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The effects of Botswana's policy and regulatory frameworks on competion in the provision of broadband internet

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Abstract

A country's policy and regulatory frameworks can be favourable or detrimental to competition amongst operators and service providers in a given market. This report presents the outcomes of an investigation conducted on Botswana's broadband policy and regulatory frameworks, to determine their effects on competition in the provision of services. The study examined market liberalisation; open access to infrastructure networks; and initiatives for universal access to broadband Internet, exploring several components under each intervention. It reached the overall conclusion that policy and regulation in Botswana have enabled significant service-based competition in the broadband market, while remaining less favourable to facility-based competition.

The study briefly explored the framework on open access to infrastructure networks in relation to the ladder of investment (LoI) theory, which is a theoretical underpinning of competition in telecommunications markets. It concluded that the framework does not take heed of the LoI theory, more so that its key assumption that infrastructure investment can be stimulated through systematic price regulation of facilities, such as local loop unbundling and Mobile Virtual Network Operator (MVNOs) access to networks owned by other operators, have not been applicable in Botswana. This is mainly because local loop unbundling and authorisation of MVNOs have never been implemented in the country.

While the study calls for improvements to encourage facility-based competition as the most ideal form that is considered to have higher efficiency, it makes an argument for factors that may have constrained the country and made service-based competition a preferred route for most of the service providers. Qualitative research techniques have been employed, using semi-structured interviews and document analysis to explore the focus area. Acknowledging that other factors such as population size and distribution; cost

of infrastructure deployment; and choice of business models may have contributed to the key research conclusion, the study draws recommendations for the consideration of policy makers, the regulator and service providers.

Keywords: Broadband Internet, policy, regulation, infrastructure, services, investment, service-based competition, facility-based competition, Botswana.