



the doc

Department:
Communications
REPUBLIC OF SOUTH AFRICA

SPEECH

21 April 2008

SMILE COMMUNICATIONS LAUNCH AT GAMALAKHE, UGU DISTRICT

Programme Director
Chairperson and All members of the Portfolio Committee present here
Chairperson of Thinta Group, Gugu Ngcobo and Board members
CEO of Smile, Irene Charnely
Mayor of Ugu District, Thembinkosi Pele
Banking Industry members present
Representative from USAASA, Phineas Moleele
ICASA Rep, Zolisa Masiza
DDG Harry Mathabathe
Ladies and Gentlemen

When the President in his SONA of 2008 recognized that much of what we wanted to achieve still remains to be done, he asked us to try and do “Business Unusual” in order to accelerate delivery.

The last nine years that I have served as Minister of Communications, the inclusion of all our citizens - irrespective of their geographic location, their income, gender or race, has been a passion of mine. My impatience in trying to achieve this sooner rather later was visited upon my staff, the industry whose main aim is profits from their investment with very often unfortunate effects.

Our constitutional obligations and our location in the global world as a country from Africa, from whom everyone expects something but which “something” is often contradictory, places us in an invidious situation of being compared with advanced economies yet we have 80% of our population living under conditions of underdevelopment and poverty, comparable to least developed countries.

According to the World Economic Forum’s Report (The Global Information Technology Report 2006 – 2007) South Africa is ranked number 47 on the Networked Readiness Index. The Forum noted however, that South Africa is standing higher in the policy and regulatory environment (ranked 25th).

In recent years the world has witnessed the power of Information and Communication Technologies (ICT’s) in revolutionizing the business and economic landscape. The millennium development goals (MDG) has included access to ICT’s among the eight goals set. This is because there is evidence of the increasing role that technology plays in accelerating economic growth and promoting development and government efficiency in service delivery.

But evidence also shows that these benefits have not been shared by the marginalized, predominantly black population of our country, especially the rural, female and poor citizens.

It has become clear that the diffusion of mobile telephones in the remote rural communities providing relatively cheap and easy access, can enable South Africa to realize its national potential and enable a better quality of life of for all the citizens.

The development of mobile telephony in South Africa as well as other parts of Africa has suffered from conceptualization and assumptions based on western models. Though mobile telephony has experienced the fastest growth on this continent because of the increased access to connectedness, it was based on business models that assumed and required documentation for example regular income, a physical address for bills to be sent, access to the postal network, permanency of home location. Many of the then unconnected never fitted into this model. It was for this reason that MTN and others introduced cash payment and prepaid systems – a phenomenon that quickly spread all over the world because of its convenience. But the system is more expensive for the poor in that the devices used, the interconnection charges remain high and lack of infrastructure in some areas make the quality of service poor e.g. in many areas you have to walk up the nearest hill in order to get reception.

While we read about “People permanently plugged in” (Sunday Times, April 20, 2008) and getting done in 24 hours what used to take 31 hours, clearly some parts of the world and some people of South Africa are more connected than others.

The telephone companies, both fixed and mobile, run on the premise that they should provide higher profits for their shareholders. They are not willing to bring costs down in order to serve the poorest of the poor. Even government as a shareholder has not been able to shift the goal post backwards to favour the country’s poor.

But today we meet a company that tries to do “Business Unusual” – through innovation in the areas of use of new technologies, new value propositions that link affordability, uplifting and uniting communities based on business models that understand (1) the targeted population and its limitations (2) what the new policy and regulatory environment of the Electronic Communications Act provides.

They wish to provide inclusion of that vast majority of the unbanked and unconnected as we have seen the Mzansi Accounts provide. But this venture, I assume, also tells us their new customers will become members / part of those participating in expanding South African economy. It will provide sellers and buyers of services among the most marginalized, but link them to the most connected advanced sectors of our economy. It will grow the telephony market, improve access and help us achieve our M.D.G’s.

It is a venture led by women who have local and international experience collaborating with men with equal though different experiences and therefore makes for a dynamic expansion into the ICT in a Business Unusual manner. They have linked with Under Served Area Licences (**USAL’s**) who have been struggling to survive in a technology, policy and regulatory environment that hamstrung them.

We wish the venture success and hope that sooner rather than later, we will see a better life for all as a reality. Nothing is impossible.

Thank you