

Senegal: the public service challenge

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Senegal is unusual among sub-Saharan African countries in that more than 70 per cent of its population is accessible by phone. Teledensity has grown from 0.6 per cent in 1990 to 2.5 per cent in 2000, and it is second only to South Africa in terms of quality of coverage.

More than 40 per cent of Senegal's population of 10 million lives in cities, half of them in the capital Dakar. The country is ranked 156th poorest of 175 states (UNDP, 2003): 67 per cent of the population lives on incomes of US\$2 a day (UNDP, 2003).

SONATEL (Société Nationale des Télécommunications) has a monopoly of fixed lines until July 2004, while mobile phone provision is subject to limited competition between SONATEL's subsidiary SONATEL Mobiles, launched in 1996, and a private provider, SENTEL (Sénégalaise des Télécommunications) which started in 1998. SENTEL is a subsidiary of Millicom International Cellular, which owns 75 per cent of the capital, the rest made up of Senegalese private finance. An independent regulator, ART (l'Agence de Régulation des Télécommunications) was established in 2001 to guarantee fair competition in compliance with WTO regulations.

The number of mobile phones multiplied by 150 times in less than five years, reaching 600,000 in 2003. The regulator has agreed to double the frequency available from 900 to 1800 MHz in order to allow improvements in the capacity and technical quality of the network.

SONATEL Mobiles has 80 per cent of the mobile market, and covers 85 per cent of the country.

Partial privatisation, poor public service

SONATEL is the sixth largest telecommunications enterprise in Africa, with a turnover of over US\$297 million and net profit of nearly US\$84.7 million in 2002. Created in 1985 by the merger of the Office of Post and Telecommunications and the state-owned Telesenegal, SONATEL became a limited company in 1997. In 2003, France Cables and Radio (FCR), a branch of France Telecom, owned 42.33 per cent of the capital, the government 27.67 per cent, the public and institutions 20 per cent, and present and former employees 10 per cent.

SONATEL pays out around US\$96 million every year in taxes, and between 1997 and 2004 invested US\$648 million and paid more than \$111 million in dividends to the state. Above all SONATEL is profitable for France Telecom. According to Olivier Sagna of the NGO OSIRIS (Organisation of Students for Information and Reflection on Interdisciplinarity and Sustainability), "As well as the profits France Telecom makes as a shareholder, it offers technical assistance to SONATEL, who have to pay for these services. It is hard to know how much money is repatriated." Some critics are asking whether the profits that are repatriated to France shouldn't be invested instead in Senegal. Senegalese economist Makhtar Diouf also wonders whether it is appropriate to talk of privatisation in this context, since France Telecom is 65 per cent owned by the French government.

In any event, the privatisation of SONATEL has not created real competition. According to Amadou Top of OSIRIS, SONATEL has functioned almost as a monopoly since 1997. It possesses the entire landline network in Senegal, and SONATEL Mobiles retains a monopoly on international calls until 2006. Several internet providers which had started up have disappeared because SONATEL charged them exorbitant rates, while giving preferential tariffs and direct access to its own subsidiary.

Senegal's privatisation of telecommunications and other public enterprises began in the mid-1990s but had been encouraged long before that by international financial institutions. According to Amadou Top, "We embarked on this era of liberalisation and deregulation as if all countries had the same level of development of telecommunications, whereas they have neither the same level of development nor the same established support structures, nor the same needs."

Some Senegalese experts hold that telecommunications being a strategic sector, governments should create policies that both stimulate and regulate service providers in order to meet the development needs of the country. But since December 2001, there have been no significant policy or strategy initiatives in Senegal. The rules and regulations are unclear, says Cheikh Tidiane Ndiogue, Director of NICT Research, Planning and Cooperation in the Ministry of Information. From reading the available official documents, he says, it is difficult to understand exactly which section of the government is responsible for enforcing rules and regulations. One view is that the sector suffers from three serious handicaps: absence of policy and strategy, lack of clear rules and institutional roles, and lack of a clear regulatory framework to foster competition.

SONATEL's monopoly officially ends in July 2004, but according to Mr Ndiogue it may continue in practice for at least 18 more months, because the state has not yet begun all the work needed to resolve essential technical, juridical and financial issues or create conditions for granting private operators direct access to the local loop. The delay may be partly because under the WTO, the government is not required to end SONATEL's monopoly until December 2006.

Civil society and communication policy experts are demanding an open debate on these and other questions that will shape the competition environment in Senegal.

Rural telephony today

The contract signed with France Telecom in 1997 foresaw connecting 1,000 villages each year. But seven years on fewer than 1,000 villages have been connected – from a total of 13,400 villages. Hadji Maty Sene, head of the engineering department at SONATEL, agrees that this seems a small number, but insists that it is acceptable given socioeconomic realities and when compared with other countries in the subregion. Olivier Sagna of OSIRIS, however, finds the rate of connection too slow.

SONATEL recognises the development value of telephones. "They save time spent travelling, and help in dealing with emergencies," says Mr Sene. "We note the crucial need for communicating with emigrants... Emigrants invest enormously in their places of origin, and the telephone is a practical way of supervising these investments. It enables the local population to attract investment."

According to Mr Sene, the rural telecommunication sector should be given preferential treatment, such as tax concessions, since the investment needed is far greater than for urban areas and is not profitable. “Rural zones are characterised by low population density, low telephone traffic and, therefore, low revenues.” And the costs of running the network are high: a technician might have to travel 100 km to repair a fault, taking all day.

The target in the privatisation agreement was to bring a telephone line within 5 km of all Senegalese, and then to within less than an hour's walk. But these are far from being met – at present, SONATEL has set itself the task of connecting the 2,170 villages that have populations of more than 500. It has given a phone to all district centres but there is still much to do.

Life in the villages: some snapshots

The village of Mbey, 210 km from Dakar, with a population of 40, is so isolated it sometimes seems to be cut off from the rest of the world. The chief's brother had a mobile phone, given to him by a nephew who lives in Italy. It was the pride of the village and served as a public phone. But it was stolen, and now people have to walk 5 km, often under the burning sun, to the nearest telecentre to speak to friends or relatives. The task often falls on children.

In the district of Keur Momar Sarr, 84 villages are served by just 50 phone subscribers and seven telecentres. The fixed-line connection is poor, and it is difficult to make calls at weekends due to heavy traffic (call charges are cheaper at weekends).

The village of Keur Bakary Diop, with 100 inhabitants, doesn't have a phone at all. When people had to travel 15 km to reach one, their use of it was limited to announcing deaths and baptisms. But now a telecentre has been set up at a village located 8 km away. And a couple of mobiles have appeared in another nearby village – one was left by a man returning to Europe and the second was gifted by a friend. Children have the responsibility of responding to phone calls – they run about the paths to alert villagers. There is no electricity and when the batteries run out people go to the nearest villages with solar energy. These personal mobiles have become important community tools.

In Koumpentoun, 400 km from the capital, Mamour Mbodji set up a private telecentre 10 years ago. Mr Mbodji estimates that people come from surrounding villages 20 km away to make or receive a call. But the network doesn't work very well beyond distances of 10 km. He does not charge for receiving calls, unlike most telecentres. It is a way of gaining the trust of his clientele.

Abidouna Diallo manages his father's telecentre in Sadetou, to which people come from as far as 50 km away. Many of the incoming calls are from abroad as many people from this area have emigrated – mostly to Gabon or Europe. Most of the calls are about financial transactions. Some locals have been given mobiles by their relatives abroad but this area is not covered by a mobile network, so these phones are useless.

Mobiles may not be the ideal solution, given the cost of equipment and calls, the absence of a network in some areas, the need to recharge batteries (which requires an electricity supply) and the vulnerability of handsets to theft. However, Hadji Sene is cautiously hopeful: if the power supply problem is solved (antennas consume too much electricity to be powered by solar energy), he says, a single GSM antenna can cover many villages.

The other issue is charges. Mr Sene says: "Some satellite operators are proposing to charge one dollar per minute; in neighbouring Mali people are billed nearly twice that. I don't think we can charge that much in Senegal."

There are alternatives. For instance, three years ago officials from the American satellite society Iridium came to Senegal and demonstrated their system in the rural community of Bandia, 40 km from Dakar. With the imposing telephone in his hand and the antenna pointed skywards, the village chief spoke to a member of his family in Europe. Alternative technologies are available but the bureaucracy in the regulatory authority can be an obstacle in making these services available to the people.