Brief

Towards an Accessible and Affordable Internet in Africa

Key Challenges Ahead

December **2021**

The internet plays a *vital role in the realisation of human* development and facilitates the enjoyment of several human rights and freedoms, including the right to freedom of expression and information, the right to education, the right to assembly and association. Over the last few years, Africa has experienced exponential growth in internet access spurred by mobile internet, which stood *at 28% penetration in 2020.*

However, internet access and affordability are still major challenges for the majority of Africans, especially the rural poor, women, and *persons with disabilities*. According to the *State of Mobile Internet Connectivity 2021*, Sub-Saharan Africa has the largest coverage gap (those living in areas without mobile broadband coverage) at 19%, which is more than three times the global average. While internet access has become more affordable, particularly on mobile phones, costs are still *high and unaffordable* to many in the region, who remain offline.

The *lack of internet access* requires immediate counter action by several countries especially given the overbearing effects of digital exclusion caused by the Covid-19 pandemic. Countries with *better access to online platforms* for business and education are reaping faster economic rebounds compared to unconnected economies.

This brief explores some of the retrogressive measures that undermine citizens' rights to access a reliable and affordable internet in Lesotho, Mozambique, Tanzania, Uganda, Zimbabwe and Zambia. Some of these measures include digital taxation that has led to increases in internet costs, registration and licensing of online users that impose high licensing fees and tough penalties, network disruptions including internet shutdowns leading to inaccessibility of the internet, and the failure to provide enabling infrastructure that exacerbates the digital divide.

Digital Taxation

Many governments have been eager to increase their tax base and particularly from the telecommunications sector and over-the-top (OTT) services, which they claim are eating into the revenues of licensed operators. Several other governments have slapped taxes on mobile phone handsets and other devices. These *costs are passed on* to consumers, thereby raising the cost of owning and using a mobile phone and accessing the internet. As of 2021, among the six study countries Mozambique had the most expensive data, estimated at USD2.79 per GB, followed by Lesotho at USD2.66 per GB. Tanzania was the most affordable at USD0.75 per GB, followed by Zambia at USD1.13 per GB.

In 2016, the Zimbabwean government increased mobile data prices overnight by 500% in a move that was seen as government's efforts to stifle citizens' activism and dissent around the *#ThisFlag movement.* Mobile networks were also ordered to *suspend data bundle promotions* until further notice. In January 2017, the government *increased the* *cost of the data tariffs* by a further 2,500%. More increases were to be experienced in August 2019, when *NetOne, a telecom company* with the *largest market* share of subscribers in Zimbabwe, increased the cost of data bundles by 300%. Prior to the NetOne hike, several operators had increased the cost of bundles in April 2019, citing the cost of doing business. Access to the internet in Zimbabwe is further limited by the country's *economic crisis*, with internet users facing rising inflation and living costs.

In July 2021, the Ugandan government introduced a direct *12% levy on the net price of internet data* in a move that repealed and replaced the *2018 Excise Duty Act*, which had introduced a mandatory tax of Uganda Shillings (UGX) 200 (USD 0.05) per user per day to access OTT services such as WhatsApp, Facebook, and Twitter.

In a March 2018 *letter to the finance minister*, Uganda's President Yoweri Museveni suggested that digital taxation was necessary as the country needed resources to cope with the consequences of "gossip". In the July 2018 amendment of the Excise Duty Act, a 1% levy was imposed on all mobile money cash withdrawal transactions. The OTT and mobile money transaction levies caused public outcry but only initially prompted parliament to reduce the mobile money transaction levy to 0.5%.

At the time the government filed proposals to introduce the OTT tax, the Ministry of Finance projected that up to UGX 486 billion (USD 131 million) could be collected annually by 2022. However, by the end of July 2018, the projections had been *revised downwards* to UGX 284 billion (USD 78 million) annually. In July 2019, one year after the introduction of the tax, the revenue body *reported* that it had experienced an annual shortfall of 83%, having collected only UGX 49.5 billion (USD 13.5 million). In the second year, the social media tax *fetched* a paltry USD 16.3 million.

In 2018, the Alliance for Affordable Internet (A4AI) *showed* that the social media tax was likely going to push basic connectivity out of reach for many Ugandans including the underemployed and unemployed youth who make up over 78% of the population. According to a *2018 nation-wide survey* by the National Information Technology Authority of Uganda (NITA-U), 76.6% of respondents named high cost as the main reason why their use of the internet was limited. *The 2020 Affordability Report*, indicated that Uganda's data costs were higher than the African average, with 1GB of data costing up to 8.07% of an average Ugandan's monthly income compared to Sub-Saharan Africa's average of 3.1%.

Similarly, the Zambia government announced a daily levy of 30 Ngwee (USD 0.03) on internet voice calls in 2018. In a *press statement* issued after a cabinet meeting on August 12, 2018, the government spokesperson said internet calls through platforms such as Viber, WhatsApp and Skype "threaten the telecommunications industry and jobs" in licenced telecom companies such as Zamtel, Airtel and MTN." However, the planned tax was withdrawn after a backlash from consumers and digital rights groups.

In 2019, the Zambian government came up with another proposal to *start taxing* the popular online streaming service Netflix, arguing that the company generates revenue in the country but does not pay any taxes locally. Zambia's attempts to introduce digital taxation can, however, be traced as far back as 2010 when the government announced excise duty of 17.5% including on airtime and the provision of bandwidth to end users. In July, 2018, the Zambia Revenue Authority *informed* the internet service providers' association that the excise duty on the sale of airtime and bandwidth provision should have commenced from January 1, 2011 and they were thus required to pay the arrears. Although this move was also *abandoned*, implementation of the excise duty would have significantly increased retail prices for SMS, mobile voice, data, as well as the input costs, leading to a cascading tax burden.

"Uphold an environment of unbiased regulation that ensures consolidation and [healthy] development in the competition between telecommunications operators, and safeguards the interests of consumers."

In Mozambique, three key local Internet Service Providers (ISPs) hiked prices for internet access bundles by about 75% on October 26, 2016, following a July 29, 2016 resolution by the *Mozambique National Communication Institute* (INCM). The resolution set out to cut subsidies for Mozambican ISPs (which includes financial support for data service, text messages, and voice) by 75%, with an aim to "Uphold an environment of unbiased regulation that ensures consolidation and [healthy] development in the competition between telecommunications operators, and safeguards the interests of consumers."

In June 2021, Tanzania's Minister of Finance *proposed amendments* to the Electronic and Postal Communications Act, introducing new levies on mobile money transactions as well as airtime. The government imposed a levy of between Tanzania Shillings (TSh)10 to TSh10,000 for each mobile money transaction of sending and withdrawing; and a levy of between TSh10 to TSh200 per day per SIM card depending on the ability of the user to recharge the balance. This meant that with a TSh 1,000 (USD 0.43) airtime purchase attracted a 0.5% tax. According to the minister, the new taxes were expected to increase government revenue by TSh 396,306 million. As *noted by PricewaterhouseCoopers (PwC)*, the new tax is expected to exacerbate an already "very high" cumulative tax burden on electronic communications, which includes 17% excise duty and 18% value added tax (VAT). The government subsequently reduced the mobile money transaction levy by about 30% following a public outcry but maintained the tax on airtime.

However, recent history from other countries like Uganda shows that the introduction of these taxes will *negatively impact* the progress made so far in accelerating financial and digital inclusion in Tanzania by increasing the cost of mobile services and mobile financial services.

Licensing of Online Content Producers

Tanzania's history of licensing online users can be traced to 2018 when, in March of that year, the government adopted the *Electronic and Postal Communications (Online Content) Regulations* making it compulsory for bloggers and owners of other online forums such as discussion forums and online television and radio streaming services to register with the regulator. Per the regulations, *online content creators* are to pay application fees of USD 43.7, initial three-year license fees of USD 437 and annual renewal fees of a similar amount. The penalty for non-compliance is a fine of USD 2,186, imprisonment for a minimum 12 months, or both. Subsequently, the industry regulator, Tanzania Communications Regulatory Authority (TCRA), warned that it would take legal action against all unlicensed websites if they did not comply with the law by June 15, 2018. This forced many individuals and groups to *immediately suspend their unregistered* blogs and online forums for fear of prosecution.

Since then, the Tanzanian government has been issuing regular amendments to the regulations in *2020*, and more recently in *2021*. Under the 2020 regulations, online content service providers, internet service providers, and application services licensees are required to pay exorbitant fees for licensing and renewal of licences. Providers of "online content service", described as "content broadcasting to the public through internet websites, application software, forums, blogs, weblogs, microblogs, public account, instant messaging tools, online live streaming, aggregators and other related platforms", pay an application fee of USD 44; initial licence fee of USD 440 or USD 220; annual licence fee of USD 440 or USD 220; and a licence renewal fee of USD 440 or USD 220.

The proposed 2021 regulations *largely reflect* the 2020 regulations, although they contain some positive elements such as reduction of licence application fees, annual and renewal fees charged for online media content services and online content aggregators. Under the proposals online media content service providers will pay application fees of USD 22 down from USD44, initial licence fees of USD 217 down from USD 440, annual licence fees of USD 217 down from USD 440 and renewal fees of USD 43 down from USD217.

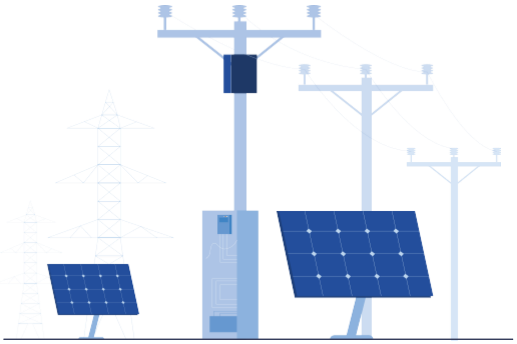
In similar fashion to Tanzania, in April 2018, the Uganda Communications Commission (UCC) *directed online data communication service providers*, including online publishers, online news platforms and online radio and television operators to apply and obtain authorisation from the commission within one month or risk having their websites and/or streams being blocked by ISPs. Later in 2019, the *Ugandan regulator announced* that online publishers and influencers who have reached a capacity of sharing communication content and also using the online publication for commercial business had to register and pay a USD 20 levy. On September 7, 2020, the regulator issued fresh directives stating that anyone wishing to publish information online must be licensed ahead of an October 5, 2020 deadline. The Commission cited Section 27 of the 2013 Uganda Communications Act, among others, which prohibits broadcasting content without a broadcasting licence.

The Broadcasting Authority of Zimbabwe (BAZ) requires licensing of webcasters under *the Broadcasting Services Act*, although this has largely *been ignored* by recently formed online news agencies, many of which distribute content without licenses on YouTube. But with the law still on the statutory books, it could be a matter of time before the rules are invoked.

In 2020, the government in Lesotho issued the *Lesotho Communications Authority (Internet Broadcasting) Rules*, 2020 that would require all social media users with more than 100 followers to register as "internet broadcasters." Upon registration, the online users would have to abide by the same rules that govern broadcast media houses as provided for under the *Lesotho Telecommunications Authority (Broadcasting) Rules 2004*. In addition, the move would also allow *regulators to investigate* social media users' posts and even order them to remove them.

Zambia's media regulator, the Independent Broadcasting Authority (IBA), *issued orders requiring* online television stations to obtain a broadcasting license noting that, "any person wishing to operate or provide a broadcasting service in Zambia regardless of whether the broadcasting service is conveyed through a radio frequency spectrum or any electronic communication network such as the internet is required to obtain a broadcasting licence from the IBA. Operating without a broadcast licence amounts to an offence punishable under section 19(2) of the IBA act."

Poor Infrastructure, Including Access to Electricity



Poor infrastructure and the lack of access to reliable electricity has been a major hurdle to broadband adoption in many African countries. It is *estimated that 45% of Africans* live farther than 10 kilometres from the network infrastructure essential for online education, finance and healthcare services. According to a *2019 report* by Research ICT Africa, half of the population in Mozambique had no access to electricity, with the most affected being the rural households, which were either not connected to the main electricity grid or had no electricity at all. Such households were less likely to have telecommunication services than urban households.

In Zimbabwe, internet penetration remains lower in most rural and peri-urban areas due to relatively high costs and lack of infrastructure. Internet access is severely affected by incessant power shortages with *equipment failures* at the state-owned power company Zimbabwe Electrical Supply Authority (ZESA Holdings) leading to power shortages throughout urban centres.

Erratic and expensive electricity in Zambia also presents an additional obstacle to access in rural areas, where less than six percent of residents had access to electricity as of 2018. Rural areas are hit the hardest due to the high costs of hardware and software, poor network coverage, and high levels of illiteracy. This has exacerbated the urban-rural divide in mobile network coverage and internet access.

In Uganda, although the ICT Ministry through the National Information Technology Authority–Uganda (NITA-U) has been developing the *National Data Transmission Backbone Infrastructure and e-Government Infrastructure Project,* which aims to ensure the availability of high-bandwidth data connections in all major towns at reasonable prices since 2007, the lack of access to electricity especially in the rural areas, means that the digital divide between the rural and urban remains significantly high. *According to the World Bank report, Access to electricity (% of population) in Uganda was reported at 41.3 % in 2019.*

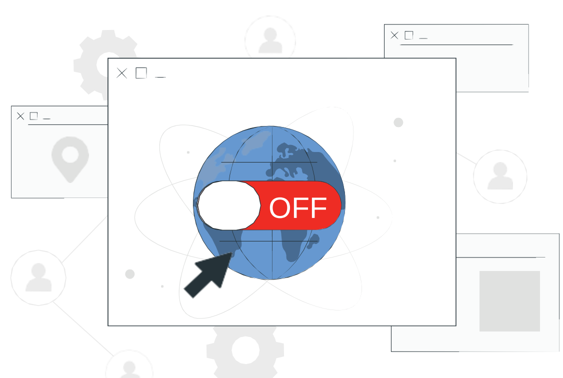
Internet Disruptions

Network disruptions including internet shutdowns, internet throttling and social media blockages have recently become common in several African countries. Governments have sometimes shut down or restricted the internet and access to social media platforms in an attempt to *limit or control conversations* online and prevent mobilisation for potential pro-democracy protests. The disruptions have mostly been initiated around election times, public protests, and during national exams. In *several cases*, security agencies work with national communications regulators to order the disruption, mostly citing national security or public order considerations, and referencing the regulator's powers to order service providers to interrupt services.

In August 2021, authorities in Zambia intentionally *blocked access to social media platforms* — including WhatsApp, Twitter, Instagram, and Facebook — during the country's presidential election on August 12. The shutdown *severely undermined people's ability* to communicate and receive information through the course of the election, while also impacting their lives, work, education, and relationships.

Earlier in January 2021, the Ugandan government ordered a complete *shutdown of the internet* on the eve of general elections. Although internet and social media access was restored five days later, Facebook and other Meta platforms remain blocked 11 months later and can only be accessed through Virtual Private Networks (VPNs). This wasnot the first time the Ugandan government had ordered internet restriction. On the eve of presidential elections in February 2016, access to social media platforms including Facebook, Whatsapp, Twitter and mobile money transfer services was restricted, while another internet disruption was ordered during the presidential *inauguration in May 2016.*

On the other hand, Tanzania took a different approach as it restricted internet access in the lead-up to the October 28, 2020 presidential elections. A week before the elections, the regulator TCRA directed operators to suspend bulk SMS. The regulator reportedly *directed* telecom and internet service providers to install internet filtering equipment from the Israeli firm *Allot*. Subsequently, social media platforms including Twitter, WhatsApp, and Telegram were then *disrupted* on the eve of the election. Full access to the internet was restored more than a week after the elections.



As for Zimbabwe, in January 2019 it ordered a countrywide internet shutdown following massive protests against a 150% fuel price hike and the struggle for economic justice. President Emerson Mnangagwa justified the shutdown on Twitter stating that: "social networks (were) being used to plan and incite disorder and to spread misinformation leading to violence." Earlier in July 2016 the government had ordered telcos and ISPs to block access to social media platforms, as a way to disrupt online organising and strikes organised by the #ThisFlag social movement.

In 2016, authorities in Lesotho were reported to have unsuccessfully tried to censor social media networks including Facebook and Twitter in the lead up to the country's July 2017 general elections after several I(ISPs and the Lesotho Communications Authority refused to cooperate *with directives* from the communications ministry.

Internet shutdowns have been condemned across the board with international bodies such as the United Nations and the African Commission on Human and Peoples' Rights (ACHPR) passing resolutions calling upon states to desist from the practice. In 2016, the United Nations passed a *non-binding resolution* on "the promotion, protection, and enjoyment of human rights on the Internet." The resolution specifically condemns measures to prevent or disrupt access and calls on all States to refrain from and cease such measures. The resolution further recognises the importance of *access to information and privacy online* for the realisation of the right to freedom of expression and to hold opinions without interference.

In November 2016, the ACHPR adopted resolution *ACHPR/Res. 362 (LIX) 2016*, in Banjul, the Gambia reaffirming the fundamental right to freedom of information and expression enshrined under article 9 of the African Charter on Human and Peoples' Rights and in other international human rights instruments and recognises the role of the internet in advancing human and people's rights in Africa. This resolution came at a critical time, when the region was witnessing regular internet disruptions which negatively impacted on freedom of expression and access to information and exacted *a heavy economic cost on African countries.*

Conclusion

Guaranteeing reliable and affordable internet remains a big challenge in Africa, as national governments continue to take retrogressive steps that undermine greater access and uptake of digital technologies. While penetration has increased over the years, large sections of the population in the countries studied are still left out of the digital society due to slow or unavailable internet, poor infrastructure and high data costs. Several countries have introduced digital taxation which has led to price increases as telecom companies and ISPs always pass on the costs to the consumers, and there has been an increase in cases of internet disruptions, especially during elections and protests. These have undermined accessibility, crippled citizens' digital rights, and exacted a heavy economic toll. The increasing cases of registration and licensing of online users, including bloggers, with hefty registration fees and penalties for defaulting, have led to online self-censorship and sometimes shutting down of websites and blogs.

African governments need to recognise and nurture the true potential of the internet in driving inclusive economic growth and development, as well as digital transformation, especially in the post-Covid-19 era. This calls for robust investments in internet infrastructure, digital literacy and refraining from taking actions that undermine the transformative potential of digital technologies.

CIPESA

Collaboration on International ICT Policy for East and Southern Africa (CIPESA)
+256 414 289 502
programmes@cipesa.org
@cipesaug facebook.com/cipesaug Linkedin/cipesa
www.cipesa.org