authorities. While this may reflect the more general social marginalisation of the poorer and less educated sections of society, it reflects an issue that needs to be addressed if the rights of such consumers are to be catered for.

### **5.2 Gender Difference**

The discussion on gender and ICT consumer protection was less illuminating. The focus group, which comprised of three women and five men, felt that women were more likely to complain about ICT goods and services. While this view may reflect broader gender stereotyping, it was suggested that this was because women pay particular attention to details, and were therefore more likely to note when they had been overcharged in their use of ICT services.

It was, however, noted that there are barriers that prevent women from actually lodging their complaints to the service providers. The group suggested that most customer care staff were male and suggested that, because of cultural gender attitudes and stereotypes, women did not usually feel comfortable complaining to men, and were hence less likely to be decisive and assertive in defence of their rights. Another view was that women in general were not responsible for expenditure on ICT goods and services and were hence likely to complain less.

It seems clear from the mixed responses above that further research is needed to clarify the impact of gender on consumer protection in the ICT sector.

### **5.3 Rural vs. Urban ICT consumers**

In the case of rural versus urban ICT consumers, the focus group agreed that rural consumers were disadvantaged because, apart from radio, print media is the most used means of advertising and, with newspapers not easily accessed in certain rural areas, this deprives the rural ICT consumer of the know-how of certain ICT issues.

The focus group dealt with the challenges facing rural users of ICT services. Lack of access to electricity (which means that charging of mobile phones is not possible) was highlighted as a deterrent to owning a phone in a rural area. The group emphasised the importance of the Zambian Government's rural electrification programme as a key tool to facilitating the uptake of ICT goods and services in rural areas.

It was agreed by the focus group that ICT consumers in both rural and urban areas tend not to complain as they lack a sense of consumer entitlement and knowledge of their rights as consumers. Those that may seek to complain often lack knowledge of complaint procedures and channels. The complaint procedures themselves are often lengthy and confusing. It was felt that service providers ignore some of the complaints when they consider how much time and cost it would take to resolve them. It was suggested that it is difficult and costly for rural subscribers to complain as they have to travel long distances to get and lodge complaint forms.

Another problem noted in rural areas was that talk time vouchers are often over-priced, with, for example, vouchers clearly labelled ZMK 5 000 being sold at ZMK 6 000 in parts of rural areas. Subscribers are either forced to pay the premium or go without the airtime. Two of the participants who also participated in the focus group had this to say:

*“Just... along Mumbwa Road... I was trying to call my brother to come and pick me from the roadside. I ran out of air time. The air time of [ZMK] 5 000 was going at [ZMK] 6 000. But due to ignorance of people in rural areas, for them it is normal.” (Participant in the focus group)*

*“Even in the Copperbelt rural area, where our farm is, we buy it at [ZMK] 6 000.” (Another focus group participant)*

### **5.4 Low income vs. High income ICT consumers**

The focus group concluded that, when it comes to lodging complaints, there is a huge disparity in terms of attitude between low-income consumers and high-income consumers. Low-income consumers have perhaps more motivation to complain as they need to account for every penny they use. However, this is not the case, as low-income consumers do not know the complaint channels and are unable to comply with the bureaucratic requirements of lodging complaints.

It was felt that corporate and high-income consumers are more likely to complain in respect of issues such as dropped calls where these mean a loss of business. It was felt that high-income consumers tended to prioritise quality of service above the cost of their calls.

The group felt that low-income subscribers were exploited by service providers when it comes to rewards for frequent use of networks. Being tied to a network via SIM or network locking just because one gets a low-priced phone from the particular service provider was described as being a kind of exploitation.

*“When you buy a Zain or MTN phone, these that are on promotion, you only use it on one network and that is exploitation. We may not realise it, but why should I be bound to use their network just because I bought their phone? So if they are actually offering a service, they have to leave it open for everyone to enjoy and to be on the tariff [plan] they want.” (Participant in the focus Group)*

## **6. Focus Group Recommendations**

At the conclusion of the focus group session, the following recommendations aimed at empowering regulators to protect consumer rights effectively were agreed upon<sup>31</sup>:

- Deliberate and focused measures need to be undertaken by mobile operators and the regulator to improve ICT infrastructure and services in underserved rural areas;
- Rural electrification programmes should be encouraged as this is an essential infrastructure to support the rollout of mobile communications in the first instance (since charging of phones is a problem for areas without electricity) but also to enable the rollout of Internet services;
- The regulator should ensure that the consumer protection regulatory measures it implements are practicable and effective and have a concrete impact for consumers on the ground rather than just generating publicity;
- Regulations should be put in place to prevent the SIM-locking or network-locking that is currently found on cheap phones sold by service providers;
- Regulators, service providers and ICT specialists should work together to increase public awareness of the rights of consumers in respect of ICT goods and services;
- Service providers should be required to promote awareness amongst their customers in respect of channels of communication and complaint;
- The regulator should investigate alternative means of promoting consumer awareness such as through using drama groups and community radio stations;
- Service providers should provide customers with the facility to get help line support or to register a complaint in a language of their choice;
- Service providers should provide customers with the option of choosing the gender of the person to whom they wish to speak, in order overcome cultural barriers to lodging a complaint;

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<sup>31</sup> It should be borne in mind that these recommendations are, because of the scope and focus of this research project, recommendations from the perspective of the consumers of ICT goods and services, and therefore intentionally do not take account of the perspective of the service providers.

- Service providers should create a level playing ground for all customers by ensuring a closer balance between their respective on-net and off-net tariffs.

## **Analysis**

There was a noticeable degree of confusion as to the respective responsibilities of the various stakeholders (especially those of government, the regulator and the service providers) within the focus group members. This factor points to the importance and need for a far greater level of education for consumers in the use of ICT goods and services, and in particular in their rights as consumers of ICT goods and services. The research responses in both the interviews and the focus group strongly suggest that many consumers in Zambia do not complain not because they are not dissatisfied, but because of ignorance of their rights and of where to complain and where to escalate their complaints when dissatisfied.

Poor ICT infrastructure in rural areas, mobile infrastructure in particular, severely disadvantages rural consumers of ICT goods and services, negatively impacting both the quality of life through lack of access to communications, and economic development through increasing the cost of doing business in these areas. Many rural communities in Zambia lack access to basic ICT services, let alone the Internet, and are at risk of being left out of the information society<sup>32</sup>. Any intervention by the regulator to increase rural network coverage by the service providers is therefore to the benefit of a substantial constituency of consumers and would-be consumers.

With lower levels of literacy than urban areas, lower levels of radio listenership and television viewership, and with little access to conventional print media, consumers in the rural areas of Zambia considerably disadvantaged *vis a vis* their urban counterparts. It is therefore important to consider alternative means of increasing consumer awareness and of promoting customer empowerment. Community radio stations may provide a much needed interface in this problem despite their limited but local coverage. Nevertheless these community radios run adverts just like the national broadcaster and could be a viable means of communication with rural consumers. The use of SMS messaging should also be considered as a possible means to reach out to consumers<sup>33</sup>.

Different categories of consumers may have varied needs for them to achieve optimum levels of satisfaction. However, all stakeholders should support communication and encourage transparency in order to create a climate of trust amongst all classes of ICT consumers. Educated, well-informed and empowered consumers are in the best interests of all stakeholders: Government, the sector regulator, the service providers and, of course, the customers themselves.

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<sup>32</sup> Southern Africa Telecentre Network (2009) 'Report on the Zambia Telecentre Development Workshop, 14 to 17 December 2009, Andrews Motel, Lusaka, Zambia available online at <http://www.infobridge.org/asp/documents/4759.pdf>

<sup>33</sup> SMS is already widely used by service providers to market special offers to their customers.

## **7. Conclusion**

There is evidence from both interviews conducted in the research survey and focus group discussions that there is still much work to be undertaken in improving the consumer experience of ICT usage in Zambia.

As this report has shown, lack of network coverage along with network congestion is clearly a pronounced problem with some if not all ICT service provider networks. Even as the local researcher travelled out of Lusaka for research interviews, there were considerable stretches of areas where the mobile network signal for any of the three Zambian mobile networks was simply unavailable. Similarly there are also even areas near to urban areas where mobile coverage is unreliable. While it may be argued that these areas are scantily populated, undermining the business case for network rollout, it is nevertheless true that ubiquitous, seamless communication is prime enabler for both business operations and social interaction today. This clearly suggests that ensuring proper network rollout is a key regulatory priority.

The research shows that it is not only illiterate consumers who lack awareness and a sense of entitlement in respect of their rights as consumers, but that literate consumers are victims too. Illiterate consumers showed a tendency of indicating that they had no problems with their service providers. There was a general fear of revealing too much information as it took some time for them to settle down in the interview, especially after informing them that the interview would be recorded.

Knowledge of consumer rights is significant to consumers if they have to determine whether their rights are being infringed on or not. In order for consumers to be aware of their rights specific sensitisation and awareness-raising programmes need to be put in place by the Government, the regulators and the service providers.

Much as this is being done by the ZICTA, the question remains as to how much people have access to this information. For those that are aware of these sensitisation programmes, how much trust and confidence do they have in the relevant authorities to protect their rights as consumers?

Of course, there could be some unfounded prejudices, towards certain ICT service providers, that may have been brought to the fore in this report. However, this points to a direction which the national ICT regulator and service providers should examine with interest, in order to improve in protecting consumer rights.

Utilisation of knowledge from university and college experts could play a greater role in sensitising the public about their consumer rights in their everyday ICT use. Special interest must be taken to facilitate sensitisation in rural areas. Rural ICT consumers have little or no access to complaint facilities. They suffer problems like network outages and call dropouts too.

In the interest of consumers, a work plan to define an action plan towards improving on the issues pointed out should be drawn up by the national ICT regulator to address the concerns raised in this report.

## **8. Final Recommendations**

There may be additional issues that may have not been touched on in this research, either through the in-depth interviews or in the focus group. However, the research has surfaced a number of key issues and common themes, and the recommendations offered in this report may assist in addressing some of the cardinal issues in regulating to ensure ICT consumer protection and to promote ICT consumer empowerment, and in strengthening effective regulation of the ICT sector by the regulator, ZICTA.

- 1 Focus on mobile customers.** As both this research and national subscriber statistics show, the overwhelming majority of consumers of ICT goods and services in Zambia are mobile subscribers. It is therefore clear that any policy and regulatory interventions to protect and empower ICT consumers must focus on and target the mobile sector first and foremost. This does not imply that consumers of legacy fixed-line services, or of Internet services, whether via dial-up connectivity, via ADSL or via the soon-to-be-launched 3G, should be ignored. But it does imply not only addressing the issues that affect mobile consumers as a priority, but also exploiting mobile as a channel of communications between regulators and service providers and their customers.
- 2 Prioritise rural consumers.** It is clear from this research that the level of consumer awareness and the degree of customer empowerment is considerably lower in the rural areas of Zambia. It is further clear that certain consumer issues such as poor network coverage and dropped calls disproportionately affect rural consumers. The concentrations of consumers in urban areas are of course vastly greater, and reaching them consequently much easier and more cost-effective. Conversely, policy and regulatory interventions to protect consumers may be more challenging and costly in rural areas, but, nevertheless, rural consumers and their issues should be seen as a priority.
- 3 Increase the profile of ZICTA.** The research has shown that there is limited awareness of ZICTA and, correspondingly, little appreciation of its role or of the importance of its work in protecting consumers. It is therefore necessary for ZICTA to consider how it can increase its profile amongst ICT consumers in order to empower it as an agent of consumer protection. Specific measures to achieve this on a cost-effective basis are beyond the scope of this report, but consideration should be given to the use of SMS and community media.
- 4 Undertake general consumer education.** The low levels of consumer literacy and awareness revealed through this research suggest that consumer education, often at a fairly basic and general level is required, so that consumers can better understand how the ICT sector works, how they as consumers are affected by its dynamics, what the specific issues are that impact on them as consumers, and what their rights and expectations as customers of ICT goods and services should be. The development of customer service charters, along with a means of ensuring their widespread dissemination, for the various classes of service provider could be a useful step in this direction.

- 5 Publicise channels of complaint.** The research undertaken here has shown that few consumers are aware of how to complain, and in respect of what issues complaints are justified. It is clear, therefore, that a comprehensive national awareness campaign relating to consumer complaints would empower the sector regulator, ZICTA, to protect ICT consumers. Such a campaign could cover not only the channels through which consumers can register their complaints and have them resolved and, if need be, escalated (and here it must be emphasised that the service providers should always be the first port of call, with the regulator acting as the complaints channel of last resort), but should also cover the types of issues in respect of which complaints may be raised. With the majority of consumers being mobile subscribers, the use of mandatory SMS messages from service providers to carry the campaign should be investigated<sup>34</sup>.
- 6 Prioritise key complaints issues.** While the sample size in this research project is clearly too small to draw nationally representative conclusion, a number of problem areas for the consumers of ICT goods and services seem to feature prominently. These include lack of network coverage in certain (mainly rural) areas, frequent dropped calls, poor quality of service and pricing. Validation of the results from the sample covered by this research<sup>35</sup>, together with possible mandatory provision of complaints data and analysis by service providers to ZICTA, would assist the regulator to identify priority areas for regulatory intervention to protect consumers.
- 7 Publish pricing information.** The interviews undertaken as part of this research suggest that there is considerable confusion in respect of the pricing of the various packages and services offered by the service providers. Whilst operators clearly have a vested competitive interest in ensuring that their pricing is not comparable, a regulatory requirement to publish certain comparable benchmark data in a single location would greatly assist consumers properly to compare prices and hence empower them to choose the ICT services best suited to their needs at the most affordable price.
- 8 Investigate SIM-swapping.** It seems clear that SIM-swapping is commonplace and that many consumers who can afford them, make use of multiple-SIM phones. It is worthwhile investigating exactly how widespread these phenomena are, along with what incentivises consumers to engage in them. Problems relating to network coverage by respective service providers, or pricing differentials between on-net and off-net calls, may, inter alia, underpin the practice. If so, regulatory interventions to extend network coverage or to reduce mobile termination rates may work to disincentivise this trend.
- 9 Remain aware of future trends.** Whilst this final recommendation does not emerge directly from this research, it nevertheless remains important to stress that the sector regulator needs continually to remain abreast of market developments and ongoing shifts in customer preferences and consumer patterns. As the ICT sector continues to

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<sup>34</sup> This is analogous to the requirement in some jurisdictions that broadcasters flight advertisements advising listeners or viewers as to how they can lodge complaints in respect of broadcast content.

<sup>35</sup> A comprehensive data analysis of complaints laid by customers with their various service providers, would, if such data were available to the regulator, aid such validation immensely. An analysis of those small proportion of complaints that actually reach the regulator, whilst less statistically reliable, would also assist.

grow and evolve, so too will policy and regulatory intervention to protect ICT consumers need to continue to look ahead and be proactive.

---e n d s---

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## **10. Appendices**

### **Appendix I – Baseline Report: Zambia**

The updated ICT Baseline Position report for Zambia (2009) is enclosed as a separate report.

## **Appendix II – Focus Group Participants**

<b>Name</b>	<b>Occupation</b>	<b>Gender</b>	<b>Contact</b>
Mwangala Kalaluka	Software Engineer	Male	00260977134640
Blessings Ndeke	Unemployed College Graduate	Female	00260977641015
Robert Ntitima	Broadcaster/ University Student	Male	00260977588720
Catherine Kakungu	Basic School Teacher	Female	00260966782755
Mabumba Chilufya	University Student	Male	00260979353246
Chanda Nkole	Unemployed	Female	00260977537594
Francis Bwalya	Businessman	Male	00260966731545
David Mukosa	Researcher / Group Facilitator	Male	00260966728643

**Appendix III – Introductory Workshop Programme**  
**EMPOWERING REGULATORS TO PROTECT CONSUMER RIGHTS IN THE ICT**  
**SECTOR**  
**LAUNCH WORKSHOP, 13 AUGUST 2009**

**AGENDA**

<b>Time</b>	<b>Activity</b>	<b>Speaker or Facilitator</b>
<b>09:00 – 09:05</b>	Welcome & Introduction	-Acting Director International Public Relations - Ms N. Nankonde-
<b>09:05 – 09:10</b>	Opening Remarks	Mr. Richard Mwanza, Acting CEO, CAZ
<b>09:10 – 09:25</b>	Keynote address	Mr. Dominic Y Sichinga, PS MCT
<b>09:25 – 09:45</b>	Overview of the research project “Empowering regulators to protect consumer rights in the ICT sector”	- Mr. Charley Lewis, LINK Centre, University of the Witwatersrand
<b>09:45 – 10:15</b>	Presentation on the ICT Baseline report for Zambia	- Mr. David Mukosa, University of Zambia
<b>10:15 – 10:30</b>	Current status of ICT consumer protection in Zambia	- Mrs. Susan Mulikita, CAZ
<b>10:45 – 11:00</b>	General discussion (Q and A)	- Mr. David Mukosa, University of Zambia
<b>11:00– 11:30</b>	International best practice regulation to protect consumer rights in the ICT sector	- Mr. Charley Lewis, LINK Centre, University of the Witwatersrand
<b>11:30– 12:00</b>	Presentation of the Research Methodology	- Mr. David Mukosa, University of Zambia
<b>12:00 – 12:15</b>	Discussion on cross-cutting issues & the way forward	- Mr. David Mukosa, University of Zambia & Charley Lewis, LINK Centre, University of the Witwatersrand
<b>12:20 – 12:30</b>	Closing Remarks	- Representative from CAZ
<b>12:30 – 13:00</b>	Beverages and Snacks	

**Appendix IV – List of Workshop Participants**  
**EMPOWERING REGULATORS TO PROTECT CONSUMER RIGHTS IN THE ICT**  
**SECTOR**

**ATTENDANCE LIST**

<b>ORGANISATIONAL NAME</b>	<b>REPRESENTATIVE NAME</b>	<b>CONTACT NO/EMAIL ADDRESS</b>
Zain Zambia P.O Box 320001 LUSAKA	Martin Simuchoba Evans Muhanga Jessica Mayambi	<a href="mailto:martin.simuchoba@zain.com">martin.simuchoba@zain.com</a> <a href="mailto:evans.muhanga@zain.com">evans.muhanga@zain.com</a> jesica.mayambu@zain.com
Communication Authority of Zambia	Richard Mwanza Susan Mulikita Ngabo Nankonde Katwamba Mwansa	
ZamTel P.O Box 71630 NDOLA	Joseph Chona Martin Chishala	joechona@zamtel.zm Mobile: 095 577 0677 mchishala@zamtel.zm Mobile: 095 575 9970
ZamNet Communications System Comesa Building P.O Box 38299 LUSAKA	Yolanda Chishimba	yolanda@zamnet.zm sales@zamnet.zm
Coppernet Solutions P.O Box 38671 LUSAKA	SuwilANJI Nankamba	suwi@coppernet.zm support@coppernet.zm
Microlink Technologies Limited P.O Box 35681 LUSAKA		
Africonnect P.O Box 31276 LUSAKA	Ivy Musenyesa	ivy@africonnect.co.zm
University of Wits SOUTH AFRICA	Charley Lewis	<a href="mailto:Charley.Lewis@wits.ac.za">Charley.Lewis@wits.ac.za</a>
Realtime Technologies Alliance P.O Box 38688 LUSAKA	Yamie Zimba	yammiezi@realtime.co.zm
Zambia Competition		

Commission P.O Box 34919 LUSAKA		
E-Brain Lewis Construction Kabelenga Road LUSAKA	John S. Munsaka	<a href="mailto:jmunsaka@zamnet.zm">jmunsaka@zamnet.zm</a> <a href="mailto:jmunsaka@gmail.com">jmunsaka@gmail.com</a> 096 675 2507
Unet P.O Box 30969 LUSAKA		
University of Zambia P.O. Bo 32379 LUSAKA	David Mukosa	<a href="mailto:dmukosa@unza.zm">dmukosa@unza.zm</a> <a href="mailto:dmukosa@yahoo.com">dmukosa@yahoo.com</a> 0966 728643
Energy Regulation Board 8 <sup>th</sup> Floor, Premium House P.O Box 37631 LUSAKA	Stephen M. Bwalya	<a href="mailto:sbwalya@erb.org.zm">sbwalya@erb.org.zm</a> 097 743 6952  096 643 6952
National Water Supply and Sanitation Council Plot 164, Mulombwa Close P.O Box 34358 LUSAKA	Rose Tembo	<a href="mailto:rtembo@nwasco.org.zm">rtembo@nwasco.org.zm</a>
Law Association of Zambia 1 Lagos Road, Rhodespark P.O Box 35271 LUSAKA		
Computer Society of Zambia		
Engineering Association of Zambia Fairley Road, Ridgeway P.O Box 51084 LUSAKA		

## Appendix V – Research Interview Tabulated Consumer Response

### Consumer Response

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23	24	
N	N	N	N	Y	Y	Y	Y	N	Y	Y	Y	N	Y	N	N	N	N	N	Y	Y	Y	Y	Y	Switched from one service provider?
N	N	N	Y	Y	N						Y		Y	Y	Y	Y	Y	N	N	Y	N	N	Y	Are you satisfied with ICT services you get?
Y		Y	Y	Y	N	Y		N	Y		Y		Y	Y	Y	Y	N	Y	Y	N		Y	N	Is cost of service a problem to you as consumer?
Y				Y	Y			N		Y	Y	N	N	N		N		Y			Y	Y	Y	Is quality of service a problem?
N		Y	Y		N	Y	N	N	N	N		N		N		N	Y	Y	N	Y	Y	N	N	Do you have a lot of dropped calls?
Y			N	Y	N	Y	N			N	N	N	N	Y	N		N	N	Y	N	Y		N	Is completing a call difficult?
N		N		N	Y	Y	N		N	N	Y	Y	N	N	Y	Y	N	N	Y	N		Y	N	Is it difficult to make inter network calls?
	N		N					N			N	N		N	N	N	N	N		N	N	N		Is the voice quality a problem?
N	Y	Y	Y			Y	N		N	N	N	N	N	Y	Y	Y	Y	Y	Y	N	Y	Y	N	Is your network congested at certain times of the day?
									N					N			N		N		Y	Y	N	Are Internet service outages a problem?
Y	Y	Y	Y	N		N	N		N	N	N	N	N	N	N	N	N	Y	N	N	N		Y	Is network coverage a problem for you ?
Y	Y	N	N	Y	Y	Y	Y	N		Y	N		Y	Y	N	N	N	Y				N	N	Is there a lack of network coverage in certain areas?
N		Y	Y		N	Y	Y				Y	N	N	Y	Y	Y		N	N			N	N	Is charging and billing a problem for you ?
N	N	N	N		Y	Y			N		N	Y	Y	N	N	N	N	Y	N	N	Y		N	Are charges made clear to you?
Y	Y	Y	Y		Y		Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Y	Is it easy to buy and load airtime?
N	N	N	N		N	Y	Y	Y	N	Y	N		N	N	N	N	N	Y	N	Y	N	Y	Y	Is equipment a problem for you as a consumer?
Y	Y	N	N	Y	Y	N	Y	N	Y	Y	Y		Y	Y	N	N	N	Y	Y	N	Y	Y	Y	Ever used the customer help line of your service provider?
Y	N	N	N	N	Y	N	N	N	N	N	Y	Y	N	N	N	N	Y		Y	Y	Y	N	N	Have you ever made a complaint to a service

N		Y	N			N			Y		N			N	N	N	N	Y		N	Y		N	<b>provider?</b>
																								<b>Do you know your rights as a consumer of ICTs</b>
Y	N	N	N				Y				N			N	N	N	Y	Y		N		Y	N	<b>Are you aware of Zambia's telecoms regulator?</b>

## Breakdown of Mobile Interviewee Subscriptions

Interviewees Breakdown by Service Provider and use of Internet				
Interviewee number as arranged in Table 1				
	Cell Z	MTN	ZAIN	Internet
1			√	√
2		√	√	
3			√	
4			√	
5		√	√	√
6		√	√	√
7	√	√	√	
8		√	√	
9			√	
10		√	√	
11	√	√		
12		√	√	
13		√		
14	√		√	
15			√	
16		√	√	
17			√	
18	√			√
19			√	
20		√	√	√
21		√	√	
22			√	√
23	√	√	√	√
24	√	√		
<b>Total</b>	<b>6</b>	<b>14</b>	<b>20</b>	<b>7</b>

**Cheapest**

#	Cell Z	MTN	ZAIN
1	√		
2	√		
3		√	
4			√
5		√	
6		√	
7		√	
8		√	
9			√
10	√		
11		√	
12		√	
13		√	
14		√	
15		√	
16		√	
17			
18	√		
19			√
20	√		
21	√		
22			
23	√		
24		√	
<b>Total</b>	<b>7</b>	<b>12</b>	<b>3</b>

**Expensive**

#	Cell Z	MTN	ZAIN
1			√
2			√
3			√
4			
5			√
6			√
7	√		
8			√
9			√
10			√
11			√
12			√
13			√
14		√	
15			√
16			√
17			
18		√	
19		√	
20			√
21		√	
22			
23		√	
24	√		
<b>Total</b>	<b>2</b>	<b>5</b>	<b>14</b>

**Best**

#	Cell Z	MTN	ZAIN
1		√	
2		√	
3			√
4			√
5			√
6			
7			

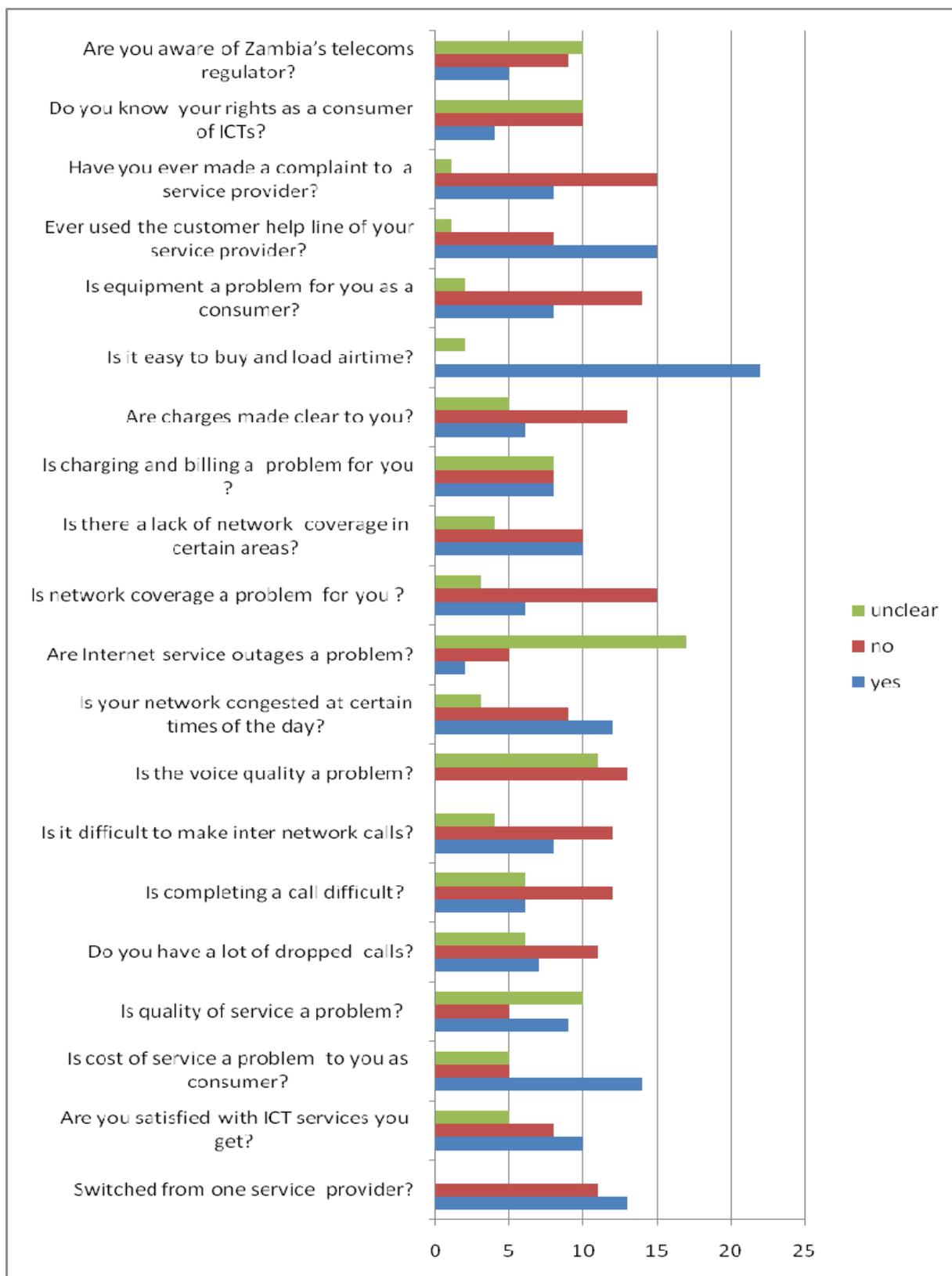
**Worst**

#	Cell Z	MTN	ZAIN
1			√
2			
3			√
4			
5			√
6			
7	√		

8		√	
9			√
10		√	
11		√	
12		√	
13		√	
14			√
15			√
16		√	
17			
18			√
19			√
20	√		√
21			√
22			√
23			√
24		√	
Total	1	9	12

8			
9			
10			
11			√
12	√		
13			√
14			
15			
16			√
17			
18	√		
19	√		
20			√
21	√		
22			
23	√		
24			√
Total	6	0	8

## Appendix VI – Consumer Response Graphical Representation



## **Appendix VII – Research Interview Questionnaire**

Below is the interview protocol that was used to guide the in-depth semi-structured interviews.



# **IDRC - Empowering regulators to protect consumer rights in the ICT sector**

## **Research Interview**

In-depth, face-to-face, one-to-one interviews to explore in detail the issues outlined below (45 - 60 minutes).

### **Socio-demographic details**

Please tick the age category the interviewee falls into:

18-24     35-44     55-64   
25-34     45-54     65+

Gender of the interviewee:

Male  Female

Age finished education:

Below 15  15  18  25  Over 25

Job or occupation:

-----

Marital status:

Single  Married  Widowed  Divorced

Where they live:

Name of village, town or city: \_\_\_\_\_

### Qualitative consumer information

#### **A. Understanding of operators and their services:**

This section asks interviewees to compare the different service offerings on the market. The focus is likely to be on mobile, given its market share, but other service offerings such as fixed, Internet access etc can also be covered.

- 1 What telecommunications services do you consume (Mobile? Internet? Fixed?)

\_\_\_\_\_

- 2 What is (are) your service provider(s) (i.e. who do you see yourself as a customer of)?

\_\_\_\_\_

- 3 Which service provider in Zambia do you think provides the **best service** to its customers? Why? Explain.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Prompt: Quality of service (explain if necessary: dropped calls / call completion / voice quality etc)? Network coverage? Range of packages and offerings?)

(Also record if interviewee does not know / does not have a view.)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

- 4 Which service provider in Zambia do you think is the **cheapest**? Why? Explain.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Prompt: Starter packs? Contracts? Recharge vouchers? Minutes?)

(Also record if interviewee does not know / does not have a view.)

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- 5 Which service provider in Zambia do you think provides the **worst service** to its customers? Why? Explain.

---

---

---

(Prompt: Quality of service (explain if necessary: dropped calls / call completion / voice quality etc)? Network coverage? Range of packages and offerings?)  
(Also record if interviewee does not know / does not have a view.)

---

---

---

- 6 Which operator in Zambia do you think is the most **expensive**? Why? Explain.

---

---

---

---

(Prompt: Starter packs? Contracts? Recharge vouchers? Minutes?)  
(Also record if interviewee does not know / does not have a view.)

---

---

---

- 7 Where do your views come from? How do you know about the services of the operators and their quality of service / packages / pricing / coverage areas (as answered above)?

---

---

---

- 8 How do you get this kind of information? Friends and family? Radio? TV? Newspapers? Company websites? Other?

- 9 Have you switched from one service provider to another? If yes, why? If not, why not?

---

---

**B. Consumer issues raised**

This section is designed to allow consumers to identify the issues of concern to them as consumers and where intervention by the regulator might increase consumer protection. Allow the interviewee to come up with issues they raise first and note the order in which they appear. The intention is to both cover the full range of issues, as well as to identify their prioritisation. Then take the list of issues below and prompt them on issues they have not already raised:

- 10 Would you say you are generally satisfied or dissatisfied with the service you receive from your service provider(s)? (see question 1)

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- 11 What are the main **problems** you have with your mobile / Internet service? Please explain in each case.

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---

---

Prompt questions (if first answer is short / thin):

---

---

Is the **cost** of service a problem for you as a consumer?

---

Are prices too expensive? Are you being charged too much for what you get?  
Are prices too expensive for certain aspects of the service? (e.g. SMS?)

---

Is the **quality** of service a problem for you as a consumer?

---

Do you experience a lot of dropped calls?

---

Do you have difficulty completing a call?

---

Do you have difficulty calling from one network to another?

---

Is the voice quality a problem?

---

Do you find the network congested at certain times of the day?

---

Are Internet service outages a problem?

---

Is network **coverage** a problem for you as a consumer?

---

Is there a lack of network coverage in certain areas? Where exactly?

---

Is **charging and billing** a problem for you as a consumer?

---

Are you being charged for things you think you ought not to be charged for?

---

Are charges made sufficiently clear to you as the consumer?

---

Is it easy to buy and load airtime?

---

Is **equipment** a problem for you as a consumer?

Handsets? Batteries? Computers? Modems? Etc?

12 Which one of the issues above would you single out as the most important / **main problem** (from the issues identified above)?

---

---

---

---

**C. Consumer contact and complaints made:**

This section is designed to identify whether consumers are aware of when their rights as consumers have been infringed, and whether they aware of the channels of redress available to them, and if they have used these channels.

13 Have you ever used the customer help line of your service provider?

---

14 If you have, why, and what for? If not, why not? Were you satisfied with how you call was dealt with?

---

---

15 Have you ever made a complaint to your service provider? If so, on what issue(s)? If not, why not?

---

---

16 What channel(s) did you use to pursue your complaint(s)?

---

---

(Prompt: if no complaint has been made, ask what channel they would use if they did have a complaint. Also record if they are not aware of any complaints channels.)

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17 How was (were) your complaint(s) handled? Were you satisfied with the outcome? If not, what, if anything, did you do to escalate the complaint?

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---

(Prompt: also record if they are not aware of any complaints escalation channels.)

---

18 What rights do you have as a consumer of telephony and Internet services? How do you know about these rights?

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(Prompt: also record if they are not aware of any consumer rights.)

---

---

**D. Who is doing what and what might be done**

The interview can then be concluded by covering two related topics, identifying what consumer know about what is being done in respect of consumer protection, and what sorts of interventions they would like to see.

19 Are you aware of our country's telecoms regulator? Do you know its name?

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**If aware:** What do you think the regulator does? How effective do you think the regulator is at doing these tasks?

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20 What do you think the following organisations / groups can do to improve the experience of consumers? Please make specific suggestions.

- Government?

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- Regulators?

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- Service providers?

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- Consumer groups?

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- Others?

21 What else do you think might / should be done to help consumers of telecommunications and Internet services?

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Thank you for taking part in this interview. Would you be prepared to participate in the focus group? (Take their details if they are).

Name:.....Co

ntact Address:.....

.....

.....

Cellular Phone: .....

E-mail: .....

# Appendix 12 – Regulatory Actions Report Ethiopia



## **Customer Service Charter for Fixed Line Services**

### **1. Aim of the Charter**

The overriding aim of a consumer charter is to allow consumers to attain universal, equitable and affordable access to communication services. We have developed this customer service charter to let you understand what you can expect from our products, services and our staff. The Charter reflects ETC's ongoing strategy to find better ways of working to deliver to you a good customer experience. This Charter will be reviewed and updated regularly to reflect improvements in our processes and procedures. ETC targets to review this customer charter on a yearly basis. It will take into account feedback from its customers, Board of Directors, staff and the Ethiopian Telecommunications Agency.

### **2. About the ETC**

The Ethiopian Telecommunications Corporation (ETC) is a national communication service provider that is entitled by law to install, manages and maintain communications infrastructure that supports voice, data and video services in Ethiopia. ETC aims to provide citizens with high capacity digital connectivity to the rest of the world.

With a professional and experienced team, we are dedicated to offering reliable customized communication solutions including basic telephony, mobile and Internet and Multimedia services. ETC's recent investment in fixed and wireless networks means that today we can offer customers with a comprehensive suite of telecommunications products and services that cover voice, high-speed Internet and broadband mobile services based on Next Generation Networks (NGN).

This charter provides information about our fixed line services, the individual plans available to users, the tariff, terms and conditions, billing, service restoration commitments and procedures on consumer complaints handling.

### **3. ETC Core Values**

- We are committed to understand, meet and exceed the needs and expectations of our customers.
- We recognize our employees as our most important asset and we will help them develop and grow. Our employees are customer-oriented and committed to provide state of the art, effective and efficient service.
- We are committed to high-level performance, service quality, organizational excellence and continuous development.
- We will be ethical, honest and accountable in what we do.



- We will make every effort to achieve superior financial return for our corporation while maintaining equitable and universal access to communication.
- We will promote the consumers' right to education, choice, representation and redress.
- Mutual courtesy and respect are the hallmarks of any durable relationship between us and our customers.

#### **4. Our Commitment to Customers**

- We will treat all our customers equally.
- We will listen to all of our customers and take on board your views.
- We will use a variety of methods to consult and obtain feedback from customers and publish the results.
- We will aim to accommodate customers with special needs.
- We will pursue a 'continuous improvement' approach to service delivery.

#### **5. Obligation of Our staff**

##### **Our Staff Will:**

- Be courteous.
- Be willing to assist you and be responsive to your needs.
- Treat you fairly and professionally.
- Be of a smart and professional appearance.
- Display ID cards while at work.
- Represent us in a positive and effective manner.
- Provide timely oral and written advice which is clear, concise, accurate and complete.
- Demonstrate professional competence in providing advice on our service and products.
- Use your feedback to improve our products and services.

#### **6. Our Fixed Line Services**

Our fixed line services include:

- Fixed land lines that provide you local and international calls
- Fixed Wireless Service based on CDMA technology
- Fax service
- Public payphone service



For more information about our products and services please visit our website [www.ethionet.et](http://www.ethionet.et)

We install and maintain your land line, public pay phones and fixed wireless lines, produce billing every month and address your complaints with regards to these services.

#### ■ **New Lines**

We install new lines subject to availability of circuits in your area on first-come-first-served basis. We will maintain two registers: one for business and another one household customers. We provide priority to business customers.

Applicants will be provided with basic telephone connection within 7 days of registration, subject to technical feasibility and availability of the circuit. All applicants are required to fill a Term of Conditions form before using a new fixed line telephones.

We install new public payphones where feasible based on demand and security for the usage of the phones.

#### ■ **Maintenance**

Our customers can report faults of the fixed line by calling “997” or visiting a nearest ETC branch office. On an average, we will repair the faults within 24 hours of receipt of complaint from our customers.

#### ■ **Shifting of Your Fixed Telephone Line**

In case you want to shift your fixed telephone line due to relocation we are glad to do so, subject to technical feasibility. We will shift your telephone connection within 3 working days within the same exchange, 5 working days for intra city and 30 working days for inter city exchanges. During service amendment and relocation, the provision of the services would depend on availability, geographical location and other relevant factors, which are subject to variation according to the customer’s requirements and the circumstances.

#### ■ **Disconnecting Your Fixed Line**

We will close (disconnect) your telephone connection within 3 days, upon receipt of a letter of request granted that the bill has been settled.



## ■ Billing

Every month ETC will provide bills related to the calls you made. Details of your bills can be obtained via the Internet @ [www.ethionet.et](http://www.ethionet.et) or by dialing 997. Billing will be accurate and verifiable. The latest tariffs for our products and services are also available via our website <http://www.ethionet.et>.

Customers are expected to visit ETC branch offices to pay for the communication services. Assistance will be readily available, free of charge to help consumers to understand their bills.

Bills should be paid by cash or certified check. ETC will explore convenient method of payment such as “pay as you go”, SMS based, on-line payment, postal check, Payment-by-Phone Service (PPS), Automated Teller Machines (ATM), etc. in the future to make it easy and convenient for its customers.

ETC reserve a right to disconnect consumers who do not pay for their bills. However, disconnection for non-payment will only be carried out as a last resort after consumers have been given every opportunity to pay within a reasonable period.

## ■ Complaint Handling

We know that sometimes things can go wrong – and we are committed to resolving any problems that may occur. If we make a mistake, or our service doesn't meet your expectations, we want to know about it.

If you have concerns with regards to billing, maintenance and other aspects of our services please register your complaints by calling “997” or visiting the nearest ETC service office. We will try to resolve your problem on spot at the first point of contact. If we cannot resolve your problem, we will forward your complaint to the appropriate department for a response and appropriate action. We will deal with enquiries in a helpful and courteous manner but will not accept abuse, threats or aggressive language.

If you are not satisfied with the manager's decision, then your complaint will be referred to the Group Manager responsible for the service. If your complaint still has not been settled to your satisfaction, the Chief Executive Officer may refer you to the appropriate Ombudsmen institution.

## 7. Our Committed Targets

We are committed to meet the following targets:

### ■ Service Provisioning Time



We target to activate your new line within seven working days from the date of finalization of registration, provided that the requested information is submitted completely and the circuits are available in your area.

#### ■ Service Restoration Time

We will provide you with a clear warning before scheduled interruptions. In unlikely case of service failure we target to maintain the service promptly subject to the complexity of the problem.

- We target to maintain a fixed line fault within three days of registration, subject to the complexity of the problem and factors such as civil works that may affect the services restoration time. Factors that will affect the maintenance time will include our ability to accessing the maintenance site and other relevant sites (such as private premises, tunnels, bridges or restricted areas), the extent of cable damage due to road construction, excavation or vandalism, network unavailability from other operators and unavailability of maintenance equipment from third parties.
- ❖ The average time taken from the receipt of your complaint to restoring the service or Mean-Time-To-Repair (MTTR) – for fixed line will be one working day.

#### ■ Complaint Handling Time

Should an issue arise then our staff will aim to resolve this quickly and efficiently on sport or through telephone or e-mail support. Our objective is to ensure that the matter is resolved promptly and that corrective action is taken wherever possible to prevent reoccurrence.

- If you call us, your calls will be returned promptly.
- If you complain in writing, we aim to acknowledge all letters of complaint within ten days of their receipt. A full response will be sent to you within ten days unless your complaint requires further investigation. We will give you the name and job title of the person handling your complaint. In case the matter requires further investigation we will send a full response to you within four weeks. In exceptional circumstances, the longest we will take to send you a final response will be eight weeks.
- We will respond to telephone voicemail messages within two working days.



#### ■ Enquiry Call Answering Time

We aim to answer every enquiry call within six rings. If not, customers will hear a message explaining that they are in a queuing system. Customers will then be connected to an operator as quickly as possible.

### 8. Our Other Obligations

The data that we hold about your service accounts with us – is protected under the Terms & Conditions of contract. In today's connected world, we recognize the critical importance of ensuring that sensitive records and the data we hold about customers remain secure. To these ends, we are committed to;

- Protecting your personal information (including phone calls and other communications) from misuse and loss and from unauthorised access, modification or disclosure.
- Providing you with reasonable access to your own personal information that we have on record and taking reasonable steps to keep records accurate and up-to-date.

ETC also recognizes and embrace its obligations to return to society financial (and in-kind) contributions to the ongoing success of our country and its people. We have developed programmes to help with the growth and development of education, health agriculture, social welfare initiative, sport, trade and environmental issues.

We are also committed to publishing an annual report which details the key areas of our activity and financial investments and contributions in the above fields.

### 9. Customer Obligations

We expect our customers to meet the following obligations:

- Our Services offered to you are conditioned on your acceptance without modification of the Terms, Conditions, and Notices. Our Terms and Conditions are available from our website <http://www.ethionet.et> and provided to you when you sign up for a new service.
- We reserve the right to suspend or terminate your service where you have breached our Terms and Conditions, for example, if you fail to pay your bill on specified time. You should therefore ensure that all dues are cleared within specified time. Overdue bills may result in barring of outgoing calls and or cancellation of contract.



- As a subscriber, you are not allowed to enter into any unethical arrangements either with the employees of the ETC or with any third person/agent in using the communication system for illegal purposes and acts that breaches the terms of condition of use.
- Mutual courtesy and respect are the hallmark of a durable relationship between us. You are therefore expected to approach staff and services in courteous manner.

## 10. Contacts

To gain higher customer satisfaction, we have put in place a number of communication channels backed by a team of customer service professionals to enable customers to access our services and receive prompt assistance. These communication channels encompass:

- ❖ ETC branch offices
- ❖ A 997 hotline supported by dedicated team and well-trained operators
- ❖ ETC Web portal [www.ethionet.et](http://www.ethionet.et)

Therefore there are several ways to contact us:

**Visit the nearest ETC branch office** – You can contact us by visiting your nearest ETC services office.

**Telephone us:** Please dial 997 for obtaining information on our services and to register your complaints.

**Send a letter to us:**

Ethiopian Telecommunications Corporation Head Quarter  
Churchill Road, in front of Main Post Office Building  
P.O. Box: 1047  
Tel: +251-115-510500  
Fax: +251-115-515777

Web: [www.ethionet.et](http://www.ethionet.et)

Send us a fax: +251 115510500

Send us an e-mail: [CS@ethionet.et](mailto:CS@ethionet.et)

**Other useful contact**

The Ethiopian Telecommunications Agency



**ETHIOPIAN TELECOMMUNICATIONS CORPORATION**  
Connecting Ethiopia To The Future

Bekelobet, Tegene Building  
Kirkos District, K02/03, House No. 542  
P.O.Box 9991, Addis Ababa, Ethiopia  
Director General: Tel: +251-11-465 60 11  
E-mail: [dg@eta.gov.et](mailto:dg@eta.gov.et)  
Fax: +251-11-465 57 6  
Legal and Consumer Affairs Department  
Telephone +251-11-465 24 42  
E-mail: [legal@eta.gov.et](mailto:legal@eta.gov.et)



## **Customer Service Charter for Mobile Services**

### **1. Aim of the Charter**

The overriding aim of a consumer charter is to allow consumers to attain universal, equitable and affordable access to communication services. We have developed this customer service charter to let you understand what you can expect from our products, services and our staff. The Charter reflects ETC's ongoing strategy to find better ways of working to deliver to you a good customer experience. This Charter will be reviewed and updated regularly to reflect improvements in our processes and procedures. ETC targets to review this customer charter on a yearly basis. It will take into account feedback from its customers, Board of Directors, staff and the Ethiopian Telecommunications Agency.

### **2. About the ETC**

The Ethiopian Telecommunications Corporation (ETC) is a national communication service provider that is entitled by law to install, manage and maintain communications infrastructure that supports voice, data and video services in Ethiopia. ETC aims to provide citizens with high capacity digital connectivity to the rest of the world.

With a professional and experienced team, we are dedicated to offering reliable customized communication solutions including basic telephony, mobile and Internet and Multimedia services. ETC's recent investment in fixed and wireless networks means that today we can offer customers with a comprehensive suite of telecommunications products and services that cover voice, high-speed Internet and broadband mobile services based on Next Generation Networks (NGN).

This charter provides information about our mobile services, the individual plans available to users, the tariff, terms and conditions, billing, service restoration commitments and procedures on consumer complaints handling.

### **3. ETC Core Values**

- We are committed to understand, meet and exceed the needs and expectations of our customers.
- We recognize our employees as our most important asset and we will help them develop and grow. Our employees are customer-oriented and committed to provide state of the art, effective and efficient service.
- We are committed to high-level performance, service quality, organizational excellence and continuous development.
- We will be ethical, honest and accountable in what we do.



- We will make every effort to achieve superior financial return for our corporation while maintaining equitable and universal access to communication.
- We will promote the consumers' right to education, choice, representation and redress.
- Mutual courtesy and respect are the hallmarks of any durable relationship between us and our customers.

#### **4. Our Commitment to our Customers**

- We will treat all our customers equally.
- We will listen to all of our customers and take on board their views.
- We will use a variety of methods to consult and obtain feedback from customers and publish the results.
- We will aim to accommodate customers with special needs.
- We will pursue a 'continuous improvement' approach to service delivery.

#### **5. Obligation of Our staff**

##### **Our Staff Will:**

- Be courteous.
- Be willing to assist you and be responsive to your needs.
- Treat you fairly and professionally.
- Be of a smart and professional appearance.
- Display ID cards while at work.
- Represent us in a positive and effective manner.
- Provide timely oral and written advice which is clear, concise, accurate and complete.
- Demonstrate professional competence in providing advice on our service and products.
- Use your feedback to improve our products and services.

#### **7. Our Mobile Services**

We are committed to delivering consumers and business customers a full array of mobile communication solutions. These services include:

- Prepaid mobile serviced
- Post paid mobile services
- Value added service such as Short Messaging Service, call waiting, call barring and voice mail services.



For more information about our products and services please visit our website [www.ethionet.et](http://www.ethionet.et)

■ **New Lines/SIM Cards**

You can get your SIM card for a new line in designated shops throughout the country subject to availability of circuits in your area on first-come-first-served basis.

■ **Maintenance**

Our customers can report problems with the mobile network by dialing “997” or visiting a nearest ETC branch office. On an average, we will repair the faults within 24 hours of receipt of complaint from our customers.

■ **Disconnecting Your Mobile Service**

We will close (disconnect) your mobile line immediately, upon receipt of a letter of request granted that the bill has been settled, if you happen to be a post-paid customer. If you are a pre-paid customer you will be disconnected automatically once we receive your request in person.

■ **Billing**

If you are are-paid customer your bills including call charges and tax will be deducted from your airtime. You are expected to recharge your account in specified period of time in order to avoid service disconnection.

Every month ETC will provide bills related to the calls you made provided that you are a post-paid customers. Details of your bills can be obtained via the Internet @ [www.ethionet.et](http://www.ethionet.et) or by dialing 997. Billing will be accurate and verifiable. The latest tariffs for our products and services are also available via our website <http://www.ethionet.et>.

If you are a post-paid customer, you are expected to visit ETC service centers to pay for the communication services. Assistance will be readily available, free of charge to help consumers to understand their bills.

Bills should be paid by cash or certified check. ETC will explore convenient method of payment such as “pay as you go”, SMS based, on-line payment, postal check, Payment-



by-Phone Service (PPS), Automated Teller Machines (ATM), etc. in the future to make it easy and convenient for its customers.

ETC reserve a right to disconnect consumers who do not pay for their bills, if they are registered as post-paid customers. However, disconnection for non-payment will only be carried out as a last resort after consumers have been given every opportunity to pay within a reasonable period.

#### ■ **Complaint Handling**

We know that sometimes things can go wrong – and we are committed to resolving any problems that may occur. If we make a mistake, or our service doesn't meet your expectations, we want to know about it.

If you have concerns with regards to billing, maintenance and other aspects of our mobile services please register your complaints by calling “997” or visiting the nearest ETC service office. We will try to resolve your problem on spot at the first point of contact. If we cannot resolve your problem, we will forward your complaint to the appropriate department for a response and appropriate action. We will deal with enquiries in a helpful and courteous manner but will not accept abuse, threats or aggressive language.

If you are not satisfied with the manager's decision, then your complaint will be referred to the Group Manager responsible for the service. If your complaint still has not been settled to your satisfaction, the Chief Executive Officer may refer you to the appropriate Ombudsmen institution.

### **7. Our Committed Targets**

We are committed to meet the following targets:

#### ■ **Service Provisioning Time**

We target to activate your new mobile line within 24 hours from the date of finalization of registration, provided that the requested information is submitted completely.

#### ■ **Service Restoration Time**

We will provide you with a clear warning before scheduled interruptions of mobile services. In unlikely case of service failure we target to maintain the service promptly subject to the complexity of the problem.



- ❖ The average time taken from the receipt of your complaint to restoring the service or Mean-Time-To-Repair (MTTR) – for mobile line will be one working day.

#### ■ Complaint Handling Time

Should an issue arise then our staff will aim to resolve this quickly and efficiently on sport or through telephone or e-mail support. Our objective is to ensure that the matter is resolved promptly and that corrective action is taken wherever possible to prevent reoccurrence.

- If you call us, your calls will be returned promptly.
- If you complain in writing, we aim to acknowledge all letters of complaint within ten days of their receipt. A full response will be sent to you within ten days unless your complaint requires further investigation. We will give you the name and job title of the person handling your complaint. In case the matter requires further investigation we will send a full response to you within four weeks. In exceptional circumstances, the longest we will take to send you a final response will be eight weeks.
- We will respond to telephone voicemail messages within two working days.

#### ■ Enquiry Call Answering Time

We aim to answer every enquiry call within six rings. If not, customers will hear a message explaining that they are in a queuing system. Customers will then be connected to an operator as quickly as possible.

### 8. Our Other Obligations

The data that we hold about your service accounts with us – is protected under the Terms & Conditions of contract. In today's connected world, we recognize the critical importance of ensuring that sensitive records and the data we hold about customers remain secure. To these ends, we are committed to;

- Protecting your personal information (including phone calls and other communications) from misuse and loss and from unauthorised access, modification or disclosure.



- Providing you with reasonable access to your own personal information that we have on record and taking reasonable steps to keep records accurate and up-to-date.

ETC also recognizes and embrace its obligations to return to society financial (and in-kind) contributions to the ongoing success of our country and its people. We have developed programmes to help with the growth and development of education, health agriculture, social welfare initiative, sport, trade and environmental issues.

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We expect our customers to meet the following obligations:

- Our Services offered to you are conditioned on your acceptance without modification of the Terms, Conditions, and Notices. Our Terms and Conditions are available from our website <http://www.ethionet.et> and provided to you when you sign up for a new service.
- We reserve the right to suspend or terminate your service where you have breached our Terms and Conditions, for example, if you fail to pay your bill on specified time if you are post-paid customer. You should therefore ensure that all dues are cleared within specified time. Overdue bills may result in barring of outgoing calls and or cancellation of contract.
- As a subscriber, you are not allowed to enter into any unethical arrangements either with the employees of the ETC or with any third person/agent in using the communication system for illegal purposes and acts that breaches the terms of condition of use.
- Mutual courtesy and respect are the hallmark of a durable relationship between us. You are therefore expected to approach staff and services in courteous manner.

## **10. Contacts**

To gain higher customer satisfaction, we have put in place a number of communication channels backed by a team of customer service professionals to enable customers to access our services and receive prompt assistance. These communication channels encompass:

- ❖ ETC branch offices
- ❖ A 997 hotline supported by dedicated team and well-trained operators



**ETHIOPIAN TELECOMMUNICATIONS CORPORATION**  
Connecting Ethiopia To The Future

❖ ETC Web portal [www.ethionet.et](http://www.ethionet.et)

Therefore there are several ways to contact us:

**Visit the nearest ETC branch office** – You can contact us by visiting your nearest ETC branch office.

**Telephone us:** Please dial 997 for obtaining information on our services and to register your complaints.

**Send a letter to us:**

Ethiopian Telecommunications Corporation Head Quarter  
Churchill Road, in front of Main Post Office Building

P.O. Box: 1047

Tel: +251-115-510500

Fax: +251-115-515777

Web: [www.ethionet.et](http://www.ethionet.et)

Send us a fax: +251 115510500

Send us an e-mail: [CS@ethionet.et](mailto:CS@ethionet.et)

**Other useful contact**

The Ethiopian Telecommunications Agency

Bekelobet, Tegene Building

Kirkos District, K02/03, House No. 542

P.O.Box 9991, Addis Ababa, Ethiopia

Director General: Tel: +251-11-465 60 11

E-mail: [dg@eta.gov.et](mailto:dg@eta.gov.et)

Fax: +251-11-465 57 6

Legal and Consumer Affairs Department

Telephone +251-11-465 24 42

E-mail: [legal@eta.gov.et](mailto:legal@eta.gov.et)



## **Customer Service Charter for Internet Services**

### **1. Aim of the Charter**

The overriding aim of a consumer charter is to allow consumers to attain universal, equitable and affordable access to communication services. We have developed this customer service charter to let you understand what you can expect from our products, services and our staff. The Charter reflects ETC's ongoing strategy to find better ways of working to deliver to you a good customer experience. This Charter will be reviewed and updated regularly to reflect improvements in our processes and procedures. ETC targets to review this customer charter on a yearly basis. It will take into account feedback from its customers, Board of Directors, staff and the Ethiopian Telecommunications Agency.

### **2. About the ETC**

The Ethiopian Telecommunications Corporation (ETC) is a national communication service provider that is entitled by law to install, manages and maintain communications infrastructure that supports voice, data and video services in Ethiopia. ETC aims to provide citizens with high capacity digital connectivity to the rest of the world.

With a professional and experienced team, we are dedicated to offering reliable customized communication solutions including basic telephony, mobile and Internet and Multimedia services. ETC's recent investment in fixed and wireless networks means that today we can offer customers with a comprehensive suite of telecommunications products and services that cover voice, high-speed Internet and broadband mobile services based on Next Generation Networks (NGN).

This charter provides information about our Internet line services, the individual plans available to users, the tariff, terms and conditions, billing, service restoration commitments and procedures on consumer complaints handling.

### **3. ETC Core Values**

- We are committed to understand, meet and exceed the needs and expectations of our customers.
- We recognize our employees as our most important asset and we will help them develop and grow. Our employees are customer-oriented and committed to provide state of the art, effective and efficient service.
- We are committed to high-level performance, service quality, organizational excellence and continuous development.
- We will be ethical, honest and accountable in what we do.



- We will make every effort to achieve superior financial return for our corporation while maintaining equitable and universal access to communication.
- We will promote the consumers' right to education, choice, representation and redress.
- Mutual courtesy and respect are the hallmarks of any durable relationship between us and our customers.

#### **4. Our Commitment to Customers**

- We will treat all our customers equally.
- We will listen to all of our customers and take on board your views.
- We will use a variety of methods to consult and obtain feedback from customers and publish the results.
- We will aim to accommodate customers with special needs.
- We will pursue a 'continuous improvement' approach to service delivery.

#### **5. Obligation of Our staff**

##### **Our Staff Will:**

- Be courteous.
- Be willing to assist you and be responsive to your needs.
- Treat you fairly and professionally.
- Be of a smart and professional appearance.
- Display ID cards while at work.
- Represent us in a positive and effective manner.
- Provide timely oral and written advice which is clear, concise, accurate and complete.
- Demonstrate professional competence in providing advice on our service and products.
- Use your feedback to improve our products and services.

#### **6. Our Internet Services**

ETC offers a range of products and services to help you make the most of the Internet. Our Internet services include:

- Dial up Internet service
- Domain Registration
- Email and web hosting services
- Email filtering service



- Broadband wireless access using WCDMA or CDMA

For more information about our products and services please visit our website [www.ethionet.et](http://www.ethionet.et)

We provide registration, installation, maintenance and billing of Internet services.

#### ■ Registration

To register for your Internet services please visit a nearest ETC branch office and fill in the required forms. Instructions on how to access to the Internet are available from our website or at ETC branch offices.

#### ■ Maintenance

If you have problem with the Internet services please visit the nearest ETC branch office or call us on our contact address given below. We will try to resolve your technical problem by phone.

#### ■ Pricing and Billing

The latest prices for Internet services are always available via our website [www.ethionet.et](http://www.ethionet.et). Your latest bills will be available on the Internet or can be obtained by dialing 997. Customers are expected to visit the nearest ETC branch offices to pay for the communication services. Assistance will be readily available, free of charge to help consumers to understand their bills.

We accept payments by certified check and cash. ETC will explore convenient method of payment such as “pay as you go”, SMS based, on-line payment, postal check, Payment-by-Phone Service (PPS), Automated Teller Machines (ATM), etc. in the future to make it easy and convenient for its customers.

We reserve the right to suspend or terminate your service where you have breached the Terms and Conditions, for example, if you fail to pay your bill.

#### ■ Complaint Handling

We are committed to providing its customers with an excellent customer experience. Should an issue arise then our Customer Services team will aim to resolve this quickly and efficiently by either telephone or e-mail support. Our objective is to ensure that the matter is resolved promptly and that corrective action is taken wherever possible to prevent reoccurrence.



If you have concerns with regards to billing, maintenance and other aspects of our services please register your complaints by calling “997” or visiting the nearest ETC branch office. If we cannot resolve your problem through the phone, we will forward your complaint to the appropriate department for a response and appropriate action. We will deal with enquiries in a helpful and courteous manner but will not accept abuse, threats or aggressive language.

If you are not satisfied with the manager’s decision, then your complaint will be referred to the Group Manager responsible for the service. If your complaint still has not been settled to your satisfaction, the Chief Executive Officer may refer you to the appropriate Ombudsmen institution.

## **7. Our Commitment Targets**

We are committed to meet the following targets:

### **■ Service Provisioning Time**

We target to activate your Internet services within five minutes provided that the requested information is submitted completely.

### **■ Service Restoration Time**

We will provide you with a clear warning before scheduled interruptions. In unlikely case of service failure we target to maintain the service promptly subject to the complexity of the problem.

- The average time taken from the receipt of your complaint to restoring the service or Mean-Time-To-Repair (MTTR) – for Internet is three hours.

### **■ Complaint Handling Time**

Should an issue arise then our staff will aim to resolve this quickly and efficiently on spot or through telephone or e-mail support. Our objective is to ensure that the matter is resolved promptly and that corrective action is taken wherever possible to prevent reoccurrence.

- If you call us, your calls will be returned promptly.
- If you complain in writing, we aim to acknowledge all letters of complaint within ten days of their receipt. A full response will be sent to you within ten days



unless your complaint requires further investigation. We will give you the name and job title of the person handling your complaint. In case the matter requires further investigation we will send a full response to you within four weeks. In exceptional circumstances, the longest we will take to send you a final response will be eight weeks.

- We will respond to telephone voicemail messages within two working days.

#### ■ Enquiry Call Answering Time

We aim to answer every enquiry call within six rings. If not, customers will hear a message explaining that they are in a queuing system. Customers will then be connected to an operator as quickly as possible.

### 8. Our Other Obligations

The data that we hold about your service accounts with us – is protected under the Terms & Conditions of contract. In today's connected world, we recognize the critical importance of ensuring that sensitive records and the data we hold about customers remain secure. To these ends, we are committed to;

- Protecting your personal information (including phone calls and other communications) from misuse and loss and from unauthorised access, modification or disclosure.
- Providing you with reasonable access to your own personal information that we have on record and taking reasonable steps to keep records accurate and up-to-date.

ETC also recognizes and embrace its obligations to return to society financial (and in-kind) contributions to the ongoing success of our country and its people. We have developed programmes to help with the growth and development of education, health agriculture, social welfare initiative, sport, trade and environmental issues.

We are also committed to publishing an annual report which details the key areas of our activity and financial investments and contributions in the above fields.

### 9. Customer Obligations

We expect our customers to meet the following obligations:



- Our Services offered to you are conditioned on your acceptance without modification of the Terms and conditions. Our Terms and Conditions are available from our website <http://www.ethionet.et> and provided to you when you sign up for a new service.
- We reserve the right to suspend or terminate your service where you have breached our Terms and Conditions, for example, if you fail to pay your bill on specified time. You should therefore ensure that all dues are cleared within specified time. Overdue bills may result in barring of outgoing calls and or cancellation of contract.
- As a subscriber, you are not allowed to enter into any unethical arrangements either with the employees of the ETC or with any third person/agent in using the communication system for illegal purposes and acts that breaches the terms of condition of use.
- Mutual courtesy and respect are the hallmark of a durable relationship between us. You are therefore expected to approach staff and services in courteous manner.

## 10. Contacts

To gain higher customer satisfaction, we have put in place a number of communication channels backed by a team of customer service professionals to enable customers to access our services and receive prompt assistance. These communication channels encompass:

- ❖ ETC branch offices
- ❖ A 997 hotline supported by dedicated team and well-trained operators
- ❖ ETC web portal [www.ethionet.et](http://www.ethionet.et)

Therefore there are several ways to contact us:

**Visit the Nearest ETC Branch Office** – You can contact us by visiting your nearest ETC branch office.

**Telephone us:** Please dial 997 for obtaining information on our services and to register your complaints.

**Send a letter to this address:**

Ethiopian Telecommunications Corporation Head Quarter  
Churchill Road, in front of Main Post Office Building  
P.O. Box: 1047  
Tel: +251-115-510500



**ETHIOPIAN TELECOMMUNICATIONS CORPORATION**  
Connecting Ethiopia To The Future

Fax: +251-115-515777

Web: [www.ethionet.et](http://www.ethionet.et)

Send us a fax: +251 115510500

Send us an e-mail: [CS@ethionet.et](mailto:CS@ethionet.et)

#### **Other useful contact**

The Ethiopian Telecommunications Agency

Bekelobet, Tegene Building

Kirkos District, K02/03, House No. 542

P.O.Box 9991, Addis Ababa, Ethiopia

Director General: Tel: +251-11-465 60 11

E-mail: [dg@eta.gov.et](mailto:dg@eta.gov.et)

Fax: +251-11-465 57 6

Legal and Consumer Affairs Department

Telephone +251-11-465 24 42

E-mail: [legal@eta.gov.et](mailto:legal@eta.gov.et)



## **Customer Service Charter for Broadband Services**

### **1. Aim of the Charter**

The overriding aim of a consumer charter is to allow consumers to attain universal, equitable and affordable access to communication services. We have developed this customer service charter to let you understand what you can and should expect from our products, services and our staff. The Charter reflects ETC's ongoing strategy to find better ways of working to deliver to you a good customer experience. This Charter will be reviewed and updated regularly to reflect improvements in our processes and procedures. ETC targets to review this customer charter on a yearly basis. It will take into account feedback from its customers, Board of Directors, staff and the Ethiopian Telecommunications Agency.

### **2. About the ETC**

The Ethiopian Telecommunications Corporation (ETC) is a national communication service provider that is entitled by law to install, manages and maintain communications infrastructure that supports voice, data and video services in Ethiopia. ETC aims to provide citizens with high capacity digital connectivity to the rest of the world.

With a professional and experienced team, we are dedicated to offering reliable customized communication solutions including basic telephony, mobile and Internet and Multimedia services. ETC's recent investment in fixed and wireless networks means that today we can offer customers with a comprehensive suite of telecommunications products and services that cover voice, high-speed Internet and broadband mobile services based on Next Generation Networks (NGN).

This charter provides information about our broadband services, the individual plans available to users, the tariff, terms and conditions, billing, service restoration commitments and procedures on consumer complaints handling.

### **3. ETC Core Values**

- We are committed to understand, meet and exceed the needs and expectations of our customers.
- We recognize our employees as our most important asset and we will help them develop and grow. Our employees are customer-oriented and committed to provide state of the art, effective and efficient service.
- We are committed to high-level performance, service quality, organizational excellence and continuous development.
- We will be ethical, honest and accountable in what we do.



- We will make every effort to achieve superior financial return for our corporation while maintaining equitable and universal access to communication.
- We will promote the consumers' right to education, choice, representation and redress.
- Mutual courtesy and respect are the hallmarks of any durable relationship between us and our customers.

#### **4. Our Commitment to Customers**

- We will treat all our customers equally.
- We will listen to all of our customers and take on board your views.
- We will use a variety of methods to consult and obtain feedback from customers and publish the results.
- We will aim to accommodate customers with special needs.
- We will pursue a 'continuous improvement' approach to service delivery.

#### **5. Obligation of Our staff**

##### **Our Staff Will:**

- Be courteous.
- Be willing to assist you and be responsive to your needs.
- Treat you fairly and professionally.
- Be of a smart and professional appearance.
- Display ID cards while at work.
- Represent us in a positive and effective manner.
- Provide timely oral and written advice which is clear, concise, accurate and complete.
- Demonstrate professional competence in providing advice on our service and products.
- Use your feedback to improve our products and services.

#### **7. Our broadband service**

ETC offers a range of products and services to help you make the most of your broadband networks. Our Broadband services include:

- Virtual Private Network using leased line or Digital Data Network
- ADSL link
- Broadband Wireless Service – WCDMA and CDMA
- Broadband VSAT connection



For more information about our products and services please visit our website [www.ethionet.et](http://www.ethionet.et)

We provide registration, installation, maintenance and billing of broadband services.

■ **Registration**

To register for your broadband services please visit a nearest ETC branch office and fill in the required forms.

■ **Maintenance**

If you have problem with your broadband service please visit the nearest ETC branch office or call us on our contact address given below. We will try to resolve your technical problem by phone.

■ **Pricing and Billing**

The latest prices for broadband services are always available via our website [www.ethionet.et](http://www.ethionet.et). Your latest bills will be available on the Internet or can be obtained by dialing 997. Customers are expected to visit the nearest ETC branch offices to pay for the communication services. Assistance will be readily available, free of charge to help consumers to understand their bills.

We accept payments by certified check and cash. ETC will explore convenient method of payment such as “pay as you go”, SMS based, on-line payment, postal check, Payment-by-Phone Service (PPS), Automated Teller Machines (ATM), etc. in the future to make it easy and convenient for its customers.

We reserve the right to suspend or terminate your service where you have breached the Terms and Conditions, for example, if you fail to pay your bill.

■ **Complaint Handling**

We are committed to providing its customers with an excellent customer experience. Should an issue arise then our Customer Services team will aim to resolve this quickly and efficiently by either telephone or e-mail support. Our objective is to ensure that the matter is resolved promptly and that corrective action is taken wherever possible to prevent reoccurrence.



If you have concerns with regards to billing, maintenance and other aspects of our services please register your complaints by calling “997” or visiting the nearest ETC branch office. If we cannot resolve your problem through the phone, we will forward your complaint to the appropriate department for a response and appropriate action. We will deal with enquiries in a helpful and courteous manner but will not accept abuse, threats or aggressive language.

If you are not satisfied with the manager’s decision, then your complaint will be referred to the Group Manager responsible for the service. If your complaint still has not been settled to your satisfaction, the Chief Executive Officer may refer you to the appropriate Ombudsmen institution.

## **7. Our Commitment Targets**

We are committed to meet the following targets:

### **■ Service Provisioning Time**

We target to activate business broadband services within 3 working days from the date of registration, provided the requested information is submitted completely.

### **■ Service Restoration Time**

We will provide you with a clear warning before scheduled interruptions. In unlikely case of service failure we target to maintain the service promptly subject to the complexity of the problem. Our the Mean-Time-To-Repair (MTTR) for business broadband and local voice services is one working day, consumer broadband service is two working days. The MTTR for a corporate data services is five working hours.

### **■ Complaint Handling Time**

Should an issue arise then our staff will aim to resolve this quickly and efficiently on spot or through telephone or e-mail support. Our objective is to ensure that the matter is resolved promptly and that corrective action is taken wherever possible to prevent reoccurrence.

- If you call us, your calls will be returned promptly.
- If you complain in writing, we aim to acknowledge all letters of complaint within ten days of their receipt. A full response will be sent to you within ten days unless your complaint requires further investigation. We will give you the name and job title of the person handling your complaint. In case the matter requires



further investigation we will send a full response to you within four weeks. In exceptional circumstances, the longest we will take to send you a final response will be eight weeks.

- We will respond to telephone voicemail messages within two working days.

#### ■ Enquiry Call Answering Time

We aim to answer every enquiry call within six rings. If not, customers will hear a message explaining that they are in a queuing system. Customers will then be connected to an operator as quickly as possible.

### 8. Our Other Obligations

The data that we hold about your service accounts with us – is protected under the Terms & Conditions of contract. In today's connected world, we recognize the critical importance of ensuring that sensitive records and the data we hold about customers remain secure. To these ends, we are committed to;

- Protecting your personal information (including phone calls and other communications) from misuse and loss and from unauthorised access, modification or disclosure.
- Providing you with reasonable access to your own personal information that we have on record and taking reasonable steps to keep records accurate and up-to-date.

ETC also recognizes and embrace its obligations to return to society financial (and in-kind) contributions to the ongoing success of our country and its people. We have developed programmes to help with the growth and development of education, health agriculture, social welfare initiative, sport, trade and environmental issues.

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We expect our customers to meet the following obligations:

- Our Services offered to you are conditioned on your acceptance without modification of the Terms and Conditions. Our Terms and Conditions are



- available from our website <http://www.ethionet.et> and provided to you when you sign up for a new service.
- We reserve the right to suspend or terminate your service where you have breached our Terms and Conditions, for example, if you fail to pay your bill on specified time. You should therefore ensure that all dues are cleared within specified time. Overdue bills may result in barring of outgoing calls and or cancellation of contract.
  - As a subscriber, you are not allowed to enter into any unethical arrangements either with the employees of the ETC or with any third person/agent in using the communication system for illegal purposes and acts that breaches the terms of condition of use.
  - Mutual courtesy and respect are the hallmark of a durable relationship between us. You are therefore expected to approach staff and services in courteous manner.

## 10. Contacts

To gain higher customer satisfaction, we have put in place a number of communication channels backed by a team of customer service professionals to enable customers to access our services and receive prompt assistance. These communication channels encompass:

- ❖ Broadband customer team
- ❖ ETC service stations
- ❖ A 997 hotline supported by dedicated team and well-trained operators
- ❖ ETC web portal [www.ethionet.et](http://www.ethionet.et)

Broadband Team: Our corporate customer team dealing with broadband can be reached through the following telephones. 0116181846, 0116181850, 0116180170/72.

**Visit the Nearest ETC Branch Office** – You can contact us by visiting your nearest ETC branch office

**Telephone us:** Please dial 997 for obtaining information on our services and to register your complaints.

**Send a letter to this address:**



**ETHIOPIAN TELECOMMUNICATIONS CORPORATION**  
Connecting Ethiopia To The Future

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Fax: +251-115-515777  
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#### **Other useful contact**

The Ethiopian Telecommunications Agency  
Bekelobet, Tegene Building  
Kirkos District, K02/03, House No. 542  
P.O.Box 9991, Addis Ababa, Ethiopia  
Director General: Tel: +251-11-465 60 11  
E-mail: [dg@eta.gov.et](mailto:dg@eta.gov.et)  
Fax: +251-11-465 57 6  
Legal and Consumer Affairs Department  
Telephone +251-11-465 24 42  
E-mail: [legal@eta.gov.et](mailto:legal@eta.gov.et)

## Appendix 13 – Regulatory Actions Report Mauritius (Draft)

# Empowering regulators to protect consumer rights in the ICT sector

FINAL REGULATORY ACTION PLAN REPORT FOR



INFORMATION & COMMUNICATION  
TECHNOLOGIES AUTHORITY

January 2011

**Viv Padayatchy and Isabelle Gross**



## Table of Contents

1.0 INTRODUCTION .....	3
2.0 RECOMMENDATIONS FOR REGULATORY ACTION PLAN.....	4
3.0 CONCLUSION.....	7
4.0 REFERENCES .....	8

## **1.0 INTRODUCTION**

This report is the action plan suggested to the Information & Communication Technologies Authority of Mauritius (ICTA) following the recommendations made in the ‘Empowering regulators to protect consumer rights in the ICT sector’ research study carried out by Viv Padayatchy and presented to the stakeholder workshop held in December 2010.

Following up on the issues raised at the initial Information and Communications Technology (ICT) consumer assessment / study conducted in 2006<sup>1</sup>, a second phase of the research was conducted in five (5) African countries which included Mauritius. The initial study had highlighted issues like pricing, quality of service and access to service, among others. This follow-up research had the support and approval of the Association of Regulators in Central, East and Southern Africa (ARICEA) and the International Development Research Centre (IDRC) of Canada. The research was aimed at finding ways to empower regulators to protect consumer rights in the ICT sector.

A qualitative analysis of what the ICT consumers in Mauritius felt, was conducted in Q2-2010. A group of selected customers were questioned on local ICT issues but they were also encouraged to make suggestions in problem areas they mostly thought needed to be addressed by service providers, the national ICT regulator and other stakeholders.

Several techniques were used, among them face to face interviews and focus groups, to provide detailed feedback from the consumer’s perspective on mobile and Internet services. Different areas related to customer service were dealt with, including network coverage, tariffs, quality of service and billing. Interim results were validated through a focus group to provide more insight on issues raised and to identify solutions to put forward. A final analysis was carried out and the research report was written<sup>2</sup>. The results, the report and the recommendations from the research were presented on 9 December 2010 to ICTA, the national ICT regulator and other stakeholders at a one-day workshop at la Petite Cannelle, Domaine les Pailles in Port-Louis, Mauritius.

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1 Southwood, R, Nguo, J, Sagna, O, Lewis, C ,(2006) Assessing consumer activity in the telecoms and Internet sectors in Africa, IDRC, Ottawa, available online at <http://www.afridigital.net/downloads/IDRCCConsumerftV2.doc>.

2 Padayatchy, V (2010) ‘Consumer Protection Rights in the ICT Sector – the Mauritian Case’, Cybernaptics, Mauritius & LINK Centre Johannesburg, July 2010.

Recommendations suggested during the workshop have been submitted to the Mauritius regulator in order to translate them in an agreeable action plan with a timetable.

## **2.0 RECOMMENDATIONS FOR REGULATORY ACTION PLAN**

The recommendations listed in the table below aggregate recommendations from the research paper and recommendations raised during the stakeholders workshop in December 2010.

People who attended the workshop consisted of representatives from the telecomms regulator, ICTA; representatives from the main telecoms operators (Mauritius Telecom/Orange, Emtel and MTNL), representatives from consumer associations (two associations represented) and representatives from various public administrations (police, state law office, and civil servants from various ministries). No representative from the press/media attended the workshop.

The workshop's programme was drafted in such way to encourage all stakeholders to give their views on consumer rights matters and spur constructive discussions/debates among the participants on issues relevant the Mauritian consumers.

Below is an outline of the workshop's programme:

- Presentation of the research report: Consumer Protection Rights in the ICT Sector – the Mauritian Case;
- Multi Stakeholder Perspectives on Consumer Matters:
  - The Mauritian Regulator: Consumer and the Law: The Scope and Limits of the powers of the ICTA in the protection of consumers under the ICT Act; Consumer Affairs and Complaints Mechanism; ICTA Regulatory Measures for Consumer Protection;
  - Customer Care: The Operators' Perspective;
- Panel discussion on how to Improve the Consumer Experience in the ICT Sector;
- Wrap up session with recommendations for action plan.

<b>1. WORKSHOP RECOMMENDATIONS</b>	<b>ACTION TO BE TAKEN / ALREADY TAKEN BY ICTA</b>
<b>(a) strengthen the cooperation between the various actors (regulator, operators, consumer associations) on specific topics/projects ;</b>	to be initiated by ICTA
<b>(b) organisation of a stakeholders' forum (to include regulator, operators, consumers associations but also other local bodies involved in ICT like the National Computer Board) . The forum would be used to discuss specific topics which would have an impact on all stakeholders, a key example being the Internet Content Filtering project undertaken by the regulator</b>	to be initiated by ICTA
<b>(c) representation/involvement of the consumer association in projects developed by ICTA and the Ministry of ICT</b>	to be initiated by ICTA
<b>(d) introduction of a time limit within which to process consumers' complaints</b>	to be initiated by ICTA in partnership with the telecoms operators, possibly by regulation
<b>(e) a common platform among ICT stakeholders with plan and assigned responsibilities</b>	to be initiated by ICTA
<b>(f) set up a self-regulatory body between consumer association and operators (less formal than stakeholder forum)</b>	to be initiated by consumer associations and telecoms operators
<b>(g) strengthen the department of consumer affairs at ICTA</b>	To be initiated by ICTA

<b>2. RESEARCH RECOMMENDATIONS</b>	<b>ACTION TO BE TAKEN / ALREADY TAKEN BY ICTA</b>
<b>(a) clarify complaint handling process, escalation and resolution process</b>	ICTA and operators will need to ensure that adequate codes of practice and guidelines are put in place to address consumers' complaints in a fair and just manner
<b>(b) improving networking and competitive pricing policy</b>	to be initiated by ICTA
<b>(c) improving consumers' awareness about the regulator's responsibility and duties regarding the protection of consumers rights</b>	to be initiated by ICTA
<b>(d) capacity building and information campaign aimed at educating consumers about their rights</b>	to be initiated by ICTA and consumers associations

The following ideas have also been submitted and discussed to provide ICTA with a quick way to increase consumer awareness about its role in protecting consumers rights:

- to increase the regulator's presence and actions outside the capital city, the regulator could consider using the Citizen Advice Bureau network across the island;
- to increase awareness about the regulator's work regarding the protection of consumers rights, the regulator could consider publishing on its website information related to the complaints processed (number and type of complaints received and processed, outcomes of the complaints, etc).

### **3.0 CONCLUSION**

Relating to the consumer best practices in the telecommunications sector<sup>3</sup>, ‘it is important that consumers are aware of the regulator’s existence and the services it offers.’ Lack of awareness of the regulator was an important finding of the research report<sup>4</sup> and was also mentioned and discussed between stakeholders during the workshop. ICTA has some way to go in this respect; otherwise its efforts in protecting consumer rights in ICTs may go unnoticed in Mauritius. This would further enhance Mauritius’ international position in the ICT sector. As a reminder, the country sports some of the best telecommunication market indicators in Africa and has been the first with many innovations: Africa's first cellular system was launched there in 1989, the first commercial 3G mobile service in 2004, the world's first nationwide WiMAX wireless broadband network in 2005, and one of Africa's first IPTV services in 2006<sup>5</sup>.

Should more power be given to the Mauritian regulator to protect and empower consumers, or should there be a shift of focus towards consumer issues? Stakeholders including ICTA pointed to the fact that in Mauritius the regulator is already empowered to protect consumer rights as per the ICT Act. While ICTA has been actively involved in the last ten years in setting up a regulatory framework “to create a level playing field for all operators” to advance market liberalisation in Mauritius, a shift of focus towards the “consumers” was identified as a plausible regulatory approach in the future.

A first draft of this action plan was submitted to the regulator on 17 December 2010 via the officer in charge of consumer affairs at ICTA, together with a request for a meeting to agree the proposed action points and to secure the endorsement of the regulator .

A number of further attempts were in January and February 2011 to seek the regulator’s feedback prior to finalising a formal Action Plan Report.

As of 28 February 2011, there has been no response or feedback from ICTA to this report.

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3 See: Gross, I, Southwood, R, (2000), *Consumer Best Practices in the Telecoms Sector, Balancing Act*, London, U.K

4 Padayatchy, V (2010) ‘Consumer Protection Rights in the ICT Sector – the Mauritian Case’, *Cybernaptics, Mauritius & LINK Centre Johannesburg*, July 2010, page 25.

5 Consumer Padayatchy, V (2010) ‘Consumer Protection Rights in the ICT Sector – the Mauritian Case’, *Cybernaptics, Mauritius & LINK Centre Johannesburg*, July 2010, page 3.

It is therefore tabled as a recommendation for adoption and implementation by ICTA.

#### **4.0 REFERENCES**

- 4.1 Southwood, R, Nguo, J, Sagna, O, Lewis, C, (2006) Assessing consumer activity in the telecoms and Internet sectors in Africa, IDRC, Ottawa, available online at <http://www.afridigital.net/downloads/IDRCConsumerftV2.doc>.
- 4.2 Gross, I, Southwood, R, (2009), Consumer Best Practices in the Telecoms Sector, Balancing Act, and U.K
- 4.3 2. Padayatchy, V (2010) ‘Consumer Protection Rights in the ICT Sector – the Mauritian Case’, Cybernaptics, Mauritius & LINK Centre Johannesburg, July 2010

## Appendix 14 – Regulatory Actions Report Rwanda (Draft)

**Empowering regulators to protect consumer  
rights  
In the ICT sector**

REGULATORY ACTION PLAN REPORT FOR RWANDA

**Prepared by Albert Nsengiyumva**

## **1.0 INTRODUCTION**

The following Regulatory Action Plan proposal is intended to engage the Rwanda Utilities Regulatory Agency (RURA) into a structured engagement with the recommendations that came out of the research on 'Empowering regulators to protect consumer rights in the ICT sector' with a view to translating that engagement into practical implementation that will strengthen the protection and empowerment of ICT consumers in Rwanda.

The 'Empowering regulators to protect consumer rights in the ICT sector' research was conducted in five member countries of the members of the Association of Regulators in Central, East and Southern Africa (ARICEA), namely Ethiopia, Mauritius, Rwanda, Uganda and Zambia, and was supported by the International Development Research Centre (IDRC) of Canada.

Consumer protection in many African countries is still at a very early stage of development due to a number of reasons. The first and most important is the limited capacity within the regulators to develop and facilitate implementation of consumer protection policies and regulatory interventions in accordance with international best practice, and to engage and support associations of consumers to the voice of ICT consumers in support of their rights is heard. This is especially necessary with the introduction of liberalisation of the sector and the emergence of new ICT players that have generated competition with the concomitant risk of low quality of service, high pricing and limited network coverage. The aim of this research was, on one hand, to initiate dialogue with the regulator on issues pertaining to the rights of ICT consumers, and, on the other, to initiate qualitative research to identify and explore some of the key issues related to consumer rights.

Rwanda is now in a better position to accelerate the development of consumer protection associations. On one hand, the tremendous increase of penetration, particularly for mobile, coupled with the liberalisation of ICT services that has seen a number of new players competing in mobile and Internet services, has dramatically increased the consumer base and raised a number of new consumer issues. On the other hand the current strengthening of the regulator, particularly the Consumer Affairs Unit, provides the hope that the tackling of consumer issues will be strengthened and the support for consumer protection associations will be reinforced in order to address consumer issues and encourage the emergence of credible and effective consumer groups within the country.

## 2.0 Recommendations and Proposed Actions to be taken by the Rwanda Utility Regulatory Agency (RURA)

The recommendations in the table below include both recommendations from the final research paper as well as the ones expressed and discussed during the validation workshop that took place in December 2011.

We need to acknowledge that the operators were not well represented during the validation workshop, despite having been invited, perhaps because of the limited interest that was generated on the issue of consumer protection over the last few years. In addition, the lack of strong and aggressive associations of ICT consumers, coupled with a limited awareness campaign to raise understanding of consumer protection issues are key important challenges that need to be addressed as a matter of urgency to allow more participation in the development of a viable and educated society to contribute to the enhancement of quality services in the ICT sector.

<b>1. Workshop Recommendations</b>	<b>Proposed Action to be taken</b>
<ul style="list-style-type: none"> <li>- empower the regulator, RURA, more effectively to protect consumer rights in ICT;</li> </ul>	<ul style="list-style-type: none"> <li>- RURA with support from Ministry responsible for public utilities should reinforce the structure and capacity of the Consumer Affairs Unit by increasing both the number of staff and by developing capacity.</li> </ul>
<ul style="list-style-type: none"> <li>- RURA, should intervene more strongly to protect consumers by, inter alia, encouraging operators to improve their services, by requiring greater network coverage on the part of the operators, by intervening in respect of pricing and quality of service</li> </ul>	<ul style="list-style-type: none"> <li>- Review the provisions in the operator's licences to increase commitment to deliver quality services and application of penalties in case of repetition or no improvement</li> <li>- The regulator should also consider establishing an award mechanism for those operators that are well ranked in terms of quality of service (QoS) in a bid to raise competitiveness</li> </ul>

<ul style="list-style-type: none"> <li>- RURA needs to engage more effectively in marketing itself to the public of Rwanda with a particular attention to educate the general public on the issues related to consumer protection</li> </ul>	<ul style="list-style-type: none"> <li>- RURA to reinforce its public awareness using various communications means particularly those ones that are popular in Rwanda such as public and private radio, newspapers and also organise forums for discussions across the country to create more visibility and understanding of consumer rights</li> </ul>
<p><b>2. Research Recommendations</b></p>	<p><b>Proposed Action to be taken</b></p>
<ul style="list-style-type: none"> <li>- The establishment of at least one association dedicated to the cause of consumers, to defending their rights, identifying and publicising their issues, and to advancing the cause of the consumers of communications services, should be supported.</li> </ul>	<ul style="list-style-type: none"> <li>- RURA should also mobilise resources to support establishment of consumer's associations in ICT</li> </ul>
<ul style="list-style-type: none"> <li>- RURA needs to take over the results of this research in order to find ways of scaling it up to the entire country</li> </ul>	<ul style="list-style-type: none"> <li>- The RURA Consumer Affairs Unit should be empowered with sufficient resources in order to conduct a nationwide research in consumer protection taking into consideration the lessons learnt from this first research in Rwanda</li> </ul>
<ul style="list-style-type: none"> <li>- Any new research conducted at national level would need to be more inclusive by involving key stakeholders such as the operators, Media, academia and the civil society in order to raise the awareness</li> </ul>	<ul style="list-style-type: none"> <li>- RURA to set up a stakeholders group comprising of representatives from operators, the media, academia and the civil society in order to raise ownership and therefore implementation of actions once the research is completed</li> </ul>

### 3.0 Conclusions

Towards the final stage of this research there was a change at the management of RURA, creating severe difficulties to link up with the Acting Director General despite several attempts.

After several attempts, a meeting with the Acting Director General of RURA was secured on Sunday 27 February 2011. This provided an opportunity to provide the Acting Director General on the research project and its findings, and on the need to

secure regulatory support to implement the recommendations. The Acting Director General requested some time to peruse the report in order to respond on an informed basis to the recommendations and proposed action plan. A follow-up meeting is scheduled to take place in March, after the conclusion of the project. Its results will be added to this report.

This proposed Action Plan can therefore be seen as a preliminary document with a number of recommendations and actions in order to engage the Regulator and more broadly to make sure that concrete actions can be taken to resolve a number of issues related to consumer protection and consumer empowerment within the ICT sector.

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## Appendix 15 – Regulatory Actions Report Uganda

JULY 1ST 2010

SUB REPORT ON RECOMMENDATIONS ACCEPTED BY UCC

REFERENCE TO REPORT ON EMPOWERING REGULATORS TO PROTECT AND EMPOWER CONSUMERS- DATED 28TH FEB 2010

ACCEPTED RECOMMENDATIONS BY UCC	ACTION TO DATE
Implement effective education of consumers about the role of UCC and the rights of consumers, and how to exercise those rights (reach those not normally reached). More face-to-face contact with consumers (to address say the challenge of illiteracy) is important	UCC has adopted a multi pronged approach to consumer education. This encompasses use of mass media (radio), ICT film shows are also shown in slums and villages, Public dialogues, school visits and ICT youth camps. The activities are held concurrently in particular parts of the country and have been carried out in Lira, Fort Portal, Koboko, Arua, Nebbi, Kasese, Hoima, Mbarara, and Mbale among others. The multi-pronged approach is aimed at addressing the different categories of consumers in a language best appreciated by each target group.
Publicise through popular media results of the regular technical QoS network performance measurements, customer satisfaction surveys, faults reporting and other relevant information. The format should be easy to understand and enable consumers to make informed choices	So far adopted and published the "Name and Shame" complaint management statistics in the print media. This information is presented in form of graph and charts, and is going to be regular.
Explore the issue of requiring number portability so that customers who are not satisfied with service providers can migrate without barriers	Under consideration

Recognise Call Centres as a critical element of the quality of service value chain. Their capacity development and awareness about the needs of the sector need to be addressed through guidance or soft regulation. This can include say guidelines that call for (voluntary) compliance and certification by UCC	This is under consideration and a benchmarking study has been done with Nigeria, UCC hopes to model something along those lines.
Change the current mindset from being investor-centric to playing a more active role in consumer education and empowerment; and putting key resources like numbers in the hands of the consumers rather than the operators	The general approach at UCC is becoming more consumer centric
There is very limited awareness of consumer rights in Uganda. Awareness is high among the elite class, but is apparently very limited in the majority of the consumers.	This is being done through the public forums as mentioned above and also through corporate sponsorship activities.
Where there is awareness, the majority lodge complaints. Most of the complaints are either not addressed, or are not addressed to the satisfaction of the consumers	The complaints procedure has been simplified, now one just needs to leave their contact details and there is no need for a written letter. The capacity at UCC has also been improved by recruiting 2 new officers in charge of this process. Complaints guidelines with timelines have also been developed.
Consumer groups have not yet established legitimacy and relevance among the majority of consumers	UCC has noted that the consumer groups lack human resource and financial capability, however it has developed a policy that recommends the support of consumer groups by the regulator. UCC also supports partnerships with the consumer groups in the hope of giving them legitimacy and recognition by consumers
Literacy is a major issue that acts as a barrier under the current approaches to consumer protection and empowerment	Local languages are being used in the dialogues and literature, as well as visuals like the ICT film shows.
While gender issues need to be consciously addressed in both awareness strategies and the complaints process, is not a key barrier to equality in consumer protection and empowerments	Have had partnerships with WOUGNET and specific Civil Society Organizations that address women issues.

<p>There should be closer coordination among bodies like UCC, the National Bureau of Standards, and the Uganda Bureau of Statistics because their functions and the data sets they collect complement each other especially with respect to consumer protection and empowerment</p>	<p>Still at concept level but it will be taken up in the work plan for the next year.</p>
<p>SMS was a dominant means of communication, especially among the youth and the poorer sections of the consumers, making it a basic means of communication. It was unregulated and over-priced. UCC needs to look into this.</p>	<p>UCC Licensing regime and developments on the market brought reduced cost of the SMS.</p>
<p>The erection of masts needs to be rationalised and regulated in order to protect the environment</p>	<p>Infrastructure sharing is being encouraged</p>
<p>A complaints process that excludes the majority and is not trusted (with the mistrust sometime extending to Uganda Communications Commission);</p>	<p>Simplification of the complaints procedure as well as the outreach programs addresses this issue.</p>
<p>Health and safety concerns</p>	<p>UCC held an International conference was involved to address consumer fears in health and safety issues.</p>
<p>UCC can contract consumer organisations to carry out public awareness and education activities relating to consumer rights and methods of redress. Consumer organisations would be seen as an objective representative by the consumers, and would more easily adapt to the multiple approaches to public awareness and education that reach all categories of consumers. Such contracts would provide much needed revenue, based on providing value for money, for consumer organisations</p>	<p>It has been recognised and is being recommended in the next set of consumer activities but there are not many organisations that have this capacity.</p>

<p>UCC having worked with consumer organisations and service providers to develop a new complaints process, could outsource implementation to the consumer organisations. It would be very expensive for UCC to run district level offices to support the new process, but consumer organisations, using part-time resources (say as add-ons to local businesses), could to run such offices. Consumer organisations would have a stake in following up the resolution of complaints as per set standards as this would legitimise them in the eyes of the consumers. Again, this would provide an income stream to consumer organisations based on value delivered. Efficiency and effectiveness of consumer organisations will be increased if they are permitted to compete, through a transparent process, to offer the key services that UCC needs</p>	<p>There is a proposal to contract consumer protection groups through a bidding process, train them, equip them and deploy them in the field. UCCs role to remain supervisory. However this is still at proposal level.T</p>
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## Appendix 16 – Regulatory Actions Report Zambia

# Empowering Regulators to Protect Consumer Rights in the ICT Sector

Final Regulatory Action Plan Report for



ZAMBIA INFORMATION AND COMMUNICATIONS TECHNOLOGY AUTHORITY

David Mukosa, University of Zambia, October 2010



## Table of Contents

1 INTRODUCTION .....	3
2 RECOMMENDATIONS AND STRATEGISED REGULATORY ACTION PLAN .....	4
3 ANALYSIS RELATED TO BEST PRACTICES .....	10
4 CONCLUSION .....	11
5 REFERENCES .....	12

## **1 INTRODUCTION**

This report is the action plan agreed on to be implemented by the Zambia Information and Communication Technology Authority (ZICTA), following the recommendations presented in the ‘Empowering regulators to protect consumer rights in the ICT sector’ research study.

Following up on the issues that the initial Information and Communications Technology (ICT) consumer study conducted in 2006<sup>1</sup> raised, a second phase of the research was conducted in five (5) African countries, of which Zambia was one. This follow-up research had the support and approval of the Association of Regulators in Central, East and Southern Africa (ARICEA) and was supported by the International Development Research Centre (IDRC) of Canada. The initial study had brought to the fore issues of concern such as pricing, quality of service and access to service, among others. The follow-up research was aimed at empowering regulators to protect consumer rights in the ICT sector and strengthening their interventions in this regard.

This called for a qualitative analysis of what ICT consumers in Zambia felt about the issues affecting them, and asked for their suggestions in problem areas they most thought needed to be addressed by service providers, the national ICT regulator and other stakeholders.

A baseline report was prepared, outlining the state of the Zambian ICT sector and highlighting the status of consumer protection issues and parameters, and was used as one of the key documents in a preparatory workshop. This workshop was held at Southern Sun Hotel in Lusaka on 13 August 2009 to prepare the grounds for this research. A number of stakeholders contributed to this preparatory workshop.

A small selection of qualitative interviews was conducted in some rural and urban areas of Zambia, designed to identify and surface views and perceptions in relation to consumer protection issues in the ICT sector. The interviews were supplemented by a qualitative focus group. The results were analysed and written up in a research report<sup>2</sup>. The results, the report and the recommendations from the research were presented on 10 June 2010 to the national ICT regulator and other stakeholders at a one-day workshop held at Chaminuka Lodge in the outskirts of Lusaka.

A series of further meetings and consultations were arranged with the national ICT regulator, ZICTA, to discuss the development of an action plan, based on the recommendations emerging from the research and aligned with the consumer protection priorities and objectives of the

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<sup>1</sup> Southwood, R, Nguo, J, Sagna, O, Lewis, C ,(2006) *Assessing consumer activity in the telecoms and Internet sectors in Africa*, IDRC, Ottawa, available online at <http://www.afri.digital.net/downloads/IDRCConsumerftV2.doc>.

<sup>2</sup> See : David Mukosa (2010), *Empowering regulators to protect consumer rights in the ICT sector*, Research Report for Zambia , Lusaka, Zambia

regulator. Timelines were submitted by ZICTA as to the implementation of the action plan. Certain issues formed part of interventions already under way by ZICTA - such as ensuring that service providers create a more level playing field for all customers by ensuring a closer balance between their respective on-net and off-net tariffs, where ZICTA had already embarked on a study of the National ICT / Telecommunications Cost of Service Study for Zambia, which were presented to ZICTA on 1 September 2010<sup>3</sup>.

## 2 RECOMMENDATIONS AND STRATEGISED REGULATORY ACTION PLAN

Tabulated below, is the Final Regulatory Action Plan agreed to by ZICTA, which is based on the recommendations emerging from the research and aligned with the consumer protection priorities and objectives of the regulator, identifying the specific issues which were agreed on, setting out those issues where action by ZICTA is already under way, and listing areas still to be tackled by ZICTA.

1. FOCUS GROUP RECOMMENDATIONS	ACTION TO BE TAKEN / ALREADY TAKEN BY ZICTA
<b>(a) Service providers should promote awareness in complaint lodging procedures</b>	<p>ZICTA noted this recommendation. The Authority promised to communicate this requirement to all licensed service providers. Clear communication of complaint lodgement procedures is also a key requirement for licensees to meet in the upcoming consumer protection guidelines and, therefore, the Authority is to publish the guidelines soon.</p> <p>The Authority will communicate this requirement to all licensed service providers on <b>27 September 2010</b>, during the Consumer Complaints Committee meeting Authority.</p>

<sup>3</sup> See PWC (2010) *National ICT / Telecommunications Cost of Service Study for Zambia*, PricewaterhouseCoopers, London, available via <http://www.caz.zm>

1. FOCUS GROUP RECOMMENDATIONS	ACTION TO BE TAKEN / ALREADY TAKEN BY ZICTA
<p><b>(b) Service providers should provide consumers with facility to register complaints in language of their choice</b></p>	<p>One of the operators is already offering such a facility and others will be encouraged to do the same during the Consumer Complaints Committee meeting <b><u>(27 September, 2010)</u></b>. The Authority also felt that this issue must also be considered in the context of a business decision on the part of the operators, as it not only provides a competitive edge but also requires additional investment in human resources and possibly capital equipment.</p>
<p><b>(c) Service providers should provide customers with the option of choosing the gender of the person to whom they wish to speak, in order overcome cultural barriers to lodging a complaint</b></p>	<p>During the upcoming Consumer Complaints Committee meeting <b><u>(27 September, 2010)</u></b> the Authority will confer with service providers to explore the viability of this option.</p>
<p><b>(d) Service providers should create a level playing ground for all customers by ensuring a closer balance between their respective on-net and off-net tariffs.</b></p>	<p>The Authority has already engaged a consultant (PriceWaterhouseCoopers to conduct a comprehensive Cost of Service Study, which is expected to provide recommendations on the application of intra- and inter-network tariffs.<sup>4</sup> The Study is complete and the final report is expected during the first week of September.</p>

<sup>4</sup> Ibid

1. FOCUS GROUP RECOMMENDATIONS	ACTION TO BE TAKEN / ALREADY TAKEN BY ZICTA
(e) Focus on mobile customers	<p>The Authority observed that, although all consumers of ICTs, Postal and Courier services are considered equally important by the Authority, considerable <i>resources</i> have been dedicated to the protection of mobile consumers. The Authority will commence publication of comparative tariff information for mobile operators to assist consumers make informed choices by the <b><u>end of October 2010</u></b>. This is in addition to general consumer advice on selection of mobile operators, and complaint lodgement procedures which will not only be posted on the ZICTA website, but will also be distributed in the form of posters and flyers in public premises such as Post Offices.</p>
(f) Prioritise rural consumers	<p>The Authority indicated that all consumers are considered equally important regardless of their geographical location in the country. It should, however, be emphasised that the Authority has already launched a nationwide consumer awareness campaign covering all the nine provinces of Zambia. All but Luapula Province (which is scheduled for the <b><u>last week of September 2010</u></b>) have been covered, and in each case efforts are made to ensure that all districts of the targeted province are visited.</p>

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<b>1. FOCUS GROUP RECOMMENDATIONS</b>	<b>ACTION TO BE TAKEN / ALREADY TAKEN BY ZICTA</b>
<b>(g) Increase the profile of ZICTA</b>	This recommendation was noted by the Authority, which has already committed considerable resources to ensuring that public awareness is maximised in all parts of the country. The countrywide consumer outreach programme mentioned above is part of this drive to inform the public on the role and mandate of ZICTA in the communications sector. In addition to the outreach program, the Authority has continued to produce television and radio programmes, documentaries, magazine adverts and comprehensive press releases.
<b>(h) Undertake general consumer education</b>	The Authority agreed to the national outreach programme, combined with various public awareness initiatives utilising available electronic and print mass media, which are all aimed at increasing public awareness and educating consumers on their rights and obligations.

1. FOCUS GROUP RECOMMENDATIONS	ACTION TO BE TAKEN / ALREADY TAKEN BY ZICTA
(i) <b>Publicise channels of complaint</b>	<p>This recommendation was duly noted and the Authority is currently considering the option of partnering with mobile service providers to utilise mass-distributed SMS communications to inform consumers of the available procedures to lodge and escalate complaints, along with other consumer tips. The use of low-cost, mass-produced communications, such as flyers and posters, are also under consideration for this purpose. The Authority plans to effect these measures during the month of <b><u>October, 2010</u></b>.</p>
(j) <b>Prioritise key complaints issues</b>	<p>This recommendation was duly noted. The Authority has already acquired state-of-the-art quality of service monitoring equipment, which is currently measuring and reporting the performance of operators on each of the problem areas alluded to above. In addition to utilising the results for such monitoring activities for enforcement of stipulated quality of service standards, consideration is also being given to publishing these for the public on a regular basis. The first such publication will be made in the quarter ending <b><u>December 31, 2010</u></b>.</p>
(k) <b>Publish pricing information</b>	<p>This will soon be done, on the ZICTA website as well as in the national press beginning with the quarter ending <b><u>December 31, 2010</u></b>.</p>

1. FOCUS GROUP RECOMMENDATIONS	ACTION TO BE TAKEN / ALREADY TAKEN BY ZICTA
<b>(l) Investigate further the practice of SIM-swapping</b>	The Authority agrees that this phenomenon could be linked to high cost of off-network calls and poor network coverage of some operators in specific geographical locations. A comprehensive Cost of Service Study has been concluded. An informed intervention decision will be derived from this.
<b>(m) Remain aware of future trends</b>	The Authority remains proactive in this area by constantly exposing relevant staff to training opportunities and international technological and regulatory trends through its membership to the ITU and other relevant bodies.

ZICTA has identified the following as quick win initiatives that are currently in the process of planning and implementation as a result of the proposed recommendations from the findings of the ‘Empowering regulators to protect consumer rights in ICT sector’ study.

**Quick Wins**

- **Publication of comparative Pricing information** – Pricing information already compiled is currently being adapted for publication on the ZICTA web site and in newspaper format. First publication expected in **September 2010**.

- **Explore alternative mass communication media such as broadcast SMS to disseminate consumer protection information to consumers** – The Authority is to consider discussions with Mobile operators on use of SMS broadcasts. First broadcasts targeted for **October 2010**.
- **Publicising Complaint channels and procedure** – Production of posters and flyers for countrywide distribution after new ZICTA logo becomes available. Materials for this exercise are to be produced by October **2010**.

### 3 ANALYSIS RELATED TO BEST PRACTICES

Relating to the consumer best practices in the telecommunications sector<sup>5</sup>, ‘it is important that consumers are aware of the regulator’s existence and the services it offers.’ ZICTA still has challenges to overcome in this respect; otherwise its efforts in protecting consumer rights in ICTs may go unnoticed. While the regulator has made some progress in letting the public know its presence in the print and electronic media, the research indicates that consumers still have very limited awareness of the regulatory authority and its functions. Previous countrywide research conducted by the then Communications Authority of Zambia (CAZ), also indicated the lower levels of knowledge by the public on the existence of the national ICT regulator. Greater regulatory awareness on the part of consumers in the ICT sector, along with awareness of consumer rights and of how to exercise those rights, will considerably strengthen ICT consumer protection.

With enhanced definitive powers given by the Information and Communication Act (2009), ZICTA should continue to implement the necessary interventions in accordance with the Act, in order to ensure fair protection of consumers in the ICT sector. This need for adherence can be seen from examples of public apologies<sup>6</sup> recently tendered by some service providers in the print media for contravening section 50 of the ICT Act number 15 of 2009 which stipulates the tariff approval process. This came about due to the fact that, with the new ICT Act of 2009, ZICTA now has a strengthened legal basis on which to act.

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<sup>5</sup> See: Gross, I, Southwood, R, (2000), *Consumer Best Practices in the Telecoms Sector*, Balancing Act, London, U.K

<sup>6</sup> See example of a newspaper report of public apology from one mobile communication service provider: *The Post*, Lusaka, Zambia, 29 September 2010, page 22.

## 4 CONCLUSION

The workability of effectively striking a balance between the more economically powerful service providers and consumers in the ICT sector will not only require commitment by all the stakeholders involved but with determined implementation of the regulatory framework by the regulatory authority. A periodic follow-up check should be undertaken by ZICTA to ensure that the components of this agreed action plan are implemented. Not only that, the interventions should be assessed on an ongoing basis for effectiveness in achieving the overall goals of consumer protection.

ZICTA has indicated that they will implement all the recommendations proposed in National ICT / Telecommunications Cost of Service Study for Zambia, by PricewaterhouseCoopers (PwC) of the United Kingdom<sup>7</sup>. The Authority has indicated that implementation will be conducted step by step over a period of time to be determined by the Authority, hopefully without compromising the usefulness of the study.

Deliberate and enhanced public sensitisation coupled with practically visible regulatory actions will promote understanding on the part of consumers in relation to the issues which were previously highlighted as being contentious, such as price, access to service and quality of service, among others. A new outlook to regulatory practice must be put in place with this advent of the Information and Communication Act of 2009.

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<sup>7</sup>See speech by the Director General of the Zambia Information and Communications Technology Authority, Ms. Margaret K. Chalwe on the occasion to announce the determination of interconnection rates for mobile and fixed network providers, available online at <http://www.caz.zm/inde.php/speeches.html>

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*The Post*, Lusaka, Zambia, 29 September 2010, page 22

## **Appendix 17 – Overall Research Report**



EMPOWERING REGULATORS  
TO PROTECT  
CONSUMER RIGHTS  
IN THE  
ICT SECTOR

By  
Charley Lewis and Russell Southwood



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#### EXPLANATION OF COVER IMAGE:

The entire image is held within the structure of the torus, the cyclical and constant framework that brings about regulatory empowerment.

At the point of the axis Africa rises up. At the central core, the word torus has its base in the Latin word meaning “cushion”, which in this instance is representative of consumer rights protection.

At the base of the image dances a revolving line of conduits of the telecommunications industry, the central cell phone face showing a telephone, other faces presenting images that suggest the rural component of the telecomms industry in Africa.

Above these moving phones, circulate images implicit within this particular research project:

- the **megaphone** to prioritise key complaints issues and to highlight consumers having a voice in regulatory and policy processes;
- the **book** to undertake general consumer education and literacy policies;
- the **interlinked gender logo** to raise awareness of the questions of the barriers perceived within gender equality in this instance;
- the **urban factory** to denote differences between urban and rural customers;
- the **priced revolver** intertwined with hearts to illustrate the ongoing problem of industry price wars that pervade in all five countries, and the positive cost and effectiveness of different interventions;
- the “softened” weapon used as a regulatory implement or referee in these disturbances.



EMPOWERING REGULATORS  
TO PROTECT  
CONSUMER RIGHTS  
IN THE  
ICT SECTOR

By  
Charley Lewis and Russell Southwood

II



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Finally, we extend a heartfelt thank you to the International Development Research Centre (IDRC) of Canada for the financial support that has made this study possible. The IDRC is a Canadian public corporation that works in close collaboration with researchers from the developing world in their search for the means to build more equitable and more prosperous societies. IDRC was one of the first development agencies with the foresight and vision to embrace ICTs as a key means to foster development and alleviate poverty.

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## FOREWORD

Reflecting on global development today, you cannot fail to acknowledge the significant role played by the communications industry (telecommunications and the Internet). It is transforming world economies with an increasing number of countries, especially in the developing world, identifying the communications sector as a key pillar for achieving rapid economic growth. The benefits being derived from embracing the new technologies are enormous! The knowledge economy is generating opportunities across all sectors – it is a new source for the creation of quality jobs; wealth generation and redistribution; rapid economic development and prosperity. It is a foundation for global competitiveness and sustainable development. For instance, information resources available through the Internet can provide farmers with timely market information, international prices of various agricultural commodities and recommended agronomic practices for boosting agricultural production. Mobile money transfer services such as M-Pesa in Kenya have become a critical means of paying for goods and services, a business support tool and a lifeline in emergencies.

While the wave of telecommunication reforms on the African continent has seen communication regulators focus their immediate attention on attracting investment into the industry and “ensuring fair play” with some success, little attention has been given to issues affecting consumers. Within a weak legal system, the individual consumer often has few routes for redress in the event of a service failure or unfair treatment. This situation is, however, gradually changing, with a small number of regulators putting in place either policies or processes to protect consumer rights in the telecommunication and Internet market.

A study funded by the International Development Research Centre (IDRC) between 2004 and 2006 (*Holding Companies to Account: Consumer Activities in the Telecommunication and Internet Sectors*) found that as operators become more established, regulators need to shift their emphasis from the industry part of their mandate to addressing three broad issues that affect consumers:

**price** of service, **quality** of service and **access** to service (the extent of network coverage). These findings attracted the attention of regulators at an ARICEA (Association of Regulators of Information and Communications for Eastern and Southern Africa) meeting in Sudan in 2006 and there was a request to extend this work further to formulate action-oriented interventions to address the identified challenges.

Consequently, IDRC supported a phase two study to examine the effectiveness of different regulatory approaches to helping consumers resolve the three main issues mentioned above. Regulators in five countries (Ethiopia, Mauritius, Rwanda, Uganda and Zambia) worked with consumer groups to choose specific interventions. Background studies were carried out to address four areas: i) to identify prevailing international best practice in consumer protection to inform the identified gaps in the focus countries; ii) to establish issues consumers in the five countries most wanted addressed, and how to address those issues; iii) to assess the regulatory effectiveness of consumer interventions that existed within each country; and iv) to undertake, in collaboration with regulators and consumer groups, a defined set of action-oriented activities that would include both specific interventions and broader changes in the regulatory framework to empower consumers. Primary audiences for this publication are African consumer organisations, regulators and policymakers.

Findings from the phase two study show that in many African countries competition has now finally begun to see prices come down, but this has not happened in all countries. Confusing price offerings rather than genuine, long-term reductions are still the order of the day. Where there is little or no competition, prices have not shifted a great deal. Quality of service has only just begun to be addressed by operators, with network coverage remaining a key issue. The less literate and those in rural areas (who are often one and the same) do not know how to complain effectively and are much less aware of their rights. Worse still, too few people are aware of the role played by the regulator in keeping people informed of their rights as consumers. Very few regulators do simple things like publish performance benchmarks or insist that operators embody consumer codes of conduct.

The study proposes a number of recommendations, including encouraging test cases under consumer and competition law; ensuring that a Code of Conduct is a condition of licence for operators, along with obligation to publicise it; and adopting compulsory disclosure of customer complaints, or at least independent surveys to identify levels of consumer satisfaction. A set of performance indicators should be developed to ensure comparable statistics. Finally, consumer organisations should be encouraged to respond to complaints about the telecom and Internet sector, and asked for input into policy processes.

And so, as the IDRC, we are proud to have supported this research into protecting and empowering consumers in the ICT sector. We appreciate the nuanced understanding of consumer issues that it has revealed. We applaud the regulators of the participating ARICEA member countries in their commitment to translate the research findings into action-oriented implementation plans. We hope this second phase of the research we have supported will act as a clarion call to regulators across Africa and that the protection and empowerment of consumers in the ICT sector will improve through a more widespread implementation of its recommendations.

**Edith Ofwona Adera, Senior Programme Specialist, IDRC, Nairobi**





## TABLE OF CONTENTS

<b>Acknowledgements</b>	III
<b>Foreword</b>	IV
<b>1. Executive Summary</b>	I
<b>2. Introduction</b>	7
<b>3. Background and Context</b>	9
<b>4. Project Overview</b>	12
4.1. Approach	12
4.2. Methodology	13
4.3. Selection of Countries	16
4.4. Country Baseline Reports	17
4.5. In-country Research	19
4.6. Regulatory Actions	20
<b>5. Best Practice – Africa and elsewhere</b>	21
5.1. Knowing what consumers care about – surveys and complaints monitoring	22
5.2. Setting a rules framework – Codes of Conduct and standard setting and enforcement	23
5.3. Intervening on behalf of consumers in issues as they arise	24
5.4. Communicating with consumers and the power of the media	25

5.5.	Complaints processes – the regulator as referee of last resort	26
5.6.	Scanning the horizon – spotting issues before they occur	27
5.7.	Assessing the cost and effectiveness of different interventions	27
<b>6.</b>	<b>Key Research Findings</b>	<b>29</b>
6.1.	Introduction	29
6.2.	Understanding of Operators and their Services	31
6.3.	Consumer Issues: Network Coverage	32
6.4.	Consumer Issues: Quality of service	33
6.5.	Consumer Issues: Pricing	34
6.6.	Other Consumer Issues	34
6.7.	Knowledge of consumer rights	35
6.8.	Knowledge of Roles and Responsibilities	36
<b>7.</b>	<b>Country-specific Research Findings</b>	<b>38</b>
7.1.	Ethiopia	38
7.2.	Mauritius	44
7.3.	Rwanda	46
7.4.	Uganda	47
7.5.	Zambia	50
<b>8.</b>	<b>Regulatory Action Plans</b>	<b>52</b>
8.1.	Regulatory Actions: Ethiopia	53
8.2.	Regulatory Actions: Mauritius	53
8.3.	Regulatory Actions: Rwanda	54
8.4.	Regulatory Actions: Uganda	54
8.5.	Regulatory Actions: Zambia	55
<b>9.</b>	<b>Conclusions and Recommendations</b>	<b>56</b>
<b>10.</b>	<b>Appendices</b>	<b>60</b>
<b>11.</b>	<b>References</b>	<b>66</b>





# 1. EXECUTIVE SUMMARY

The five countries covered by this research are Ethiopia, Mauritius, Rwanda, Uganda and Zambia. All are members of COMESA's regulatory association ARICEA and include both Anglophone and Francophone countries. There are common themes in the research from all of these countries and therefore it is clear that the research highlights issues that will be found in other African countries. Part of the work of this study was to provide a review of consumer best practice from both within Africa and elsewhere in the world.

This review focused on answering three questions:

- What do consumers feel about the services they receive and what are service providers doing to address any concerns they might have?
- What can the regulator do to address these concerns?
- And lastly, how does a regulator know whether its interventions have been effective?

For the first two of these questions, the study identifies a series of ways of creating adequate responses, including surveys and complaints monitoring; setting rules frameworks; intervening when new issues arise; using the power of the media; the regulator being the referee of last resort; and spotting issues before they occur. Best practice can involve spending a lot of money, but can also be achieved on relatively few resources. But there is almost no research on whether consumer interventions by regulators have been effective.

The findings of the qualitative research of this study are remarkably consistent with the first phase of the research. Problems with network coverage, quality of service and pricing remain the three key preoccupations of consumers. Nevertheless, the research findings provide a much more



nanced and specific understanding of what particular aspects of the services that consumers use they find most annoying. The needs of those who are not literate and those who live in rural areas are clearly identified as requiring attention.

The research also suggests that consumers have strong but not necessarily well-informed views on the operators and the services they provide. However, there seems to be a limited knowledge of consumer rights, and some confusion as regards the roles and responsibilities of the various stakeholders.

The use of multiple SIM cards by those who could afford them shows that when users have switched services they have tended to do so on the basis of sales promotions offering free calls, and to avoid network congestion. However, these switchers are “gaming the system”, as they retain two or more SIM cards and do not make a complete switch from one provider to another. In the absence of Mobile Number Portability and other measures to ensure market efficiency, the power of the dominant operator is reinforced by the relatively higher cost of off-net calling.

Consumers seem to be making a price versus quality of service trade-off in their choice of service provider. Consumers seem to be very conscious that they can (if they wish) make choices between different operators. While most of the comments made were about mobile services, those accessing Internet services seemed significantly less satisfied by the quality of service they were receiving.

However, there are key differences among countries both in terms of consumer choice and regulatory intervention. In Ethiopia no choice exists, although most of those in the research groups were aware that choice through competition existed elsewhere.

There is a regulatory/research gap – none of the target regulators follows best practice by conducting regular consumer surveys on perceptions and preferences towards the various service providers, or on issues and views of consumers about ICT sector products and services, let alone publishes the results or tracks changing responses over time. Only the regulators in Uganda and Mauritius appear to have done some work in this area.

The research process also captured a range of other issues, including the difficulty of having to walk long distances to recharge mobiles because of the absence of electric power (Rwanda); problems with handsets, including non-charging batteries and low voice quality (two-thirds of interviewees in Rwanda and also in Mauritius); problems loading air-time (all countries); length of time waiting for helpline response (Zambia); problems with 3G service (Ethiopia); obtaining a new SIM card after existing one is lost (all countries); and not using a helpline but asking a friend to help (Mauritius).

With the exception of Uganda, where the focus group participants were chosen because they had knowledge of the ICT sector, participants in the other countries showed a very low level or no awareness of the telecomms regulator’s role or even of its name. They were confused about which organisation played a regulatory role, and where they named a body it tended to be a telecomms operator.

A key part of the research process was that the findings were used to put together an action plan with key stakeholders that was then to be agreed by the national regulator. In two of the target countries (Mauritius and Rwanda) the local researchers were unable to secure the agreement of the national regulator to the proposed Regulatory Action Plan. In Mauritius the local researcher was unable to secure the necessary meeting with the regulator, despite repeated attempts to do so. In the case of Rwanda, changes in management at the regulator meant that the meeting could not be scheduled until after the conclusion of the project, but regulatory support for the action plan remains very likely. In two of the countries (Uganda and Zambia) the co-operation and feedback of the regulator were secured in relation to a detailed and specific set of action points. In the final case, that of Ethiopia, the regulatory action plan took the form of a series of customer service charters drawn up for the regulator by the local researcher.

Though the intention of the regulatory action plans was an important one, namely to secure a long-term practical implementation impact of the project across all five target countries, the outcomes in this respect are somewhat mixed. The customer service charters for Ethiopia promise the greatest long-term impact, but it remains unclear at the time of writing whether these have been officially promulgated. The agreed regulatory action plans for Uganda and Zambia, and, potentially Rwanda, also look promising, but follow-up will be needed to ensure that these move from words on paper into actions that change things for consumers.

A set of overall recommendations is made arising out of this research project:

## 1 STRENGTHEN CONSUMER PROTECTION IN THE LAW

Governments should strengthen the provisions in the law that empower the regulator more effectively to protect consumer rights in communications. In the absence of effective legislation, regulators can both issue regulations that serve the same purpose and insist that operators publish consumer charters.

## 2 SURVEY CONSUMER PERCEPTIONS AND ISSUES

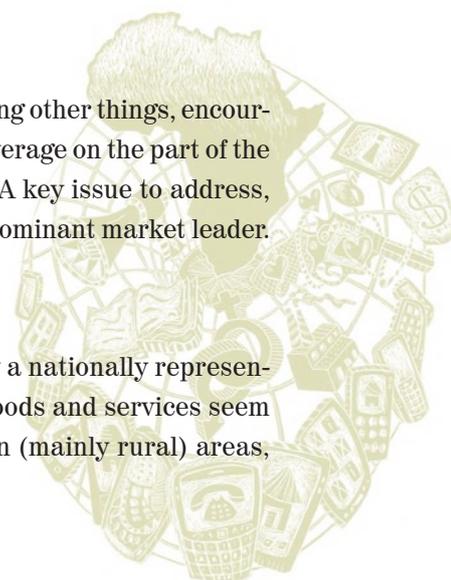
The regulator should regularly survey consumer perceptions regarding the various service providers, including the reasons behind such perceptions, and should publish the results of such surveys on its website and elsewhere. The results of these surveys should be one of the strongest grounds for regulatory intervention on behalf of consumers.

## 3 REGULATORY INTERVENTION

The regulator should intervene more strongly to protect consumers by, among other things, encouraging operators to improve their services, by requiring greater network coverage on the part of the operators, and by intervening in respect of pricing and quality of service. A key issue to address, even in competitive markets, is how best to improve the performance of a dominant market leader.

## 4 PRIORITISE KEY COMPLAINTS ISSUES

While the sample size in this research project is clearly too small to draw a nationally representative conclusion, a number of problem areas for the consumers of ICT goods and services seem to feature prominently. These include lack of network coverage in certain (mainly rural) areas,





frequent dropped calls, poor quality of service and pricing. Validation of the results from the sample covered by this research, together with possible mandatory provision of complaints data and analysis by service providers to the regulator, would assist the regulator to identify priority areas for regulatory intervention to protect consumers.

## 5 PUBLICISE CHANNELS OF COMPLAINT

The research undertaken here has shown that few consumers are aware of how to complain, and in respect of what issues complaints are justified. It is clear, therefore, that a comprehensive national awareness campaign relating to consumer complaints would empower the sector regulator to protect ICT consumers. Such a campaign should cover not only the channels through which consumers can register their complaints and have them resolved and, if need be, escalated (and here it must be emphasised that the service providers should always be the first port of call, with the regulator acting as the complaints channel of last resort), but should also cover the types of issues in respect of which complaints may be raised. With the majority of consumers being mobile subscribers, the use of mandatory SMS messages from service providers to carry the campaign should be investigated. Also worth considering is mandatory point-of-sale provision of consumer protection information with starter packs and recharge vouchers.

## 6 PUBLISH COMPARATIVE PRICING INFORMATION

The interviews undertaken as part of this research suggest that there is considerable confusion in respect of the pricing of the various packages and services offered by the service providers. While operators clearly have a vested competitive interest in ensuring that their pricing is not comparable, a regulatory requirement to publish certain comparable benchmark data in a single location would greatly assist consumers properly to compare prices and hence empower them to choose the ICT services best suited to their needs at the most affordable price.

## 7 FOCUS ON MOBILE CUSTOMERS

As both this research and national subscriber statistics show, the overwhelming majority of consumers of ICT goods and services in Africa are mobile subscribers. It is therefore clear that any policy and regulatory interventions to protect and empower ICT consumers must focus on and target the mobile sector first and foremost. This does not imply that consumers of legacy fixed-line services, or of Internet services, whether via dial-up connectivity, ADSL or 3G services, should be ignored. But it does imply not only addressing the issues that affect mobile consumers as a priority, but also exploiting mobile as a channel of communications between regulators and service providers and their customers.

## 8 PRIORITISE RURAL CONSUMERS

It is clear from this research that the level of consumer awareness and the degree of customer empowerment is considerably lower in the rural areas. Furthermore, certain consumer issues such as poor network coverage and dropped calls disproportionately affect rural consumers. The concentrations of consumers in urban areas are, of course, vastly greater, and reaching them consequently much easier and more cost-effective. Conversely, policy and regulatory interventions to protect consumers may be more challenging and costly in rural areas, but, nevertheless, rural consumers and their issues should be seen as a priority.

## 9 INCREASE THE PROFILE OF THE REGULATOR

The research has shown that there is limited awareness of sector regulators and, correspondingly, little appreciation of their role or of the importance of their work in protecting consumers. It is therefore necessary for the regulator to consider how it can increase its profile among ICT consumers in order to empower it as an agent of consumer protection. Specific measures to achieve this on a cost-effective basis are beyond the scope of this report, but consideration should be given to the use of SMS and community media and point-of-sale information. The regulator needs to engage more effectively in marketing itself to the public via a variety of channels (including but not limited to radio, television, SMS and its website), advertising its role and responsibilities in relation to those of government and the operators, and claiming greater public credit for its achievements and successes, particularly those in defence of consumer rights.

## 10 UNDERTAKE GENERAL CONSUMER EDUCATION

The low levels of consumer literacy and awareness revealed through this research suggest that consumer education is required, often at a fairly basic and general level, so that consumers can better understand how the ICT sector works, how they as consumers are affected by its dynamics, what the specific issues are that impact on them as consumers, and what their rights and expectations as customers of ICT goods and services should be. The development of customer service charters, along with a means of ensuring their widespread dissemination, for the various classes of service provider could be a useful step in this direction, together with the use of some of the channels of communication suggested above, such as SMS, point-of-sale information, community media and more.

## 11 INVESTIGATE SIM-SWAPPING

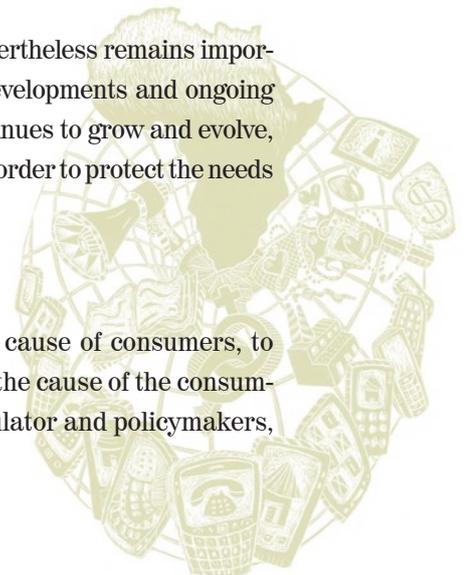
It seems clear that SIM-swapping is commonplace and that many consumers who can afford them, make use of multiple-SIM phones. It is worthwhile investigating exactly how widespread these practices are, along with what incentivises consumers to engage in them. Problems relating to network coverage by respective service providers or pricing differentials between on-net and off-net calls may underpin the practice. If so, regulatory interventions to extend network coverage or to reduce mobile termination rates may work to disincentivise this trend. Multiple SIM use may also be one sign of an inefficient market, because operators with network congestion are not punished by consumers moving to another network. Mobile Number Portability may also be one strategy to address this issue.

## 12 REMAIN AWARE OF FUTURE TRENDS

While this recommendation does not emerge directly from this research, it nevertheless remains important to stress that the sector regulator needs to remain abreast of market developments and ongoing shifts in customer preferences and consumer patterns. As the ICT sector continues to grow and evolve, so too should policy and regulatory intervention look ahead and be proactive, in order to protect the needs of ICT consumers.

## 13 SUPPORT CONSUMER GROUPS

Support for the establishment of at least one association dedicated to the cause of consumers, to defending their rights, identifying and publicising their issues, to advancing the cause of the consumers of communications services and able to interact effectively with the regulator and policymakers, can only serve to strengthen the cause of consumer empowerment.





14      **SUPPORT FURTHER CONSUMER RESEARCH**

The research undertaken here indicates the need for effective regulatory and policymaking intervention to be supported and underpinned by appropriate research. Some issues requiring research will be closely related to nationally contextualised issues, but others, such as an exploration of what underpins and drives consumer perceptions of operator services and customer issues, might be more generalised.

15      **STRENGTHEN REGULATORY AUTONOMY**

Again, this final recommendation arises more as a corollary to the research. Greater independence of regulators and greater authority and autonomy for the separate regulatory functions, including in this case that of consumer protection, provided that this is supported by greater capacity building, can only serve to strengthen regulatory intervention and increase regulatory responsiveness, in this case in support of the protection of the consumers of ICT goods and services.

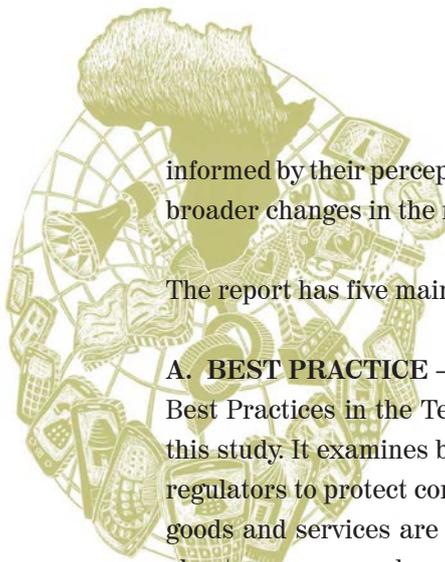


## 2. INTRODUCTION

The current research study builds on and extends an earlier research project supported by the International Development Research Centre (IDRC) of Canada that started in 2005, and ended in 2006 with the publication of a report entitled *Assessing consumer activity in the telecoms and Internet sectors* (Southwood, Nguo, Sagna & Lewis, 2006). This second stage research project – *Empowering regulators to protect consumer rights in the ICT sector* – follows up in greater detail the concerns and issues identified in the first stage (see Background and Context section below) and is also supported by the IDRC.

The research reported on here focused on five selected member countries of the Association of Regulators of Information and Communications for Eastern and Southern Africa (ARICEA) and had four primary objectives:

- I To provide prevailing best practice in both developed and developing countries to see where there are gaps in the focus countries and what elements of best practice might be deployed in the countries under examination;
- II To establish through qualitative research the range of issues consumers in the five countries most want addressed, and how they would like to see them addressed;
- III To assess through qualitative research the regulatory effectiveness of consumer protection interventions in each of the five countries to identify where consumer protection is most effective and where it most needs strengthening.
- IV To undertake, in collaboration with the national ICT sector regulatory authority, a defined set of action-oriented activities that are based on consultation with local consumers and consumer groups,



informed by their perceptions and priorities, and which may include both specific interventions and broader changes in the regulatory framework to empower consumers.

The report has five main components, designed to meet the objectives outlined above:

**A. BEST PRACTICE – AFRICA AND ELSEWHERE:** This is now a separate report, *Consumer Best Practices in the Telecomms Sector* (Gross, Lewis, & Southwood, 2011), produced as part of this study. It examines best practice globally and in Africa in respect of potential interventions by regulators to protect consumer interests. Interventions to protect and empower consumers of ICT goods and services are examined under the following headings: “Knowing what consumers care about – surveys and complaints monitoring”; “Setting a rules framework – Codes of Conduct and standard setting and enforcement”; “Intervening on behalf of consumers in issues as they arise”; “Communicating with consumers and the power of the media”; “Complaints processes – the regulator as referee of last resort”; “Scanning the horizon – spotting issues before they occur”; and “Assessing the cost and effectiveness of different interventions”.

**B. KEY RESEARCH FINDINGS:** This section of the report provides an overall analysis of the data and results emerging across the entire qualitative research output from all five target countries, and covering a number of issues including “Understanding of operators and their services”; “Network coverage”; “Quality of service”; “Pricing”; “Knowledge of consumer rights” and “Knowledge of the roles and responsibilities of different organisations working in the consumer area”.

**C. COUNTRY-SPECIFIC RESEARCH FINDINGS:** This section examines a number of country-specific issues that emerged from the qualitative research in each of the target countries: Ethiopia; Mauritius, Rwanda, Uganda and Zambia. For each country a full report on the qualitative research was produced, and is available for download in .pdf format from the project’s web page<sup>1</sup>.

**D. REGULATORY ACTION PLANS:** This section gives an overview and analysis of the regulatory action plans that were developed as a result of the project, emerging from discussion and examination of the research, and involving the sector regulators, consumer groups and the local researcher in each country. The Regulatory Action Plan for each country is available for download in .pdf format from the project’s web page<sup>2</sup>.

**E. CONCLUSIONS AND RECOMMENDATIONS:** This final section provides an overall high-level look at the key lessons emerging from the research and makes some suggestions for further engagement in this critical area of regulatory and policy jurisdiction.

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1 See <http://link.wits.ac.za/projects/crrea.html>

2 See <http://link.wits.ac.za/projects/crrea.html>

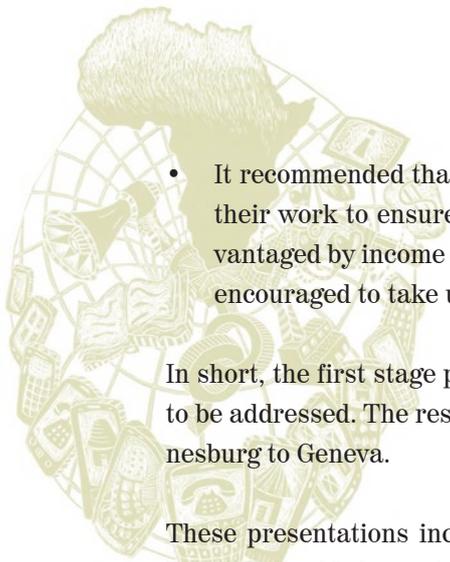


### 3. BACKGROUND AND CONTEXT

In 2005 the IDRC funded initial research into the dynamics of consumer issues in the telecomms and Internet sectors in Africa through the project *Assessing consumer activity in the telecoms and Internet sectors in Africa*, which provided a survey of 30 African countries and three detailed country case studies for Kenya, Senegal and South Africa, and resulted in a substantial report with wide distribution and readership (Southwood et al, 2006). Indeed, the initial research provided a springboard for the International Telecommunication Union to profile consumer protection as a global regulatory challenge (Southwood, 2006).

The initial phase of the IDRC-funded research made a number of specific recommendations with both policy and regulatory implications:

- On the basis of secondary evidence, it identified that there were three clear issues that affected consumers adversely: price of service, quality of service and access to service. It identified the lack of price competition in the mobile sector as a key issue.
- It pointed out that in a number of countries there were no consumer Codes of Conduct in place, or formal, properly publicised complaints procedures, and noted that consumer issues tended to be given a low priority by regulators because of the historic need to address regulatory reform, universal access and service and other industry issues first.
- It noted that consumers needed information to make informed choices, and regulators are in a position to provide the kind of information required (for example, on quality of service levels) to make a difference.



- It recommended that regulators needed to involve consumers and consumer organisations in their work to ensure that the consumer perspective is represented, particularly those disadvantaged by income or education. It concluded that African consumer organisations should be encouraged to take up consumer complaints in the telecomms and Internet sectors.

In short, the first stage provided an overview of both the prevailing circumstances and the issues to be addressed. The results of this project were presented at a number of public fora from Johannesburg to Geneva.

These presentations included one to the 3rd Annual Conference Meeting of the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA), 02-03 March 2006, in Khartoum. This presentation led to considerable discussion with a clear desire to address these consumer issues substantively on the part of the ARICEA member regulators. The debate culminated in the adoption of a formal resolution to this effect, pledging ARICEA's member regulators to address consumer issues.

The initial IDRC-funded ICT consumer research had established a preliminary African high-level benchmark as to the situation regarding consumer protection, consumer issues and consumer activities in the Internet and telecomms sectors. Furthermore, it had provided pointers towards a wider discussion about how to focus on consumer as well as industry issues, as well as suggesting an agenda and a framework for regulators to address these issues in a substantive way.

As a result of this study and other work in the field, a number of regulators have set up consumer protection and quality of service compliance functions. Also a number of regulators (notably in Ghana, Nigeria and Senegal) have begun to address quality of service issues with mobile operators. However, as this is new territory for many of them, not all have been able to translate aspiration into action. Regulators like the Botswana Telecommunications Authority, which undertook a 2005 survey of consumer perceptions of quality of service (BTA, 2006), are more the exception than the rule in Africa. While the research to date had raised awareness of consumer protection as a regulatory challenge, specific guidance for applied regulatory intervention still remained a priority.

Therefore the underlying rationale for this second-stage research project was to use an action-based research methodology to identify the effectiveness of different interventions. It thus sought to build the capacity for implementation in national regulators in several ways.

Firstly, a target group of selected regulators was identified within a defined regional jurisdiction to be able (in interaction with consumer groups) to devise interventions to protect consumers, the effectiveness of which could be tested through research. Work on global best practice (see Section 5) was provided to offer wider benchmarks against which to measure these interventions. But primarily the research sought to provide detailed, direct information about the needs, aspirations and issues of importance to the consumers in the various countries, as well as a public assessment of the regulatory effectiveness of the interventions to protect and empower consumers.





## 4. PROJECT OVERVIEW

As outlined above, the project has been a 30-month applied research study in five African countries (Ethiopia, Mauritius, Rwanda, Uganda and Zambia) to identify, implement and monitor best practice policy and regulatory interventions to protect consumer rights in the ICT sector.

### 4.1. APPROACH

The LINK Centre at the University of the Witwatersrand, Johannesburg, undertook overall leadership for the project – working in close collaboration with Balancing Act, London – as well as providing administrative support.

The project required and depended on the close co-operation with and support of African regulators in five ARICEA member countries: Ethiopia (ETA), Mauritius (ICTA), Rwanda (RURA), Uganda (UCC) and Zambia (ZICTA).

It has sought to provide a much-needed evidential foundation for regulators and consumer groups upon which action-based responses and regulatory interventions can be devised and implemented. It has, accordingly, adopted an action-based research methodology in which the chosen regulators use the work to identify issues to be acted upon.

The project outputs are summarised in this report, and overall findings discussed and analysed so that final conclusions and recommendations can be derived. These will be presented to the annual general meeting of the regional regulators' association, ARICEA, by the project team, allowing an opportunity for engagement by all regulators within the region and leading to peer-to-peer learning.





## CONSUMER BEST PRACTICES IN THE TELECOMMUNICATIONS SECTOR

A further desk research component of the research reviewed policy and regulatory best practice regarding consumer protection in the ICT sector both globally and in respect of African regulatory jurisdictions. This part of the research set out to identify, summarise and analyse consumer protection best practice in a wide range of jurisdictions and as discussed in the relevant expert and academic literature. This information, together with the necessary support documentation, was collated and information synthesised in respect of legislation, regulations, processes and procedures, consumer involvement and the role of the media from the in-country researchers. It further sought to identify gaps and areas for improvement that are appropriate to the national contexts of the countries selected, as well as to identify areas where the selected regulators are themselves generating best practice. For more detail on the international best practice research see Section 5 below.

### FIELD RESEARCH ON CONSUMER PROTECTION PERCEPTIONS

In order to collect the data in the qualitative country-by-country research phase of the project, two research approaches have been used. The first approach used is the face-to-face semi-structured in-depth interview (45-60 minutes) using purposeful sampling with a limited degree of demographic stratification. The research did not aim at a nationally representative sample of respondents in each case, partly because this was beyond the scope and budget of the research project, but also because of the intention to aggregate responses across all five countries. The intention of this methodological approach is therefore to discern in each country a number of issues affecting consumers of ICT goods and services, to explore in some detail consumer perceptions of those issues and to identify themes and views common to all five countries.

The sample size was intentionally small, designed to allow relevant issues to emerge and be fully explored. The choice of interviewees was, therefore, purposive rather than random, but nonetheless aimed to secure a reasonable demographic spread of consumers of ICT goods and services. The interview sample is intentionally not statistically representative, and cannot be extrapolated nationally, although care was taken to ensure inclusiveness with a balance between urban and rural, female and male, young and old, literate and illiterate, rich and poor.

The face-to-face interview covered and reflected the consumers' views, including those in respect of the ICT services they use, the quality of those services, their perception of services rendered by different service providers, complaint handling processes and procedures, perceptions on the role of different stakeholders in the ICT sector, knowledge of consumers about their rights and the channels they use to make complaints. Also, the interviews reflect suggestions for the improvement of the experience of consumers. The full Interview Protocol used can be found in the Appendix, Section 10.1 below.

The second approach used in this qualitative research was a focus group (90-120 minutes). The purpose of this approach was to validate the findings of the face-to-face interviews, to examine key issues that surfaced during the interviews in greater detail, and to explore possible solutions to address the issues raised during the face-to-face interviews.

The focus groups each also sought to examine a series of cross-cutting issues in some detail in the following ways:

- The impact of illiteracy: What do illiterate consumers know about their rights? Do they complain? If they do complain, how do they do it? How might processes be improved to help them complain?
- Gender difference: Are women more or less likely to complain? What barriers do women perceive that there are to making effective complaints? How might these barriers be removed?
- Rural and small town consumers: Are there particular issues that affect rural and small town consumers? How easy is it to complain in rural and small town areas? What practical steps might be taken to improve the situation?
- Urban consumers: What are the particular issues that affect urban consumers? What are the main channels of complaint and how effective are they? What practical steps might be taken to improve the situation?
- Low-income vs high-income consumers vs corporate consumers: What are the differences in attitude to consumer issues between these different groups? What practical steps might be taken to improve the situation?

#### STAKEHOLDER INTERACTION

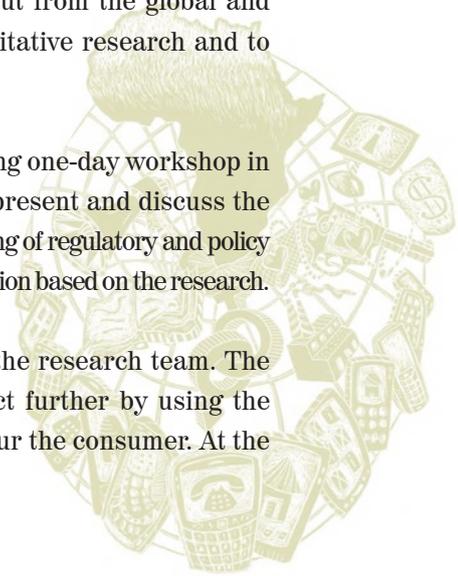
In order to ensure stakeholder interaction on the issues emerging from the research, an online advisory group – bringing together international expertise in the area of consumer protection regulation, as well as involving local participants from consumer groups and individual consumers, operators, regulators and policymakers, and the media – was formed to discuss and comment on project outputs in a structured e-mail discussion list.

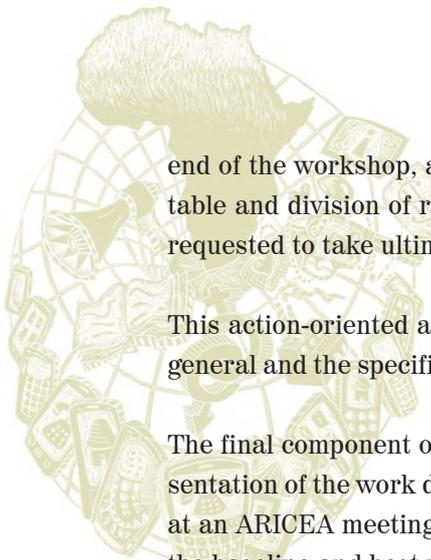
Further stakeholder advisory input from the regulator, operators, the media, consumers and consumer groups was sought via the holding of two one-day research workshops in each of the focus countries.

A launch workshop sought to achieve the following purposes: to present, analyse and validate the baseline country research; to present, discuss and comment on the output from the global and regional best practice research; to brief attendees on the in-country qualitative research and to secure their support and participation for this.

A second phase of in-country stakeholder consultation involved a concluding one-day workshop in each country with the same cluster of stakeholder groupings in order to: present and discuss the results of the qualitative field research; make recommendations for the strengthening of regulatory and policy intervention to protect and empower consumers; and finally, prepare for a plan of action based on the research.

These workshops thus provided an important source of clear advice for the research team. The concluding workshop, however, sought to carry the impact of the project further by using the research to create changes in the regulatory environment that would favour the consumer. At the





end of the workshop, an action plan was canvassed with the attendees, along with a clear timetable and division of responsibilities. The national regulatory contact in each country was then requested to take ultimate responsibility for this plan.

This action-oriented approach lies at the heart of the methodology, so that a combination of the general and the specific gives the findings some power to command the attention of stakeholders.

The final component of the methodology is its wider dissemination. A key part of this is the presentation of the work done by the regulators and country researchers involved to their colleagues at an ARICEA meeting. More widely, the learning from the case studies will be put together with the baseline and best practice scan to create a report that will be widely publicised and circulated, both in hard copy and as an online e-book.

It is hoped that, subsequent to the project, after the regulatory actions plan has either been completed or significant parts have been undertaken, the national regulatory contacts will present their experiences to their ARICEA colleagues.

Finally, it is hoped that the material gathered may form a basis for articles and reports to be written by the project team in the course of their work. For example, the findings of the first stage research formed the core of a subsequent ITU report authored by the Project Manager that was circulated internationally.

#### COMMENTS ON THE METHODOLOGY

Those aspects of the methodology that were under the direct control of the contractors were delivered expeditiously and to standard. Where support from the regulator was a necessary input, however, the project team often struggled to secure the necessary input. This reflects perhaps in part a lack of capacity in the various national regulators concerned, together with the degree to which regulatory processes are subject to or influenced by national political developments, making those responsible for regulatory affairs unable or unwilling to take even operational decisions without consultation with their superiors, and forcing last-minute changes to plans due to pressure of other regulatory commitments. As a result, several workshops had to be postponed at short notice, and one had to be abandoned altogether. It therefore seems apparent that giving greater direct authority to those responsible for overseeing consumer affairs would be a helpful way of strengthening consumer protection.

A second limitation to the methodology centred around the expert and stakeholder input via the email discussion list. While the list was created, contained a number of international experts and was supplemented by email addresses harvested from each of the stakeholder workshops, the discussions that took place via this medium were both intermittent and of limited value to the overall objective of the research project. In practice, the mailing list tended to function rather as a dissemination channel for project outputs and occasional news items pertaining to consumer protection issues.

#### 4.3. SELECTION OF COUNTRIES

The selection of target countries was based on a number of general criteria.

*Firstly*, because of the endorsement of the association of regulators falling under the Common Market for Eastern and Southern Africa (COMESA), all target countries had to be members of the regional regulatory body, the Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA).

*Secondly*, although the research outputs are all presented in English, it was felt important to include at least one francophone African country for reasons of linguistic diversity.

*Thirdly*, it was important that the countries selected represented a spread of different circumstances, both in terms of level of development of the ICT sector, but also in respect of regulatory capacity, particularly their history of engagement with consumer protection issues.

The preliminary selection of focus countries for the research comprised Egypt, Kenya, Malawi, Rwanda and Zambia. By the time the project was launched the selection had been narrowed down to Ethiopia, Kenya, Madagascar, Rwanda and Zambia. Madagascar and Kenya were subsequently replaced by Mauritius and Kenya respectively, for somewhat different reasons. Effective engagement with the regulatory authorities in Madagascar was hampered by political instability, and hence a replacement francophone country, Mauritius, was sought. In Kenya, the regulator was already in the throes of its own consumer awareness programme and hence unable to devote sufficient attention to the project, and was replaced by Uganda. The project was thus completed with a final, slightly different set of countries (Ethiopia, Mauritius, Rwanda, Uganda and Zambia), although it should be noted that the changing political situation in two of them (Mauritius and Rwanda) was responsible for some delays in the completion of the project.

The final five countries – Ethiopia, Mauritius, Rwanda, Uganda and Zambia – are thus all members of ARICEA and include both Anglophone and Francophone countries.

The final selection further includes a spectrum of different choices: countries with differing sizes and populations and at different levels of economic and political development, a highly competitive telecomms market (Uganda) vs a market without competition (Ethiopia); countries with relatively well-developed consumer policies and organisations in the telecomms and Internet sectors (Uganda, Zambia) vs those largely without policy or organisations (Ethiopia, Rwanda).

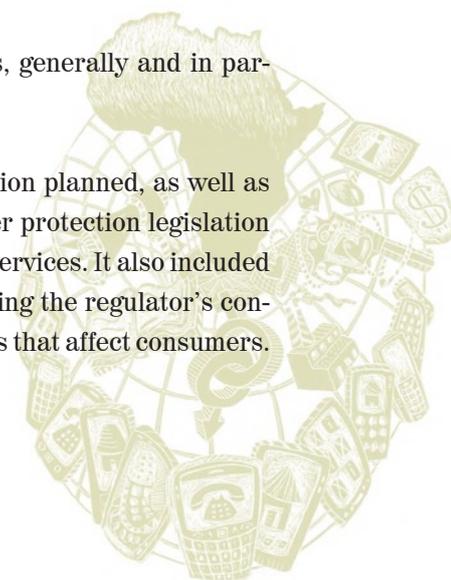
#### 4.4. COUNTRY BASELINE REPORTS

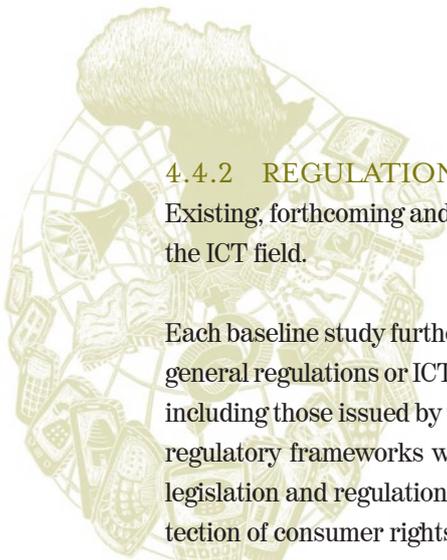
Each country was required to assess and document the existing baseline position in respect of consumer issues, particularly as none of the countries finally selected had been part of the initial phase of the research. The focus of each of the country baseline reports was as follows:

##### 4.4.1 LEGISLATION:

Existing, forthcoming and planned legislation governing consumer issues, generally and in particular in the area of ICT.

This aspect of each baseline study covered any general consumer legislation planned, as well as amendments to existing legislation, including competition law or consumer protection legislation governing the rights of consumers in relation to the purchase of goods and services. It also included an examination of specific ICT legislation, particularly those parts governing the regulator's consumer responsibilities, together with any conditions of ICT operator licences that affect consumers.





#### 4.4.2 REGULATION:

Existing, forthcoming and planned regulation governing consumer rights and how they are exercised in the ICT field.

Each baseline study further examined regulations affecting consumers of ICT goods and services (either general regulations or ICT-specific ones) – largely regulations issued by the ICT sector regulator, but also including those issued by the competition regulator (if one exists). But each study also included any self-regulatory frameworks within the industry (eg codes of conduct), and discussed the degree to which legislation and regulation are enforced, along with current “custom and practice” in relation to the protection of consumer rights.

#### 4.4.3 PROCESSES:

The processes and procedures in place to deal with either ICT-specific consumer complaints, or channels for addressing generic categories of consumer complaints.

Each baseline study then went on to look at the consumer complaint process, examining what channels, processes and procedures the companies and regulators have in place to deal with complaints, as well as complaint escalation and mediation processes that exist when a complaint cannot easily be settled.

#### 4.4.4 VOICES:

The ways in which consumers are involved directly or indirectly in regulatory and policy processes, especially those related to consumer protection.

Broadly speaking, consumers tend to be involved in regulatory and policy processes in two ways: either they are consulted as part of the process or they act as representatives on specific bodies. The baseline studies thus sought to find out if consumers are consulted about policy or regulatory changes in the telecomms and Internet fields, and how such consultation is carried out, as well as whether or not they are represented in any way on policy and regulatory bodies in the sector. Each baseline study also sought to identify any consumer activist bodies or NGOs that deal with ICT issues, along with information on any specific campaigns they may have mounted.

#### 4.4.5 MEDIA:

The media coverage of ICT consumer issues, as well as types of media work carried out by national regulators to sensitise consumers to particular issues.

Some of the most effective discussions of consumer issues take place in the media, whether printed, broadcast or online. Each baseline study therefore attempted to ascertain to what extent the media in each country covered: general consumer complaints of any kind and specific complaints about issues in the telecomms and Internet sector. An attempt was also made to identify key journalists who might take an interest in consumer issues, as well as to document any use by the regulator of the media to build consumer awareness and empowerment.

The full Country Baseline Report for each of the five target countries is available for download in .pdf format from the project's web page<sup>4</sup>.

#### 4.5. IN-COUNTRY RESEARCH

The in-country qualitative research was implemented by undertaking in-depth, face-to-face, one-to-one interviews of 45 to 60 minutes in order to explore in detail a number of issues relevant to consumer awareness and perceptions of issues affecting them as consumers of ICT goods and services. As previously explained, the methodology and sample size did not attempt to produce results that were in any way nationally representative. The focus was rather on ensuring that issues were identified and explored in depth and detail.

Each of the country researchers interviewed a minimum of 24 individuals, consumers of ICT services. The selection of the interview sample was purposive, aiming to secure a reasonable demographic spread of the consumers of telecomms services, and looking for a balance between male and female, young and old, rural and urban, literate and illiterate, rich and poor. All interviews, even those not conducted in English or French, were anonymous and were audio recorded. A detailed and specific interview protocol was used (see Appendix, Section 10.1 below).

The interview protocol covered four sets of issues:

*Firstly*, interviewees were asked about their understanding of the service providers and their services. They were asked to compare the different service offerings on the market. The focus was largely on mobile, given its market share, but other service offerings such as fixed line and Internet access were also covered.

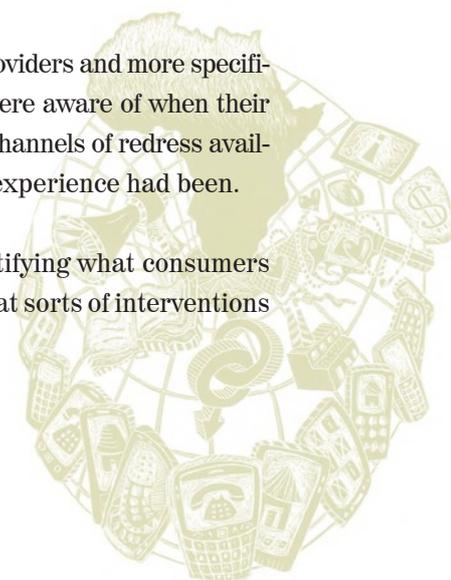
*Secondly*, interviewees were asked about issues affecting them as consumers of ICT goods and services. The intention here was to allow consumers to identify the issues of concern to them as consumers and to pinpoint those where intervention by the regulator might increase consumer protection. Interviewees were encouraged to come up with issues they wished to raise, with the interviewer noting their order and relative prioritisation. The intention was to cover the full range of issues, as well as to identify their prioritisation. Interviewers further prompted interviewees for their views on any issues that they had not already raised, such as quality of service (including call completion, dropped calls, voice quality, network congestion, Internet service outages), cost of service, network coverage, charging and billing, equipment.

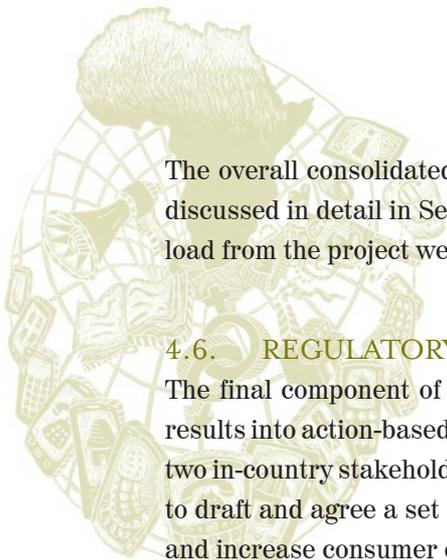
*Thirdly*, interviewers sought information on consumer contact with service providers and more specifically on complaints. The intention here was to identify whether consumers were aware of when their rights as consumers had been infringed, and whether they were aware of the channels of redress available to them, as well as whether they had used those channels and what their experience had been.

*Finally*, the interview was concluded by covering two related topics: identifying what consumers knew about what was being done in respect of consumer protection; and what sorts of interventions they would like to see.

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<sup>4</sup> See <http://link.wits.ac.za/projects/crrea.html>





The overall consolidated findings from the in-country research across all five target countries is discussed in detail in Section 6 below. Individual country research reports are available for download from the project website<sup>5</sup>.

#### 4.6. REGULATORY ACTIONS

The final component of the research project sought to assist the regulator to turn the research results into action-based outcomes. Based on discussions and recommendations emerging from the two in-country stakeholder workshops, the in-country researcher sought to work with the regulator to draft and agree a set of prioritised regulatory interventions to strengthen consumer protection and increase consumer empowerment in each of the target countries.

The development of these regulatory interventions was designed to increase the long-term impact of the project in each of the target countries and to provide other ARICEA member regulators with examples that they could emulate in their own regulatory interventions in support of consumer protection and empowerment.

The regulatory action plans are discussed in more detail in Section 8 below, and individual Regulatory Action Plans are available for download from the project's website<sup>6</sup>.

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5 See <http://link.wits.ac.za/projects/crrea.html>

6 See <http://link.wits.ac.za/projects/crrea.html>



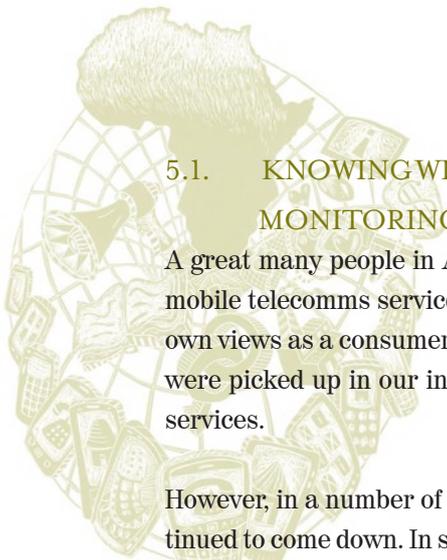
## 5. BEST PRACTICE – AFRICA AND ELSEWHERE

This section summarises a separate report – *Consumer Best Practices in the Telecomms Sector* (Gross et al, 2011) – that was commissioned as part of the research study. Although consumer interventions by regulators can be enormously varied, they can perhaps be best understood by asking three broad questions:

- What do consumers feel about the services they receive and what are service providers doing to address any concerns they might have?
- What can the regulator do to address these concerns?
- And lastly, how does a regulator know whether its interventions have been effective?

In order for any of the regulator’s interventions to have any impact, its existence and the services it offers must both be something consumers are aware of.

Of course, in reality things are not so clear-cut. New issues arise once consumers are better informed or come out of the launch of new services, so the structure of this report seeks to provide headings for the range of best practice interventions a regulator might put in place. Issues of resourcing may affect a regulator’s ability to do any or all of the suggested types of intervention, but no regulator is so bereft of resources that some or many of these issues cannot be addressed.



## 5.1. KNOWING WHAT CONSUMERS CARE ABOUT - SURVEYS AND COMPLAINTS MONITORING

A great many people in Africa are either telecomms consumers (and in all likelihood consumers of mobile telecomms services) or they personally know someone who is. It is easy to imagine that your own views as a consumer are as representative as the next person's. The most obvious concerns that were picked up in our initial study for IDRC were three-fold: price, quality of service and access to services.

However, in a number of countries increased competition has meant prices for consumers have continued to come down. In some places, the new operators have invested substantially in their networks and are promising to provide better quality. While price and quality may seem to be perennial African problems, they may in fact go away completely or reduce in importance. Therefore it is vital that a regulator checks what consumers feel about the services of the operators over time, and indeed what consumers feel about its own effectiveness as a regulator.

Prior to consultations, it is important that consumers are aware of the regulator's existence and the services it offers. The regulator could improve visibility via a strategic media and publicity campaign, its website, and printed consumer guides. A short guide on what the regulator's role and its services are could be a useful marketing tool, which will help educate consumers. There are a number of different ways of getting to know about consumers' concerns. These include consumer representation on the board of the regulator or one of its sub-committees, consultation meetings and consumer surveys.

Another way of engaging with consumers is through carrying out regular "roadshow" public meetings that focus particularly on areas outside the capital. Experience from several countries has shown that these are often well-attended and generate discussions that give clear insights into issues that need attention.

The Nigerian regulator, NCC, has formalised this process by creating what it calls a "consumers' parliament" on telecomms issues and its proceedings are widely attended with operators present to answer questions and respond to the debate. Furthermore its proceedings are shown on television, giving it a wider impact beyond those who attended. As access to the Internet improves, the regulator's website could be used to gather consumer feedback online.

Consumer views can also be sought by carrying out survey work. One of the first African regulators to carry out a nationally representative consumer survey was Botswana Telecommunications Authority. 40% of those surveyed were unaware of operators' complaints procedures and 45% were not sure how to claim the financial compensation they were entitled to for service failure. Also, 55% thought consumer representation was either poor or fair.

Similarly, consumers can be surveyed as to the effectiveness of the regulator in protecting their interests and in addressing their issues. A pioneering global study in this area (Cannock, 2002) produced results that were both valuable and surprising in that they revealed a considerable gap between the perceptions of regulators as to their effectiveness and the perceptions of consumers, who almost invariably felt the regulators were doing a far less effective job.

However, although the results of such surveys provide valuable information to guide regulatory intervention, it is essential that they are published and widely disseminated, via the regulator's website and in the media, both to inform consumers and to ensure that the resultant publicity acts as an incentive to operators to improve their services and to remain focused on customer satisfaction and consumer needs.

## 5.2. SETTING A RULES FRAMEWORK – CODES OF CONDUCT AND STANDARD SETTING AND ENFORCEMENT

Once the concerns of the consumer have been established, the focus of attention for best practice moves to setting a rules framework that allows consumers to understand their rights and responsibilities. In broad terms, there are three tools that can be used to set rules: legislation, regulatory frameworks and standard setting.

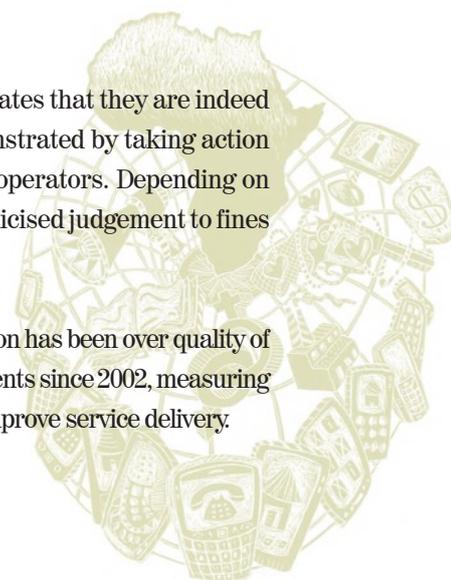
Depending on the country, consumers may be covered by generic consumer legislation. If this exists, the regulator can draw upon the framework of rights and responsibilities it lays out. In its absence, a regulator will probably seek to become one of several voices recommending that consumer legislation be put in place. Putting legislation in place is a time-consuming process, and may take two to three years or more.

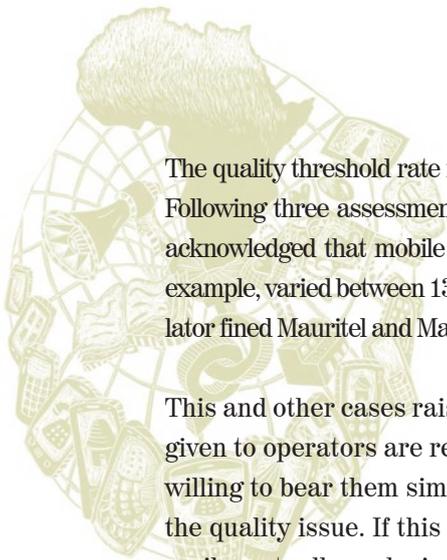
But with or without consumer legislation, regulators have the power to create their own consumer frameworks by issuing regulations. In July 2007, the Nigerian Communications Commission gazetted the Consumer Code of Practice Regulation, which has become the reference document for both consumers and the operators. Each licensed operator is required to produce and submit a Code of Practice, which has to be reviewed and approved by the Commission. The Code of Practice stipulates service level agreements, the responsibilities and rights of each party, and procedure for resolving disagreements whenever they arise between parties.

A Code of Practice does not by itself lead to changes in actual practice unless it is both widely known and enforced. If consumers are not aware of its existence, it may have little or no impact. Regulators therefore need to place a great deal of emphasis on the processes that will communicate the existence and function of such charters or codes to consumers. This includes ensuring that they are readily publicly available on the websites of both regulator and operators, but also requiring operators to provide customers with copies of these charters or codes at the point of sale when a contract is entered into or a starter pack sold.

As with law, Codes of Practice also become effective when a regulator demonstrates that they are indeed binding and that it will make enforcement a priority. This is most visibly demonstrated by taking action on "sample" cases that will show that a change of behaviour is required from operators. Depending on the attitude and co-operation from operators, the penalties may be simply a publicised judgement to fines for non-compliance.

One area where a number of African regulators have started to take this kind of action has been over quality of service. In Mauritania, the regulator has carried out regular quality control assessments since 2002, measuring each mobile operator's rates for lost calls and disconnected calls in an attempt to improve service delivery.





The quality threshold rate for each criterion was respectively 5% for lost calls and 3% for disconnected calls. Following three assessments in 2002, another assessment in 2003 and a further two in 2004, the regulator acknowledged that mobile operators were still not meeting the required criteria. The level of lost calls, for example, varied between 13% and 92% depending on the geographic location. So, in September 2004, the regulator fined Mauritel and Mattel USD141 776 for these service shortfalls.

This and other cases raise a number of issues that illustrate the limits of this approach. If the fines given to operators are relatively modest in relation to their turnover and profits, then they may be willing to bear them simply as another operating cost without making any significant progress on the quality issue. If this is the case, the regulator can then only fall back on one of two not necessarily mutually exclusive approaches: it can threaten to withdraw the company's licence at the end of its due date or, and probably more effectively, it can publicise the fact that the operator's quality falls well below the established threshold. It is important that regulators publish information about investigations into breaches of code of conduct by providers and the penalties levied.

### 5.3. INTERVENING ON BEHALF OF CONSUMERS IN ISSUES AS THEY ARISE

Issues often arise out of making changes to market regulations that have other implications for consumers. It is essential that the sector regulator remains aware of and abreast of these issues as they arise, so that consumer protection regulation can be as proactive as possible. This includes keeping track of the sector and the market as they change and evolve, so that consumer protection regulation can cater for new technologies and innovative services.

In seeking to introduce number portability, the South African regulator ICASA realised that it would have to address the issue of handset subsidies. It believed that there was a potential situation where pre-paid customers were actually subsidising post-paid customers.

In mid-2005, ICASA issued a discussion document (ICASA, 2005a) which identified handset subsidies "as a potential problem for subscribers", when it was investigating number portability, as people were locked into two-year contracts and thus unable to take advantage of portability.

ICASA concluded further that there is "a lack of transparency about the cost of the various handsets offered in various packages, which limits the customer's ability to make informed choices", and that "regulations will be developed that will require the network operators to ensure their agents and service providers provide customers with all relevant information" for customers to make decisions. In June 2008, ICASA published a regulation on handset subsidies that applies to any "licensee, its agents and/or reseller, in terms of a contract concluded with a subscriber". It specified the terms and conditions under which subsidised handsets can be made available (ICASA, 2005b).

In another area of concern, international call charging (often referred to as roaming) attracted the interest of the European Union. International roaming charges had long been a source of irritation to holiday-makers, but it took the European Union in its regulatory role to address the issue. In June 2006 Viviane Reding, Commissioner for Information Society and Media, made a speech in which she said: "I personally believe that by making the European internal market a true European Home Market for roaming customers, whether private or business customers, we could not only do consumers a favour, but could reduce

considerably the cost for doing business cross-border in the EU. It is my firm believe that within the EU, borders must not be any longer a cost factor for businesses” (Reding, 2006).

“On June 30, 2007, the new EU rules on roaming (roaming regulation) entered into force: citizens traveling within the EU could now phone across borders at affordable and transparent prices. The Eurotariff set maximum prices for phone calls made and received while abroad. These maximum prices applied to all consumers unless they opted for special packages offered by operators” (EU nd). The EU introduced various forms of price capping to control these charges.

In 2006 the Arab Regulators Network published a study on international roaming rates in the region conducted on their behalf by the Egyptian regulator NTRA. In April 2008 AREGNET members agreed a recommendation on these charges. Implementation of the recommendation over three years would lead to a 36% decrease in average roaming rates for consumers in the third year of regulation.

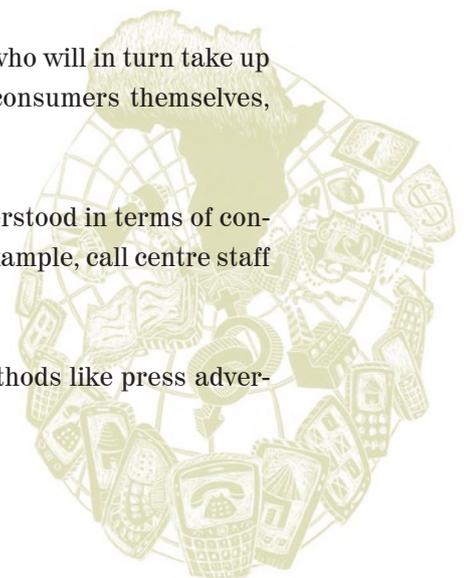
The implementation of the recommendation would also result in more than USD115 million in annual savings for Arab consumers and at least 14% of added growth in roaming traffic as a result of reduced prices for consumers (ITU, nd).

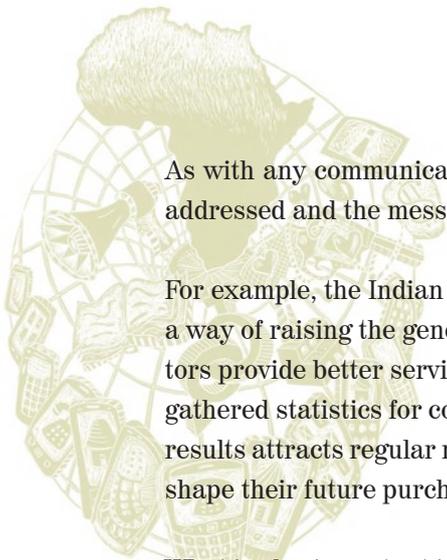
#### 5.4. COMMUNICATING WITH CONSUMERS AND THE POWER OF THE MEDIA

A key element in consumer best practice for telecomms regulators is to find ways of communicating with consumers so that they themselves become better informed and thus empowered to make more discerning market choices. Also in policy terms, it is important that consumers or their representatives can understand changes in market practice and policy influence on the market. In this way, as citizens they can influence the political processes through which these things occur.

By their very nature, these communications processes can be quite complex and multi-layered. But it is probably easiest to think about these communications processes in terms of the different audiences with whom regulators are trying to communicate:

- Policymakers and those who contribute to policymaking so that consumer issues are well understood and are kept at the forefront of their minds;
- Specialist and generic consumer representatives and organisations who will in turn take up the information provided and pass it along to their members and consumers themselves, either through their case work or their media campaigns;
- Telecomms operators and their staff at all levels; what might be understood in terms of consumer issues at senior management level may not be so clear to for example, call centre staff members;
- Consumers and customers of all types, whether directly through methods like press advertisements or indirectly through media coverage.





As with any communications campaign, there will need to be clear themes or issues that will be addressed and the messages and the detail contained will vary according to the audience.

For example, the Indian regulator, TRAI, uses its quality threshold monitoring announcements as a way of raising the general discussion about quality and to inform consumers as to which operators provide better service. TRAI sets a 95% overall satisfaction rating as a benchmark. TRAI has gathered statistics for comparison against this benchmark every year and the publication of these results attracts regular media attention. This information in the Indian media allows consumers to shape their future purchasing choices.

What is also important is to ensure that the publication of such quality of service statistics is widespread and readily publicly accessible, both to empower consumers and to stimulate public debate on the issues. TRAI publishes a number of ICT sector statistics regularly on its website, as do a number of regulators in other jurisdictions.

It can further be useful for regulators to require operators to provide their customers with information about their rights as consumers and about their channels for laying and escalating complaints. For example, the 30 or more radio and television stations that have signed up to the code of conduct of the Broadcasting Complaints Commission of South Africa (BCCSA, a self-regulatory body established by the National Association of Broadcasters of South Africa) are required regularly to advertise to their listeners the existence of the BCCSA's Code of Conduct and to advise them how to complain in case of broadcasts that they believe are in violation of that code (BCCSA, nd).

#### 5.5. COMPLAINTS PROCESSES – THE REGULATOR AS REFEREE OF LAST RESORT

All operators have complaints processes in place, and the majority of complaints to reputable operators are handled in a way that gives sufficient satisfaction to consumers such that they are not inclined to take the complaint to the law courts. If a disreputable operator did not have an effective complaints process in place, it is likely that over time this would become apparent to the regulator.

Nevertheless, for regulators there may be a relatively small number of complainants who do not feel they have received satisfaction from the operators. These may include people who might have taken the complaints to law but have not done so for reasons of cost or because they do not believe that recourse to law will get them satisfaction.

In these instances, the regulator can act as the referee of last resort. It can look at the merits of the complaint and enforce a settlement on the operator if the merits of the case justify this. Some of the better-resourced regulators have set up their own consumer complaints channels that can obviously lay claim to a greater degree of independence than the operators. However, the process of dealing with day-to-day complaints of no great complexity is almost certainly best left to the operators themselves.

For example Zambia's 2009 ICT Act requires the regulator to "establish guidelines for the making, receipt and handling of complaints of consumers". The law gives some detail as to what the guidelines

may contain, including procedures for dealing with complaints, compensating consumers, the protection of privacy, the provision of information, advertising, charging and billing (Zambia, 2009). The website of the regulator provides some detail on consumer rights and channels of complaint and, importantly, makes it clear that “before you complain to the [regulator], complain to your service provider first” (ZICTA, nd).

It is important to give consumers a clear and readily identifiable space on the regulator’s website, which may otherwise contain many other things that have little or no relevance to them. Hong Kong’s OFTA provides a separate Consumer Focus section on its website and under The Smart Consumer’s Corner it offers a combination of information on consumer programmes on television and radio and a selection of e-games including online quizzes.

It also provides a full listing of operators’ customer charters on a single page. It carries a listing of complaints and their outcomes. Publicising the outcome of complaints allows consumers to see what can result from making a complaint (OFTA, nd).

#### 5.6. SCANNING THE HORIZON – SPOTTING ISSUES BEFORE THEY OCCUR

Regulators will often be in a better position than the average consumer to be able to spot issues that will become relevant in the future. They can act as a radar to spot issues for consumers before they become troublesome. In the first instance, this may involve little more than warning consumers to watch out for different types of scams.

For example, telesales are widely used in the UK by any type of company wishing to sell its services or products to residential customers. Banks, among other services companies, use this type of sales method to attract new customers. In June 2006, the UK’s communications regulator Ofcom initiated an investigation into “persons or organisations causing annoyance to consumers through the making of silent or abandoned calls” (Ofcom, 2006).

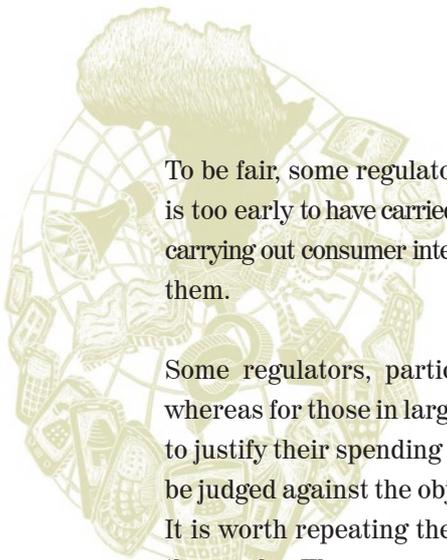
Silent calls come from the use of automated calling systems. When the latter generate more calls than the available call centre agents can handle, a number of people receive calls where there is nothing but silence when they pick up their phone, because the automated calling system has ended the call. Automated calling systems are widely used for telemarketing, market research and debt collection.

On 01 March 2006 Ofcom published a revised statement of policy on the persistent misuse of an electronic communications network or service, with new measures designed to take action against silent calls.

#### 5.7. ASSESSING THE COST AND EFFECTIVENESS OF DIFFERENT INTERVENTIONS

There has been little or no formal assessment or evaluation of different consumer interventions anywhere in the world. Some of the consumer survey data deal with whether consumers are aware of the regulator’s existence and its performance, but there is not much beyond these few clues.





To be fair, some regulators are relatively recent and therefore the argument might be made that it is too early to have carried out this kind of work. Likewise, some African regulators are in the early stages of carrying out consumer interventions and cannot really be expected to have had sufficient time to evaluate them.

Some regulators, particularly those in smaller countries, are not particularly resource-rich, whereas for those in larger markets, issues of resourcing are less of an issue. Nevertheless, all have to justify their spending in some way. In terms of spending on consumer interventions, these might be judged against the objective of having a better informed and more empowered set of consumers. It is worth repeating the obvious for emphasis: the more consumers know, the better the choices they make. The more empowered consumers feel, the better they will be able to make complaints and receive satisfaction.

Against these broad objectives, it is perhaps worth trying to outline some common sense ways of looking at how to assess whether the kind of consumer interventions a regulator might make are effective.

Before looking at ways to assess consumer interventions, it is worth distinguishing between three different parts of those interventions: inputs, outputs and outcomes.

An input might be building a website area for consumers and conducting a media campaign to inform consumers about different issues. By itself, this input achieves little beyond the provision of static information.

Its output might be in terms of how many people accessed the site or how many people saw different elements of the media campaign. But again, these do not necessarily mean anything. Consumers see many websites and media campaigns, but do not necessarily act upon them. Therefore, there needs to be an outcome from these two elements: what did these consumers do as a result of these interactions with your activities?

In terms of the website, for example, the consumer might choose to register a specific complaint on the website. Or because of the media campaign, they might choose to complain to operators about a specific issue and obtain satisfaction from that complaint: better information empowered them to address what they felt was wrong with the service they were receiving. Or they might be offered the chance to complete an online survey on consumer issues.

Alternatively, the regulator might undertake a more formal national survey, on an annual or periodic basis, of the kind referred to earlier in this section (Cannock, 2002), in order to establish its effectiveness in the protection and empowerment of consumers, to identify its level of consumer protection profile, and ascertain the impact of any specific campaigns or interventions it has undertaken in this area over the recent past.



## 6. KEY RESEARCH FINDINGS

### 6.1. INTRODUCTION

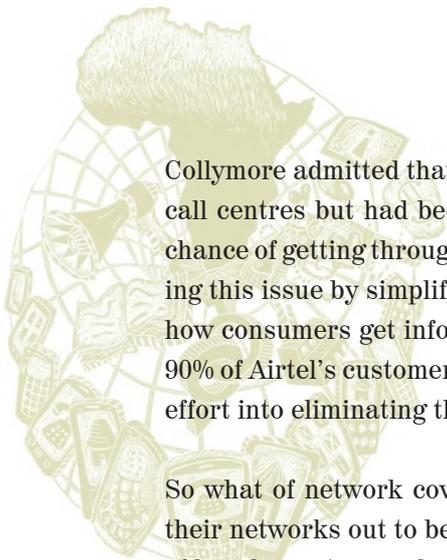
On the basis of secondary evidence, the first stage of this IDRC-funded research identified three clear issues that affected consumers adversely: price of service, quality of service and access to service. It identified the lack of price competition in the mobile sector as a key issue.

Since that point, the issue of price has been addressed in a number of countries with higher levels of competition where over the last 12 to 18 months there have been fierce price wars. In East Africa's largest countries – Kenya, Tanzania and Uganda – calling prices have fallen to new lows; for example, in Kenya callers can make calls for USD0,35 a minute and in Uganda for USD0,75 a minute.

However, prices remain higher in countries where there are low levels of competition between operators. But these lower prices in competitive countries have brought pressures on operators that are discussed below.

In addition, the regulators in a number of jurisdictions, most notably Namibia (RIA, 2009) and South Africa (ICASA, 2010), have intervened in order to reduce substantially the inter-operator termination rates in the mobile sector with the intention of reducing prices to consumers. It is perhaps too early to see whether these interventions will have the full desired effect, but they do represent an important regulatory intervention on behalf of consumers.

At the time of writing this report, changes in management and ownership in Africa's mobile operators have led some CEOs to practise full disclosure. The frankness of these CEOs demonstrates the consumer issues that still need to be addressed. New Safaricom CEO Bob Collymore acknowledged that network congestion was a continuing issue. Indeed, lower prices meant that in week 50 in 2010, its traffic was 100% higher than in the previous year.



Collymore admitted that Safaricom had a capacity to answer 100 000 calls a day at its customer call centres but had been receiving 800 000 a day; in other words, the consumer had a 1 in 8 chance of getting through. This has subsequently come down to 500 000 calls a day. He is addressing this issue by simplifying tariffs (from 20 different voice tariffs down to four) and addressing how consumers get information. In Nigeria, the new Airtel CEO, Rajan Swaroop, conceded that 90% of Airtel's customers were unable to get through to customer care. Airtel is also now putting effort into eliminating this difficulty for its users.

So what of network coverage? In the more competitive markets, the operators have extended their networks out to between 80 and 90% of the population. However, Kenya offers an example of how low prices and extensive network coverage will be challenged by operators. Safaricom's CEO is threatening to discontinue rural coverage unless the Government sets a floor price for calling rates. As Collymore puts it, it is a straight quid pro quo: "We're OK with losing market share (faced with unrealistically low rates) and focusing on Nairobi and high-income communities. The people in remote districts are receiving calls (more than making them). If rates decline, why should we continue to do that?"

In this context, the findings of the qualitative research are remarkably consistent with the first phase of the research. Network coverage, quality of service and pricing remain the three key preoccupations of consumers. Nevertheless, the current research findings provide a much more nuanced and specific understanding of what particular aspects of the services that consumers use they find most annoying.

However, the use of multiple SIMs by a significant number of users shows that consumers tend to both "game the system" in terms of tactical marketing offers to lower calling costs where they can, and to use alternate SIMs to avoid network congestion. However, alternative SIM use does not punish the inefficient or unresponsive provider in the way that classical economic theory would predict.

The use of additional SIMs may be the answer as to why African consumers who talk consistently about wanting low prices and good network access continue to use providers who fail on both of these counts. For example, Uganda's regulator UCC measures performance standards. On TCH congestion, the measure in 2009 was set at 0,5, with MTN achieving well outside the standard at 3,71. Others were closer, but only utl was close to meeting it: Zain (0,97); Warid (0,79) and utl (0,53). On call drop rates, the standard was set at 2 and all operators were comfortably within the standard. On call block rates, the standard was set at 2 and all operators were comfortably within the standard except MTN at 3,33.

However, despite falling outside the performance measures, Uganda's consumers continued to stay with market leader MTN. Understandably, they want to keep their numbers and stay on-network with their friends and family. But unless something changes fairly radically in terms of market competition or regulation, the market leader (often with over 50% market share) will continue to have a disproportionate advantage over other market players, to the detriment of consumers. The introduction of Mobile Number Portability may have some impact, but initial results from countries like South Africa are not wholly convincing, and suggest that in markets that are predominantly

pre-paid and with SIM-swapping a relatively easy practice, number portability may be less than effective. Therefore, regulators and policymakers will need to take effective action if consumers are not to be disadvantaged by the existence of these new mobile incumbents.

## 6.2. UNDERSTANDING OPERATORS AND THEIR SERVICES

Overall, while interviewees had complaints both about overall levels of service and about specific operators in terms of mobile voice, they had a greater level of satisfaction than was found among the smaller number of interviewees who were users of the Internet. The interviewees' responses in terms of Internet service would seem to indicate significantly less satisfactory service and worse complaint response times.

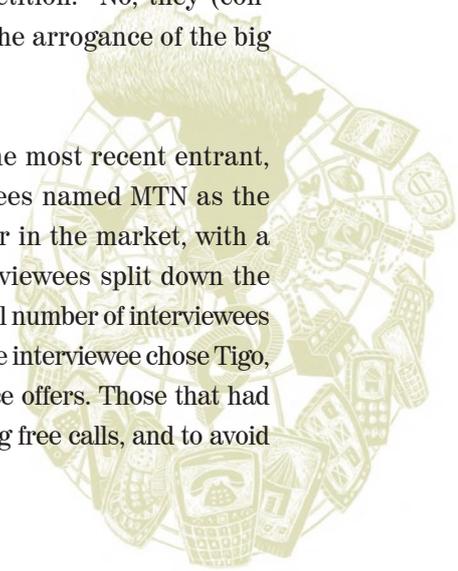
In Ethiopia, there is only one operator, ETC, and therefore the interviewees focused on its shortcomings. Many of these are very particular to Ethiopia (high call tariffs, the breakdown of electricity supply, lack of billing information, SMS services not widely available in Amharic, shortage of SIM cards and very poor coverage outside the capital), while others (network congestion and dropped calls) are common across all the countries researched. Interviewees felt that a single operator led to little service innovation in terms of packages and tariffs. Internet service is expensive, often slow, with repair response times lengthy. There are no Service Level Agreements for either individual or corporate customers.

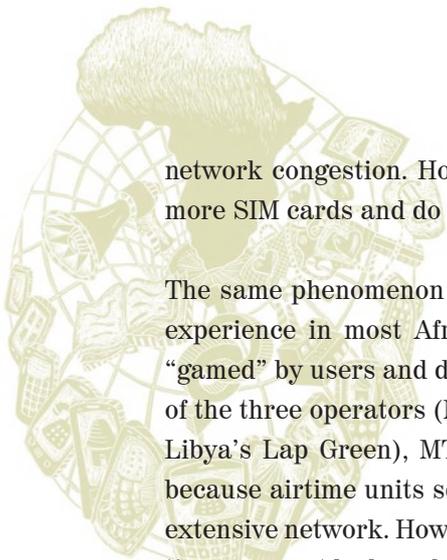
In Mauritius, a previous piece of quantitative research from 2009 suggests that there are three key factors influencing consumers when choosing a mobile operator: network quality, network coverage and customer service. However, the fourth-ranked factor probably plays a significant role – namely, having the same supplier as for their most frequently-called numbers. In other words, the market advantage lies with the operator that has the largest number of subscribers, because of the lower cost of on-net calling.

There are only two mobile operators in Mauritius, and of these, Orange was seen as having a better network by half of those interviewed, with only a third of interviewees seeing Emtel as having a better network. Two people felt that both provided equally good service. There were significant levels of dissatisfaction about the provision of Internet services.

One of the Uganda interviewees felt that the larger, longer-established operators did not take consumer rights seriously enough because there was not enough competition. “No, they (consumer rights) are not (fulfilled); I am hoping that with more competition the arrogance of the big players will boomerang”.

In Rwanda, there is a choice of three operators: MTN, RwandaTel and the most recent entrant, Tigo (the Millicom operating brand in Africa). The majority of interviewees named MTN as the best service provider, probably reflecting its status as the oldest operator in the market, with a wider network coverage and far greater subscriber base. However, interviewees split down the middle in naming MTN and RwandaTel as the most expensive networks. A small number of interviewees felt that RwandaTel was the best on the basis of sales promotion tariffs. Only one interviewee chose Tigo, which is the last market entrant and has yet to build up its profile and service offers. Those that had switched services had tended to do so on the basis of sales promotions offering free calls, and to avoid





network congestion. However, these switchers are “gaming the system” as they retain two or more SIM cards and do not make a complete switch.

The same phenomenon was identified even more clearly in Zambia and appears to reflect the experience in most African countries. The many tactical sales promotion offers are simply “gamed” by users and do not seem to fundamentally affect operators’ overall market share. Out of the three operators (MTN, Zain (now Airtel), and Cell-Z (the brand of ZamTel, now owned by Libya’s Lap Green), MTN was named by a majority of the interviewees as the best network because airtime units seemed to last longer, because it was cheaper and because it has a more extensive network. However, as one interviewee (a software engineer) pointed out, these perceptions may not be based on hard facts and actual rates.

Customers seem to have strong views on which service providers are best/worst/ cheapest/most expensive. There are very few “no opinion” answers. These views are sometimes contradictory, and often under-informed. Further research is thus needed into what drives and informs such consumer perceptions.

In some cases consumers do not necessarily seem to act in their own best interest. For example, the evidence from Uganda suggests that, although MTN has some of the worst quality of service benchmarks, it is still able to maintain the largest customer base. The lack of number portability only partly explains this behaviour. Consumers seem to be making a price versus quality of service trade-off in their choice of service provider.

Consumers seem to be very conscious that they can (if they wish) make choices between different operators. However, in Ethiopia no such choice exists, although most of the Ethiopian interviewees were aware that competition of this kind existed elsewhere.

There is a regulatory/research gap – none of the target regulators follows best practice by conducting regular consumer surveys on perceptions and preferences towards the various service providers, or on issues and views of consumers about ICT sector products and services, let alone publishes the results or tracks changing responses over time. Only the regulators in Uganda and Mauritius appear to have done some work in this area.

### 6.3. CONSUMER ISSUES: NETWORK COVERAGE

Poor network coverage is a theme in all the countries researched, whether in terms of breadth of national coverage or in terms of “holes” in existing coverage that affect signal. In places that are mountainous or hilly like Rwanda, Ethiopia and Uganda, coverage difficulties are perhaps understandable, but nonetheless frustrating to users.

Ethiopia appears to have by far the worst coverage. Network coverage is regarded as very poor in areas outside major towns and major highways. Much of the country has yet to be covered, with a mobile signal available for less than 10% of the country’s surface area.

In Mauritius, Orange is perceived by interviewees to have the best network, with just over half of interviewees voicing this opinion, and with Emtel mentioned as best by just under a third. Consumers made

the point fairly forcibly that network issues are not handset dependent. However, only four admitted migrating to another operator because of network issues.

In Rwanda a substantial majority of interviewees raised the problem of network coverage. This is particularly the case in certain remote, rural areas of the country especially in the northern and eastern provinces. Operators later into the market – RwandaTel and Tigo – had less effective national coverage, according to interviewees. Coverage gaps are also reported in urban areas, with about a fifth of interviewees saying that they had experienced a lack of network coverage in some urban areas where the network should have been functioning.

In Zambia, MTN and Zain were seen as having the best countrywide network coverage by a significant number of interviewees. Cell-Z was identified as an operator that has not yet reached down to village level. The most critical of network coverage were rural respondents, but there were a significant number who pointed out that it was difficult to get a signal on the outskirts of the capital, Lusaka.

It therefore appears that lack of network coverage and problems with patchy network coverage are common sources of consumer complaint across all the countries surveyed, particularly outside the major cities and towns, but not exclusively so, and with different operators differently affected. It may, as was suggested above, partly underpin the apparently widespread adoption of the practice of SIM-swapping, with consumers needing to utilise different SIM cards in different areas according to the relative network coverage of the different operators.

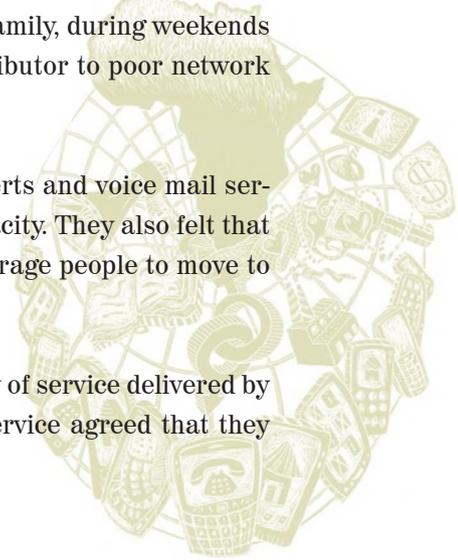
#### 6.4. CONSUMER ISSUES: QUALITY OF SERVICE

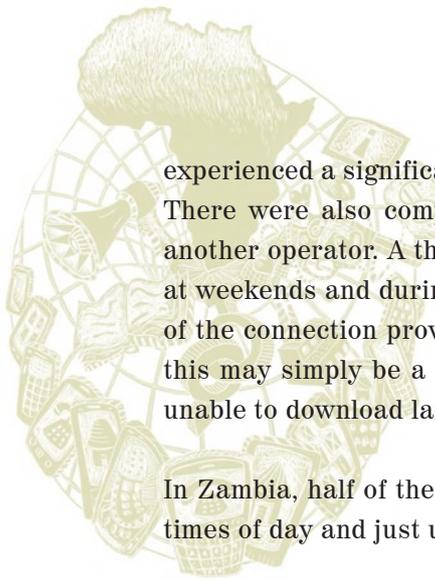
Quality of service on the network is a key issue in all the countries where this research was undertaken. Two particular aspects both infuriate consumers and cost them money. Firstly, congested networks often lead to dropped calls, which means that phone conversations cost more to finish. Secondly, when the network is congested consumers have to pay for missed call alerts, which they think should be paid for by the operator that caused the problem in the first place. Often when calls don't go through, consumers get a message saying the person they are calling has switched his or her phone off or "the subscriber you have dialled is not available". Call drops are common, although this varies depending on location.

This problem seems particularly acute in Ethiopia, where interviewees talked about high levels of network congestion at the most popular times for calling friends and family, during weekends and holidays. The rationing of electric power in 2009 was a major contributor to poor network quality and call congestion.

In Mauritius, consumers resented being forced to pay for missed call alerts and voice mail services when the problem was what they saw as a shortfall in network capacity. They also felt that dial-up Internet service quality was deliberately being kept low to encourage people to move to broadband.

In Rwanda, a substantial majority of the interviewees said that the quality of service delivered by operators in Rwanda is still poor. Half of those mentioning quality of service agreed that they





experienced a significant number of dropped calls while calling from one operator to another. There were also complaints about call quality, particularly when the call went off-net to another operator. A third of those interviewed said that network congestion was at its worst at weekends and during public holidays. A cyber-café owner complained that the slow speed of the connection provided to him meant that sometimes customers left without paying. But this may simply be a larger problem of network capacity, as one interviewee found he was unable to download large documents using a GPRS modem.

In Zambia, half of the interviewees said that network congestion was a key issue at certain times of day and just under a third said they had experienced a lot of dropped calls.

#### 6.5. CONSUMER ISSUES: PRICING

Common pricing themes across interviewees in all countries were the high cost of tariffs, particularly off-net tariffs (except in Ethiopia with its single mobile operator) and the lack of clarity about tariffs and charging.

In Ethiopia, the survey showed that there were mixed feelings about mobile tariffs. While some said the current tariff was too expensive, the majority felt that local calls were cheap. There was a consensus that long distance and international calls are expensive.

Some interviewees felt that there was little innovation with regard to the pricing of services to attract customers. ETC does not have attractive packages and special tariffs for specific target groups or for specific usage. There are no bundles. The gap between demand and supply implies that the operator has focused mainly on expanding access at the expense of increasing the value of the network for its customers.

In Mauritius, where more interviewees had Internet access, there was considerable concern that Internet access tariffs were higher than in other countries. As elsewhere, as for mobile, the off-net tariff is viewed as being very expensive when compared to on-net calls and SMS. Some people mentioned that the difference in tariff between on- and off-net is disproportionate when compared to other countries; others have noted that the international tariffs to some destinations are less expensive than off-net calls. The point about unfair pricing due to high interconnection costs was echoed amongst the Uganda interviewees.

In Rwanda, a number of interviewees complained about both the high cost of tariffs and also the rather confusing way in which tariffs were charged at different times of the day. This was echoed in Zambia, where more than half of interviewees felt that the cost of making calls was too high.

#### 6.6. OTHER CONSUMER ISSUES

The research process also captured a range of other issues less prominent or not common across all countries, and so not outlined in the sections above. These included the difficulty of having to walk long distances to recharge mobile pre-paid airtime because of the absence of electric power (Rwanda); problems with handsets, including non-charging batteries and low

voice quality (two thirds of interviewees in Rwanda and also in Mauritius); problems loading air-time (all countries); length of time waiting for helpline response (Zambia); problems with 3G service (Ethiopia); getting a new SIM card after existing one is lost (all countries); and not using a helpline but asking a friend to help (Mauritius).

## 6.7. KNOWLEDGE OF CONSUMER RIGHTS

At the heart of this research is the degree to which African consumers understand that they have rights. Without this kind of understanding, they will not be able to exercise their rights when such rights are in fact available to them.

The interview results suggest that very few consumers are aware of either the existence of the regulator or of its role in protecting consumers' rights. Regulators seem to lack clear communications strategies that will correct this shortcoming. Furthermore, regulators seem to make relatively poor use of the operator benchmarking information which they possess covering overall prices, quality of service benchmarking and network coverage comparisons.

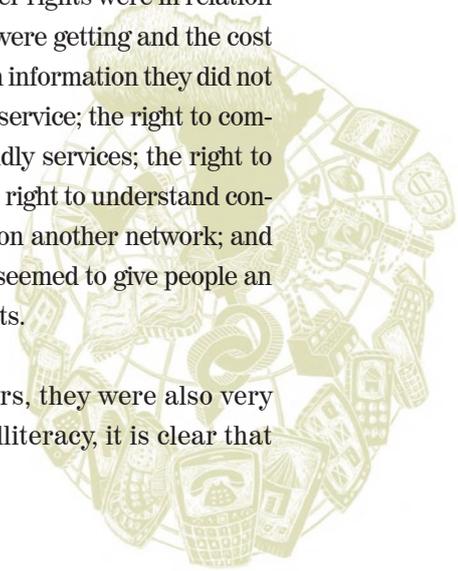
Consumers display varying levels of awareness of their rights as consumers. Three out of the five countries researched – Ethiopia, Rwanda and Uganda – all had significant numbers of interviewees who showed relatively high levels of awareness of consumer rights. Only Mauritius and Zambia revealed a majority of interviewees who said they were not aware of their rights as consumers.

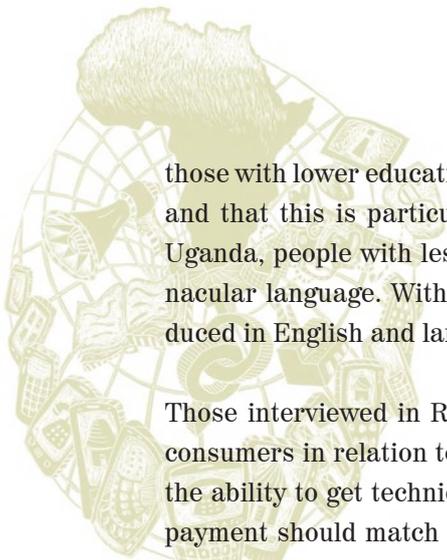
Even in a country like Ethiopia, where the choices for consumers are severely constrained by the government monopoly on the services under discussion, consumers showed a high level of understanding about their basic rights in relation to these services. They identified the right to have clear information (particularly on billing); service quality; fair prices; agreements with obligations; privacy; access to emergency numbers; and fast response on breakdowns.

As the majority of those interviewed in Ethiopia had high levels of educational attainment, they were aware that the monopoly ETC fell short of international standards. However, because of the lack of legislation and the weakness of the regulator, the consumers all felt a sense of powerlessness when dealing with ETC as the only provider.

All of those interviewed in Uganda had a fair to good idea of what their consumer rights were in relation to ICT. Examples given included the right to know the quality of services they were getting and the cost of the services; the right to access information they needed (and to choose which information they did not want to see or receive); the right to availability of services and good quality of service; the right to complain; the right to privacy; the right to make a choice; the right to health-friendly services; the right to affordable services; the right to get good products with suitable guarantees; the right to understand contracts entered into with service providers; the right to use the same SIM card on another network; and the right to contracted service levels. This awareness of consumer rights also seemed to give people an acute understanding of how little they were actually able to exercise those rights.

However, while those interviewed were aware of their rights as consumers, they were also very clear that this was not true for all Ugandans. In the discussions around illiteracy, it is clear that





those with lower education levels are unlikely to share the level of awareness of the interviewees, and that this is particularly true in rural areas. Although English is the official language of Uganda, people with less education may feel more comfortable and confident in their own vernacular language. With some notable exceptions, material outlining consumer rights was produced in English and largely available in printed form only.

Those interviewed in Rwanda were able to identify the following things they had rights to as consumers in relation to ICT services: clear information, particularly about where to complain; the ability to get technical advice on devices; information on how much calling time was spent; payment should match services delivered; information on new services; quality of service; and services are to be offered to all customers rather than being restricted to corporate customers. In Zambia, a significant majority were not aware of their rights as consumers. However, among the rest there was a fairly well developed understanding of how to make complaints and of escalation procedures.

Based on the backgrounds of those participating, it is clear that education plays a key role in an understanding of consumer rights, and that illiteracy is a clear barrier to access among many consumers. Furthermore, the use of English to describe key service provisions and operator obligations may also restrict the exercise of consumer rights in many circumstances.

In the five focus countries, consumer groups have “horizontal” responsibilities (for all public and business sectors) without any specific focus on telecomms or the Internet.

Few consumers are aware of procedures for the lodging and escalation of complaints, and even fewer have made use of complaints procedures.

#### 6.8. KNOWLEDGE OF ROLES AND RESPONSIBILITIES

With the exception of Uganda, where the focus group participants were chosen because they had a knowledge of the ICT sector, participants in the other countries showed a very low level of awareness of the telecomms regulator’s role or even of its name. They were confused about which organisations played a regulatory role, and where they named a body, it tended to be a telecomms operator. Even in the relatively better-informed Ugandan group, participants were unfamiliar with the consumer organisations that played a consumer protection role, and such groups attracted limited discussion.

In Ethiopia, the few that knew of the regulatory role of ETA in relation to consumers criticised it for its weak handling of these issues. In Mauritius, where participants knew that there was a telecomms regulator, some confused it with the broadcast regulator or Mauritius Telecoms. Nevertheless, the telecomms regulator was mentioned as playing the following roles: regulating tariffs, preventing monopoly and abuse, protecting consumer rights.

In Uganda, the group participants said that the regulator, UCC, does not know yet how to best communicate with the masses and suggested they need to change their method of disseminating their information in order to have an impact on consumer behaviour. They also criticised what they saw as UCC’s bias in favour of operators. While this criticism may not be true, it is certainly a perception that has to be dealt with.

In Rwanda, the very question about the existence of the telecomms regulator seemed strange and the majority were not aware of its existence. As in Mauritius, participants tended to name telecomms operators or other government bodies as playing this role. The minority who did know of its existence, knew what role it should be playing.

In Zambia, only a minority of those who participated in the research knew of the existence of ZICTA and its role. Again, when they guessed who played this role, they tended to name telecomms operators. One of the participants was a prominent public commentator on economic and social issues in the country, and even he was not aware of the existence of ZICTA.

Few consumers are able to differentiate between the respective roles and responsibilities of government, the regulator and the service providers. There is a strong need for ongoing interventions to raise awareness of consumers and to empower them with information. Service providers should be required to inform customers of their rights. This is particularly true of Ethiopia where there is only one provider (ETC) and where, although government has a role in consumer affairs, it is only the regulator that has the knowledge to set out a consumer framework.

Special attention needs to be paid to the needs and issues of disadvantaged consumers, particularly the poor and illiterate, women and those in rural areas.

What is also very clear from the previous section on awareness of consumer rights, and from this section on the bodies that help consumers exercise those rights, is that insufficient thought has been given to the most appropriate tactical choices to create effective communications strategies. Newspapers and print materials have a limited reach compared to radio and television. English language materials in print will not reach the illiterate or less well educated, particularly outside of the main urban areas. No regulator has yet used the telecomms medium itself as a channel of communication, for example, by requiring the dissemination of informational SMS messages or the requiring provision of consumer protection information to customers at the point of sale or on billing.





## 7. COUNTRY-SPECIFIC RESEARCH FINDINGS

This section sets out research findings that were specific to individual countries. For the full version of each of the country research reports, see the project website<sup>7</sup>.

### 7.1. ETHIOPIA

Low network quality and high prices were top of the list of consumer issues in communications in Ethiopia. Complaints regarding fixed line and the Internet were somewhat fewer than those of mobile services. The major complaints in respect of mobile services include network congestion and call drops, lack of or poor network coverage, poor voice quality, the high price and limited availability of SIM cards, and high call tariffs and lack of adequate billing information.

The limited access to mobile SIM cards implies that getting access to mobile networks is one of the key consumer complaints in Ethiopia. The demand for mobile access far outstrips the supply. Therefore, it is generally difficult to get access to SIM cards, particularly outside the capital: “I wanted to buy a SIM card for a family member but they told me that SIM cards are not available” (Systems analyst).

Network coverage is regarded as very poor in areas outside major towns and off major highways. The vast majority of Ethiopia has yet to be covered. Mobile signal is available for less than 10% of the country.

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<sup>7</sup> See <http://link.wits.ac.za/projects/errea.html>

According to the group interviewees there are limited options for accessing the mobile network outside of Addis Ababa:

*I have difficulty to connect to the network on Jimma road. Most areas have no coverage at all (IT technical manager, University College).*

Network coverage is a problem even in the areas that have some access to mobile signal:

*I live in an area called Kolfe in Addis Ababa. I do not get a signal and no-one can reach me there. I have to walk for some time before I get a signal (ICT manager, ministry).*

Call congestion is a major phenomenon that leads to frustrating attempts to get connected. The group respondents became most angry when talking about network congestion:

*I cannot connect to the network even if I try so many times. I receive an error message that says “the subscriber you have dialled is not available” [or] “all lines are busy” [or] “network busy” most of the time (Medical student).*

*Network congestion is unbearable. I cannot get access to friends and family during daytime and weekends when everyone is busy calling. Forget calling someone during holidays. I reverted to calling some friends in the evening or early in the morning (Unemployed woman).*

The lack of coverage and network congestion implies that there is often confusion whether the problem is actually access to the network or call congestion. One interviewee indicated that he wanted to call a friend nearby, but the message he received was that his friend’s cellphone was switched off:

*I got an error message indicating that my friend had switched off his handset although I knew he hadn’t. The message you get from the operator is confusing (Mobile maintenance services head, private company).*

The rationing of electric power in 2009 (when the research was being conducted) was also blamed as a major cause for the poor network quality and call congestion:

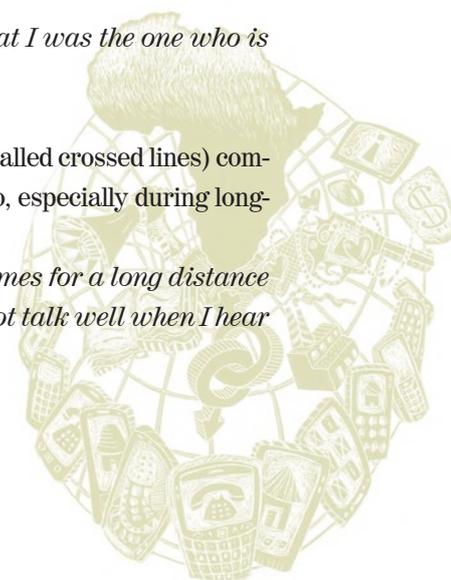
*Mobile network is dependent on electricity, therefore it is difficult to have signal when the power is off. The ETC should ensure that they operate the network on 24/7 basis (Director, software company).*

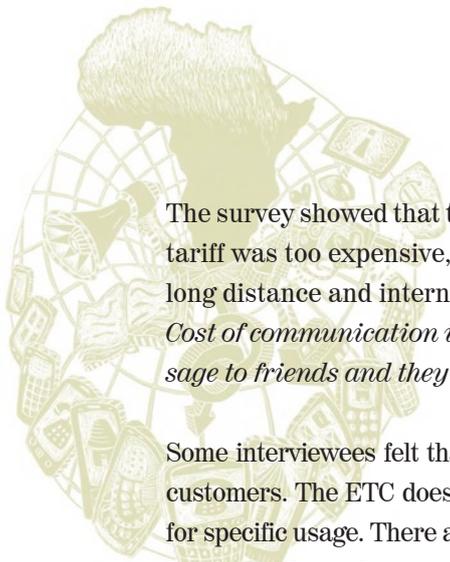
Call drops are also common during conversations (although this varies from place to place) and lead again to unhappiness from consumers:

*Call drops during conversation make me unhappy as I sometimes feel that I was the one who is guilty of breaking the conversation (Unemployed woman).*

The mobile service is regarded as generally free from “cross-talk” (sometimes called crossed lines) compared to fixed line. However, some interviewees expressed that they hear echo, especially during long-distance calls:

*I did not have a problem with cross-talk, but I get echo when I talk sometimes for a long distance calls. I do not want to hear my own voice. It makes me nervous and I cannot talk well when I hear echo on the network (Academic/scientist).*





The survey showed that there were mixed feelings about mobile tariffs. While some said the current tariff was too expensive, the majority felt that local calls were cheap. There was a consensus that long distance and international calls are expensive:

*Cost of communication is not high for me as I am not calling out. I just send “please call me” message to friends and they call me back (Medical student).*

Some interviewees felt that there was little innovation with regard to the pricing of services to attract customers. The ETC does not have attractive packages and special tariffs for specific target groups or for specific usage. There are no bundles. The gap between demand and supply implies that the operator has focused mainly on expanding access rather than on increasing the value of the network for its customers.

SMS is largely undeveloped in Ethiopia due to lack of phones that are capable of sending these in Amharic scripts. Although some of the local languages that are widely spoken, such as Oromiffa, use the Latin alphabet, SMS has not picked up with the same vigour as in other African countries. Mobile phone ownership by young people is relatively low and SMS is not widely adopted by the youth. The high charge of international SMS is one of the major deterrent to adoption. SMSs cost about USD0,03 for local calls and USD0,05 for international calls.

The interruption of SMS service over two years and the absence of innovative products such as mobile banking are the other factors for its slow adoption. The lack of handsets with local language implies that even if the applications are available they should be localised to the widely used Amharic language.

ETC introduced wireless broadband service based on CDMA and HSDPA in 2008. Although the take-up for network services was slow at the beginning, it did pick up in 2009. The high pent-up demand for network services means that those who currently use CDMA can afford to pay for the network. The major complaint was that the service was not available in most areas and the quality was slowly declining.

Some of the interviewees felt that the ETC staff lacked knowledge of how to deal with some of the most basic problems for its wireless CDMA links:

*CDMA service is better than dial-up access but the ETC staff is not well trained on mobile broadband services and unable to explain to consumers how to set up one. It is a trial and error process. I have to rely on friends to get it right (Director, software company).*

Internet coverage is limited to the major towns and some customers from rural towns have to travel to Addis Ababa or other major towns to get access to the Internet. The standard of Internet services was regarded as very poor. The installation and reconnection time is too long, with continuing call drops and slow connection:

*My dial-up Internet is too slow during the day. I cannot transfer large files, but wait for the evening to send off the file. I cannot download software because the network is extremely slow (Systems analyst).*

Some interviewees felt that the slow Internet connection and frequent disconnection are responsible for the high bills they incur every month.

One interviewee doubted the technical competence of the ETC staff, arguing that ongoing disconnections may have to do with lack of expertise to manage a smooth network.

The power blackout and rationing of electricity in 2009 and regular use of earthmoving equipment for road construction were also blamed as a main cause for disruption of Internet service that resulted in the loss of thousands of dollars. The demand for broadband service has been slow until it picked up in 2008 and 2009. Access to broadband fibre and wireless network outside the capital and major towns is the key challenge for expansion of broadband services.

There is consensus that broadband service was improving recently, although consumers are still experiencing slow connection and disconnections. The majority of institutions use shared broadband networks where the traffic fluctuates during the day based on usage:

*Our broadband service faces ongoing disconnection without notice. Packets drop regularly and the connection is too slow. Both the network and the quality of service fluctuate. It is worse during the day, better in the morning and the evenings. Sometimes we get a good connection; in other cases the network gets slower (Network manager, software firm).*

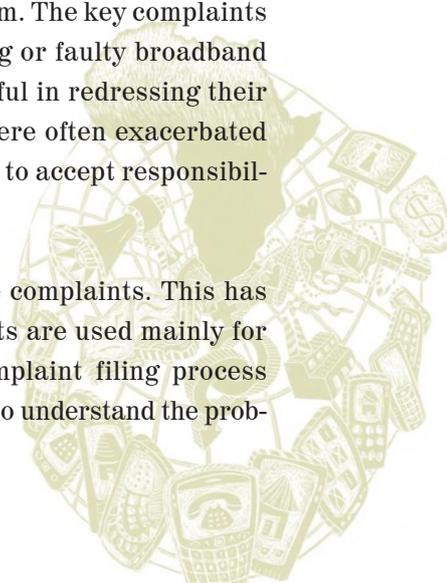
The maintenance of broadband services was regarded as one of the major areas of weakness of the incumbent. Institutions such as banks and the universities cannot afford disconnection of services for long periods. The experts in these institutions felt that restoring broadband service after disconnection is their main preoccupation.

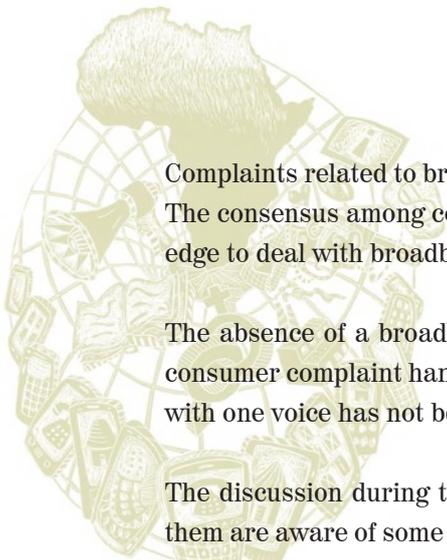
The ETC charges a monthly fee even when the network is down for a longer period, and there is no single one-stop shop for broadband customers. One network manager argued that the absence of Service Level Agreements (SLAs) with the ETC was one of the reasons for inefficient service:

*The contract with ETC is not binding for them although we are bound by the law to pay for the services. The operator has not signed for delivery of good quality of service (IT operations manager, private bank).*

Most of the participants in the focus group indicated that they have filed complaints with the ETC and had mixed experiences. Complainants felt that the quality of response from the operator varied considerably, depending on the complexity of the problem. The key complaints ranged from changing a SIM card, complaining about inaccurate billing or faulty broadband connection. The more complex the problem, the less the ETC was helpful in redressing their complaints. Inefficiencies and mistakes on the part of the operators were often exacerbated by an inappropriate attitude from customer service staff and reluctance to accept responsibility for errors.

The ETC generally insists that customers are present in person to file complaints. This has been a waste of time for most of the interviewees. Telephone complaints are used mainly for reporting maintenance problems. The outcome of the telephone complaint filing process ranged from discourteous or unhelpful staff to lack of technical expertise to understand the problem of the complaint.





Complaints related to broadband service are the most widely cited, with relatively limited redress. The consensus among complainants was that most of the ETC staff did not have sufficient knowledge to deal with broadband-related problems.

The absence of a broadband consumer forum was cited as a reason for lack of a well-designed consumer complaint handling process. The effort to bring broadband users together and complain with one voice has not been successful.

The discussion during the interviews indicates that consumers have become savvy, and most of them are aware of some basic consumer rights for telecomms services. The most important rights are the rights to:

- Obtain information about the scope of services provided by operators;
- Obtain adequate quality in services complying with international standards and standards defined by the regulator;
- Obtain non-discriminatory access to communications by paying fair prices;
- Make subscription agreements with the operators providing telecommunication services;
- Get access to clear, detailed and current information about tariffs and tariff packages;
- Get informed before the tariff packages take effect;
- Remain anonymous or not in the public phone directories;
- Use directory services free of charge or by paying a reasonable price and the right to be enrolled in subscriber directories without discrimination;
- Obtain information about emergency numbers and right to access these numbers free of charge;
- Have itemised billing where technically possible;
- Limit some kinds of the calls from his/her telephone;
- Have non-discriminatory practices in eliminating breakdowns except in cases related to health, fire, disaster, security and emergency.

Interviewees know that they are entitled to most of these rights, in particular the right to access to affordable voice and Internet services. They are aware of the fact that ETC's network should meet international standards, and feel that, if it does not, they should be compensated for loss of business, time and opportunity. They are all aware that telecomms service providers have the obligation to provide regular, accurate and timely bills to consumers. However, there is a sense of powerlessness against the monopoly of service and lack of choice.

The response to a question “Do you know the telecomms regulator?” ranged from surprise about the existence of a telecommunications regulator to acknowledgement of the weakness of the regulator. The idea of telecomms regulation sounded strange to most of the interviewees. The majority of the interviewees have not heard of the existence of a telecomms regulator. A few who knew about the Ethiopian Telecommunications Agency felt that the regulator is ineffective and unable to regulate under a monopoly setting.

Literacy was regarded as important for use of communications networks and understanding of consumer issues. The level of education is one of the socio-demographic characteristics that have an influence on consumer satisfaction. The observation during the focus group discussions showed that frustrations increased with the level of education.

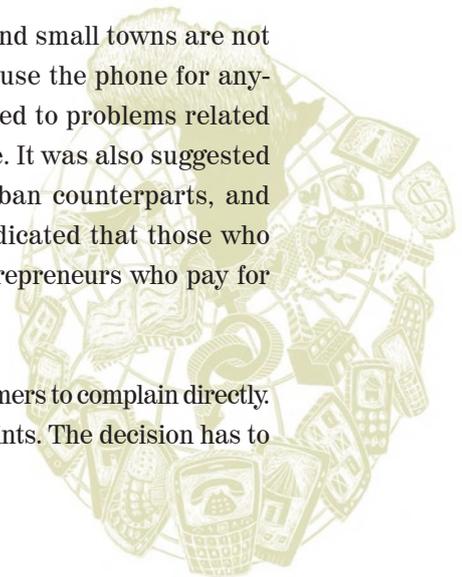
Those who are well educated indicated that they have more complaints about Internet, broadband and mobile services. The complaints of the less educated were fewer than those of the well educated. Regular mobile network congestion, lack of signal reception, poor quality of customer services were some of the factors of dissatisfaction of those who were educated. Internet issues include low connection speeds and quality of service. Inadequate mobile signal reception and limited information about tariffs were the key complaints of those who were less educated.

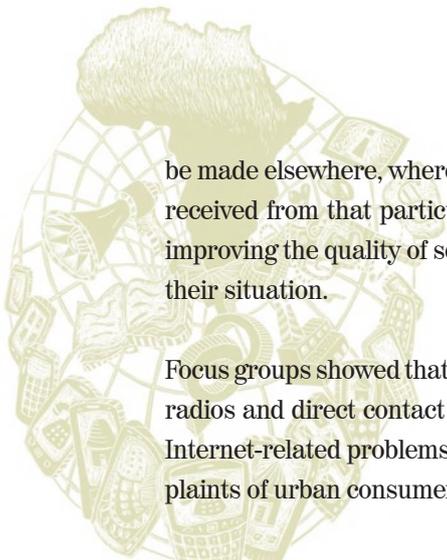
The high degree of dissatisfaction with the communication sector across the board shows that both the literate and illiterate consumers indicated that they know their rights but are powerless to make changes. In the absence of consumer protection and an effective complaint redress process, their hope is that the government may open up the sector and bring about choice and quality in the communication service.

The focus group has showed that there is not much gender difference between men and women with regard to complaining about quality of service. However, more discussions revealed the wide variety and often multifaceted nature of many of the complaints. For many of these complainants, what began as a single isolated problem became more complex. For example, it was revealed that women are generally the victims of theft of mobile handsets. Therefore more women are likely to have visited the ETC service stations for new SIM cards. Network managers in the institutions are generally men, therefore there is a tendency for men to complain more about broadband services compared with women.

Information from focus groups indicated that consumers in rural areas and small towns are not fully aware of the range of communication options and therefore do not use the phone for anything other than voice calls. Therefore the scope of complaints was limited to problems related to network quality such as congestion, dropped calls and lack of coverage. It was also suggested that rural consumers are more cost conscious compared with their urban counterparts, and therefore are likely to complain about high tariffs. Group discussion indicated that those who have phones in rural areas are likely to be relatively well resourced entrepreneurs who pay for communication services even if the cost is high.

The hierarchical nature of the ETC’s operation makes it difficult for rural consumers to complain directly. They have to first go to the nearest service station where they file their complaints. The decision has to





be made elsewhere, where they have no power to influence it; therefore they are at the mercy of redress received from that particular service station. Informing rural and small customers of their rights and improving the quality of service at service station level were suggested as a key step towards improving their situation.

Focus groups showed that urban consumers have more channels for complaining, including newspapers, radios and direct contact with ETC offices. In addition to network congestion and line drops, they face Internet-related problems such as slow connection speed and low quality of service. Therefore the complaints of urban consumers are wider than those of their rural counterparts.

## 7.2. MAURITIUS

Network, or rather absence of network access, was most often noted as a source of problems for consumers in Mauritius, followed by issues with tariffs (Internet tariff and cross network tariffs are the main tariffs highlighted as being excessive, especially compared with the situation in other countries).

Network issues have been experienced across all subsections (old/young, urban/rural, literate/illiterate, high income/low income) and is the one of highest concern. From the group discussions, Orange is perceived as having a better network coverage than Emtel, with 13 mentions out of 23 (56%) while Emtel has been mentioned seven times only (30%) with two people mentioning that both have the best network (9%).

The following qualitative comments were expressed on network/quality of service:

- Consumers have been “forced” to use paid services like missed call alert, voice mail etc – some consumers have pointed out that these services are basic and should be free because the problem lies with the network;
- Network issues are not handset dependent;
- For the Internet, there is a belief that dial-up quality is purposely bad because Mauritius Telecoms are attempting to force people to move to ADSL.

Sometimes issues on the network can be beneficial to the choice of an alternate product or competitor. Of the seven people who mentioned switching mobile operator, four migrated mainly because of network issues. The others migrated because of tariffs and friends being with another operator.

The same pattern does not apply for Internet services since very often consumers view the opportunity cost of switching to a competitor of Mauritius Telecoms is not relevant and will lead to an increase in connection issues.

In summary, the market is not perceived as efficient and consumers very often need to sort out their network issues without assistance. The common perception is that most of them are not aware of how to channel these complaints or grievances.

Consumers mention that tariffs are relatively high in Mauritius, especially the Internet tariff when compared with other countries. High tariffs are more an issue for young consumers, as they and urban consumers tend to be more aware of tariffs both at local and international level, as revealed by the interviews and focus group discussions.

As for mobile, the off-net tariff is viewed as being very expensive when compared to on-net calls and SMSs. Some people mentioned that the difference in tariff between on and off-net is disproportionate when compared with other countries; others have noted that the international tariffs to some destinations are less expensive than off-net calls.

In terms of the mobile operators, people view MTML (mentioned seven times) as being the least expensive (following sales promotion price offers) and view both Orange and Emtel as being the most expensive. A minority of the respondents saw Orange and Emtel as largely the same in price terms. This reflects market realities where tariffs are relatively stable (and regulated) for the main competitors and they compete mainly on their portfolio of products and services.

In summary, the consumers feel that they are not really getting a good service for what they are paying (especially for the Internet). Consumers believe that the market is distorted and there is a general belief that there is collusion between the major players to maintain a high price to maximise revenues. ICT is not viewed as an essential commodity (although for some, it is a vital part of their job) for which a preferential tariff policy could apply.

Billing and equipment represent an issue mainly for the literate and high income earners in the groups. Low income and illiterate consumers tend to use prepaid cards and thus are not exposed to the billing processes of the operators.

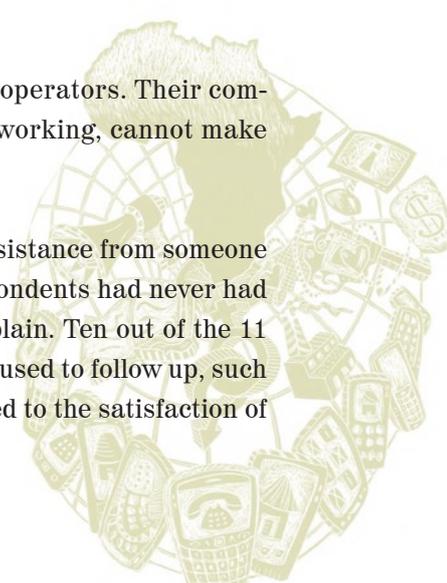
Consumers have the impression that they are being billed for items that either they are not aware of or that they have not consumed: an example given was a “ring back” tone charged for while no request had been sent, with the issue being that the “\*” sign had been accidentally pressed and the command had been sent.

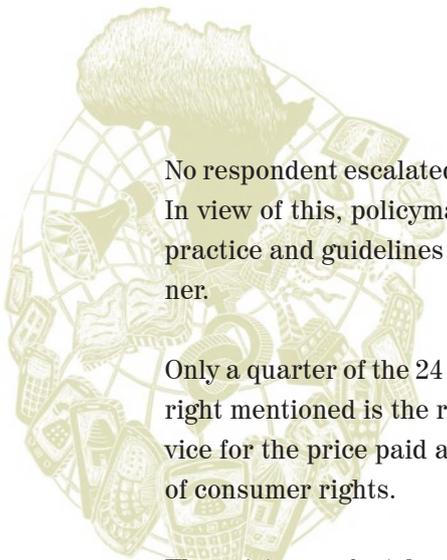
Another point raised was that there is no means for the consumer to really check what has been “consumed” compared with what is on the bill. Airtime is immaterial, and they have to trust the operator’s bill.

More than half of 24 people interviewed have used the operator’s customer service. Out of those who have used the operator’s customer service, most (67% out of 15 people interviewed) were satisfied with the way their request was handled.

Just under half of the 24 interviewees have complained at least once to operators. Their complaints were largely technical, such as SIM not working, fixed line not working, cannot make calls from mobile phone, scratch card not valid.

Those who do not complain do not do so because they prefer to ask for assistance from someone they know able to provide the required assistance. In two cases, the respondents had never had any issues with their provider and therefore never had the need to complain. Ten out of the 11 complaints were made by phone and one by email. Several channels were used to follow up, such as showrooms, email, phone and letter. Only four complaints were resolved to the satisfaction of the customer.





No respondent escalated their complaint, because of lack of awareness of the resolution process. In view of this, policymakers and relevant agencies will need to ensure that adequate codes of practice and guidelines are put in place to address consumer complaints in a fair and just manner.

Only a quarter of the 24 interviewees had an idea of their rights as customers. The most common right mentioned is the right to privacy (three mentions). Other rights mentioned were good service for the price paid and protection against misuse. The other interviewees had no idea at all of consumer rights.

The existence of a telecomms regulator and the role it plays in relation to consumers was not well understood by those interviewed. In the case where interviewees were aware of the existence of a telecomms regulator, they did not know its name. Others mentioned Mauritius Telecoms or the broadcasting regulator IBA as playing this role in the telecomms field, showing a degree of confusion. Nevertheless, the telecomms regulator was mentioned as playing the following roles: regulating tariffs, preventing monopoly and abuse, protecting consumer rights.

### 7.3. RWANDA

Interviewees generally held firm and clear views on the various service providers, with only small numbers of interviewees with no opinion on the various service providers or reluctant to offer and give reasons for their views (fewer than 10% on most questions). Although these views are not statistically of any significance given the small sample size and the qualitative nature of the interview process, there appear to be some levels of inconsistency in the answers. For example MTN was rated as both the most expensive and the cheapest service provider by a substantial proportion of interviewees (46% and 38% respectively). This suggests that views, although firm, may not be well informed, possibly mirroring market share or recent sales promotions. Thus, exploring what underpins consumer attitudes and judgement may well be an avenue for further research.

A number of consumer protection issues surfaced during the face-to-face interviews, many of them similar to issues identified in other sample countries. Featuring prominently among the responses were high price of mobile services especially in relation to affordability for consumers, quality of service, which included both the high incidence of dropped calls and network congestion, the lack of mobile coverage in parts of the country and equipment problems with handsets (all raised by 67% or more of the interviewees). Charging and billing issues also surfaced, but for only about a third of consumers interviewed.

The majority of interviewees had never lodged a complaint with their service provider, many citing lack of confidence in the complaints procedure as a reason for not doing so. Interviewees seemed relatively well informed in respect of their rights as consumers, with most citing the right to technical support via the operator helpline and half citing the right to know call costs.

Levels of awareness of the regulator were very low, with only about a fifth of interviewees being aware of the existence of RURA, and many confusing it with the operators or other public institutions. There was similar confusion over respective roles of stakeholders, especially those of government and the regulator.

A number of issues emerged from the focus group session. As in other countries, lack of literacy was felt to play a negative effect on consumer perceptions of quality of service, on the degree of empowerment of consumers

and on the ability to complain. The focus group also highlighted a number of issues affecting consumers in rural areas in particular; especially poor and patchy network coverage, problems with handsets and other equipment, but also the lack of electric power and the lack of availability of recharge vouchers. The focus group discussion on gender was inconclusive.

A number of recommendations were made to RURA on the basis of the research outlined above, namely the need to strengthen the law in respect of consumer protection; the need to strengthen the ability of the regulator to intervene in support of consumers; a recommendation that consumer perceptions of service providers and of the regulator be regularly surveyed; the need to publicise the regulator and what it does to protect consumers; and the establishment of a national consumer body.

These recommendations form the basis of the Regulatory Actions Plan drafted and canvassed with RURA. At the time of writing, however, the research team has been unable to secure any feedback or commitment from RURA, despite several attempts to finalise and agree such an action plan.

#### 7.4. UGANDA

All respondents had a fair to good idea of what their rights as ICT consumers are. Examples given included the right to know the quality of services they were getting and the cost of the services; the right to access information they needed (and to choose which information they did not want to see or receive); the right to availability of services/good quality of service; the right to complain; the right to privacy; the right to make a choice; the right to health-friendly services; the right to affordable services; the right to get good products with suitable guarantees; the right to understand contracts entered into with service providers; the right to use the same SIM card on another network; and the right to contracted service levels.

Some of the respondents, however, felt that not everyone was necessarily aware, and that there were a lot of shortcomings around awareness of rights. As one respondent put it:

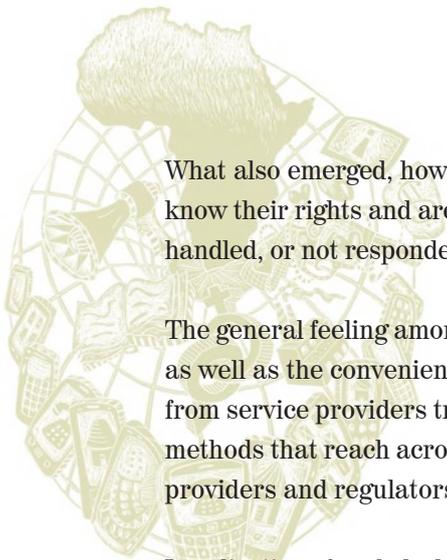
*I am not sure if I know them but I am aware that I should have rights, such as a right to health and thus (be) safe from health hazards caused by technology. I should also have access to cost (information) and also knowledge of what is to be charged. Consumers in most cases have no rights in almost everything because in Uganda we have no systems and structures in place. I do not think that people have channels for complaints and channels for their complaints to be addressed.*

While this response is not typical of what came out of the in-depth interviews, it does represent a very common situation, especially among those who do not have either a full education or much income.

Some two-thirds of interviewees felt that consumer rights are not being fulfilled. Key issues of concern raised included unfair pricing due to high interconnection rates; failure by service providers to give feedback to consumers' complaints; lack of transparency; lack of awareness; and limited security.

Failure to fulfil rights by service providers leads to the issue of whether or not consumers then register complaints. It would appear that a very large majority of consumers among those who know their rights do try to raise complaints. Many of them, while knowing their rights, never complain because they believe it is a futile exercise. The feeling in this group is that the majority of consumers do not complain because they either do not know their rights, or are unable to register their complaints.





What also emerged, however, was that in respect of the majority of complaints raised by those who know their rights and are able to register their complaints, these are mostly either not satisfactorily handled, or not responded to at all.

The general feeling among the respondents is that a lot can be done to improve awareness of rights as well as the convenience and effectiveness of complaint processes. Actions recommended range from service providers training their staff in customer care to creating consumer awareness using methods that reach across all consumer categories. Access to complaints desks – set up by service providers and regulators – is another barrier.

Localisation of such desks was seen as part of the solution: walk-in complaints are perceived as being responded to more effectively. Illiteracy was recognised as a process challenge, requiring that the complaints process should enable even those who are illiterate – these would also benefit from decentralised complaints desks where they could go and communicate verbally in their vernacular language.

It was also suggested that where service providers and the regulator, UCC, are unable directly to mount initiatives addressing customer awareness and easy access for lodging complaints, they should set aside funds that enable other entities (like consumer groups) to do so.

The regulator, UCC, is very centralised. They have no contacts at district level, so it would be difficult for people to reach them. They also need to make processes simpler and let people know how to lodge complaints, for example by putting them in different languages. Public vendors should also have this information – it would be more cost-effective than opening offices up-country. Radio is also another effective channel that could be used for sensitisation.

The current negative perception was recognised as a key challenge: many believe that even if one complains, either nothing will be done or, should it go to a higher level, the service provider will be favoured regardless. The UCC has to address this negative attitude by demonstrating action and publicising cases where they have taken action in favour of the consumer. The issue of security from threatening or abusive communication brought on board proposals that cautiously back the registration of all SIM card owners.

In what one would consider an informed group of respondents, it was surprising that only eight out of 11 had heard of any consumer organisations active in the ICT sector. Indeed, this mirrors the experience in preparing the consumer baseline report: external organisations appeared to know more than the consumers in Uganda about these consumer organisations. This tends to support one of the responses: that the consumer organisations tend to be elitist. It also suggests that they are not effectively reaching out to their constituency. This poses a major legitimacy challenge for these organisations.

Twelve out of the 17 respondents felt that literacy is a very important factor in consumer protection and empowerment. Illiteracy poses multiple challenges. First is the basic inability to read even in the vernacular language. Second, a challenge often forgotten because English is the main official language in Uganda, is the often associated inability to understand English. Third is the

consequent lack of confidence and therefore acceptance of the status quo without challenging it. Illiteracy is also associated with poverty, compounding the inability to register complaints, even if there were awareness of rights. These are multiple barriers that the regulator, consumer associations and service providers must consciously address in their communication strategy if those who are illiterate are to have access to equal treatment. Even for those who might not be literate, the key issue is for them to be aware of how to lodge a complaint and this awareness can be raised via the radio and in local languages.

While there was recognition that gender is an issue in ICT, only a very few respondents (17%) felt that whether one was male or female had significant influence on equality in consumer protection and empowerment. These respondents thought that gender has an influence on the ability to register complaints mainly because women are more illiterate than men, and because by nature men tend to be more aggressive. Two-thirds of respondents felt that gender has no influence at all, because the factors that influence the ability to register complaints are not necessarily gender-related but rather cross cutting issues.

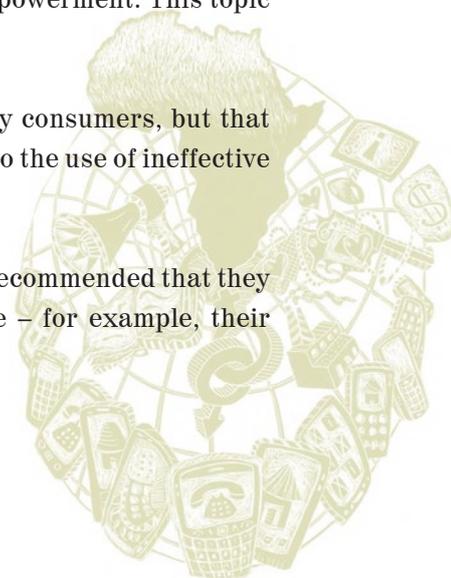
The Focus Group discussion was conducted with 10 people selected because they were fully conversant with the sector and the regulatory process. The general finding was that consumers of ICT are not protected. The main reasons put forward by the group were that UCC has shown bias towards the service providers; and that consumers are not well-informed about their rights and their protection under regulations and the law. A specific example cited was the service provided by ISPs: consumers appear always to get much less than they were led to expect.

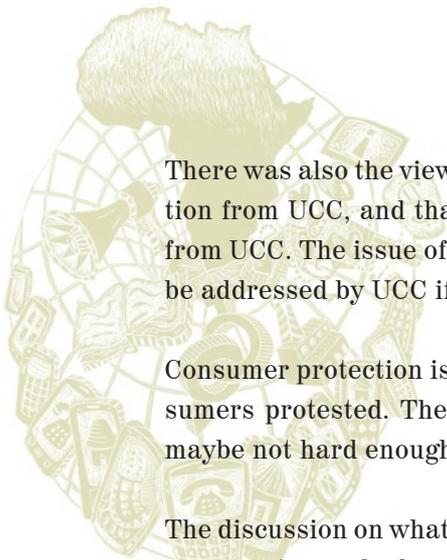
Focus group participants believed that action is required in reinforcing the law – like, for example, enhancement of the Sales of Goods Act, and going further if necessary to come up with new legislation to protect consumers. This should include clear mechanisms of redress. Action is also required in enforcing honest and clear offers, contracts, and advertising. Sensitisation was seen as a very critical area of action, targeting all categories of consumers so that even those who are normally marginalised fully understand their rights and the mechanisms for redress.

The group participants had very limited awareness of any consumer groups in ICT, especially in the sense of playing an effective role in consumer awareness and empowerment. This topic actually attracted the least discussion from the group.

There was general agreement that UCC has the information needed by consumers, but that such information is not reaching the majority of consumers, partly due to the use of ineffective communication strategies.

UCC does not know yet how best to communicate to the masses. It was recommended that they change their method of disseminating the information that they have – for example, their statistics are not well publicised.





There was also the view that consumers did not know they had a right to the relevant information from UCC, and that consumers, if empowered, would actually demand that information from UCC. The issue of bias in favour of the service providers keeps on coming up, and has to be addressed by UCC if it is to emerge as a balanced adjudicator.

Consumer protection is part of the market, but it had been relegated as a non-issue until consumers protested. The regulator is trying to make sure that consumers are protected, but maybe not hard enough.

The discussion on what could be improved was very specific, with key recommendations being empowering and educating users on their rights, and holding service providers accountable for their actions. The regulator should also take a more aggressive role in issues related to consumers, especially in the enforcement of quality standards and requirements – UCC needs to be publicly seen to take action where service providers default. Legislative gaps, where they exist, need to be addressed. The regulator should also look into contracts issued to consumers by service providers to ensure that they meet minimum standards.

#### 7.5. ZAMBIA

Interviewees generally held firm and clear views on the various service providers. For example, while these views are not statistically of any significance, Zain was seen by the majority of interviewees as the most expensive service provider, and by an inversely small number as the cheapest, suggesting some consistency. Very few interviewees had no opinion on the various service providers and most were prepared to give reasons for their views.

A number of consumer protection issues surfaced during the face-to-face interviews, most prominent among these being the high price of mobile services, network congestion (both raised by 50% or more of the interviewees) and the high incidence of dropped calls. The subsequent focus group echoed many of the same issues, but added several more, and produced a prioritised list of consumer issues – in descending order: poor network coverage; the high incidence of network congestion and dropped calls; the high price of telephony equipment; and lack of publicity around ICT consumer rights.

What did emerge as a surprising issue during the interviews was the prevalence of multiple SIM ownership, with the overwhelming majority of interviewees having more than one SIM card, and a few owning SIM cards for each of the three operators. While one cannot extrapolate on the basis of such a small sample, this is suggestive of levels of multiple SIM ownership much higher than previously thought – possibly driven by patchy network coverage and high pricing differentials between on-net and off-net calls.

Most of the interviewees had used the customer service help line of one of the providers, but only a third were aware of how to complain. Only a few interviewees displayed awareness of consumer rights, and most were unable to cite any specific consumer rights.

Levels of awareness of the regulator were very low, with fewer than a quarter of interviewees even aware of the existence of ZICTA.

From the focus group session, a concern over the poor level and quality of ICT services provided in rural areas stood out. Rural consumers were seen to be considerably disadvantaged, with the lack of electricity in rural areas a consumer issue specific to rural consumers. Lack of literacy was also felt to have a negative effect in both the use of ICT and the sense of consumer empowerment. The focus group discussion on gender was, by contrast, inconclusive.

A number of recommendations were made to ZICTA on the basis of the research outlined above, namely: a consumer protection focus on mobile customers; the prioritising of rural consumers; interventions to increase the consumer protection profile of ZICTA; the undertaking of general consumer education; greater publicity for channels of complaint and complaints procedures; the prioritising of the key complaints issues identified above; the publishing of clear and comparative pricing information; undertaking further investigation into the phenomenon of SIM-swapping; and remaining aware of future trends in consumer protection.

These recommendations form the basis of the Regulatory Actions Plan (Mukosa, 2010) agreed with ZICTA and covered in more detail in Section 8.5 below.





## 8. REGULATORY ACTION PLANS<sup>8</sup>

A key part of the research process was that the findings in each country were used to put together an action plan with key stakeholders that was then to be agreed by the national regulator. This section summarises the action plans that were drawn up.

In two of the target countries (Mauritius and Rwanda) the local researchers were unable to secure the agreement of the national regulator to the proposed Regulatory Action Plan. In Mauritius the local researcher was unable to secure the necessary meeting with the regulator, despite repeated attempts to do so. In the case of Rwanda, changes in management at the regulator meant that the meeting could not be scheduled until after the conclusion of the project, but regulatory support for the action plan remains likely.

In two of the countries (Uganda and Zambia) the co-operation and feedback of the regulator was secured in relation to a detailed and specific set of action points. In the final case, that of Ethiopia, the regulatory action plan took the form of a series of customer service charters drawn up for the regulator by the local researcher.

Though the intention of the regulatory action plans was an important one, namely to secure a long-term practical implementation of the project across all five target countries, the outcomes in this respect are thus somewhat mixed. The customer service charters for Ethiopia promise the greatest long-term impact, but it remains unclear at the time of writing whether these have been officially promulgated. The agreed regulatory action plans for Uganda and Zambia and, potentially, Rwanda also look promising, but follow-up will be needed to ensure that these move from words on paper into actions that change things for consumers.

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<sup>8</sup> For full copies of each of the Regulatory Action Plans, see <http://link.wits.ac.za/projects/crrea.html>

### 8.1. REGULATORY ACTIONS: ETHIOPIA<sup>9</sup>

The Ethiopian regulator ETA agreed with the help of the local consultant to draw up consumer service charters for the operator ETC in relation to individual (as opposed to corporate) fixed, mobile and broadband customers. These charters sought to capture both the values that ETC might espouse and the very practical ways in which it might act to respond to the consumer. These consumer charters were agreed by ETA, as they were in line with a similar charter drawn up for corporate customers at an earlier point.

For mobile users, the charter includes service provisioning time limits (24 hours for activation of a new line); service restoration time (one day); complaint handling (acknowledgement of written complaint in 10 days, full response in four weeks); telephone enquiries answered within six rings; and personal data protection.

For fixed line users, the charter includes installation of a basic phone line within seven days of registration; an average fault repair time of 24 hours; latest tariffs available on its website; and complaint handling and call response times as for mobile users.

For broadband users, the charter includes the latest bill obtainable on the Internet; complaint handling and call response times as for mobile and fixed line customers; and a mean time to repair of 48 hours for consumer broadband.

### 8.2. REGULATORY ACTIONS: MAURITIUS<sup>10</sup>

The Mauritius action plan contained 11 recommendations, seven of which are set out to be addressed by the regulator ICTA, and the balance by a combination of telecomms operators and consumer groups. The recommendations are grouped under two headings; one that includes all the items recommended during a meeting of the stakeholders at the end of the research, and another that contains recommendations prompted by the research itself.

The recommendations from the research all focus on communications around different aspects of the consumer functions within the regulator, including clarifying the complaint handling, escalation and resolution process; improving consumer awareness of the regulator; and an information campaign about consumer rights in the sector.

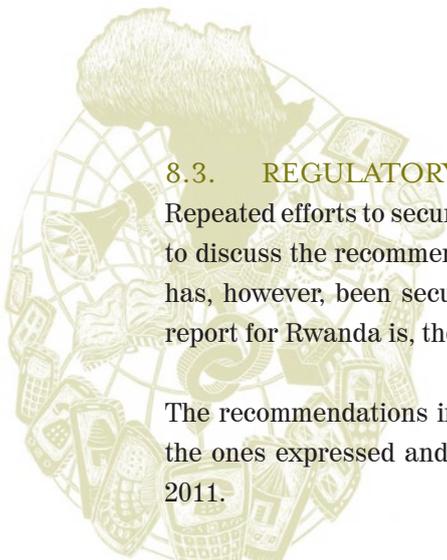
The recommendations from the stakeholder group meeting sought to make concrete the research recommendations. Therefore, its recommendations included strengthening co-operation between the various actors (regulator, operators and consumer association) on specific projects; the organisation of a Stakeholders' Forum; representation for consumer groups in ICTA or Ministry of Communications activities affecting consumers; a time limit on complaints processes; and the setting up of a self-regulatory body between the consumer association and operators.

Repeated efforts to secure a meeting with the regulator in order to discuss the recommended Regulatory Action Plan were unfortunately ultimately unsuccessful. The Regulatory Action Plan report for Mauritius is, therefore, tabled as a recommendation.

<sup>9</sup> Adam, 2009

<sup>10</sup> Padayatchy & Gross, 2011





### 8.3. REGULATORY ACTIONS: RWANDA<sup>11</sup>

Repeated efforts to secure a meeting with the regulator before the conclusion of the project in order to discuss the recommended Regulatory Action Plan were unfortunately unsuccessful. A meeting has, however, been secured for after the conclusion of the project. The Regulatory Action Plan report for Rwanda is, therefore, tabled as a recommendation at this stage.

The recommendations included both recommendations from the final research paper, as well as the ones expressed and discussed during the validation workshop that took place in December 2011.

They included recommendations to empower the regulator more effectively to protect consumer rights in ICT by strengthening the structure and capacity of its Consumer Affairs Unit; to ensure that the regulator intervene more strongly on specific consumer issues to protect consumers by, inter alia, encouraging operators to improve their services, possibly including a review of the provisions in the operator licences, and some form of mechanism for those operators that are well ranked in terms of quality of service.

It was further recommended that the regulator engage more effectively in marketing itself to the public of Rwanda, with particular attention to educating the general public on the issues related to consumer protection and exploring communications channels that are popular in Rwanda, such as public and private radio and newspapers, to do so.

Support for the establishment of at least one association dedicated to the cause of consumers, to defending their rights, identifying and publicising their issues, and to advancing the cause of the consumers of communications services, was also recommended.

Finally, the regulator's Consumer Affairs Unit was recommended to be empowered with sufficient resources in order to conduct nationwide research in consumer protection, taking into consideration the lessons learnt from this first research in Rwanda, and that this research involve all key stakeholders such as the operators, media, academia and the civil society in order to raise the awareness.

### 8.4. REGULATORY ACTIONS: UGANDA<sup>12</sup>

The local consultant agreed 19 recommendations with the regulator UCC. Specific actions have already been taken on seven of the recommendations. Seven of these recommendations involve improvements to communications, including consumer awareness campaigns; publicising on a "name and shame" basis performance measurements of operators; increasing awareness of rights outside the elite; addressing illiterate consumers; and working on issues in partnership with consumer organisations.

UCC has adopted a multi-pronged approach to consumer education. This encompasses the use of mass media (radio), ICT film shows (shown in slums and villages), public dialogues, school visits and ICT youth camps. The activities are held concurrently in particular parts of the country and have been carried out in Lira, Fort Portal, Koboko, Arua, Nebbi, Kasese, Hoima, Mbarara, and Mbale among others. The multi-pronged approach is aimed at addressing the different categories

<sup>11</sup> Nsengiyumva, 2011

<sup>12</sup> Tsubira, 2010.

of consumers in a language best appreciated by each target group. The use of audio-visual communications enables the illiterate to get the message.

Other recommendations agreed cover exploring number portability; changing the mindset of UCC from investor-centric to consumer-centric; simplifying the regulator’s own complaints procedure; no longer requiring a written complaint; addressing quality of service issues by benchmarking customer call centres; and looking at health and safety issues.

#### 8.5. REGULATORY ACTIONS: ZAMBIA<sup>13</sup>

The 12 recommendations for the regulator ZICTA are split into two sections: those flowing directly from the focus groups, and those coming out of other parts of the research. The four recommendations coming out of the focus groups all target service providers to do more in terms of informing consumers, including promoting awareness of complaint lodging procedures; giving consumers the ability to register complaints in the language of their choice; providing women with someone of their own gender to talk to in order to overcome cultural barriers; and creating a closer relationship between on-net and off-net tariffs.

The recommendations from the rest of the research process included focusing on mobile customers, particularly providing comparative rate information; prioritising less well informed rural consumers; increasing the profile of ZICTA; undertaking general consumer awareness campaigns, specifically publicising channels for complaints; publicising pricing information; and keeping an eye on future trends that affect consumers.

Three “quick wins” were identified for implementation: the publication of comparative pricing information; exploring the use of broadcast SMS to send messages promoting consumer awareness; and the production of posters and flyers for country-wide distribution.

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<sup>13</sup> Mukosa, 2010.





## 9. CONCLUSIONS AND RECOMMENDATIONS

There may be additional issues that have not been touched on in this research, either through the in-depth interviews or in the focus group. However, the research has surfaced a number of key issues and common themes, and the recommendations offered in this report may assist in addressing some of the cardinal issues in regulating to ensure ICT consumer protection and to promote ICT consumer empowerment, and in strengthening effective regulation of the ICT sector by the regulator.

### **The overall recommendations made are as follows:**

#### 9.1 STRENGTHEN CONSUMER PROTECTION IN THE LAW

Governments should strengthen the provisions in the law that empower the regulator more effectively to protect consumer rights in communications. In the absence of effective legislation, regulators can both issue regulations that serve the same purpose and insist that operators publish consumer charters.

#### 9.2 SURVEY CONSUMER PERCEPTIONS AND ISSUES

The regulator should regularly survey consumer perceptions regarding the various service providers, including the reasons behind such perceptions, and should publish the results of such surveys on its website and elsewhere. The results of these surveys should be one of the strongest grounds for regulatory intervention on behalf of consumers.

### 9.3 REGULATORY INTERVENTION

The regulator should intervene more strongly to protect consumers by, among other things, encouraging operators to improve their services, requiring greater network coverage on the part of the operators, and intervening in respect of pricing and quality of service. A key issue to address even in competitive markets is how best to improve the performance of a dominant market leader.

### 9.4 PRIORITISE KEY COMPLAINTS ISSUES

While the sample size in this research project is clearly too small to draw nationally representative conclusions, a number of problem areas for the consumers of ICT goods and services seem to feature prominently. These include lack of network coverage in certain (mainly rural) areas, frequent dropped calls, poor quality of service and pricing. Validation of the results from the sample covered by this research, together with possible mandatory provision of complaints data and analysis by service providers to the regulator, would assist the regulator to identify priority areas for regulatory intervention to protect consumers.

### 9.5 PUBLICISE CHANNELS OF COMPLAINT

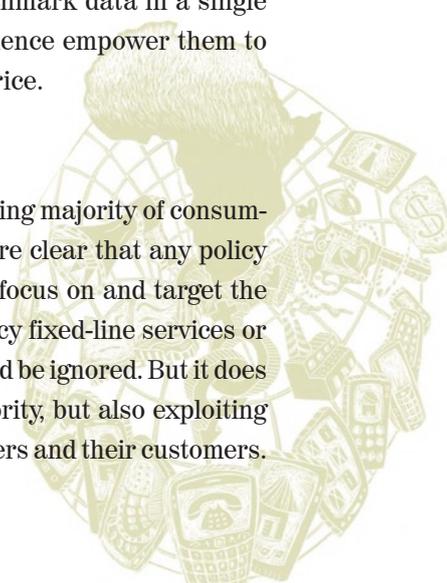
The research undertaken here has shown that few consumers are aware of how to complain, and in respect of what issues complaints are justified. It is clear, therefore, that a comprehensive national awareness campaign relating to consumer complaints would empower the sector regulator to protect ICT consumers. Such a campaign could cover not only the channels through which consumers can register their complaints and have them resolved and, if need be, escalated (and here it must be emphasised that the service providers should always be the first port of call, with the regulator acting as the complaints channel of last resort), but should also cover the types of issues in respect of which complaints may be raised. With the majority of consumers being mobile subscribers, the use of mandatory SMS messages from service providers to carry the campaign should be investigated. Also worth considering is mandatory point-of-sale provision of consumer protection information with starter packs and recharge vouchers.

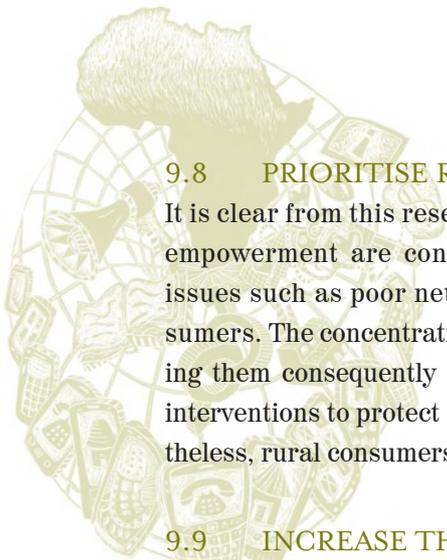
### 9.6 PUBLISH COMPARATIVE PRICING INFORMATION

The interviews undertaken as part of this research suggest that there is considerable confusion in respect of the pricing of the various packages and services offered by the service providers. While operators clearly have a vested competitive interest in ensuring that their pricing is not comparable, a regulatory requirement to publish certain comparable benchmark data in a single location would greatly assist consumers properly to compare prices and hence empower them to choose the ICT services best suited to their needs at the most affordable price.

### 9.7 FOCUS ON MOBILE CUSTOMERS

As both this research and national subscriber statistics show, the overwhelming majority of consumers of ICT goods and services in Africa are mobile subscribers. It is therefore clear that any policy and regulatory interventions to protect and empower ICT consumers must focus on and target the mobile sector first and foremost. This does not imply that consumers of legacy fixed-line services or Internet services, whether via dial-up connectivity, ADSL or 3G services, should be ignored. But it does imply not only addressing the issues that affect mobile consumers as a priority, but also exploiting mobile as a channel of communication between regulators and service providers and their customers.





### 9.8 PRIORITISE RURAL CONSUMERS

It is clear from this research that the level of consumer awareness and the degree of customer empowerment are considerably lower in the rural areas. Furthermore, certain consumer issues such as poor network coverage and dropped calls disproportionately affect rural consumers. The concentrations of consumers in urban areas are, of course, vastly greater, and reaching them consequently much easier and more cost-effective. Conversely, policy and regulatory interventions to protect consumers may be more challenging and costly in rural areas, but, nevertheless, rural consumers and their issues should be seen as a priority.

### 9.9 INCREASE THE PROFILE OF THE REGULATOR

The research has shown that there is limited awareness of sector regulators and correspondingly little appreciation of their role or of the importance of their work in protecting consumers. It is therefore necessary for the regulator to consider how it can increase its profile among ICT consumers in order to empower it as an agent of consumer protection. Specific measures to achieve this on a cost-effective basis are beyond the scope of this report, but consideration should be given to the use of SMS and community media and point-of-sale information. The regulator needs to engage more effectively in marketing itself to the public, via a variety of channels (including but not limited to radio, television, SMS and its website), advertising its role and responsibilities in relation to those of government and the operators, and claiming greater public credit for its achievements and successes, particularly those in defence of consumer rights.

### 9.10 UNDERTAKE GENERAL CONSUMER EDUCATION

The low levels of consumer literacy and awareness revealed through this research suggest that consumer education, often at a fairly basic and general level is required, so that consumers can better understand how the ICT sector works, how they as consumers are affected by its dynamics, what the specific issues are that impact on them as consumers, and what their rights and expectations as customers of ICT goods and services should be. The development of customer service charters, along with a means of ensuring their widespread dissemination, for the various classes of service provider could be a useful step in this direction, along with the use of some of the channels of communication suggested above, such as SMS, point-of-sale information, community media and more.

### 9.11 INVESTIGATE SIM-SWAPPING

It seems clear that SIM-swapping is commonplace and that many consumers who can afford them, make use of multiple-SIM phones. It is worthwhile investigating exactly how widespread this phenomenon is, along with what incentivises consumers to engage in this practice. Problems relating to network coverage by respective service providers, or pricing differentials between on-net and off-net calls, may underpin this. If so, regulatory interventions to extend network coverage or to reduce mobile termination rates may work to disincentivise this trend. Multiple SIM use may also be a sign of an inefficient market because operators with network congestion are not punished by consumers moving to another network. Mobile Number Portability could be a strategy to address this issue.

### 9.12 REMAIN AWARE OF FUTURE TRENDS

While this recommendation does not emerge directly from this research, it nevertheless remains important to stress that the sector regulator continually needs to remain abreast of market developments and ongoing shifts in customer preferences and consumer patterns. As the ICT sector continues to grow and evolve, so too will policy and regulatory intervention need to look ahead and be proactive in order to protect ICT consumers.

### 9.13 SUPPORT FOR CONSUMER GROUPS

There should be support for the establishment of at least one association dedicated to the cause of consumers, to defending their rights, identifying and publicising their issues, and advancing the cause of the consumers of communications services. Such an association, able to interact effectively with the regulator and policymakers, can only serve to strengthen the cause of consumer empowerment.

### 9.14 SUPPORT FURTHER CONSUMER RESEARCH

The research undertaken here indicates the need for effective regulatory and policymaking intervention to be supported and underpinned by appropriate research. Some issues requiring research will be closely related to nationally contextualised issues, but others, such as an exploration of what underpins and drives consumer perceptions of operator services and customer issues, might be more generalised.

### 9.15 STRENGTHEN REGULATORY AUTONOMY

This final recommendation arises more as a corollary to the research, in support of the protection of consumers of ICT goods and services. Greater independence of regulators, and greater authority and autonomy for the separate regulatory functions, including in this case that of consumer protection (provided that this is backed by greater capacity building), can only serve to strengthen regulatory intervention and increase regulatory responsiveness.





## 10. APPENDICES

The Interview Protocol used in the field research is included here in full. The complete versions of other project reports and outputs, namely Consumer Best Practices in the Telecomms Sector, the individual country baseline reports, the individual country reports on the qualitative filed research, and the individual Regulatory Action Plans are available in .pdf format for download from the project website<sup>14</sup>.

### 10.1. INTERVIEW PROTOCOL

IDRC – Empowering regulators to protect consumers rights in the ICT sector. Research methodology final.

### 10.2. CORE METHODOLOGY

The research will combine the following research approaches:

- In-depth, face-to-face, one-to-one interviews to explore in detail the issues outlined below (45 to 60 minutes).
- Focus groups to explore what might be done (in terms of choices) about the issues raised (90 to 120 minutes).

Both categories of interviews will be based on chosen selection criteria (see below). Please audio record all interviews, even those not conducted in English or French.

### 10.3. NUMBER OF INTERVIEWS

The methodology is qualitative and the number of interviewees and groups reflects the budget allocated for the task. Each of the country researchers will interview a minimum of 24 individuals. The selection of the interview sample is purposive, aiming to secure a reasonable demographic spread of the consumers of telecomms services. It should be based on the following variables (numbers are guidelines):

<sup>14</sup> See <http://link.wits.ac.za/projects/errea.html>

Male: 12  
Female: 12

Young (below 40): 12  
Older (Above 41): 12

Rural: 12  
Urban: 12

Literate: 16  
Illiterate: 8

Low income\*: 12  
High income\*\*: 12

\*No regular monthly income or low monthly income

\*\*White collar, regular monthly income

Based on the findings of these interviews, the country researcher will bring together a focus group of six to eight people, largely drawn from the interviewees, to look at how the particular issues raised in the interviews might be tackled.

Using the literacy/illiteracy example, the focus group attendees might be asked to look at and comment on different solutions to tackling the issues raised that might be adopted by the regulator in partnership with consumer groups.

#### 10.4. PROTOCOL FOR THE ONE-TO-ONE INTERVIEWS

The interviews will cover the following ground in each case:

##### 10.4.1 SOCIO-DEMOGRAPHIC DETAILS

Those interviewed should be asked to provide the following details about themselves:

Please tick the age category the interviewee falls into:

18-24 [ ]    35-44 [ ]    55-64 [ ]  
25-34 [ ]    45-54 [ ]    65+ [ ]

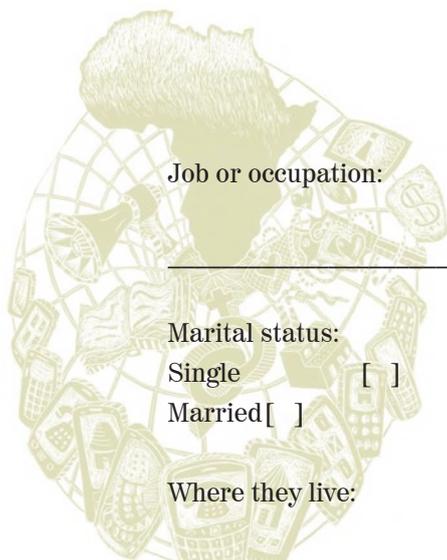
Gender of the interviewee:

Male [ ]  
Female [ ]

Age finished education:

Below 15 [ ]  
15 [ ]  
18 [ ]  
25 [ ]  
Over 25 [ ]





Job or occupation: \_\_\_\_\_

Marital status:

Single

Married

Where they live:

Name of village, town or city: \_\_\_\_\_

For city, name of district: \_\_\_\_\_

#### 10.4..2 QUALITATIVE CONSUMER INFORMATION

Interviewees will initially need to be asked to co-operate. The purpose of the research should be summarised, along with the value of their contribution. Anonymity should be guaranteed. Use a standard protocol to cover:

The substance of the interview is broken down into four main sections, namely:

##### A. Understanding of operators and their services:

This section asks interviewees to compare the different service offerings on the market. The focus is likely to be on mobile, given its market share, but other service offerings such as fixed, Internet access, etc, can also be covered.

1. What telecommunications services do you consume (Mobile? Internet? Fixed?) Who is (are) your service provider(s) (ie who do you see yourself as a customer of)?
2. Which service provider in your country do you think provides the **best service** to its customers? Why? Explain.  
*(Prompt: Quality of service (explain if necessary: dropped calls/call completion/voice quality etc)? Network coverage? Range of packages and offerings?) (Also record if interviewee does not know / does not have a view.)*
3. Which service provider in your country do you think is the **cheapest**? Why? Explain.  
*(Prompt: Starter packs? Contracts? Recharge vouchers? Minutes?) (Also record if interviewee does not know / does not have a view.)*
4. Which service provider in your country do you think provides the **worst service** to its customers? Why? Explain.  
*(Prompt: Quality of service (explain if necessary: dropped calls/call completion/voice quality etc)? Network coverage? Range of packages and offerings?) (Also record if interviewee does not know/does not have a view.)*

- 5 Which operator in your country do you think is the most **expensive**? Why? Explain.  
*(Prompt: Starter packs? Contracts? Recharge vouchers? Minutes?) (Also record if interviewee does not know/does not have a view.)*
- 6 Where do your views come from? How do you know about the services of the operators and their quality of service/packages/pricing/coverage areas (as answered above)?
- How do you get this kind of information? Friends and family? Radio? TV? Newspapers? Company websites? Other?
- 7 Have you switched from one service provider to another? If yes, why? If not, why not?

## B. Consumer issues raised

This section is designed to allow consumers to identify the issues of concern to them as consumers and where intervention by the regulator might increase consumer protection. Allow the interviewee to come up with issues they raise first and note the order in which they appear. The intention is to both cover the full range of issues and to identify their prioritisation. Then take the list of issues below and prompt respondents on issues they have not already raised:

- 8 Would you say you are generally satisfied or dissatisfied with the service you receive from your service provider(s)? (See question 1)
9. What are the main **problems** you have with your mobile/Internet service? Please explain in each case.

*Prompt questions (if first answer is short/thin):*

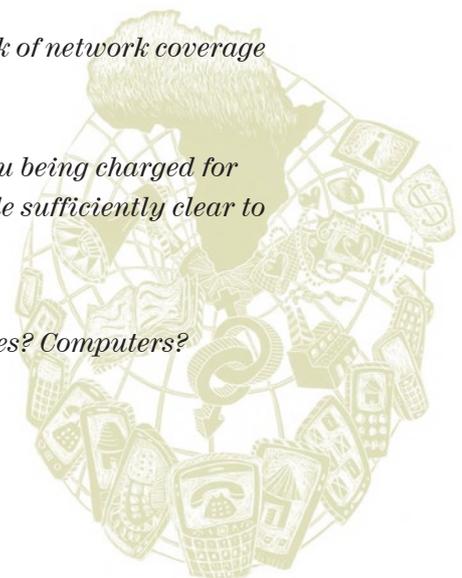
*Is the cost of service a problem for you as a consumer? Are prices too expensive? Are you being charged too much for what you get? Are prices too expensive for certain aspects of the service, eg SMS?*

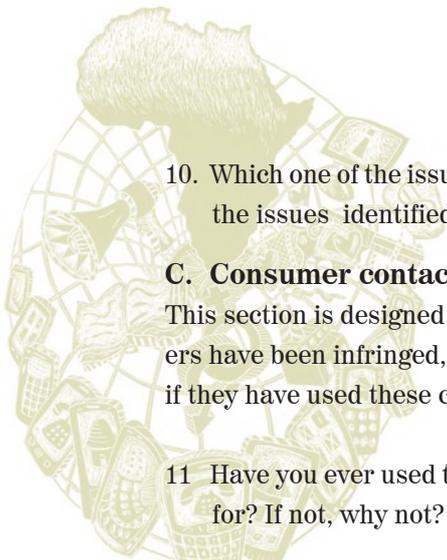
*Is the quality of service a problem for you as a consumer? Do you experience a lot of dropped calls? Do you have difficulty completing a call? Do you have difficulty calling from one network to another? Is the voice quality a problem? Do you find the network congested at certain times of the day? Are Internet service outages a problem?*

*Is network coverage a problem for you as a consumer? Is there a lack of network coverage in certain areas? Where exactly?*

*Are charging and billing a problem for you as a consumer? Are you being charged for things you think you ought not to be charged for? Are charges made sufficiently clear to you as the consumer? Is it easy to buy and load airtime?*

*Is equipment a problem for you as a consumer? Handsets? Batteries? Computers? Modems, etc?*





10. Which one of the issues above would you single out as the most important/**main problem** (from the issues identified above)?

### **C. Consumer contact and complaints made**

This section is designed to identify whether consumers are aware of when their rights as consumers have been infringed, whether they are aware of the channels of redress available to them, and if they have used these channels.

11. Have you ever used the customer help line of your service provider? If you have, why, and what for? If not, why not? Were you satisfied with how you call was dealt with?

12. Have you ever made a complaint to your service provider? If so, on what issue(s)? If not, why not?

13. What channel(s) did you use to pursue your complaint(s)?  
*(Prompt: if no complaint has been made, ask what channel they would use if they did have a complaint. Also record if they are not aware of any complaints channels.)*

14. How was (were) your complaint(s) handled? Were you satisfied with the outcome? If not, what, if anything, did you do to escalate the complaint?  
*(Prompt: also record if they are not aware of any complaints escalation channels.)*

15. What rights do you have as a consumer of telephony and Internet services? How do you know about these rights?  
*(Prompt: also record if they are not aware of any consumer rights.)*

### **D. Who is doing what and what might be done**

The interview can then be concluded by covering two related topics, identifying what consumers know about what is being done in respect of consumer protection, and what sorts of interventions they would like to see.

16. Are you aware of your country's telecomms regulator? Do you know its name?

**If aware:** What do you think the regulator does? How effective do you think the regulator is at carrying out these tasks?

17. What do you think the following organisations/groups can do to improve the experience of consumers?

Please make specific suggestions.

- Government?
- Regulators?
- Service providers?
- Consumer groups?
- Others?





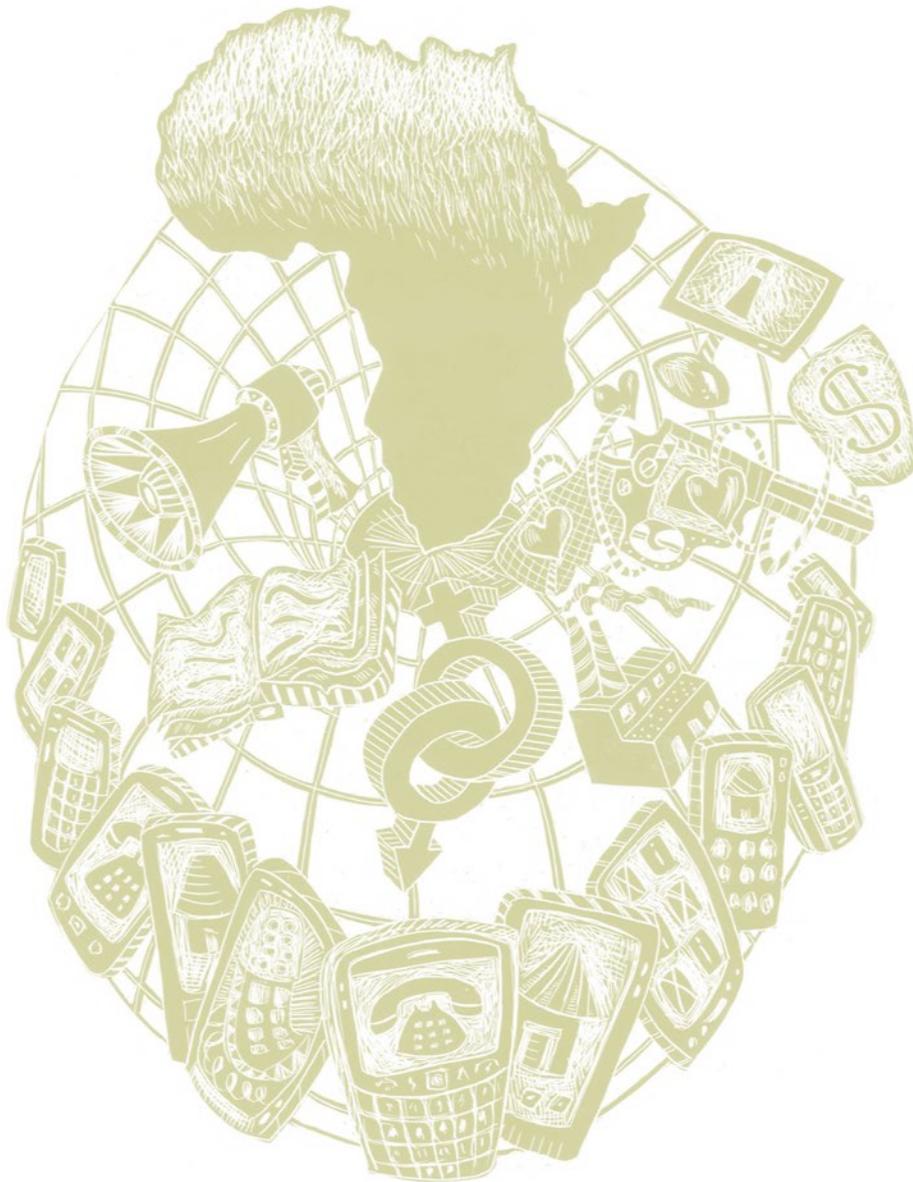
## 11. REFERENCES

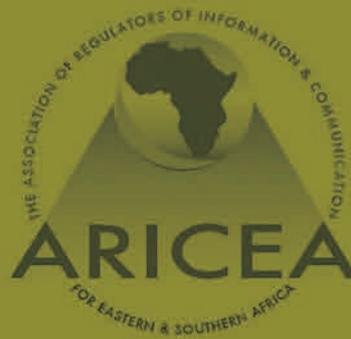
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## **Appendix 18 – Executive Policy Brief: Consumer Best Practices in the Telecomms Sector**

## Consumer Best Practices in the Telecomms Sector



Between 2009 and 2011 the **LINK Centre** at the University of the Witwatersrand, Johannesburg, and **Balancing Act**, London, undertook qualitative research into consumer protection regulation in the ICT sector. This project covered five countries (Ethiopia, Mauritius, Rwanda, Uganda and Zambia), of the **Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA)**.

This executive policy brief summarises the project's full report on global best practice regulation to protect ICT consumers. Full results of the project can be found online at <http://link.wits.ac.za/projects/crrea.html>.

ICT sector regulators need to balance protecting consumers with enabling the growth of the sector, while ensuring increased access to ICT services in a competitive market. They should be concerned about:

- Consumer access
- Consumer choice
- Consumer empowerment
- Consumer protection from unfair practices
- Consumer redress.

Consumer interventions by regulators vary, but most are derived from three broad questions:

- What do consumers feel about the services they receive and what are service providers doing to address consumer concerns?
- What can the regulator do to address these concerns?
- How does a regulator know whether its interventions have been effective?

Potential interventions by regulators to protect consumer interests are summarised below. Even with resource constraints and limited capacity, much can be achieved by prioritising and applying some of these recommendations.

### 1. KNOW WHAT CONSUMERS CARE ABOUT THROUGH SURVEYS AND COMPLAINTS MONITORING

Research is key to understanding and addressing the priority issues of consumers, as well as assessing the effectiveness of consumer protection regulation. While price and quality may be obvious current issues, the main areas of concern will change once these have been addressed. Higher levels of competition may bring lower prices. Quality thresholds may drive better quality of service. Issues will change over time: utilising stakeholder surveys and consultation meetings with consumer groups are two ways of keeping abreast of these changes. Consumer representation on the board of the regulator or on its sub-committees will also assist.

### 2. SET A RULES FRAMEWORK THROUGH CODES OF CONDUCT AND SETTING AND ENFORCING STANDARDS

Regulators have the power to establish a framework of rules to govern the behaviour of operators through legislation, regulatory frameworks and standard setting. They can insist that operators provide them with information on which their performance in relation to consumers can be judged. They can impose Codes of Conduct or Codes of Practice, and insist that operators meet various criteria covering issues as diverse as pricing, quality and access. Regulators can also publish information about investigations into breaches of regulatory rules, communications legislation, consumer protection requirements and fair competition practices.

# EXECUTIVE POLICY BRIEF

## 3. INTERVENE ON BEHALF OF CONSUMERS IN ISSUES AS THEY ARISE

Not all consumer issues are as obvious as pricing and quality. Regulators should use their expertise to identify issues that arise from changes such as shifts in the competitive landscape (eg through introducing number portability), the advent of new technologies, costs associated with services such as Internet access from mobile phones, and unfairly bundled services (broadband, mobile, etc) from one provider. Such issues (like handset subsidies) might not be immediately apparent to consumers and will not be easy for them to address.

## 4. COMMUNICATE WITH CONSUMERS USING THE POWER OF THE MEDIA

Communicating information to educate and empower consumers is a powerful weapon. A well thought-out media strategy has great impact, whether to warn consumers of the dangers of something like spam or to “name and shame” operators that are offering low-quality services. Media can be used to carry a range of consumer-related messages even though the regulator’s own powers and resources may be limited. Regulators can set an effective agenda through use of their own website and the media.

## 5. ESTABLISH COMPLAINTS PROCESSES WITH THE REGULATOR AS REFEREE OF LAST RESORT

Any well-run company must have complaints procedures to keep customers satisfied and to address their problems. Regulators need to ensure that such channels for complaints are clearly specified and communicated to customers, including procedures for escalation, specifying the regulator as the referee of last resort, resolving only those individual cases that cannot be settled with the operator concerned. The reporting of operator complaints to regulators should help identify issues that need addressing more generally. The publication of complaints information can keep operators focused on customer service.

## 6. SCAN THE HORIZON – SPOT ISSUES BEFORE THEY OCCUR

Fresh or unexpected consumer protection issues can be raised by the introduction of new services over time, such as the introduction of m-Money products or the provision of bundled services. It is part of the regulator’s consumer protection responsibility to anticipate the kinds of issues that may become important in the future, and to respond proactively.

## 7. ASSESS THE COST AND EFFECTIVENESS OF DIFFERENT INTERVENTIONS

Each regulator needs to decide how, within its limited budget and resource constraints, it can act on behalf of consumers. This includes reviewing and evaluating what has already been done in order to fine-tune future action. Regulators may carry out a survey of consumer attitudes, or may carry out a nationwide consultation process. The assessment of regulatory effectiveness is central to success in protecting consumers.



**Appendix 19 – Executive Policy Brief: Empowering Regulators to Protect Consumer Rights in the ICT Sector**

## Empowering Regulators to Protect Consumer Rights in the ICT Sector



Between 2009 and 2011 the **LINK Centre** at the University of the Witwatersrand, Johannesburg, and **Balancing Act**, London, undertook qualitative research into consumer protection regulation in the ICT sector. This project covered five countries (Ethiopia, Mauritius, Rwanda, Uganda and Zambia), all members of the **Association of Regulators of Information and Communication for Eastern and Southern Africa (ARICEA)**.

Research team members in each of the target countries assessed the current position in respect of ICT consumer protection regulation, workshopped and reported on the in-country research they undertook, and drafted regulatory action plans for agreement with the national regulatory authority. A summary of international best practice in ICT consumer protection regulation was produced. Full results of the research project can be found on the **LINK** website at <http://link.wits.ac.za/projects/creea.html>.

This executive policy brief summarises the recommendations emerging from the research:

### 1 STRENGTHEN CONSUMER PROTECTION IN THE LAW

Governments should strengthen provisions in the law that empower the regulator to protect consumer rights in the ICT sector. Regulators can also issue regulations that serve the same purpose and insist that operators publish consumer charters.

### 2 SURVEY CONSUMER PERCEPTIONS AND ISSUES

Regulators should regularly survey consumer perceptions of the various service providers, and should publish the survey results on their websites and elsewhere. The results of these surveys are a strong basis for regulatory intervention on behalf of consumers.

### 3 PROTECT CONSUMERS THROUGH REGULATORY INTERVENTION

Regulators should intervene more strongly to protect consumers, by encouraging operators to improve their services, requiring greater network coverage and intervening in respect of pricing and quality of service.

### 4 PRIORITISE KEY COMPLAINTS ISSUES

Regulators need to identify, prioritise and respond to key areas of complaints from ICT consumers in each of their countries, including such common problems as lack of network coverage in certain (mainly rural) areas, frequent dropped calls, poor quality of service and excessive pricing.

### 5 PUBLICISE CHANNELS OF COMPLAINT

Regulators need to undertake awareness campaigns via SMS or point-of-sale information, to ensure that consumers know how to complain and over what issues complaints are justified. The service provider should always be the first port of call, with the regulator acting as the complainant's channel of last resort.

### 6 PUBLISH COMPARATIVE PRICING INFORMATION

Regulators need to address confusion in respect of the pricing of the various packages and services offered, by publishing comparable benchmark data on a single website location. This would greatly assist consumers to choose the most suitable and most affordable ICT services.

# EXECUTIVE POLICY BRIEF

## 7 FOCUS ON MOBILE CUSTOMERS

Regulators should give greater attention to the mobile sector, which makes up the overwhelming majority of ICT consumers in Africa. They should also exploit mobile as a channel of communication.

## 8 PRIORITISE RURAL CONSUMERS

Regulators should give more attention to rural consumers, who are affected disproportionately by certain consumer issues. They are also less aware of their consumer rights and less empowered.

## 9 INCREASE THE PROFILE OF THE REGULATOR

Regulators need to increase their profile among ICT consumers, using a variety of channels including radio, television, community media, SMS, websites and the provision of point-of-sale information.

## 10 UNDERTAKE GENERAL CONSUMER EDUCATION

Regulators need to undertake general consumer education to increase understanding of how the ICT sector works and how consumers are affected, what the specific ICT consumer issues are, and on the rights and expectations of ICT consumers.

## 11 INVESTIGATE SIM-SWAPPING

Regulators should investigate how widespread SIM-swapping and the use of multiple-SIM phones are, along with what incentivises consumers to engage in this (eg problems relating to network coverage or pricing differentials between on-net and off-net calls). Multiple SIM usage may undermine the ability of the market to punish operators with poor quality of service. Regulatory interventions to extend network coverage or to reduce mobile termination rates may be required.

## 12 REMAIN AWARE OF FUTURE TRENDS

Regulators need to remain abreast of market developments and shifts in customer preferences and consumer patterns. As the ICT sector continues to evolve, so too should consumer protection regulation look ahead and be proactive.

## 13 SUPPORT CONSUMER GROUPS

Regulators need to support the establishment of at least one consumer association that will defend, identify and publicise the rights of ICT consumers.

## 14 SUPPORT CONSUMER GROUPS

Regulators need to ensure that effective regulatory and policymaking interventions are supported and underpinned by appropriate research into consumer protection and empowerment issues.

## 15 SUPPORT CONSUMER GROUPS

Regulators need to have greater independence, authority and autonomy for the separate regulatory functions (including that of consumer protection). This should be supported by greater capacity building to strengthen intervention and increase responsiveness in order to protect ICT consumers.



**Appendix 20 – Draft ‘COMESA Policy Guidelines on Consumer Protection’**

# COMESA Policy Guidelines on Consumer Protection

## Draft Recommended Update

At the request of ARICEA, and with the support of the IDRC, the 2007 COMESA Policy Guidelines on Consumer Protection have been updated in accordance with overall recommendations from the IDRC-funded ARICEA research project, ‘Empowering regulators to protect consumer rights in the ICT sector’, along with international and regional consumer protection best practice. The recommendations for revisions as set out below were drafted by Charley Lewis, LINK Centre, University of the Witwatersrand, South Africa and Russell Southwood, Balancing Act, London. The left-hand column in the table below sets out the current COMESA Policy Guidelines on Consumer Protection, while the right-hand column contains the recommended revised version.

Current	Proposed
<p style="text-align: center;"><b>INTRODUCTION</b></p>	<p style="text-align: center;"><b>1 PREAMBLE</b></p>
<p>The Common Market for Eastern and Southern Africa (COMESA) through the Association of Regulators for Information and Communications for Eastern and Southern Africa (ARICEA) is working towards the development of the ICT industry that will contribute to raising the quality and standard of life and, consequently, alleviating poverty. The COMESA ICT Policy and Model Bill which was approved in March 2003, Khartoum, Sudan, provided for reliable, effective, adequate and sustainable ICT services oriented to meet the developmental needs of the region.</p> <p>The main objectives of the policy are to create conditions for:</p> <ul style="list-style-type: none"> <li>• Affordable, Efficient and High Quality ICT Services;</li> <li>• Building a Competitive ICT Market Sector;</li> <li>• Sustainable ICT Development through:               <ul style="list-style-type: none"> <li>• creation of partnerships including sub regional ones between public and private sectors,</li> <li>• creation of a responsive regulatory and business environment, and</li> <li>• creation of human resource development policies to “ensure that</li> </ul> </li> </ul>	<p>1.1 The Common Market for Eastern and Southern Africa (COMESA), through the Association of Regulators for Information and Communications for Eastern and Southern Africa (ARICEA), is working towards the development of a modern and dynamic information and communications technologies (ICT) sector that will contribute to strengthening economic development and improving standards of living, along with supporting social development, alleviating poverty, and enhancing the quality of life.</p> <p>1.2 The COMESA ICT Policy and Model Bill (as approved in March 2003, Khartoum, Sudan) provides the basis for the harmonisation of policy across the broad ICT sector in order to lay the foundation for integrated ICT development across the region and to provide for reliable, effective, adequate and sustainable ICT infrastructure and services oriented to meeting the developmental needs of the region.</p> <p>1.3 The main objectives of the COMESA ICT Policy are to create conditions for:</p>

<p>recruitment, employment, training, and advancement of women and men are undertaken on a fair and equitable basis.</p> <p>2. To support the implementation of the policy adopted, a set of regulatory rules/guidelines were developed in areas of</p> <ul style="list-style-type: none"> <li>• Licensing,</li> <li>• Interconnection,</li> <li>• Competition,</li> <li>• Pricing, and</li> <li>• Universal Access/Service.</li> </ul> <p>3. The development of such guidelines continues according to the requirement of the ICT industry. One of those requirements is the protection of consumers against any form of abuse. Although the ICT market liberalization has expanded the customer choice base, it will bring more benefit if consumers are empowered to make informed choices. In addition, necessary steps should be taken at policy and regulatory levels to ensure that they are protected from market abuses and unfair trade practices. Toward that end, an effort was initiated to identify a core set of consumer protection measures, through the establishment of a Code of Conduct or a Consumer Bill of Rights, and to develop a set of proposed regional guidelines that, when implemented, would result in greater consumer involvement, empowerment and confidence.</p>	<ul style="list-style-type: none"> <li>• Ensuring affordable, efficient and high quality ICT services;</li> <li>• Building a competitive market-driven ICT sector;</li> <li>• Promoting sustainable ICT development and a dynamic ICT business environment;</li> <li>• Creating partnerships (including sub-regional ones) between public and private sectors;</li> <li>• Providing a stable, independent and responsive regulatory environment; and</li> <li>• Establishing human resource development policies that treat both women and men fairly and equitably.</li> </ul> <p>1.4 To support the implementation of the COMESA ICT Policy and Model Bill, a set of regulatory guidelines were developed in the areas of:</p> <ul style="list-style-type: none"> <li>• Licensing;</li> <li>• Interconnection;</li> <li>• Competition;</li> <li>• Pricing;</li> <li>• Universal Access/Service</li> <li>• Consumer Protection.</li> </ul> <p>1.5 Technological developments, including the introduction of new services and the advent of convergence, along with ongoing sector liberalisation and improved regulatory practice, require that the 2004 COMESA / ARICEA Policy Guidelines on Consumer Protection be updated to strengthen further the protection and empowerment of the consumers of ICT goods and services.</p> <p>1.6 These updated COMESA / ARICEA Policy Guidelines on Consumer Protection (hereinafter referred to as the 'Guidelines') are intended to increase further the level of policy co-ordination , regulatory harmonisation, regulatory certainty and good governance across the member states of</p>
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	<p>COMESA.</p> <p>1.7 The purpose of these Guidelines is to assist and guide Member States in their efforts to update their own national policy guidelines on consumer protection in line with developing global best practice, and to support the ongoing implementation of interventions to protect and empower ICT consumers in their respective jurisdictions.</p>
<p><b>PROBLEMS AND OBJECTIVES</b></p>	<p><b>2 OBJECTIVES, PRINCIPLES AND SCOPE OF ICT CONSUMER PROTECTION POLICY</b></p>
<p>4. For consumers to be truly effective and demanding in their selection and use of ICT services, they should have information or be educated in order to acquire the skills, attitudes, knowledge and understanding necessary for becoming an effective consumer. Consumer information education goes beyond pure economic transactions and encourages the exploration of the political dimension of consuming, examining the way consumer issues touch upon social, environmental, political, local, national and global concerns. In fact, ICT is affecting how we work, bank, shop, seek medical care, spend our leisure time; it may eventually dictate how we vote.</p> <p>5. regard to the market structure, there are a lot of competing and complementary and cost effective choices that are not always easy to make. At the same time, choices are possible for only those who have access to various services offered. For example, there is a developing trend of promoting or advertising some goods, services and even job opportunities on Internet. Only those who have access to Internet can access them. Access to affordable and reliable ICT services has become a necessity if the public is to participate in the modern information society.</p> <p>As a consequence, disadvantaged consumers who cannot access ICT services face further marginalisation.</p>	<p>2.1 These Guidelines seek to provide an overarching set of principles, rights and best practice implementation guidelines that are applicable to all consumers of ICT goods and services across all COMESA member states.</p> <p>2.2 The scope of application of these Guidelines embraces the full range of ICT goods and services as defined from time to time, including but not limited to telecommunications, broadcasting and postal services; broadband and the Internet, and end-user terminal devices and equipment.</p> <p>2.3 These Guidelines seek to ensure that ICT consumers are adequately protected against practices that are detrimental to their rights as consumers of ICT goods and services.</p> <p>2.4 These Guidelines further seek to ensure that ICT consumers are empowered through access to the necessary information to make informed choices and in order effectively to exercise their rights.</p> <p>2.3 These Guidelines seek to ensure that the fundamental rights of the consumers of ICT goods and services are enshrined in an enforceable Consumer Bill of Rights.</p> <p>2.4 These Guidelines recognise the respective roles of policy, national legislation and of both competition and sector-specific regulation in</p>

<p>6. Traditional regulation basic role was to contain the potential abuse of market power by the incumbent operator. In general, the market power abuses can be seen through the following elements:</p> <ul style="list-style-type: none"> <li>(a) high prices,</li> <li>(b) insufficient supply,</li> <li>(c) poor service quality and reliability,</li> <li>(d) slow repairs,</li> <li>(e) slow introduction of new services,</li> <li>(f) inaccurate and incontestable bills,</li> <li>(g) corrupt practices in allocating scarce services, and</li> <li>(h) new service provider barriers.</li> </ul> <p>7. In markets with multiple providers that are more characterized by competition, internal market failures such as unfair trade practices meet the appropriate response through the conditions attached to the license or in some regulations meant to protect the consumers and new entrants. The traditional ratemaking mechanisms are improved by complaint handling, enforcement and consumer education programmes. The overall objective is to empower the consumers and provide them with the capacity of making decisions and to protect themselves against unfair practices. Consumers need to have access to relevant information so that they can know how ICT service providers and regulators make decisions that affect them, acquire ability to make informed choices about the services they use and exercise their consumer rights.</p> <p>8. Experience elsewhere around the world and in the COMESA region consistently points to a common set of consumer problems and objectives, including:</p> <ul style="list-style-type: none"> <li>(a) protection of health and safety,</li> <li>(b) access to adequate information to empower consumers to make informed choices and to understand and dispute if necessary billed charges and services,</li> <li>(c) availability of effective consumer redress through private/public sector</li> </ul>	<p>protecting and empowering ICT consumers.</p> <p>2.5 These Guidelines recognise that certain rights, guidelines and interventions are applicable to consumers across the board, but notes that a number of interventions specific to the ICT sector may be required.</p> <p>2.6 These Guidelines recognise that the effective protection of ICT consumers is dependent upon integrated national ICT policy, legislation and regulation, upon good governance practices, upon ongoing ICT sector reform and liberalisation, and upon coherent and effective regulation across an increasingly convergent and integrated ICT sector.</p>
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<p>complaint processes and aggressive enforcement of consumer protections, and (d) ability to participate in public policy debates.</p> <p>9. The following establishes a set of governing principles, called a Consumer Bill of Rights, and a series of implementing guidelines meant to aid regional regulatory authorities to provide effective consumer protection. There has been no attempt to establish proscriptive standards of form or content, above minimum information needs that would limit the ability of service providers to cost-effectively implement the principles.</p>	
<p><b>CONSUMER BILL OF RIGHTS</b></p>	<p><b>3 CONSUMER BILL OF RIGHTS</b></p>
<p>10. The consumer interest in ICT relies on universal and affordable access to ICT services, better information and an independent consumer advocacy body. In order to create favourable conditions to protect and safeguard consumers’ interests, ARICEA members adopted the following basic consumer rights that shall be respected by the service providers and government institutions charged with their enforcement:</p> <p><b>3.1 Disclosure</b> – Consumers have a right to receive clear, conspicuous, and complete information about rates, terms and conditions for available and proposed products and services, and to be charged only for those rates and under the terms and conditions that have been approved or they have agreed to.</p> <p><b>3.2 Choice</b> – Consumers have a right, when available, to affirmatively select their service providers. In addition, consumers have a right to receive competent professional services, and verify the credentials of licensed professionals and to know the names and titles of licensed professionals who provide service. Consumers should have a right to receive any service offered.</p> <p><b>3.3 Privacy</b> – Consumers have a right to lawful personal privacy and should</p>	<p>3.1 In order to protect and safeguard the interests of consumers of ICT goods and services, and to empower such consumers to exercise their rights, the member regulators of ARICEA adopt the following fundamental Consumer Bill of Rights as underpinning consumer protection interventions by policy-makers, legislators and regulators.</p> <p>3.2 The principles set out in this Consumer Bill of Rights are expanded and translated into best practice implementation interventions in the Consumer Protection Guidelines below.</p> <p>3.3 All consumers of ICT goods and services enjoy the following fundamental rights:</p> <p>3.3.1 <b>Legal Basis for Protection</b> – Every consumer has the right to protection enshrined in national law which sets out the basis, requirements and parameters for consumer protection in respect of all relevant ICT services;</p> <p>3.3.2 <b>Responsive Institutional Framework</b> – Every consumer has the right to an appropriate institutional structure and framework of competencies that ensures both protection and empowerment, that is responsive to consumer needs and is proactive in intervening to protect them;</p>

be protected against unauthorized use of their personal information.

**3.4 High Quality, Reliable Service** – Consumers have a right to high quality, reliable service from both service providers and regulators reflected through Key Performance Indicators developed to meet identified needs.

**3.5 Accurate Bills and Redress** – Consumers have a right to accurate and understandable bills for products and services they authorized, and to fair prompt redress for problems that may arise.

**3.6 Market Abuse** – Consumers have a right to be protected from market abuses such as unfair trade practices, including false and misleading advertising and anti-competitive behaviour.

**3.7 Responsive Regulatory Authority** – Consumers have a right to a responsive regulatory authority that is proactively looking out for their interests and takes into account the needs and values of consumers. In this respect, consumers should have a right of filing a complaint with the regulatory authority about any service provider or its licensed professional.

**3.8 Non-Discrimination:** Every consumer has the right to be treated equally to all other similarly situated consumers, free of prejudice or disadvantage.

**3.9 Safety:** Consumers have a right to safety and security of their persons and property.

**3.10 Consumers advocacy groups** - Consumers have a right to seek support from the contact local, state and national consumer advocacy groups with grievances that are not being adequately resolved by their service providers or the regulatory authority.

**3.11 Dispute resolution and redress** - Consumers should be provided meaningful access to fair and timely alternative dispute resolution and

**3.3.3 Freedom of Choice** – Every consumer has the right to select freely from a range of quality products, services and service providers, at competitive prices in a liberalised market, and to have those choices respected and protected;

**3.3.4 Transparency and Disclosure** – Every consumer has the right to receive clear, transparent and complete information about rates, terms and conditions for all products and services, and for such information to be plainly conveyed in a choice of official languages;

**3.3.5 High Quality of Service** – Every consumer has the right to receive high quality, reliable products and services that meet appropriate, clearly defined, publicly available and regularly monitored quality of service benchmarks and standards;

**3.3.6 Accurate and Comprehensible Billing** – Every consumer has the right to receive accurate, understandable and itemised billing for all products and services that have been agreed to;

**3.3.7 Channels for Redress** – Every consumer has the right of access to readily available channels of complaint that are inexpensive and easy to use, that provide timely, effective and fair redress, and that include clear escalation procedures, with the regulatory authority as final arbiter;

**3.3.8 Non-Discrimination** – Every consumer has the right to be treated without prejudice or disadvantage, equally with all other similarly situated consumers, to enjoy products and services fairly and widely accessible to all, with particular protections for disadvantaged and vulnerable consumers;

**3.3.9 Fair and Responsible Marketing** – Every consumer has the right to fair and responsible marketing from service providers, and to protection against advertising that is misleading or false or based on claims that cannot

<p>redress without undue cost or burden.</p> <p><b>3.12 Public Participation and Enforcement:</b> Consumers have a right to participate in public policy proceedings, to be informed of their rights and what agencies enforce those rights, and to have effective recourse if their rights are violated.</p> <p><b>3.13. Fairness:</b> Consumers should expect a fair deal from their service provider, with reasonable rates that fairly reflect the costs of the services rendered.</p>	<p>be substantiated, and from unfair bundling of services and unreasonable contracts;</p> <p>3.3.10 <b>Fair and Reasonable Treatment</b> – Every consumer has the right to fair treatment from service providers, to balanced terms and conditions, to reasonable pricing that reflects fair value, and to protection from market abuses such as unfair trade practices and anti-competitive behaviour;</p> <p>3.3.11 <b>Personal Privacy and Security</b> – Every consumer has the right to lawful personal privacy and security of private data, and should be protected against unauthorised use of personal information;</p> <p>3.3.12 <b>Health and Safety</b> – Every consumer has the right to receive products and services that adequately meet appropriate and properly defined standards of health and safety;</p> <p>3.3.13 <b>Representation and Voice</b> – Every consumer has the right to make his or her voice heard, including through the right to form consumer advocacy groups, through public participation in periodic review of consumer protection parameters, and through input into proceedings and decisions that affect their rights as consumers;</p> <p>3.3.14 <b>Access to Information</b> – Every consumer has the right to be informed about his or her consumer rights as set out in this Consumer Bill of Rights, and has the right of reasonable access to all relevant information that will enable the exercise of the rights set out herein.</p>
<p><b>4 CONSUMER PROTECTION GUIDELINES</b></p>	
<p>11. The ICT services —telecommunications, broadcasting, internet, data, information technology and postal services — play a pivotal role in the consumers' everyday lives. They bring a number of benefits to consumers, but when accompanied by certain malpractices, they can also induce pitfalls. The following guidelines have therefore, been developed to assist in handling consumers' protection issues.</p>	<p>4.1 The rapidly developing and increasingly converged range of ICT goods and services (embracing telecommunications, broadcasting, Internet, broadband, data, information technology and postal services) bring key social and economic benefits to consumers. The Consumer Protection Guidelines set out below have been developed to assist policy-makers and regulators in the concrete and practical implementation of interventions to</p>

	ensure that the objectives of the Consumer Bill of Rights can be met.
	<b>5 LEGAL BASIS FOR PROTECTION</b>
	<p>5.1 There is a clear legal mandate enshrined and enacted in the law to support and address the protection and empowerment of ICT consumers.</p> <p>5.2 The legal mandate may include provisions applicable to all consumers enshrined in general legislation, along with provisions specific to ICT consumers and enshrined in sector-specific legislation.</p> <p>5.3 The legal mandate includes the legislative foundation for the establishment of the institutional structures necessary for the effective protection and empowerment of ICT consumers.</p> <p>5.5 Consumer protection provisions are required by the law, specified by regulation or in service provider licences, binding on all licensees, and well publicised to all consumers, including by being made available on the Internet.</p> <p>5.5 Consumer protection requirements exist in respect of all relevant services, including at least: fixed and mobile telephony, Internet and broadband services, broadcasting and postal services.</p> <p>5.6 The legal mandate for consumer protection and empowerment is developed through an inclusive public process that involves consultation with relevant stakeholders.</p> <p>5.7 The principles of good governance are explicitly provided for in the law, including autonomy of the authorities responsible for consumer protection and empowerment, transparency of processes and procedures, consultation with stakeholders, and periodic review of the basis, requirements and parameters for consumer protection and empowerment.</p> <p>5.8 The legal mandate for consumer protection and empowerment ensures</p>

	<p>co-ordination of policies at national level between government departments and regulatory authorities, including in respect of Universal Access and Service (UAS), Quality of Service (QoS), education, gender, national poverty reduction strategies, millennium development goals (MDGs) and cyber strategies.</p> <p>5.9 The legal mandate and institutional framework for consumer protection and empowerment caters for ongoing convergence of ICT goods and services, including the Internet, broadband, broadcasting and postal services, in addition to fixed and mobile voice services.</p>
<b>RESPONSIVE REGULATORY AUTHORITY</b>	<b>6 RESPONSIVE INSTITUTIONAL FRAMEWORK</b>
<p>4.10 Responsive Regulatory Authority Consumer protection – defining consumer rights, drafting appropriate legislation, education and communication programmes</p> <p>4.10.1 The regulatory authority should establish and publish clear, measurable, enforceable expectations and rules of behaviour for the industry.</p> <p>4.10.2 The regulatory authority should establish and publicize clear, measurable, enforceable expectations and rules of behaviour for licensed service providers.</p> <p>4.10.3 The regulatory authority should establish specific, measurable, attainable, relevant and time-bound KPIs for both the sector and individual service providers, up to and including a Consumer Satisfaction Index.</p> <p>4.10.4 The regulatory authority should objectively monitor sector performance including consumer satisfaction surveys and report their findings on a yearly basis.</p> <p>4.10.5 The regulatory authority shall create a consumer outreach program capable of educating and empowering consumers about their rights, responsibilities and opportunities.</p> <p>4.10.6 The regulatory authority should monitor sector behaviour and develop an enforcement system capable of responding quickly and effectively to market abuses.</p> <p>4.10.7 The regulatory authority should ensure creation of emergency service</p>	<p>6.1 The law identifies the regulator or a designated agency as responsible for the implementation of policy, regulation and other measures designed to ensure consumer protection and promote consumer empowerment, and clearly defines its mandate, authority and competencies.</p> <p>6.2 Where the responsible agency has co-jurisdiction with other institutions or is required to work in collaboration with them, the parameters governing that interaction are clearly defined in the law.</p> <p>6.3 Consumer protection parameters and requirements are periodically reviewed and updated through a process of public and stakeholder consultation.</p> <p>6.4 The responsible agency establishes a clear, measurable and publicly available rules framework through the promulgation of consumer protection and quality of service regulations, the imposition of mandatory Codes of Conduct or Practice upon licensees, the undertaking of monitoring and enforcement with respect to compliance, and ensuring the publication of all such measures.</p> <p>6.5 The responsible agency monitors consumer views and issues on an ongoing basis through undertaking consumer surveys, establishing a</p>

<p>procedures by which any member of the public may, at any time and without incurring any charge, communicate as swiftly as practicable by means of live voice with any emergency organization for the purpose of notifying it of any emergency.</p> <p>4.11.8 The regulatory authority should develop a Consumer Care System capable of responding to consumer inquiries and complaints quickly and objectively. The system shall include a list of complaint handling procedures addressing:</p> <ul style="list-style-type: none"> <li>(a) Input, routing and responsibilities for resolving each complaint;</li> <li>(b) Time requirements established for responding to consumers;</li> <li>(c) Remedies available for each type of validated complaint;</li> <li>(d) Communication requirements for responding to consumers; and</li> <li>(e) Data gathering methodology used to evaluate service provider and industry performance, impact analysis procedures used to identify system solutions, and reporting procedures used to publicize results.</li> </ul> <p>4.10.9 The regulatory authority should, on a yearly basis, develop and publicly issue a work plan.</p> <ul style="list-style-type: none"> <li>(a) explaining program objectives;</li> <li>(b) estimating inputs in terms of cases processed, policies addressed, complaints and investigations initiated;</li> <li>(c) quantifying resources available for each program objective;</li> <li>(d) estimating outputs in relation to the KPIs adopted for the authority</li> </ul> <p>4.10.10 The regulatory authority should develop on a yearly basis, a Human Capacity Building Needs Assessment and Improvement Plan, identifying the knowledge, skills and abilities needed to carry out the authority’s mission, an evaluation of authority performance in relation to its adopted KPIs, and an evaluation of authority resources available to meet any deficiencies identified.</p>	<p>Consumer Satisfaction Index, creating channels and forums for consumer feedback, requiring licensees to provide information about complaints received, and reporting to the public at least on an annual basis.</p> <p>6.6 The responsible agency ensures that its own performance in respect of consumer protection is regularly and objectively assessed, including but not limited to: level of public satisfaction with the consumer protection regulatory interventions, consumer access to information, responsiveness to consumer complaints, and public access to regulatory decision-making processes.</p> <p>6.7 The responsible agency not only intervenes on behalf of consumers in respect of existing consumer concerns and issues as they arise, but also actively anticipates issues that may arise with changes in products and services.</p> <p>6.8 The responsible agency assesses and evaluates the cost and effectiveness of its different consumer protection interventions on an ongoing basis.</p>
<p><b>CONSUMER CHOICE</b></p>	<p><b>7 FREEDOM OF CHOICE</b></p>
<p>4.2 Consumer Choice</p> <p>14. Consumers shall have the right to select their providers and services, where multiple options exist. A change in service providers or services rendered shall be acknowledged on the bill and be verifiable by affirmative</p>	<p>7.1 The market is liberalised, allowing suppliers to compete freely and fairly in offering ICT goods and services.</p> <p>7.2 Consumers have the right to select their providers and services, on the</p>

<p>evidence from the consumer. A telecommunications company shall notify the consumer in writing of the following:</p> <ul style="list-style-type: none"> <li>(a) Date of consent and verification of authorization;</li> <li>(b) Name and telephone number of consumer or subscriber;</li> <li>(c) Explanation of each product or service ordered;</li> <li>(d) Explanation of all applicable rates as consented to by the consumer, with specification of any additional fees and charges that apply;</li> <li>(e) Explanation of how to dispute charges and how to cancel a product or service;</li> <li>(f) A toll-free number or numbers by which consumers may inquire or complain;</li> <li>(g) Description of how the charge will appear on the consumer's bill;</li> <li>(h) Information on whom to call and a working toll-free telephone number for consumer inquiries.</li> </ul>	<p>basis that multiple options exist, and are protected against conditional selling, unreasonably bundled sales and unsolicited goods and services.</p> <p>7.3 Consumers are protected against unreasonably long-term contracts, and cancellations and renewals are governed by fair terms and conditions.</p> <p>7.4 Any changes in respect of service providers or services rendered are acknowledged in writing, are verifiable by the consumer, and specify all relevant details including rates, charges and billing, dates, contact details of the parties, and channels for enquiries and complaints.</p>
<p><b>DISCLOSURE</b></p>	<p><b>8 TRANSPARENCY AND DISCLOSURE</b></p>
	<p>8.1 Clear information specifying the nature of the goods or services to be supplied, along with all applicable rates, fees and charges, is available to customers on an itemised and unbundled basis, both in advance at the point of sale, and on request.</p> <p>8.2 Customers are advised of the terms and conditions under which the licensee will make redress for any failure of service, along with procedures and channels for customers to raise queries and lodge complaints, and a timeframe for redress.</p> <p>8.3 Licensees are required to provide all information for customers in plain and clearly-expressed language, devoid of technical terms or jargon the consumer is unlikely to be familiar with, and in the preferred official language of the consumer.</p> <p>8.4 The rights and responsibilities of the consumer are spelt out in a clear statement by the licensee.</p>

<b>RELIABLE HIGH QUALITY SERVICE</b>	<b>9 HIGH QUALITY OF SERVICE</b>
<p>4.4 Reliable, High Quality Service</p> <p>16. The level of service access, quality and reliability for both industry and regulators should be measured by a series of adopted Key Performance Indicators (KPIs) that measure the:</p> <ul style="list-style-type: none"> <li>(a) Performance of the telecommunications sector in general;</li> <li>(b) Service quality provided to consumers by service providers;</li> <li>(c) Effectiveness and timeliness of complaint processes;</li> <li>(d) Performance of the regulator in responding to industry and consumer needs; and</li> <li>(e) Level of consumer satisfaction with both the service providers and regulatory authority.</li> </ul> <p>17. Specific consumer-focused KPIs are usually elements in the providers' individual obligations to consumers contained in license agreements and include:</p> <ol style="list-style-type: none"> <li>1) Speed of provision of service</li> <li>2) Number of trouble lines or faults</li> <li>3) Length of time to restore service</li> <li>4) Serviceability of public telephones</li> <li>5) Accuracy, timeliness and clarity of bills</li> <li>6) Inquiry and complaint handling processes</li> <li>7) Consumer satisfaction</li> </ol> <p>18. Key Performance Indicators developed to measure regulatory agency effectiveness, beyond those that measure sector performance and policy effectiveness, shall include:</p> <ul style="list-style-type: none"> <li>(a) Consumer access to policy making processes;</li> <li>(b) Consumer access to information and responsiveness to consumer complaints;</li> <li>(c) Processing time for authority decisions, routine and major issue requests; and</li> <li>(d) Consumer satisfaction</li> </ul> <p>19. Key Performance Indicators developed to assess consumer-related performance shall be:</p>	<p>9.1 Minimum quality of service (QoS) standards are legally binding and apply to all classes of licensees, being specified either in the licence or by regulation or both.</p> <p>9.2 QoS standards are clearly specified and benchmarked in accordance with international norms as defined by the ITU from time to time. QoS standards contain both objective and subjective components, including those related to supply of service, network and service availability, faults and repairs, service quality, customer experience assessment, provision of designated universal service obligation (USO) services including free emergency calls, billing, and level of customer complaints and redress.</p> <p>9.3 QoS standards exist in respect of and are appropriate to all relevant classes of service, including at least: voice telephony (fixed and mobile), Internet, data and broadband services, and broadcasting and postal services.</p> <p>9.4 QoS standards apply equally to all licensees falling within a particular class of service, with any variation in QoS standards clearly based on objective criteria.</p> <p>9.5 Licensee compliance with QoS standards is regularly and objectively assessed, disaggregated and analysed, and the results made publicly available, preferably on the website of the regulator.</p> <p>9.6 QoS standards, components, parameters and benchmarks are periodically reviewed and updated through a process of public, stakeholder consultation.</p> <p>9.7 Clear, objectively defined and proportionate enforcement mechanisms are in place, should a licensee fail to meet required QoS standards, along with appropriate escalation procedures and dispute resolution mechanisms.</p>

<ul style="list-style-type: none"> <li>• Specific</li> <li>• Measurable</li> <li>• Attainable</li> <li>• Relevant</li> <li>• Time-bound</li> </ul>	
<b>ACCURATE BILLS AND REDRESS</b>	<b>10 ACCURATE AND COMPREHENSIBLE BILLING</b>
<p>4.1.2 Billing</p> <p>13. Bills shall be clearly organized and all charges shall be accompanied by a brief, clear, non-misleading description of the services rendered sufficient for consumers to assess that the services and charges billed correspond to those they have requested and received. Bills shall in addition, include the following minimum information:</p> <ul style="list-style-type: none"> <li>(a) Name of service provider associated with each charge;</li> <li>(b) Billing period covered by bill;</li> <li>(c) Any change in service provider;</li> <li>(d) Disclosure of any rate or service change, including those implemented within the next billing cycle;</li> <li>(e) A listing of the statement or payment due date;</li> <li>(f) Amount of charges debited to each billed account from the previous cycle;</li> <li>(g) Amount of payments made to each billed account segregated from late payments;</li> <li>(h) Terms for late payment fees and termination of service;</li> <li>(i) Service provider toll free number or numbers by which consumers may inquire or dispute charges contained on the bill and the methodology used to quantify charges;</li> <li>(j) Toll free number of the telecommunications regulatory authority;</li> <li>(k) where consumers may make inquiries or file complaints; and</li> <li>(l) Rental charges</li> </ul> <p>4.5.1 Bills issued for services rendered shall include:</p> <ul style="list-style-type: none"> <li>(a) Brief, clear, understandable description of the services rendered;</li> </ul>	<p>10.1 The basis for customer billing is clearly spelt out both in advance at the point of sale, and on an ongoing basis either through a bill received by post-paid customers or through clear information provided for pre-paid customers at the point of sale or on request.</p> <p>10.2 Licensees are required to provide customers with detailed and itemised billing information that provides a clear, unbundled breakdown and attribution of all fees, rates and charges in respect of the contracted products and services.</p> <p>10.3 The procedure for querying or disputing bills is clearly specified in a clear statement on the bill, along with a phone number via which queries can be made to the licensee, timeframes for redress and information on how the complaint can be escalated if not resolved.</p> <p>10.4 Consumers are entitled to claim reimbursement in cases where charges can be shown to be erroneous.</p> <p>10.5 Bills are issued in local currency applicable in the respective territory.</p>

<p>(b) Verifiable charges in a format that can be easily compared;</p> <p>(c) Those charges that fail to pay will result in termination of service;</p> <p>(d) Sufficient information to enable consumers to understand the nature of services for which they are being billed, and to provide tools to either confirm or challenge charges or services, and</p> <p>(e) A consumer-care process to answer inquiries or to challenge unauthorized services.</p> <p>4.5.2 Each bill shall include the elements of the consumer-care process, including:</p> <p>(a) Toll-free telephone number to access a service provider’s consumer service during normal business hours;</p> <p>(b) Written and verbal inquiry and complaint procedures that consumers must follow in communicating with service providers;</p> <p>(c) Toll-free telephone number and address of the regulatory authority’s complain handling contact.</p> <p>4.5.6 Consumers shall be entitled to claim reimbursement in cases where they can prove overcharging occurred.</p> <p>4.5.7 Bills shall be issued in local currency applicable in the respective territory.</p> <p>4.5.8 Disclosure of information in bills for post-paid services should apply in pre-paid services as well (where the consumer requires such information).</p>	
<p><b>ACCURATE BILLS AND REDRESS</b></p>	<p><b>11 CHANNELS FOR REDRESS</b></p>
<p>4.5 Accurate Bills and Redress</p> <p>4.5.3 Complaints to a service provider will be resolved within -10 working days of receipt in writing. Those not resolved within that timeframe shall be referred to the regulatory authority in writing for consideration.</p> <p>4.5.4 Complaints filed with the regulatory authority shall be resolved within 20 working days of filing. Diversion from this guideline shall be accompanied by a written explanation to the complainant.</p> <p>4.5.5 There shall be an escalation process developed sufficient to address complaints not resolved by the service provider.</p>	<p>11.1 Channels for customer complaints are clearly specified and rest with the licensee in the first instance. They must also include escalation procedures, with the regulator as referee of last resort.</p> <p>11.2 Licensees are required to inform their customers both at the point of sale and on an ongoing basis of channels for complaints and escalation procedures.</p> <p>11.3 The parameters for customer complaints, including complaints logging</p>

	<p>channels and procedures, the categorisation of complaints, and response and resolution timeframes, are specified by regulation and apply to all licensees.</p> <p>11.4 Licensees are required to report to the regulator, at least on an annual basis, information and statistics related to all complaints received from customers.</p> <p>11.5 Channels for customer complaints take into account the official language preference of the complainant, and include measures to facilitate complaints from disadvantaged customers such as the illiterate and the disabled.</p> <p>11.6 Information about customer complaints, including, but not limited to, numbers of complaints and their breakdown by category, status and operator, is regularly made publicly available, preferably on the website of the regulator.</p> <p>11.7 Findings in respect of complaints that have been escalated to the regulator are publicly made available, preferably on the website of the regulator.</p>
	<b>12 NON-DISCRIMINATION</b>
	<p>12.1 Licensees are required to treat all similarly situated consumers equally, and are prohibited from discriminating unfairly against consumers on the basis of race or ethnicity, age, gender, language or disability.</p> <p>12.2 Licensees are required to make suitable provisions for assisting illiterate consumers.</p> <p>12.3 There is a binding code of conduct in place in respect of consumers with disabilities, applicable to all licensees.</p>
<b>SOLICITATIONS</b>	<b>13 FAIR AND RESPONSIBLE MARKETING</b>
4.1.1 Solicitations	13.1 Advertising and other forms of solicitation directed at consumers is

<p>12. Solicitations, including advertising, shall include clear, conspicuous and accurate disclosure of applicable rates, terms and conditions for each service offered in the solicitation. Solicitations shall be truthful and not misleading. A misleading advertisement is one that contains an omission or misrepresentation likely to mislead consumers about facts important to a consumer’s decision to buy or use a product or service. At the point of sale, service providers shall make every reasonable attempt to provide consumers with at least the following information for each rate plan offered, where applicable:</p> <ul style="list-style-type: none"> <li>(a) name of the service provider</li> <li>(b) toll free consumer service number</li> <li>(c) activation fee or initiation fee, including deposit requirements</li> <li>(d) details of the structure of the rate/tariffs applied</li> <li>(e) monthly access fees or base charges</li> <li>(f) any additional or different prices, rates or unit values applicable, including additional taxes or fees</li> </ul>	<p>required to adhere to a clearly defined code of conduct setting out the requirements for fair and responsible marketing.</p> <p>13.2 Advertising may not to contain misleading statements, omissions or misrepresentations based on claims that cannot be substantiated, and may not be likely to mislead consumers about information on which they might base a decision to buy or use a product or service.</p> <p>13.3 Service providers are required to include clear, conspicuous and accurate disclosure of applicable rates, fees and taxes, terms and conditions for each service offered, both in advertising and at the point of sale, and on request.</p> <p>13.4 Consumers are protected against conditional selling of bundled services, or against being required to enter into contracts that are unreasonable or unduly long, or that contain terms and conditions that are unfair or disadvantageous to them.</p>
<p><b>MARKET ABUSE</b></p>	<p><b>14 FAIR AND REASONABLE TREATMENT</b></p>
<p>4.6 Market Abuse</p> <p>20. Every regulatory authority shall institute a process of defining, identifying and responding to allegations of market abuse practices levied against service providers. Market abuses shall mean and include any unlawful, unfair or fraudulent business act or practice and unfair, deceptive, untrue and misleading advertising. Such processes may include cooperative formal or informal agreements with other government agencies that may have joined or exclusive jurisdiction to enforce statutes relating to:</p> <ul style="list-style-type: none"> <li>(a) Unfair business practices</li> <li>(b) False and misleading advertising</li> <li>(c) Anti-competitive behaviour</li> </ul>	<p>14.1 The regulator has established a clear set of definitions of what constitutes market abuse, including any anti-competitive, unlawful, unfair or fraudulent business act or practice, and unfair, deceptive, untrue and misleading marketing, as well as instances where consumers are unable to get services or products or get them at the right price because of an operator having dominant market power.</p> <p>14.2 Clear processes and procedures are in place for allegations of market abuse practices to be lodged against licensees, to be investigated and resolved, and for proportionate penalties to be levied.</p> <p>14.3 The regulator monitors sector behaviour on an ongoing basis and responds proactively and effectively to market abuses.</p>
<p><b>PRIVACY / CONSUMER’S DATA PROTECTION</b></p>	<p><b>15 PERSONAL PRIVACY AND SECURITY</b></p>

#### 4.2 Privacy

15. Consumers shall have a reasonable expectation of privacy regarding their personal information and calling patterns. Service providers may use and disclose confidential consumer or subscriber information only for the purposes for which it was collected, except by written consent of the consumer or as expressly permitted by national law. Confidential consumer information is defined as non-public information specific to a consumer or subscriber that is collected or developed by a service provider solely by virtue of the service provider-consumer relationship. It includes:

- (a) information about a subscriber (such as national identification number, credit and other personal financial information) collected directly from the subscriber or from another source, such as an organization that provides individual credit history information;
- (b) information derived by the service provider from the provision of service to a subscriber (such as the subscriber's calling patterns, type, destination, and amount of use, services subscribed to, and information contained in telephone bills; and
- (c) a consumer's name, telephone number and address if a subscriber has requested that such information be withheld from a printed or electronic directory.

#### 4.8 Consumer's Data Protection

25. In people's everyday lives, consumers are always required to provide personal information when dealing with service providers, public services, social service institutions, or more generally, while doing any formal transaction to acquire goods or services. All these organisations with which consumers deal have a lot of information about them, but this may not be in their interest if some safeguard measures are not established and enforced.

26. The information obtained from consumers can be easily shared with other companies or services, and this can have many potential benefits for consumers. However, it is important that consumers' privacy is protected, and that their personal information is not misused.

27. The operators/services were required to provide personal information

15.1 The privacy of the personal information of customers, and information about their calls, calling patterns and other forms of electronic communications is protected by regulation permitting licensees only to use and disclose confidential consumer or subscriber information for the purposes for which it was collected, except by written consent of the consumer or as expressly permitted by national law.

15.2 Where national law provides for access to confidential consumer information or surveillance of their communications, the circumstances under which this is lawful are precisely and carefully defined and subject to the appropriate judicial process such as obtaining a warrant or court order.

15.3 Consumers are expressly protected against disclosure of their contact details such as telephone numbers and e-mail addresses to third parties without express consent to do so. This includes the right to have such details withheld from a printed or electronic directory.

15.4 Licensees are required by regulation not to store information about customers for longer than a reasonable period, to undertake reasonable steps to ensure the accuracy of all such information and to secure it against accidental loss, misuse, unlawful access or unauthorised disclosure to third parties.

15.5 An appropriate legal and regulatory environment is established to ensure the protection of consumers in respect of online transactions such as electronic commerce and electronic access to government services. This includes measures to ensure authentication of parties, to protect consumers against unauthorised access to their finances or to their personal information.

15.6 Consumers are protected by regulation or code of conduct against unsolicited communications such as spam e-mails and unsolicited postal advertising, and have the right to register their preference to opt out of such

<p>for any transaction to facilitate the establishment of information society. Any entity involved in collecting and using personal data has to ensure the confidentiality of personal data and information.</p> <p>28. The following are the basic principles for consumers' data protection.</p> <p>29. Data controllers make decisions about what data is held, how and why it is held and who has access to it. Those who act on behalf of data controllers are called data processors. Data controllers and data processors can be an individual, a group of individuals or organisation depending on its size. The principles also define the rights of people who own the information about themselves — data subjects.</p> <p>30. The principles dictate that:</p> <p>(a) Consumers' data should be processed fairly and lawfully, and usually only with the subject's consent. Consent should be given freely if pertinent information is insufficient and not while under duress ;</p> <p>(b) Consumers' data should only be processed for specified and lawful purposes</p> <p>(c) Consumers' data should not be excessive to the purpose(s) for which it is processed;</p> <p>(d) Consumers 'data should be accurate and kept up to date;</p> <p>(e) Consumers 'data should not be kept longer than the purpose requires;</p> <p>(f) Consumers 'rights should be protected with regard to personal data</p> <p>(g) Consumers 'data should be safeguarded against misuse or accidental loss;</p> <p>(h) Consumers 'data must not be transferred to any outsider without the assurance of adequate protection.</p>	<p>forms of communication.</p>
	<p><b>16 HEALTH AND SAFETY</b></p>
	<p>16.1 Regulations are in place specifying safety standards for products and services, and setting out procedures for dealing with defects and hazards.</p> <p>16.2 Type-approval licensing is in place for terminal equipment such as handsets and other end-user devices.</p> <p>16.3 A national toll-free number is specified via which telephony service</p>

	providers are required to allow consumers to contact the emergency services 24 hours a day, seven days a week in case of an emergency.
<b>CONSUMER ASSOCIATIONS</b>	<b>17 REPRESENTATION AND VOICE</b>
<p>5. Support for Consumers Associations</p> <p>35. There are several types of bodies or associations that have engaged in defending consumers' rights and interests. But most of the time, these bodies are confronted with a lack of sufficient capacity to understand properly all the underlying issues evolving around the relations between consumers and service providers. In addition, these bodies lack funds required to implement all the activities and programmes associated with consumers' interests.</p> <p>36. Therefore, it is necessary to develop and establish mechanisms which could address the problem of funding faced by consumers bodies. The establishment of a Consumer Fund to be utilised in developing and implementing consumers' education programmes appear to be one of the most practical approaches. These programmes should be designed in such a way as to provide consumers, through their consultative bodies and other means, with the capacity to understand all the technical and commercial issues, competition components having a direct impact to consumers so as to contribute more rationally to problem solving in the interests of all the stakeholders.</p> <p>37. The government, operators and regulators should work together in order to define the way forward to create and operationalise such a Fund in order to meet the needs of information, education and training for consumers.</p>	<p>17.1 Consumers are regularly surveyed by a designated agency in relation to quality of service (QoS), their level of satisfaction with operators and their services, and complaints issues, and their views in respect of consumer protection measures undertaken by the regulator or other relevant bodies, with the survey results made publicly available, including via the Internet.</p> <p>17.2 Consumers are regularly consulted, along with other stakeholder groups, in relation to consumer protection legislation, regulations, proceedings, issues and interventions.</p> <p>17.3 The right of consumers to come together to form bodies or associations to discuss and publicise consumer issues, to engage in defending consumers' rights and interests, whether individually or collectively, is expressly protected by law.</p> <p>17.4 Such consumer bodies or associations may receive capacity-building or financial support from the regulator, and be engaged with as part of the consumer protection consultation process.</p>
	<b>18 ACCESS TO INFORMATION</b>
	<p>18.1 Licensees are required to inform their customers of their rights as customers and consumers.</p> <p>18.2 The regulator undertakes consumer education, informs consumers of their rights, and provides information necessary to empower consumers.</p> <p>18.3 The regulator undertakes a consumer outreach programme capable of educating and empowering consumers about their rights, responsibilities</p>

	<p>and opportunities, particularly with reference to illiterate or disadvantaged consumers.</p> <p>18.4 The regulator communicates with the public on an ongoing and regular basis, both via the media and on its website, in respect of information, issues, actions and developments of importance to consumers.</p>
<b>BROADCASTING SERVICES</b>	<b>19 BROADCASTING SERVICES</b>
<p><b>4.7 Broadcasting/Content</b></p> <p>21. The broadcast media can have a significant positive or negative impact on the way we live with regards to our behaviour, thinking, life in community, etc. Keeping its potential to work without discrimination in the interest of all the consumers is one of the key issues of broadcasting regulation.</p> <p>22. Basically, broadcasting is perceived to be the best means of promoting the national culture and indigenous language content. At the same time, broadcasting media makes it possible for the local population to access foreign content which can influence positively or negatively the viewers, based on their age, religion and culture differences.</p> <p>23. Therefore, consumers protection require that limitations be set to prevent harmful contents with regard to children, abusive television advertising, decency, and any other harmful content for any category of consumers, without infringements to the commonly accepted freedom rights.</p> <p>24. In this regard,</p> <p>(a) The consumers should be protected from content that could incite to disorder or crime, affect the morals, the privacy, the reputation and the rights of others.</p> <p>(b) Consumers should be protected against programmes and views of interviewees or programmes guests that discriminate against people, on the ground of race, ethnic, nationality, religion or sex.</p> <p>(c) Broadcasters should comply with the generally accepted standards to safeguard the quality of viewing and listening, including the fairness in advertising;</p>	<p>Consumers of broadcasting services enjoy all the rights and protections set out above under the Consumer Bill of Rights and the Consumer Protection Guidelines. This section of the Guidelines addresses issues specific to the provision of broadcasting goods and services.</p> <p>19.1 The implementation of these Consumer Protection Guidelines is done in such a way as to include and cover consumers of broadcasting goods and services.</p> <p>19.2 Broadcasting service licensees are required to adhere to a code of conduct that is binding.</p> <p>19.3 Broadcasting service licensees are required to report the news as truthfully, accurately and fairly as possible, and with due regard to the public interest, and to ensure a diversity of views.</p> <p>19.4 The grounds on which broadcasting content may be regulated are clearly set out in the law or regulation or both, are limited in scope and application, are objectively defined. Such grounds may include:</p> <ul style="list-style-type: none"> <li>i. Issues of racism, xenophobia, hate speech or incitement to violence;</li> <li>ii. Issues of obscenity, or excessively sexual or violent content;</li> <li>iii. Issues of accuracy and fairness, including libel and defamation;</li> <li>iv. Issues of privacy, affecting the private life of an individual not having a direct public interest;</li> <li>v. Issues of protecting children;</li> </ul>

<p>(d) Broadcasters should refrain from producing material which would, or could damage children morally, psychologically or physically ;</p> <p>(e) Broadcasters should ensure access to broadcasting services by the physically challenged and disable people</p> <p>(f) Consumers should be protected against misleading, indecent and untruth advertising material,</p> <p>(g) Consumers should be protected against surreptitious advertising/product placement/undue prominence.</p>	<p>vi. Issues of protecting health, such as the depiction of smoking, the use of drugs and the abuse of alcohol;</p> <p>vii. Issues of overriding and unambiguous threats to national security, such as terrorism .</p> <p>19.5 Access to information, freedom of expression and the public interest are taken into account as priority issues in the regulation of content.</p> <p>19.6 The broadcasting regulator has put in place regulations or other measures to encourage the development of local content, to ensure a diversity of international programming, and to promote content that is in the broad public interest.</p> <p>19.7 Measures to promote local content may include introducing local content quotas that encourage the setting up of local production capacity and the promotion of local cultures and languages.</p> <p>19.8 Advertising standards regulations are in place to protect viewers and listeners from advertising that contains misleading statements, omissions or misrepresentations based on claims that cannot be substantiated, or is likely to mislead consumers. Such regulations also deal with the appearance of products within programmes through product placement.</p> <p>19.9 Public broadcasters and public broadcasting are mandated in terms of specific public interest content and programming criteria, and universal access and service requirements.</p> <p>19.10 The performance of public broadcasting and public broadcasters is regularly and independently assessed against the criteria and requirements above, and the results are made publicly available, including on the website of the broadcasting regulator.</p> <p>19.11 Clear dispute resolution and escalation procedures are set out to ensure speedy resolution of any disputes and complaints lodged in terms of the regulatory requirements referred to above.</p> <p>19.12 Channels for complaints from viewers and listeners are dealt with</p>
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	<p>under the section in these Guidelines dealing with ‘Channels for Redress’, and include the right to complain about violations of any of the provisions set out above in this section. On key complaints issues, especially those that raise issues of general principle, the regulator should publish its findings and make them available on its website.</p>
<b>POSTAL SERVICES</b>	<b>20 POSTAL SERVICES</b>
<p>4.9. Postal services</p> <p>31. The basic principle that regulators must observe should be to set up and maintain a policy of information to consumers on their rights and obligations with regard to each postal sub-sector. They have also mandate to investigate consumer complaints against operators/providers for violation of terms of services, disputed bills, maintenance and repairs of postal equipment.</p> <p>32. The promotion of the creation of consumers/users groups should be one of the more functional mechanisms through interactive exchanges on various issues of consumers/users tariffs.</p> <p>33. The basic principle that regulators must observe should be to set up and maintain a policy of information to consumers on their rights and obligations with regard to each postal sub-sector. They have also mandate to investigate consumer complaints against operators/providers for violation of conditions of service, disputed bills, maintenance and repairs of postal equipment.</p> <p>34. The promotion of the creation of consumers/users groups should be one of the more functional mechanisms through interactive exchanges on various issues of consumers/users tariffs. The essential elements guiding the consumer protection are the following:</p> <p>(a) Access basic postal services at reasonable prices and acceptable quality standards, if the commercial conditions are met;.</p> <p>(b) Access information on postal services offered by any provider, thus facilitate the making of choice. Comparative information should be available to facilitate choice between different providers: products, price, terms and conditions.</p> <p>(c) Participate in the process of formulating postal policies and legislation.</p>	<p>Consumers of postal services should enjoy all the rights and protections set out above under the Consumer Bill of Rights and the Consumer Protection Guidelines. This section of the Guidelines addresses issues specific to postal services.</p> <p>20.1 The implementation of these Consumer Protection Guidelines is done in such a way as to include and cover consumers of postal services.</p> <p>20.2 Postal service licensees are governed by a code of conduct that is binding and which sets the framework for service expectations (tariffs, delivery times, etc) in terms of the delivery of post and which conveys to consumers their rights and obligations if these service expectations are not met.</p> <p>20.3 Regulations are in place to ensure consumer protection in respect of postal services, covering:</p> <p>(a) Universal access to basic postal services provided at reasonable prices and subject to acceptable quality standards;</p> <p>(b) The availability of comparative information necessary to facilitate consumer choice between different postal service providers, such : products and services, prices, delivery undertakings, terms and conditions.</p> <p>(c) The safeguarding of customer confidentiality in connection with the sending, conveyance and delivery of letters and parcels, including in respect of the contents of such items;</p> <p>(d) Ensuring safety and security where dangerous or hazardous items are transported;</p>

<p>(d) Be notified of changes, suspension and termination of service including value added ones.</p> <p>(e) Receive and benefit from services and products offered, with quality that is not only commensurate with the price paid but also meets the level stated by the operator/provider in the service agreement.</p> <p>(f) Be given fair and equal treatment without undue discrimination, including uniform and fair terms and conditions of service.</p> <p>(g) Be provided with the possibility to lodge complaints and be heard about quality, delay, quantity, tariff regarding the service/product offered.</p> <p>(h) Be associated in the redress processes of constraints and weaknesses in form of effective complaints handling system.</p> <p>(i) Be guaranteed privacy and confidentiality as to the nature and content of the service/product that an operator may obtain or handle as a result of serving customers.</p> <p>(j) Be protected from misleading advertising and harmful contents</p> <p>(k) Be provided with the opportunity of representations through a Postal Consumers Consultative Body to the Government, Regulator and Service Providers on matters pertaining to services and products offered.</p>	<p>(e) Guarding against the theft or loss of or damage to postal items, and securing their delivery to the intended addressees;</p> <p>20.4 Postal service licensees are required to assume liability in respect of specified loss of or damage to postal items, and to compensate consumers appropriately.</p>
<b>DEFINITIONS</b>	<b>21 DEFINITIONS</b>
<p>2.1 Clear and Conspicuous – A statement that is readily understandable and presented in a format that compares to other material, with which it is presented, makes it noticed and understood by a reasonable consumer.</p> <p>2.2 Consumer – A person who uses an ICT network or service.</p> <p>2.3 Service provider – Any company that provides any ICT services regulated by the Regulatory Authority. Service Providers are responsible for ensuring compliance with these guidelines by their agents and every person, firm or company representing the service provider or acting on the service provider’s behalf.</p> <p>2.4 Redress – Rectifying or remedying a situation. The ability to make a fair adjustment or set a right.</p> <p>2.5 Solicitation – An offer, tentative or otherwise, by a service provider, employee or agent of a service provider, to a consumer or consumers or to the public generally, to provide a product or service for compensation.</p>	<p>Advertising – A form of communication used to persuade an audience (viewers, readers, listeners or other members of the public) to take some action with respect to products, ideas, or services</p> <p>ARICEA – Association of Regulators of Information and Communications of Eastern and Southern Africa</p> <p>Broadband - Internet access with a high capacity, as defined by the regulator from time to time.</p> <p>COMESA - Common Market for Eastern and Southern Africa</p> <p>Complaint – Any written, electronic or oral communication that alleges</p>

Proposed sales agreements and contracts are solicitations.  
2.6 Subscriber – Any individual or business that purchases or subscribes to any communication service. Often used interchangeably with the term consumer.

deficiencies or dissatisfaction related to the standards, quality, terms and conditions, pricing, functionality, durability, reliability, safety or performance of any ICT product or service that has been placed on the market.

Convergence – A term used to describe a variety of technological and market trends in the ICT sector involving the blurring of previously distinct lines between market segments such as cable television, telephony and Internet access, all of which can now be provided through a variety of different network platforms

Consumer – An individual who buys products or services for personal use and not for manufacture or resale.

Consumer Empowerment – The ability of consumers to put into effect their own choices through demonstrating their needs, wants and demands in their decision-making with other individuals or organisational bodies in the marketplace.

Consumer Protection – Legal or regulatory interventions undertaken on behalf of consumers which are designed to ensure that they are safeguarded from practices that are detrimental to their best interests

Customer – a person who receives and pays for an ICT service over a period of time under an agreement with or pursuant to terms and conditions established by the operator with approval of the National Regulatory Authority

Cybercafé – a place where one can use a computer with Internet access for a fee, usually per hour or minute, and which may or may not serve as a regular café as well. Also known as an Internet café.

	<p>Data communications – digital transmission of information usually between computers</p> <p>Dominant operator – a regulatory classification of an operator that has the largest market share in a given market segment or that is otherwise able to exercise significant market power in the same or other market segments</p> <p>Electronic commerce - Term used to describe transactions that take place online where the buyer and seller are remote from each other.</p> <p>End user - The individual or organization that originates or is the final recipient of information carried over a network (i.e. the consumer).</p> <p>Harmonisation – the dynamic process of establishing mutually complementary policies, legislation, rules, standards, practices or systems between member states on the basis of agreed minimum requirements</p> <p>ICTs – Information and Communications Technologies</p> <p>Incumbent operator – the existing operator in a market when it is opened to competition</p> <p>Infrastructure or Network – an integrated system of facilities, which comprise the facilities, used to provide one or more info-communications services</p> <p>Internet – Interconnected global networks that use the Internet protocol</p> <p>ITU – International Telecommunication Union</p> <p>LLU or Local loop unbundling – the process of requiring incumbent operators to open the last mile of their legacy networks to competitors</p>
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	<p>Malware – Software designed to infiltrate or damage a computer system without the owner’s informed consent.</p> <p>Non-discrimination – a condition by which an operator, engaged in the provision of ICT services, shall not apply less favourable technical and commercial conditions on any competitor than what it would apply to itself, its subsidiaries or its affiliates in delivery of services.</p> <p>NGN or Next-generation Network – A broad term for a certain kind of emerging computer network architectures and technologies. It generally describes networks that natively encompass data and voice (PSTN) communications, as well as (optionally) additional media such as video.</p> <p>NRA or National Regulatory Authority – a public authority or government agency responsible for exercising autonomous authority to monitor and regulate the provision of ICT infrastructure, services and content in the public interest and in accordance with a defined legal and policy mandate</p> <p>Number portability – The ability of a customer to transfer an account from one service provider to another without requiring a change in number</p> <p>Operator – an entity that provides ICT infrastructure, networks, services or content</p> <p>Pay or Play – A mechanism whereby licensees may opt to fulfil their Universal Service Obligations (USOs) through implementation of approved universal access and service projects or contributions to agreed financial mechanisms</p> <p>Period of Exclusivity – a period of monopoly whereby an operator(s) is</p>
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	<p>given conditions to provide certain services</p> <p>Phishing – The fraudulent practice of disguising spam as legitimate e-mail in an attempt to coax recipients into revealing private financial data.</p> <p>PSTN or Public switched telecommunications network – A fully interconnected and integrated system of telecommunications consisting of various means of transmission and switching, utilised to provide basic telephone services to the general public</p> <p>Public telecommunications services – Telecommunications services provided to the general public or to a class of persons so as to be generally available</p> <p>QoS or Quality of service – A measure of network performance that reflects the quality and reliability of a connection. QoS can indicate a data traffic policy that guarantees certain amounts of bandwidth at any given time, or can involve traffic shaping that assigns varying bandwidth to different applications.</p> <p>Redress – Rectifying or remedying a situation. The ability to make a fair adjustment or set a right, including on occasion some form of financial recompense.</p> <p>Resale – the offering to users or customers for profit of ICT services obtained from another ICT service provider</p> <p>Service Level Agreement (SLA) – An SLA provides a way of quantifying service definitions by specifying what the end user wants and what the provider is committed to provide. The definitions vary at business,</p>
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	<p>application or network level.</p> <p>Service provider – Any company that provides any ICT services regulated by the Regulatory Authority.</p> <p>SMEs – Small and Medium Enterprises</p> <p>SMMEs – Small Medium and Micro Enterprises.</p> <p>Solicitation – An offer, tentative or otherwise, by a service provider, employee or agent of a service provider, to a consumer or consumers or to the public generally, to provide a product or service for compensation. Proposed sales agreements and contracts are solicitations.</p> <p>Spam – Unwanted, nuisance e-mail, some of which may contain computer viruses or worms, fraudulent consumer scams or offensive content.</p> <p>Spyware – Software that is installed surreptitiously on a personal computer to intercept, monitor or take partial control over the user’s interaction with the computer, without the user’s informed consent.</p> <p>Subscriber – Any individual or business who enters into an agreement to receive or use an ICT service or any part thereof, provided by an operator. Often used interchangeably with the term consumer.</p> <p>Tariffs – any charges raised by an Operator for ICT infrastructure, services or content</p> <p>Telecommunications – any domestic or international transmission of information by wire, radio waves, optical media or other electromagnetic systems, between or among points of the user’s choosing</p>
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	<p>Telecentre – a public place where people can access computers, the Internet, and other digital technologies that enable them to gather information, create, learn, and communicate with others while they develop essential digital skills</p> <p>Transparency – requires that network operators will make publicly available either the interconnection agreements or reference interconnection offers.</p> <p>Universal access – a policy of government to make ICT infrastructure and services available, at affordable prices, to as many people as possible through common points or end-user facilities such as libraries, schools, health-centres, community centres, public call offices and pay-phones. This policy also applies to advanced information services, such as the provision of Internet services and broadband access, and applications such as tele-education, tele-medicine and electronic commerce</p> <p>Universal service – a policy of government to make ICT infrastructure and services, including advanced ICT infrastructure and services, available throughout the country at affordable prices so that they are either available or easily accessible to anyone whenever they are needed, regardless of geographical or physical location, with due regard to people with special needs</p> <p>UAS or Universal access and service – an umbrella term, loosely covering both universal access and universal service</p> <p>VANS or Value-added network services – ICT services provided over public or private networks which, in some way, add value to the basic carriage, usually through the application of computerized intelligence</p>
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	Watershed period – the prescribed time period (or the times delimiting this) in television schedules during which content restrictions are relaxed, including allowing age-restricted or 'adult content' to be shown.