

# **EFFECTIVE STAKEHOLDER COMMUNICATION** **IN TELECOM REGULATION**

*Being a paper delivered by the Chief Executive Officer of the Nigerian Communications Commission, Engr. Ernest Ndukwe, OFR, at the 2009 Timex Communication Summit on Legislative Communication at the Transcorp Hilton Hotel, Abuja on Tuesday, March 24, 2009.*

**Distinguished Guests**

**Ladies and Gentlemen**

I am pleased to be invited by Timex Communications for this summit, and to share our experience on what I would rather consider a unique subject. It is unique in the sense that we did not at the beginning of our regulatory process, to conceptualize or engage in research into how best to communicate with all the stakeholders in the telecom industry. Circumstances did not allow us to even consider case studies to evolve the best approach to stakeholder communication for telecommunications regulation. Let me therefore presume that the organizers of this summit may have discovered some measure of success on the part of our communication with telecom stakeholders, or may have found something interesting, that we may have done in this professional field, to merit an invitation to discuss this subject. Perhaps, this summit will provide us more information about our performance when the experts that are gathered here today, take a dispassionate assessment of what we present.

Let me also attempt to qualify the word communication in this subject, and by that I assume that this is the information we provide as public communication and for public consumption which may be directed at different, or all the stakeholders in the telecom industry.

### **Overview of The Role of the NCC**

It is important to give some insight into some of our roles as a telecom regulatory authority.

The regulator's job in an open liberalised market is typically very demanding and encompasses far-reaching and multi-disciplinary issues. The functions of the National Regulatory Authority (NRA), cover virtually every aspect of telecommunications network and service provision including tariff, technical standards, allocation of scarce resources, fair competition as well as inter-operator issues such as interconnectivity and interconnect termination rates. The NRA also has an important responsibility of operator/operator and operator/consumer dispute resolution.

The state also has a duty to encourage investment in the sector with the sole aim of making access to good quality Information and Communications Technology resources available to all its citizens at affordable prices. Regulation therefore draws its relevance from the widely accepted role of the State as a motivator and impartial umpire.

It is a proven fact that a good regulatory environment can contribute to attracting investment by providing stable, transparent and non-discriminatory access to telecommunications resources.

Nigeria like several other countries identified the need for considerable investment in this sector to expand and upgrade networks, expand subscriber base and introduce market-based approaches to the supply of telecommunications services.

Without rules, no game will be played fairly. It was therefore essential that legal and regulatory framework must be established that will encourage serious investors to take part. If sensible set of rules are established and necessary authority to police the adherence to the rules is in place, opening up the telecommunications market to competitive operators will achieve the desired result, as has been the case in Nigeria.

Therefore the successful liberalization of the telecommunications sector and in fact any other sector, requires regulatory oversight through a regulatory body, properly empowered to effectively carry out its assignment.

Today, we live in an information age characterised by the use of Information and Communications Technology (ICT) resources in nearly all aspects of human endeavour and ICT tools have taken centre stage in shaping the world economy and will continue to do so far into the foreseeable future.

Telecommunications networks are now making it possible for Nigerians to participate in the world economy in ways that were not possible in the past. This reality is reflected in the rapid growth telecommunications has been experiencing in the country. Following liberalisation of the industry, the number of telecom companies continues to increase from the monopoly situation of yesteryears with increasing expansion of their networks. Many places or locations which were hitherto underserved or unserved are beginning to enjoy telecommunications services. The number of connected telephone lines has increased from a mere 400,000 lines pre 2001 to over 64m lines as at December 2009.

Advances in telecommunications regulation, and massive expansion of the network would continue to demand effective communication to keep all the stakeholders abreast of regulatory actions.

### **The Commission and its Stakeholders**

Let us attempt to identify key stakeholders with whom we communicate, or to whom our communication is directed.

For the telecom sector, the various stakeholders include Government, the Consumers, the Operators, the media and the International/Investment Community. There are corporate, communal, institutional, individual and many other categories of users of telecom and ICT products and services. Conceptually, the consumer includes the high political office holders, the opinion

leaders in the society, the youths, the entrepreneurs, the artisans, the law enforcement rank and file, etc.

Today, Consumers of telecoms services in Nigeria are no longer the few who were endowed with the economic power to own a phone in those days when only very few Nigerians could afford the few lines that were available. The reasons of inability to own a phone is no longer much about inability to afford a phone because of very high cost or that locations of business or residence are not covered by any telephone network as, apart from very remote areas, most urban and semi-urban parts of the country are covered today. The implication of this is that there are telecom consumers in every part of Nigeria that has to be reached by the Commission as a major stakeholder.

The successes recorded so far has opened several new areas of developmental needs and challenges in terms of ICT infrastructure deployment and protection; data usage in both urban and rural areas; coverage for rural areas; ICT connectivity for development and strengthening regulatory process through compliance monitoring and enforcement.

The Commission has many stakeholders to cater for in carrying out its mandate. These stakeholders include the government, consumers, the operators, the media, the investment and international community, among few others. There is a need to understand that the Commission's communication, or information, is designed to address these diverse publics.

**Government:**

Government is a very important stakeholder in the business of telecom regulation. The policy and the laws being implemented by the Commission have been prepared and enacted by government for the good of society. The Government's interests in the process are also varied. Government is interested that services are made available to all the Nigerian people on a timely, qualitative and affordable manner and that activities in the sector are carried out in a legal and orderly manner. Government is also interested in creating an enabling environment that would continue to attract investment in the sector so that her desires for the people are substantially met.

The Commission in all its activities is therefore mindful of the need to protect, preserve and implement actions and programmes that meet the expectations and objectives of government.

In matters of Communication with government as a stakeholder, the Commission assumes the position of an adviser in dealing directly with government, and as spokesman in conveying or interpreting government's position in telecom matters to the public or the various telecom stakeholders. On the other hand, the communication from the Commission represents that of a specialized independent agency of government.

**The Consumer:**

The consumers of telecom products and services, as we have indicated above, have many desires expected to be met. He wants services available at all times and at every place. The consumer wants the services to be of a good quality and affordable. The consumer wants the operator to respond at all times when he or she needs attention, and to provide explanations whenever anything goes wrong. The consumer wants to be protected at all times from being taken advantage of by service providers. Just like consumers of any services, the consumer of telecom services wants to be well treated. The Commission has recognized this and has put in place special structures to ensure that the needs and desires of the consumer are taken care of. For us in the Commission, the consumer is the main object, the subject and the reason for our being; hence the place of the Consumer as the KING is sacrosanct.

This is also explained in the quantum of communication that is directed at the Consumer. This communications is very expressive in two major programmes: The Telecom Consumer Parliament and Consumer Outreach Programme. In consumer Parliament, we engage the consumers in an interactive session, where the consumers of telecom products and services are given the opportunity to freely express their views about the services they enjoy, in the presence of the service providers, the regulator and the media. This monthly session which is rotated from one part of the country to another, is also televised on major television networks such that other consumers that are not present at any

particular session can share the experience of others. The Consumer Outreach programme takes a cue from the Consumer Parliament but takes the interactive session closer to the communities.

A whole lot of enlightenment and usage education are formally provided to the consumers, through seminars, support for advocacy groups that promote consumer education and awareness, publications like frequently asked questions, and various issues about the telecom industry which are made public through the media.

The impact of our communications with consumers as stakeholders could be seen with the level of voice that consumers of telecom services have gained in the country, which is not comparable with consumers of any other service in the country. It is our considered opinion that our communication with the consumers are very effective to have resulted in this level of awareness among the consumers.

### **The Operators:**

The operators also belong to a class of stakeholders in the business of telecom regulation. Apart from obtaining their operational licenses, with certain obligations attached to them, the operators also expect certain obligations from government and the regulator. They expect a non partial regulator to protect their

huge investments. They want the Commission to ensure that no other entity interferes with their network resources such as frequency spectrum or base stations. They expect a regulator that will not be arbitrary in decision making and one that will regulate by the rules as contained in the license agreement and provisions of the laws and regulations.

Our communication with the operators shares some similarities with that of the consumers. In the two interactive programmes, Telecom Consumer Parliament and Telecom Consumer Outreach programmes described above, the operators are part of that programme as it provides an opportunity to call them to account for the ways they have performed from the point of view of the consumer.

A major interactive communication with the operators is by way of regular consultative forum organized by the Commission with the media and the public in attendance. This open forum is designed to share the views of all the stakeholders before any regulation made. It gives the operators an opportunity to give their perspectives to the regulations made by the Commission. With this approach, the Commission has charted a predictable regulatory process which has given credibility to its communication with the operators.

**The media:**

The media is also one of the major stakeholders in the industry. We know that the government, the operators, and the consumers alike depend on the media for dissemination of information about activities and services in the telecommunications industry. The Commission depends on the media for provision of adequate information on the industry.

The media represents an important factor in the overall communication between the Commission and its various stakeholders as it acts as the gatekeeper in the information dissemination process. The Commission has therefore partnered with the media by supporting the provision of some level of enlightenment to the gatekeepers which has reflected in the quality of coverage of the telecommunications industry in Nigeria.

### **The Internet as a Medium of Communication**

The Internet represents a medium that has offered a lot of leverage to the Commission in its communication with the stakeholders. The NCC website, [www.ncc.gov.ng](http://www.ncc.gov.ng), has become a major source of information to the stakeholders. Online management of some regulatory processes has improved communication between the regulator and the stakeholders.

### **The International Community:**

The international community, especially the global development and regulatory institutions are stakeholders of our telecom industry development. An action of a telecoms regulator in today's world can trigger off multiple reactions that may affect other parts of the world. This is why the regulator needs to adhere to certain international standards in carrying out its functions even in the local operating environment.

The starting point for due diligence by any international investor showing interest in the country, would be in the regulatory process, as no investor would ordinarily be interested in doing business in an unpredictable regulatory environment. The telecom regulator, therefore, must be careful to meet the reasonable expectations of such investors for regulatory certainty on a continuous basis, as well as meeting the international obligations expected by the global community.

The Commission is very mindful of the communication from Nigeria about the telecommunications industry. In a borderless world that has been created by the Internet, Nigeria's telecom experience is being watched by the entire world.

It is noteworthy that given the information that has so far emerged from Nigeria, the Commission enjoys the full compliments of a positive image as a very transparent, fair, predictable and innovative telecom regulator.

### **A Point to Note**

Sometimes, improved communication with stakeholders, present some kind of dilemma. What level of information or education can we share with our stakeholders to maintain stability in information flow? One school of thought believes that in the attempt to show openness and transparency in its dealings with some stakeholders, the Commission provides more information than necessary. This sometimes results in people who have no business in telecom regulation interloping in the process. This school believes that a lot information coming out of the Commission, and with more people gaining a voice with the kind of information they have, information flow may have resulted in negative perception about the Commission which would not have been if the Commission has provided less information to its stakeholders. Another school of thought believes that since the telecom industry in Nigeria has witnessed a major revolution within few years, the Commission need to continue to increase the level of information flow so as to assist the stakeholders to optimize the services of the industry.

Perhaps, the experts here will be in the position to advise us on the best way to balance our communication to address these two schools.

## **Conclusions**

In concluding this presentation state that we may have been able to achieve what we have done because we believe in professionalism, and have consciously attracted professionals to do the job. You can be rest assured that when you entrust a job to the professionals, the job will be done professionally. We can therefore extrapolate that the Commission places a lot

of value in the communication, hence, it has engaged in professional approach in managing its communication with stakeholders.

We are also conscious of the credibility of the information coming from the Commission. Institutional credibility does not come by accident. Since the globally acclaimed transparent frequency auction of 2001, the Commission has sustained transparency in its activities and we must say that this has rubbed off creditably on the Commission's communication with its stakeholders.

We therefore hope to continue to enjoy effective communication with these identified stakeholders, and even those other stakeholders which time will not permit us to discuss today.

I thank you for listening.

**Engr. Ernest Ndukwe, OFR.**

Chief Executive Officer/Executive Vice Chairman.