

Liberalization and Regulation of Telecommunications Sector in developing countries: Constraints and Challenges- A case study of Uganda.

Background

Over the last decade or so, the telecommunications sector in developing countries has witnessed a significant shift in telecommunications policy with on going sector reforms in form of privatization, liberalization and regulation of the telecom market and the subsequent competition. New market-based approaches to the supply of telecommunications services were introduced in a number of countries. While a number of countries have undertaken liberalization and regulation of telecommunications market, the world is still learning how to make such changes more successful.

The single most important factor to successful privatization or liberalization is clear government goals for the telecom sector and adoption of policies to achieve these goals. However, governments tend to view privatization as a source of income to the treasury but fail to accompany liberalization with policies necessary to stimulate sector growth. As a result, telecom privatization tends to be driven largely by factors that affect the share price at flotation-mainly resulting into an extension of the former state operator's monopoly to the detriment of competitive entry and sector expansion.

This paper seeks to highlight the different paths of sector reforms proceeded by developing countries and the constraints faced in adopting and implementing these competition and regulatory regimes. The paper will also evaluate the capacities of regulatory bodies in developing countries to create a competitive regulatory environment most especially in cases where state-owned former monopoly or state-turned private monopolies still exist.

The paper will basically focus on the following;

1. Liberalization in developing countries
 - The rationale to liberalize, evolution of telecommunication liberalization, Liberalization and Transition to full liberalization and Status of liberalization in developing countries (Africa and Asia)
2. Telecommunication regulation
 - Models of regulation
 - Structure of the regulatory agency and the challenges specific to each model
 - ✓ Independence of the regulator from operators and direct political influence
 - ✓ The ability of the regulator make policy and enforce decisions
 - ✓ Funding of the regulatory agencies
 - ✓ Quality of Personnel
 - The Regulation Process
 - ✓ Developing key principles and applying them consistently
 - ✓ Develop a predictable and fair legal regulatory framework
 - ✓ Making timely decisions
 - ✓ Transparent decision making and obtaining input from all stakeholders
 - Fundamental Regulatory Principles/goals
 - ✓ Encourage private investment, infrastructure rollout and innovation in the industry

- ✓ Promote fair competition in the sector
 - Interconnection and co-location
 - Monitoring, Compliance and Enforcement
 - Access to rights of way
 - ✓ Management of scarce resources efficiently (spectrum, numbering, etc)
 - Key challenges to the successful implementation of competition and regulatory regimes
3. Uganda’s Approach
- Pre-liberalization era
 - Sector Reforms
 - Key steps in liberalization and privatization
 - Uganda’s approach to competition and regulation of the sector
 - Uganda’s telecom sector today
 - Key observation
4. Conclusion and recommendations