

## **National General Council document**

### **Report on the Information and Communications Technology resolutions of The Stellenbotch and Polokwane Conferences**

#### **HISTORICAL BACKGROUND**

1. Since the democratization of the country, the ANC has been grappling with the role of the communications sector and its restructuring in order for it to play a meaningful role as a means for democratic expression as well as an important sector of the economy.
2. The ANC approach has been underpinned by the reality that the communications infrastructure and services, like all other aspects of South African life, had been deployed in a skewed manner to the disadvantage and exclusion from services delivery of the rural, peri-urban and township areas. The communications infrastructure was deployed primarily to serve the minority segment of the population, the repressive requirements of the security establishment and big business.
3. The ANC has therefore advocated for the democratization of the communications sector to provide access to its infrastructure and services to all South Africans as a goal in itself as well as a way of ensuring that all South Africans are integrated in the social, political and economic activities.
4. The ANC from its own history has been acutely aware of the power of the communications sector as a purveyor and disseminator of political thoughts and its ability to bring about democratic public participation through effective communication with different constituencies scattered over vast distances. Prior to unbanning the Department of Information and Publicity spearheaded the dissemination of information about the ANC and the struggle for liberation of South Africa.
5. Communications through the use of information and communications technology i.e. Radio Freedom, Mayibuye and extensive use of telefax played a vital part of the ANC strategy to mobilize South Africans and the international community in the fight against the oppressive apartheid regime and to communicate the broad democratic vision to replace the apartheid system. In essence, the Information Communication Technologies had been an essential part of the arsenal and instruments that were utilized to wage the struggle for democracy and the defeat of the apartheid system.
6. Upon the unbanning of the ANC and other political parties a broad campaign was initiated which focused on ensuring transformation in the communications sector in general and the transformation of the broadcasting system, in particular, into a public broadcaster. The SABC was of particular concern as it had served as a mouthpiece of successive apartheid governments and as counter tool to the efforts to mobilize ordinary South Africans to participate in the struggle for democracy.
7. There could not have emerged conditions that allowed for free expression of the wishes of the people without the SABC objectively and without political bias opening up and reflecting this political reality. There were also other pressing realities. A majority of the people were to vote for the first time, hence the need for an impartial platform to educate them on the electoral system and voter education in general.

8. The emergence of the Community Sector of broadcasting provided an additional platform to involve communities in the political developments ushering in democracy. The ANC advocated for the licencing of these new community stations and actively sought to help different initiatives establish these community stations through training.
9. The Free and Fair Campaign played a pivotal role in galvanizing popular support for the transformation of the SABC and the introduction of community media. The Free and Fair Campaign was preceded by the Jabulani Freedom of the Airwaves Conference that was organised by the ANC in 1992. The Jabulani Conference was pivotal in synthesizing thoughts about the future dispensation. The three tier system of broadcasting consisting of the public, community and commercial subsectors, as currently structured, emanates in the main from the outcomes of the Jabulani Freedom of the Airwaves Conference.
10. Just as the restructuring of the SABC was important in view of the need for an impartial broadcaster during the build-up leading to the first democratic elections, the establishment of an independent regulatory authority became crucial in leveling the playing fields. The Independent Broadcasting Authority of South Africa was therefore established in 1993 and mandated with the regulation of the broadcasting sector. Amongst its first task was to conduct a Triple Inquiry into the protection and viability of the public broadcaster, cross media ownership and control as well as the extent of local content in the South African broadcasting system.
11. In the telecommunications sector this was the period of the emergence of mobile telephony and there was an overriding need to halt the then plans of the apartheid regime to deny the public sector any involvement in the new technology as well as to deny any future prospects of involvement of the historically disadvantaged in the mobile sector. Through ANC interventions Telkom got a substantial part of the new business through 50% equity in Vodacom and the mobile sector was forced to utilize the network of Telkom in significant parts of their operations.
12. The ANC initiated The Centre for the Development of Information and Telecommunications Policy (CDITP) and mandated it to serve as a think tank for the development of ICT policy, skills development and training to fast track the deployment of the historically disadvantaged individuals in government departments and state owned entities. The CDITP was also charged with mobilising civil society to participate in policy debates about social transformation and was pivotal in the establishment of the National Telecommunications Forum as well as the Black IT Forum.
13. At a policy level, ANC's desired ends were outlined in the RDP programme as a universal service and access to postal, telecommunications and broadcasting sectors by all South Africans. The concept of universal service and access contained two principles of the extension, and therefore availability, of basic infrastructure to all South Africans irrespective of where they are found and importantly the availability of affordable services on that infrastructure.
14. To this end the Universal Service Agency of South Africa was established to spearhead universal access, supported by the Universal Service Fund which collected contributions from industry players. Policy also encouraged the entry and participation of the previously disadvantaged in the ownership and management of entities in the telecommunications, broadcasting and postal services. A minimum threshold of 20% ownership by the previously disadvantaged was imposed in the communications sector

years before there was consideration of the Black Economic Empowerment Act as well as the Empowerment Codes.

15. To provide for statutory framework for the regulation and management of the information and communication technology sector compliant with the interim constitution meant the need to repeal the apartheid era laws and regulations, the redefinition of the mandates and roles as well the restructuring of the State Owned Entities. The ANC government oversaw participatory processes including green and white papers for the development of the new policies and laws in the broadcasting, telecommunications and postal sector.
16. Soon after the RDP programme was embarked upon, it became clear that all parastatals in the communications sector could not fulfill their roles in a sustainable manner. A model based on self-financing was questioned as one state owned entity after another failed to meet the new obligations. Telkom reneged on its extensive network roll-out in the rural, peri-urban and township areas thus again leaving millions in these areas without any connectivity. The SABC went into a R600m financial crisis due to its restructuring and extension of its mandate, thus leaving millions without coverage and content in preferred languages. The South African Post Office also faced a similar order of financial problems and reneged on its new obligations to roll out postal outlets to areas previously not served.

## **THE STELLENBOSCH CONFERENCE RESOLUTIONS**

17. The 2002 ANC Conference in Stellenbosch came against the backdrop of the sector that had been fundamentally changed since the advent of democracy but which displayed many of the inherent and imbedded features of the past. It is against this backdrop that an extensive resolution on the communications sector was debated and adopted in the 2002 ANC National Conference in Stellenbosch.
18. The Stellenbosch Conference recognised the increasing role of innovation-led growth in successful modern economies and the threat posed by inadequate investment in the drivers of innovation, in particular research and development, thereby risking the loss of key knowledge upon which our strategic industries are anchored.
19. It further identified the key role of the State in developing a national platform for research and development. The conference resolved that we should:
  - commit to a long-term research and development strategy, which will address the historical distortions in our human resources in science and technology;
  - support innovation in the context of economic growth and social development through appropriate incentives and encourage long term strategic research and development;
  - align governance structures for state-owned institutions with a strong technology mandate with such an integrated strategy; and
  - explores the prospect of small-scale digital manufacturing which can be easily accessed by small and medium sized enterprises.
20. On Organisational Communication, the Conference resolved, amongst others, that;

- we should ensure continuous development of policies that promote universal availability of and access to ICT's and ICT-based services, and to this end to establish an ICT policy forum of the ANC with a research and review mechanism;
- we must urgently establish a media and communication forum where cadres deployed in various sectors can interact and provide regular reports on transformation issues;
- local government and ANC structures should actively promote and assist local communities, especially in rural areas, to apply for community radio licenses and the establishment of community newspapers taking advantage of the opportunities offered through the Media Development and Diversity Agency;
- government should increase access of the Information and Communication and Technology sector to previously disadvantaged communities and encourage coordination of existing ICT initiatives such as tele-centres, Multi-Purpose Community Centres, as well as raise public awareness on ICT and its impact on human development; and that
- government should promote diverse ownership and control of the country's media in all its forms.

21. The Stellenbosch Conference even set benchmarks on the resolutions on communication. It said;

#### **A. Internal Communication Machinery**

22. Within 6 months all ANC offices at provincial and regional level should be fully equipped and networked with national office for better and improved communication.
23. All branches of the ANC should be online within 5 years.

#### **B. Training and Capacity Building**

24. A mechanism for establishing a media institute must be in place within 6 months and with regard to the ICT forum and the media and communication forum this should be convened within the first 6 months of 2003.

#### **D. Government**

25. By 2014 all municipal areas must have community radio stations and publications.
26. By 2014, all local communities should have access to information and communication technology.

#### **E. Broadcasting**

27. Over the next two years a national youth radio station should be established.
28. A dedicated parliamentary radio and TV channels must be established within the next two years
29. Within five years, the public broadcaster must ensure that its programming should be mainly local content and sensitive to gender culture and the well-being of children.
30. In the next budget, funds should be allocated to establish the regional TV stations of the public broadcaster in line with the MTEF.

### **2007 POLOKWANE CONFERENCE**

31. The 52<sup>nd</sup> Polokwane Conference which took place in 2007 endorsed the resolutions of the Stellenbosch Conference and further expressed concern at the slow pace of implementation in other aspects.
32. The Polokwane Conference added that; with regard to the ICT sector the Conference recognised the need to continuously strengthen the capacity of the independent communications regulatory body (ICASA) in light of the changing technological and market environments.

## **ASSESSMENT OF IMPLEMENTATION CONFERENCE RESOLUTIONS**

33. This section analyses the extent to which Stellenbosch and Polokwane Resolutions were implemented, how far they relate to the previous conference.

### **On the resolution about developing a Research and Development Strategy**

34. A Research and Development strategy has been adopted by government. Its key focus is on improving the national system of innovation (NSI). This strategy also supports the increase in the allocation of funding for research and development beyond 1% of GDP. Strategies to deal with Intellectual Property Rights from innovations emanating from publicly funded research were also developed.
35. Research driven developmental focus that increases allocations to research and development, corrects distortions in Human Capital production, aligns state owned entities and establishes small enterprise digital production supported through incubation centres are part of the implementation of this strategy. However distortions in the Human Capital Development environment still continue especially on the production of black science professionals and technicians.
36. Most of our science professionals and technicians are aging and white. More needs to be done to improve this situation especially in funding research and promoting black scientists. The fundamental challenge remains the inability of the school system to produce enough science oriented students, the non availability of structured technical education system in the past, the exorbitant costs of university education, and the high drop out rates at university levels. Many interventions have been implemented in the education system to deal with these twin challenges.

### **37. Resolution on Universal Access and Services**

38. Great strides have been taken to implement this resolution including the development of specific policies, regulations and licence conditions for the telecommunications, broadcasting and postal sectors. All policies and statutes enshrine the right of all South Africans to universal service and access. Government has provided financial support to state owned entities as well as the community radio stations as a way of mitigating the financial burden imposed by the extension of the mandate.
39. A number of new entrants have also been licensed in the telecommunications and broadcasting sectors as part of the effort of extending services beyond those provided by the public sector. Despite these achievements the country is still very far from achieving its goal of universal access to services. The country has build over 148

Telecentres in the past 15 years. The service provisioning centres like the Multipurpose Centres and the Telecentres continue in an uncoordinated manner and a significant number of them are not networked and connected to services.

40. Media diversity in terms of print has not moved an inch towards the diversity that the conference resolutions demanded. This is in contrast with significant strides in the establishment of community radio stations across the country.
41. The model to achieve Universal Service and Access has achieved mixed results impacted upon by financial considerations and economic activity. Private operators do not have any incentives to target those they do not perceive as worthwhile markets whereas the public sector, also in the main using commercial revenues to extend services, does not have the necessary financial means to roll out these services. This leaves millions of South Africans without any infrastructure and services.
42. The majority of these South Africans are in rural areas. The state should be mandated to come up with a Universal Service and Access policy to address the ICT services backlog in our country. Policy should also take into consideration that the focus is no longer on basic services but access to infrastructure and services that make it possible to access government, community and private business.

#### **On Training and Capacity Building in the ICT Skills,**

43. The Institute for Satellite and Software Applications, the Electronic Media Institute of South Africa and the Meraka Institutes have been established targeting historically disadvantaged individuals in a targeted effort to boost the skills output in the ICT environment. Several private sector institutes have also been initiated in support of the goal of increasing technical skills in the country. Furthermore many private companies have opened their doors to thousands of interns as part of the effort of preparing them as practitioners in the ICT space.
44. It is further proposed that alignment in the production by universities including Universities of Technologies, technical colleges (FET) to produce industry ready personnel must be accelerated.
45. Despite all the efforts South Africa is not producing enough engineers, technicians and practitioners in the ICT sector. It is conservatively estimated that 15000 trained and high level skills are required by the local industry over and above those absorbed in the sector.
46. The importance of the sector now and in the future warrants a serious consideration of the need for the development of a multiyear, multifaceted Skills Development Plan to produce the required high level skills.

#### **The resolution on Establishment of Media Communications and ICTs Forums**

47. The ANC has established the Communications and ICT Forum which met for the first time in June 2009 in Esselen Park. Furthermore, these forums recommended certain policies for adoption by the ANC and therefore government in order to address the current challenges.

**All municipalities should have a community radio station and community newspaper, all communities to have access to ICTs by 2014**

48. Over 127 Community Radio Stations have been licenced since 1994, over 100 of these are operating. About 90-110 municipalities are without a community radio station. Biggest challenges facing the community sector are the lack of training to run the stations, the lack of advertising and commercial support, high transmission costs, programming that is not relevant to local communities and the lack of effective community ownership and participations.
49. Few if any Municipalities have working relationships with community stations and fewer still are supporting them. Very few community newspapers have been established. In fact, most of the existing community newspapers are owned by the big media groups such as Caxton and Naspers. The expansion of the ICT infrastructure to reach all municipalities will not be realised by 2014 unless a targeted campaign is initiated.
50. Community media offers a platform for community involvement in matters important to their communities. They also serve as an outlet for community feelings and views. The movement must prioritise community radio stations and use the space they offer to deepen its links with communities.

**The Resolution on the establishment of a national youth radio service, dedicated TV and Radio parliamentary channels, predominant local content and regional television channels.**

51. These resolutions have not been implemented fully. In terms of television services, it is anticipated that the advent of digitization will enable the establishment of a fully fledged parliamentary channel as well as the provision of channels reflective of provinces and regions. This process will also take into account the advent of community television which will cater for local and district communities.
52. The fundamental challenge remains the funding structure of the public broadcasting services and the attendant inability of the SABC to fund these services. If these services are important policy must resolve the funding question paving the way for the state to deliver in the near future.
53. On the resolution regarding the Sentech, the state has maintained Sentech as a national strategic asset and continues to be an important body that provides signal distribution broadcasters including community radio in the country. Sentech is key in the roll-out of the digital signal. The State has funded Sentech over the past three (3) year in order to roll-out the digital signal before the 2015 international deadline.

**On the SABC public funding of up to 60% of SABC needs.**

54. Public contributions to the revenues of the SABC still remain at about 20% and the 60% percent quota called for by the resolution remains a distant possibility with profound impact on the nature and extent of services provided by the SABC. In essence the SABC output remains commercial programming aimed at getting viewers whom it sells to the advertisers in a vicious circle that leaves no room for developmental programming.
55. Except for the news and current affairs programming, prime time, when most people are viewing, is devoted to entertainment. Since this resolution, the SABC's financial situation has gone from bad to worse requiring a government bail out to the tune of R1.4bn because of financial losses as a result of internal governance challenges. Furthermore the country is facing a funding challenge of more than R4 Billion for the migration of our

broadcasting system from analogue to digital systems on top of the funding challenge of maintaining a relevant SABC.

56. There is an overriding need for a serious assessment of the role, mandate, structure, services and funding of the public broadcasting system in the digital age. As indicated the digital migration process provides an opportunity for the public broadcasting system to better deliver on the needs of the public but this could not be achieved utilizing methodologies and approaches of the analog environment. Serving the public better requires adequate funding in an environment where the economy is growing at a constant pace and therefore precluding the emergence of new advertisers to sustain new channels.
57. On the resolution about, the public broadcaster local content programming, gender, culture and the well-being of children. The SABC continues to make great progress on these issues. Content for youth and children is broadcast on radio and television. The local content has reached over 55% of the total content of the public broadcaster. However gender programming has not been assessed and there is a need for the SABC and government to track and publish the nature and amount of programming devoted to women and gender issues.

### **ICT Sector Challenges and Recommendations**

58. In summary, the ANC ICT Communication Forum at its meetings in 2009 and 2010 characterized the ICT sector challenges as follows:
59. That the sector lacks a coherent National ICT Policy that support the developmental path for the benefit of our people, especially the historically disadvantaged and those in the rural areas of our country. In addition, the ICT programmes currently pursued by different tiers of government are uncoordinated, do not work in tandem and at times have conflicting objectives.
60. This situation is also compounded by institutional misalignment, duplication of mandates of government departments, tiers of government, State Owned Enterprises and agencies. Therefore the situation contributes to the failure to bridge the digital divide and the perpetuation of a situation in which significant numbers of people do not have access to government, government services and information communication technologies.
61. The lack of coherent interoperable networks and services at the various tiers of government, preventing the emergence of a single online window to access automated government services to citizens, is a symptom of problems of misalignment of priorities and misdirected state interventions at the various tiers of government.
62. There is as yet no systematic plan within government to achieve the online automated government services. Each department, agency, tier of government is operating in silo mode resulting in a considerable cost to the taxpayers. Beyond savings that will result from a structured approach to the deployment of the ICT's, the emergency of a policy framework will make collaboration by various entities in the public sector possible. It will provide a shared vision around which all can be mobilised and activated.

63. Regulatory weaknesses, inconsistency and policy misinterpretations, resulting in the decisions that favour the industry over national developmental goals, poor oversight, exorbitant and predatory prices were identified as characteristic of the country's regulated sector. The relationship between the regulator and the sector is symptomatic of a situation described in other jurisdictions as regulatory capture, meaning that private interest as opposed to public needs and good are the outcomes of many of regulatory activities.
64. In this regard although many aspects of the developmental state like universal service and access have been proclaimed as the objectives of the statutes, these are far from being realised as the regulator turns a blind eye to the non compliance of the operators to their obligations. Lack of leadership, the dearth of skills and a lack of will to take on the industry in pursuit of public interest goals characterise many of the regulator's activities.
65. Experience has shown that a weak regulatory framework leads to anticompetitive behaviour that hits consumers hard in the pocket as operators collude, overcharge and engage in a host of anticompetitive behaviours. For the take up of ICT's to progress fast, communications tariffs must come down and be affordable. A strong effective regulator is the key to ensuring market efficiency.
66. Lack of clear programme and path for implementation of developmental goals by the sector, whilst communities face the endless challenges limiting access to communication platforms. In most rural areas communications infrastructure is still a luxury. In the face of unprecedented challenges in the education, health and social spheres, communications is ideally placed to bring needed interventions to those in remote areas. But none of the role players would be in a position to afford the roll out of such services to those that need them the most.
67. Government and the citizens cannot afford the service charges levied by the operators. The ANC has decided on its 5 key priorities. Yet there is as yet no blue print or coherent consideration as to how the ICT's are to be used to fast track the achievement of these priorities. How can the information communications technologies improve educational and health delivery? How can the ICT's create jobs? How can the ICT's help in rural development? What is the role of the ICT's in combating crime and corruption? ICT's are enablers that must be integrated in all our national campaigns as they make work faster and easier to be accessed by all.
68. Policies pursued have not eradicated the problems inherited from our apartheid past. The ownership patterns, the deployment of the infrastructure and the skills base are still echoing trends that defined the ICT sector prior to democratisation. Providing an opportunity to all South Africans on an equitable basis will require approaches that will fast track transformation in the sector, train new practitioners and provide a skills base that is reflective of the South African population. Important in this regard is the deployment of these technologies in the previously disadvantaged areas in schools, clinics, hospitals, government offices and service delivery points which to all practical purposes are not currently connected.
69. The ICT sector has often lacked the policy and regulatory leadership to guide the

development of the sector towards recognizing the need to drive a people centred growth. Evidenced by the failure to pass the BEE ICT Charter, the transformation of the sector for the benefit of the historically disadvantaged individuals has not achieved the goals of growth and redistribution.

70. Casualisation of workers is rife in this sector, without providing the basic benefits to the workers in this sector, e.g. call centre industry is working against the goal of creating sustainable and decent jobs as per the ANC manifesto. Yet with creative solutions, the ICT sector has a potential to employ high numbers of workers that it currently does.
71. The adoption and use of the ICTs in particular the internet and broadband services is slack leading to situation in which South Africa has lost its competitive positioning. Even though South Africa lead the African continent in terms of telephony penetration in the 90s and internet uptakes South Africa is currently rated at number 12 in Africa.
72. We need to attend to the reasons for South Africa's decline in international rankings and other indices measuring the adaptation and uptake, namely:
  - There were 4.6m subscriptions to fixed telecommunications services meaning 10 out of 100 South Africans were subscribers. By the end of 2009 only, 4.4m were subscribers meaning that now only 9 out of every hundred were subscribers to fixed line services.
  - Overall estimates are that fixed line services have witnessed a 54% reduction in call volumes since 2005.
  - Slight improvements have been registered in the business lines as well as prepaid services.
  - There were 44m subscriptions in 2007 meaning that there were 92 subscriptions for every 100 South Africans. By the end of 2009 there were 49m subscriptions meaning that 98 out of every 100 South Africans were subscribers.
  - 3 Network has not been spectacular. 3G introduced in 2003/2004 financial year. By 2007 there were only 2m subscribers. There were 7 m subscribers by 2007. This means that only 14 out of every 100 South Africans are beneficiaries of this technology. If present trajectory is maintained there will be 39 subscribers for every 100 South Africans in 2015.
  - There were only 4m dial-up internet users in South Africa in 2007. If the take up pattern continues only 10 out of 100 South Africans will be using the internet in 2015.
  - Fast speed always on internet take up is even slower. There were only 500k users of fast speed internet in 2007. This means that only 1 South African out of 100 is a subscriber. Based on present patterns only 2m South Africans will be connected to broadband internet by the year 2015
  - Broadcasting has done much better in terms of universality of the services. But about 5m South Africans cannot still receive broadcasting services or some of the broadcasting services.

- The digital migration is threatening to increase the numbers of those who cannot receive the service unless the state subsidizes them.

## **NEW POLICY RECOMMENDATIONS**

### **STRATEGIC FOCUS OF THE ICT SECTOR**

73. The ANC should develop and adopt policies that take into account the strategic role of the ICTs in growth development, economic investment, government administration democratic governance and service delivery.
74. The ANC should pursue policies that promote digital inclusion and prioritise the inclusion of those who are outside the information communications technology loop. Such policies would require targeted interventions in the market to correct market failures for the benefit of the excluded, underserved and marginalised sections of the population.
75. The ANC should prioritise public sector interventions including state led interventions for the roll out of infrastructure and services in schools, libraries, health centres, public offices and community centres. Such programmes must be geared at meeting real peoples' needs and provide relevance in terms of content and language.
76. Policy should prioritise the establishment and empowerment of a new breed of SMMEs to take advantage of the evolutions in the ICT sector and digital economy.
77. To achieve the above the above goal the National backbone and infrastructure should be extended to reach every town, village and households in the medium to long term. The national backbone connecting all South Africans in a universal manner should of high speed and standard capable of delivering full spectrum of services.
78. As an outcome these universally available and accessible networks should facilitate the inclusion of all South Africans in the development of the digital economy. This entails all South Africans being able to access educational, health, financial, economical, and other developmental opportunities.
79. The ANC should prioritise formal and informal skills development to ensure effective utilisation of ICT resources by all South Africans. The prioritisation of skills development coupled with the availability of services will drive the creation of the information society in South Africa. ICT education should form part of the curriculum in all schools and ABET centres.

### **INFRASTRUCTURE CONNECTIVITY AND CONVERGENCE**

80. All the above interventions should be consolidated into a single National Broadband Plan that outlines how the country will plan and deliver on all these priorities within the next 15 years. The National Broadband Plan should emphasize Fast Speed Broadband Internet as the future pillar that will make it possible for the country to access a full spectrum of services ensuring 100% penetration of business and households.
81. The Broadband Plan should include a digital migration plan for the digitisation of government services and inclusion in a single broadband online platform to ensure a

single face to the citizens and interoperability within the next 10 years.. Initially at least 3 service areas will be digitized and offered as services on line for each government department at local, provincial and national levels within the first 3 years of the Broadband Plan. As it stands, government has in June 2010 approved a Broadband Policy which is taking the country forward on this matter.

82. The National Broadband Plan encompassing public participation should promote the sense of ownership by all South Africans including the urban and rural poor. The Broadband Plan should emphasize the role of women, youth and people with disability.
83. Consistent with the intention to maximise the value and opportunities provided by ICTs, national policy should accelerate the implementation of convergence. ICASA should fast track the implementation of all existing regulations in terms of the Electronic Communications Act. The approach to convergence should promote the uptake of new technologies that facilitate convergence of telecommunications and broadcasting services such as Mobile TV and IPTV. National policy should also encourage the market to move towards 4G to promote the quality of services
84. Notwithstanding the commitment to facilitating convergence, broadcasting should not be compromised; hence anyone who intends to provide broadcasting services should first be licensed. Given the significance of broadcasting as a cultural industry, the ANC should retain the current 20 percent limitation on foreign ownership in the broadcasting sector
85. Linked to the drive towards convergence, a comprehensive national spectrum policy is required. The national spectrum policy should include spectrum audit, licensing, co-ordination and pricing. This policy should look at asymmetrical licensing framework which will allow for entities operating in rural areas to participate in the market.
86. Related to spectrum management, numbers as a scarce resource should be appropriately managed for the benefit of competition and consumers

### **Research and Development.**

87. South Africa, like many emerging economies, strives to achieve global competitiveness by transforming itself into a knowledge-based economy. The potential for ICTs as both an industrial sector in its own right, as well as an enabler for enhancing the competitiveness of other economic sectors cannot be overemphasized. In the South African context, factors that impede realisation of the full potential of ICTs for socio-economic growth and development can be summarised as follows:
88. Due to insufficient technological competencies and capabilities, South Africa continues to rely on imported ICT products and services. This has an adverse effect on the growth of the economy as it weighs negatively with regards to technology balance of payments (i.e. we are importing more than we are exporting, affecting our foreign reserves with negative results on the economy). It is important to note that government is the biggest spender in ICT in South Africa.
89. Inadequate investment in ICT R&D and innovation results in production of sub-critical mass in advanced ICT skills (human capital) and thus hamper innovation. Pockets of excellence in ICT innovation in South Africa exist, however, the current institutional

mechanisms do not promote expansion and development of new ICT products and services.

90. Lack of robust, well coordinated institutional arrangements have led to South Africa losing some of its novel, world-class technology innovations. Examples include Mark Shuttleworth's innovative internet security solution which was sold to American Company, the co-developer and owner of PayPal Online payment solution is a South African who now lives abroad, to mention just two examples.
91. The world's advanced economies achieved what they have today because they had in place systems and policies that ensured that ICT R&D and innovation in particular, and science and technology in general, is adequately nurtured and supported. The competitiveness of these economies can directly be linked to their investments in S&T and ICT. Besides USA, Japan, UK and most EU countries, countries that were economically comparable to - if not worse than - South Africa not so many decades ago, have progressed exponentially because at some stage, they took purposeful and deliberate decisions to invest heavily on S&T and advanced ICT human capital development, infrastructure and appropriate policies and institutional mechanisms.
92. Examples of such countries include Sweden, Finland, South Korea, China, India and Ireland. Other countries who are following suit and are rapidly developing their ICT R&D and innovation capacity are Malaysia, Brazil, Chile, etc.
93. Against the backdrop of the National Research and Development Strategy (NRDS), the ICT R&D and innovation strategy was developed to address the above issues. It seeks to create an enabling environment in South Africa for ICT-based R&D and innovation to flourish. It seeks to achieve a marked increase in advanced human resource development in ICT R&D and innovation, to promote world class research and build robust innovations chains that will result in creation of new high-tech ICT small enterprises and ensure enhanced competitiveness of other priority economic sectors such as manufacturing, agriculture, mining and tourism.
94. It identifies specific ICT technology and application domains that are pertinent to addressing socio-economic imperatives of the country and thus ensuring improvement of quality of life and creation of wealth. These are wide ranging ICT fields addressing areas of market neglect and digital divide such ICT in education (e-Education), ICT in Health (e-Health), e-Government, ICTs for Inclusion (addressing people leaving with disabilities and the aged) and Human Language Technologies (addressing the language and cultural diversity in SA, as well as illiteracy). The technology domains which seek to enable creation of new and high-tech industries include information security, software engineering and development (including Open Source Software), high performance computing, geospatial technologies and mobile, wireless and satellite (space) technologies.
95. All these area are geared towards supporting developmental and strategic imperatives of our country. Besides the development of the ICT industry and other economic sectors, these ICT domains carry significant societal benefits as their application can contribute to effective and efficient management of scarce resources such as energy and water, enhance disaster management, support land use and planning, environment management, etc.

96. The policy should therefore ensure that R&D and innovation is fully supported including in ICTs. The underlying critical success factors to achieve these ideals are marked increase in ICT R&D and innovation investment to support existing research programmes – and enable creation of new ones - and their growth to critical mass levels through appropriate funding for R&D in higher education institutions, science councils and research institutions; building of research infrastructure; and attraction of foreign direct investment through various incentive schemes that will see large multinational ICT conglomerates setting up research and innovation facilities in South Africa (not just sales offices).
97. This should be coupled with development of effective and efficient institutional arrangements that ensure proper coordination and integration into government policies and programmes. Cooperation between and among government departments and agencies is particularly critical for the successful implementation of the ICT R&D and innovation.

## **BROADCASTING MATTERS**

98. The most pressing issue remains the migration of broadcasting services from analog to digital in an environment in which all South Africans should still receive broadcasting services on an equitable basis. There is a need to review the role of the public broadcasting system in order to determine a mandate of the public broadcaster that takes into consideration conditions under digital broadcasting that are fundamentally different to analog broadcasting in terms of the nature and extent of competition. With regard to broadcasting, national policy should prioritise the accelerated implementation of digital broadcasting migration plan taking into account the following:
- Universal access to quality broadcasting services including children, women, regional, youth services and programming for people with disability, including mobile TV services
  - Quality broadcasting services that offer services in all the official languages of the republic
  - Competition in both the free to air and subscription markets
  - Community and regional television
  - The digital dividend be allocated appropriately to benefit community, public and commercial services and other electronic communication services
  - Digitisation and convergence takes into account the role of broadcasting as cultural industry
  - Public broadcasting should take advantage of digitisation to meet the diverse needs of South Africans including women, youth and children programming
  - Promote the provision of local content, including local drama, culture, education and language programming.

## **POSTAL SERVICES**

99. The South Africa Post Office has 2500 post office outlets throughout the country. Postal sector remains a vital component of the communications infrastructure environment. For this reason, the sector should continue to expand its infrastructure into marginalised areas in the country.
100. This task is further motivated by the current role of the Post Office as a delivery platform for many government services, including acting as a pension payout outlet. In light of this role, the Post office should be capacitated to work with local government to enhance the delivery of services to communities. More specifically, the Post office should assist with revenue collections in local communities across the country.

## **On Ownership and control**

101. Acknowledging the slow pace of transformation in this sector including ownership of companies by black people, this sector has not adopted a common empowerment charter that sets out targets and timeframes for achieving them. The ANC can mandate the State to adopt a policy that promotes transformation of the ICT sector as an economic sector in South Africa, prioritizing the ownership of businesses by particular black people in line with the black economic empowerment policy.
102. The investment by foreigners which takes over local businesses requires further policy discussions. The case in point is the sale of the Vodacom shareholding to the Vodafone which caused confusion as to which policies to prioritise between expanding and retaining local ownership as opposed to attracting foreign investment in the sector. In this regard, the ANC must guide the country through a well thought policy position that balances the two.

## **INSTITUTIONAL COORDINATION ISSUES**

103. Regarding institutional issues, and taking into account the decisions of the previous national conferences, the ANC should attend to the following issues:
104. ICASA, as the regulator, should be adequately capacitated to deal with challenges in the fast changing technological and market environment. National policy should explore the possibility of funding the regulator through license fees without compromising the accountability of ICASA to Parliament. An additional levy could be imposed on the operators to finance ICASA for this purpose in addition to the levy they pay for the use of the spectrum and licence fees.
105. To effectively enforce compliance, the Complaints and Compliance Committee (CCC) should be transformed into the ICT sector tribunal, in the same mould as the Competition Tribunal, to effectively enforce compliance with the law and regulations.

## **STATE OWNED ENTERPRISES**

106. The state should integrate all its investments in the ICT sector to improve the delivery of services:
107. An audit on the performance of State Owned Enterprises should be conducted to

determine their effectiveness and relevance with an aim to ensure alignment and leadership, including institutions such as MDDA, Films and Publication Board, SITA and USAASA.

108. ICT Training institutions should be amalgamated into a single training institute to ensure skills ready training and production through an effective funding investment to gain value for money, targeting the Institute of Satellite Applications (ISSA), the Meraka e-Skills Institute and the NEMISA.
109. The governance of State owned entities in the ICT sector should be streamlined and consolidated under a single authority to ensure coherent implementation of national policy and effective coordination and oversight by relevant political office bearer.
110. In pursuit of the integration of state investment in the sector, the state holds multiple interests in various State Owned Enterprises including Broadband Infraco, Sentech, SABC, SITA etc.

#### **Coordination at different tiers and levels of government**

111. The existence of different policy and plans for the deployment of the ICTs at national, provincial and municipal level will prevent the emergence of a single unified network and service that gives citizens access to government. Such duplication will also entail considerable costs to the tax payer.
112. It is of vital importance that national policy should facilitate the coordination of the various tiers of government in their approach to the development and deployment of e government.
113. Specific mechanisms and institutional arrangements must be developed to encourage and foster national approaches, standards and services.