THE ROLE OF REGULATORS IN BUSINESS TRANSITION INTO THE KNOWLEDGE ECONOMY

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1. About CCK

- CCK was established in February 1999 by the Kenya Communication Act, 1998, to license and regulate telecommunication, radio communication, and postal services in Kenya.
- The legal framework is also guided by the Kenya Communications Regulations, 2001 (amended in 2006).
- CCK has the following responsibilities:
  1. Licensing telecommunications and postal/courier operators
  2. Regulating tariffs
  3. Establishing interconnection principles
  4. Type-approving communications equipment
  5. Managing radio frequency spectrum
  6. Formulating numbering schemes and assigning
  7. Implementing Universal Service/Access policies

2. Overview of the Telecom Sector

- Sector fully liberalized: fixed & mobile operators – 4 licensed mobile operators
- Mobile telephony is the fastest growing mode of communications
- Safaricom and Celtel Kenya (Zain) had an estimated Mobile subscribers = 12.9 million by the end of June 2008
  - ISPs = 108
  - DCNO=12 PDNO=24
  - BPO=18 LLO=31

3. What is a Knowledge economy?

- A knowledge economy is an economy in which knowledge is acquired, created, disseminated and used effectively to enhance economic development.
- According to the World Bank successful transition to a knowledge economy involves 4 pillars:
  - making long-term investments in education,
  - developing innovation capability,
  - modernizing information infrastructure and
  - having an economic environment that is conducive to market transactions.
- Development of information society depends on involvement of citizens and infrastructure availability for information flows.

4. Towards a Knowledge Economy

- To make these ideas operational, one has to work on the following priorities for building information society:
  1. Education of those in education system – school, college and university students; teachers; lecturers; provision of up-to-date technology in education institutions; encouraging voluntary participation in the process of ICT companies who can benefit from future users (e.g. e-university projects).
  2. Ensuring availability of sufficient capacity of affordable communications infrastructure - heavily related to pricing of infrastructure services which in turn depend on investment stimulus and competition in the ICT sector.
  3. Potential users of information society (including individuals, companies and public institutions) should be motivated by being offered cost-savings and ability of better-informed choices.
  4. ICT service providers should be eager to expand their businesses and market shares.

5. CCK’s Role in the Transition

- Infrastructure availability depends on the efficient management of scarce resources- spectrum and numbering
- CCK plans, allocates and assigns frequency and numbering to operators and monitors the efficient utilization of the same.
- In order to improve the uptake of communication services, partnering with implementing agencies, CCK has developed pilot community ICT tele-centres and is developing local digital content for the school curriculum
- Introduced a cost-based pricing that provides a competitive environment in the sector- spurred product and service innovations, with the operators lowering tariffs.
5. CCK’s Role in the Transition Cont’d

- Is in the process of introducing a Unified Licensing Framework with three categories:
  1. Content service
  2. Applications service
  3. Network infrastructure
- Establishment of a full-fledged Consumer Affairs department to promote consumer awareness and protection
- CCK also undertakes research in new and emerging technologies with a view of facilitating regulatory best practice in a rapidly changing environment.
- CCK partners with stakeholders in the implementation of Universal Service Access projects

6. New Infrastructure Initiatives in collaboration with government

- Under sea cable - TEAMS
  - International connectivity
- Fibre Optic National - FONN
  - National broadband infrastructure
- Co-location - sharing of masts
  - Developed a Code of Practice
  - Develop access pricing guidelines

6. Conclusion

- Proper regulation of ICTs is a promising tool for encouraging of information society development.
- Wider availability of communication services can promote use of modern technologies, stimulate knowledge accumulation, raise competitiveness of the economy, and not least – raise participation in political processes.
- Without successful development of the ICT sector, Kenya risks missing out on the wave of information society development.
- CCK is committed to ensuring fair play and will be on the forefront in promoting transition towards a knowledge economy. CCK will continuously re-align to the legal and regulatory framework to provide an enabling environment in the industry.

Thank You

For more information about CCK
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