

Social Inequalities and the South African ICT Access Policy Agendas

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This paper discusses how social disparities and inequalities affect access to ICTs. It analyzes the historical and social contexts of the current state of inequalities in South Africa, and locates access to ICTs within this framework. It then explores how the South African government, through public policies, has attempted to tackle the issue of access to ICTs. The study of some of these policies reveals the shortfall of many access programs. While the intentions of the policies may be proclaimed as reflecting public interests and social good, the tendency to lean toward a neoliberal free market strategy often hampers access programs in many instances. This paper argues that other social forces, such as poverty and social inequalities, confront most of the access programs, and render these programs ineffective. It affirms that while access policies are of good intentions, aggressively pursuing policies that address social inequalities which work in tandem with access programs, are equally essential.

Keywords: ICT access, Universal service, ICT policy, inequalities, South Africa

Social Inequalities in South Africa

The World Bank classifies South Africa as an upper middle-income country. With per capital income of more than \$3,000, it has the largest economy in the African continent. The ongoing growth of investment rate within the country makes the economy appear poised for expansion. Unfortunately, the benefits of a growing economy have not reduced the endemic social inequalities within the country. Despite the wealth derived from abundant mineral resources, more than half of the population lives in poverty, and income disparities are among the worst in the world (Pigato, 2001). Shortly before the turn of the new millennium, the legacy of apartheid left South Africa arguably as one of the most unequal countries in the world, with massive levels of social, economic and political inequalities. Although considerable improvements have been made in redressing these layers of inequality, the overall level of social inequalities is still unremitting. For one to understand these inequalities, it is paramount to put this into a historical context. For decades, South Africa was under an apartheid regime: a system of legislated form of racial segregation where access to social services, employment, education, place of residence, and

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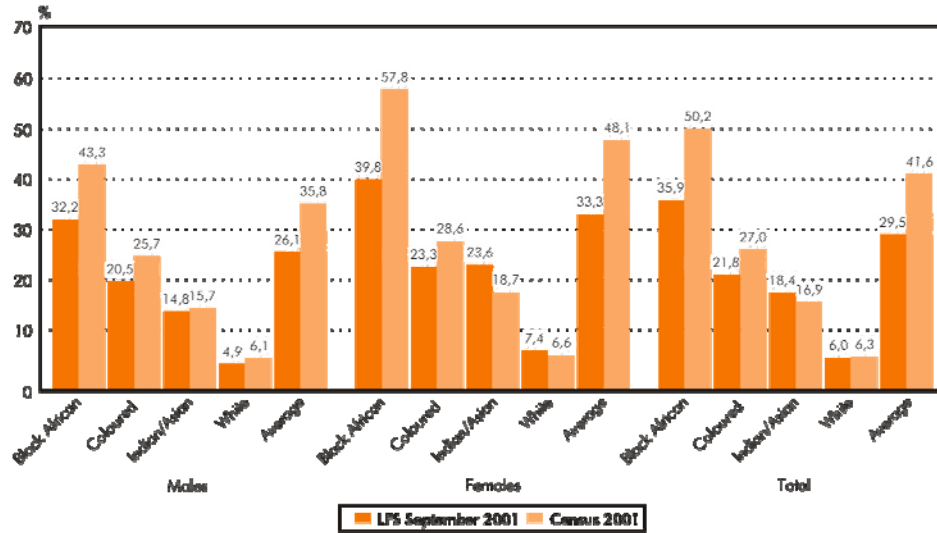
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basic social amenities such as water, electricity, health, and telecommunication was limited based on race. By 1994, when apartheid officially ended with a democratically held election, vast inequalities existed across racial groups of the population. These inherited inequalities were obvious with regard to access to basic amenities and infrastructure. For instance, in 1996, 24% of black South Africans received no education compared to only 1% of whites (South Africa [SA] Census, 1996). While only a quarter of black South Africans had access to piped water in their houses, whites and Asians had universal access (Hoogeveen & Ozler, 2005). A third of South Africans, mostly black Africans, lived in shacks (Statistics SA, 2000, cited in Fourie, 2003).

Faced with the legacy of inequalities, the new South African government embarked on policy frameworks in order to confront these social gaps. With the advent of democracy in 1994, successful attempts were made to grow the economy. There have been sector reforms geared toward boosting economic competitiveness, creating jobs and opening South Africa to the markets of the world. Increasingly the economy has grown steadily, with GDP rising by 3.7% in 2002, 3.1% in 2003, 4.9% in 2004, 5% in 2005, 5.4% in 2006, the highest since 1981, and 5.1% in 2007 (SouthAfrica.info, 2008). In spite of this growth, the level of inequalities still remains a troubling obstacle. The poverty rate is still high, since about 57% of the population lives below the poverty line (HSRC, 2004). Also, the unemployment rate is one of the highest in the world, ranging between 36% to 42% since the year 2000 (GPRG, 2005; Hoogeveen & Ozler, 2005). The level of unemployment is skewed by race and gender. According to the census of 2001, 57% of black women were unemployed compared to 6% of white women, and 43% of black men were unemployed compared to 6% of white male. The unemployment rate across different groups has central implications for the distribution of income and for the occurrence of poverty, considering that 79.6% of the population are black Africans, 9.1% whites, 8.9% coloreds¹ and 2.5 % Indian/Asian.

¹ In South Africa, 'coloreds' generally designates people of mixed race.

Figure 1. Unemployment rate 15-65 by sex and population group.



Sources: Labour Force Survey, September 2001 and Census 2001
 The LFS figures are the official labour market figures.
 Both datasets show particularly high unemployment among African women.
 Source: Statistics South Africa Census 2001

Among the employed, income disparity also provides another layer of inequality. To a large extent, access to many social amenities is often determined by income. Obviously, income inequality on its own does not determine all social inequalities. As Amartya Sen (1992) notes, the range of inequality of opportunities that people face cannot be easily deduced from the magnitude of inequality of income. Since what we can do, or cannot do, can and cannot achieve, do not just depend on inequality of income. It also depends on the variety of physical and social characteristics that affect our lives and make us what we are. For millions of South Africans, education and race characterize the different layers of inequality. Take for instance, the current income disparity among white and black South Africans compiled by the trade union, United Association of South Africa. It is observed that while white workers on average earn 5.5 times more than black workers, the white population group had the highest income, about 450% more than black income and 400% more than colored income (Shüssler, 2008). Definitely the income inequality affects affordability and access to many social resources including ICT services.

Many value-producing resources form the bases of inequality in every society. The system of inequality historically depended on the control of one or more resources. Tilly (2005) enumerates 10 categories of resources that historically form these bases of inequality:

- Coercive means, including weapons, jails, and organized specialists in violence;
- Labor, especially skilled/or effectively coordinated labor;
- Animals, especially domesticated food – and/or work-producing animals;
- Land, including natural resources located in and upon it;
- Commitment-maintaining institutions such as religious sects, kinship system and trade diasporas;
- Machines, especially those that convert raw materials, produce goods or services, and transport persons, goods, services, or information;
- Financial capital – transferable and fungible means of acquiring property rights;
- Information, particularly information that facilitate profitable, safe, or coordinated action;
- Media that disseminate such information;
- Science-technical knowledge, especially knowledge that facilitates intervention –for good or evil – in human welfare.

Tilly (2005) argues that these resources, when in short supply and easy to circumscribe, lend themselves to exploitation and opportunity hoarding. This, in turn, generates inequality. He argues further that, although these resources form bases of historical context of inequality, the recent bases of inequality can be located in four resources: financial capital, information (which includes the recent expansion of computing and electronic communication), science (in form of pharmaceutical developments, engineering, biomechanical computing, telecommunications, medical diagnostics, etc.), and media for storage and transmission of capital, information, and scientific-technical knowledge.

Locating Tilly's discussion of bases of inequality within the South African context, it is apparent that the control of some of these resources has contributed to the level of inequalities in the country. The obvious relationship of information, computing and telecommunication to social empowerment and inequality in Tilly's discussion is more relevant to the thrust of this paper. Inequality is noticeable in the level of access to many social resources in the different sectors of the South African economy, and the telecommunications and ICT sector is not an exception to this. In 2001, about 8% of households had a computer, and less than 2% of African-headed households had a computer, as opposed to 46% of white-headed households. Similarly, only 12% of African-headed households had a telephone at home, in comparison to the national total of 24%. This may, in part, explain the popularity of cell phones as twice as many African-headed households, at 25%, own cell phones (SA Census, 2001). While access to mainline telephone is stagnating, access to cell phones has increased tremendously in South Africa, just as in other African states. By the end of 2006, there were 9.97 main telephone lines per 100 inhabitants, 87 cell phone subscribers per 100 inhabitants, eight computers per 100 people, and 10.75 Internet users per 100 inhabitants (ITU, 2006). The adoption and growth of cell phone technology has massively increased access to voice telephony. Sadly, household access to the Internet and computer still remains very low.

It will be an erroneous conclusion to assume that access to ICTs can solely address the deep-seated inequalities that pervade most developing nations. Skewed access to communication technologies is a result of inequalities and social disparities. Policies should look beyond merely focusing on access in addressing inequality. Garnham (1999, p. 115) notes, "in the field of communication it leads to the conclusion that it is not access in a crude sense that is crucial but the distribution of the social resources that makes access usable." With regard to access to ICTs in South Africa, the task at hand is to explore the policy frameworks instituted in South Africa that are geared toward addressing skewed access to ICTs. However, it is important to mention that this policy framework functions within a larger reconstruction, development and social transformation agenda that characterized the peculiarity of South African political and social history during this period. To fully comprehend this development, it is significant to recall the political and economic situation prior to the first democratic election of 1994. As Gillwald (2005a) notes,

[t]he scale and complexity of the problems that had to be addressed as a consequence of over 40 years of systematic underdevelopment of the majority of the population along racial lines were immense. In 1994, the teledensity (the number of telephone connections per 100 people) was below 10, and only 45% of households were connected to an electricity supply. All infrastructure and services were racially skewed to serve predominantly white households. Teledensity in primarily black rural areas of South Africa was around 1%, in line with other parts of Africa, while white-dominated urban areas had teledensity figures comparable with industrialized economies. (p. 472)

South Africa, as a case study, represents how public policy has resulted in a large rate of inequalities across the population. The apartheid era policy of institutional and racial segregation is at the root of current inequalities. This, coupled with the neoliberal free market policy of post-apartheid South Africa, accentuated the range of inequalities. It is in the South African context that this article engages how public policy is drafted as part of government's intervention to address the inequality in access to ICTs. The methodological framework adopted here hinges on an approach that allows the correlation between the role of access to ICT as a strategy and the need to address poverty and inequalities. This raises many questions and dilemmas: Can appropriate access policy ameliorate endemic poverty and inequalities? How effective are pro-competition and pro-industry approaches to ICT access policy in a society that struggles with high rate of inequalities? These questions highlight the need to study the nature of social inequalities in our societies on one hand, and on the other hand, to explore how policies, specifically ICT access policies, have been heralded as a strategy to address these inequalities. South Africa provides an effective case study for this approach. As stated earlier, the country has a high poverty rate coupled with high social inequalities across the population. The country has embarked on ambitious policy initiatives in the ICT sector to address some of these inequalities. South Africa is an appropriate case study that is representative of many developing nations battling social inequalities and the need to provide access to technology in addressing these inequalities. In Africa, for instance, South Africa has played a major role in facilitating communication development in the continent. Many South African-based communication technology corporations have expanded their operations beyond South Africa and entered lucrative markets in other African states. Also, many South African policy experts have been involved in advisory roles for policy development in other African states.

The approach toward market driven, neoliberal policy agendas and a technological bias toward addressing social inequalities have implications for communication policy as a whole. As Servon (2002, p. 18) notes, "There is no technological fix for the problems of inequality and persistent poverty. Providing low-income and low-asset groups with computer and Internet access will not solve these problems nor will it magically level the social and spatial inequalities that currently characterize our regions." It is obvious that the digital divide functions within the spectrum of many other social divides: income divide, rural-urban divide, gender-divide, educational divide, race and ethnicity divide, economic divide and many other divides. Considering this, the basic rationale for addressing the digital divide is to ask: Do ICTs help in ameliorating these social divides, or do they exacerbate an entrenched disparity and inequality in society? The position taken in this paper is to note that appropriate policy towards ICT access may contribute to ameliorating some level of inequalities, but access policy should not be implemented in isolation from other social policies that address inequalities and poverty. Addressing the technological gap with appropriate policies can be effective in addressing poverty. Servon rightly concurs, "programs that confront the technology gap provide the kind of resource that have historically been missing from poverty policy" (2002, p. 18). This is a long-term approach to addressing inequalities through the provision of resources. In this regard, it is a technological resource that opens the way to functional and empowering skills, and crucial information. The South African example here provides us with a study of how governments intervene and draft policy to specifically address the disparities in access to ICTs, since ICTs open massive opportunities for social and economic developments.

ICT Access Policy in South Africa

The process of reforming the telecommunications sector resulted in the Telecommunications Act of 1996. The act specifically addresses the issue of universal access and service, and the extension of access to the large section of the population untouched by telecommunications services. Before assessing the policy regime in South Africa, it is crucial to keep two critical issues in focus, as these are the underlining frameworks that govern the direction that South African ICT policy and reforms undertake. First, is the historical context discussed above, and second is to engage this policy issue within the context of global neoliberalism that shape the political economic order of global communication. Neoliberalism basically argues for laissez faire capitalism, where markets are expected to govern all sectors of society. It reflects a contemporary stage of capitalism mostly defined by four indicators: privatization, deregulation, liberalization, and the globalization of markets (Pickard, 2007).

The neoliberal agenda operates within the framework of a free market economic paradigm. With regard to policy in the neoliberal tradition, Williamson (1990) listed a set of policy guidelines often referred to as "Washington Consensus." This includes, among others, fiscal discipline, privatization, deregulation and trade liberalization. South Africa found itself confronted with a dual agenda of opening its market in order to be part of a global economy on one hand, and on the other hand the social role of addressing the high level of inequalities in the country. The government eventually adopted the WTO GATS agreement on Telecommunications that pushes for the liberalization of the telecommunications sector. The reform model included a three-pronged approach involving privatization, competition, and the establishment of an independent regulator.

Gillwald (2005a) notes that despite concerns about this model, particularly the privatization segment of the reform, this model was pushed across the globe by telecom 'experts' as 'best practice model.' In reality, South Africa "had little local expertise in the area of policy, regulation and specifically privatization, though this was not adequately acknowledged. It was highly dependent on the advice of its international financial and policy advisors who proposed the three pronged strategies that underlay the international reform model" (ibid., p. 474). With the intention of addressing its social objectives, the government eventually settled for a gradual privatization and competition process, the so-called 'managed' liberalization strategy. This involves the partial privatization of the state monopoly telecommunication corporation (Telkom), selling off 30% stake in the corporation to investors, and granting the corporation a five-year exclusivity period in which it has to roll out lines to meet the social objective of the government. This began the process of liberalization of the telecom sector in South Africa. In order to address the social development goals, some policy agendas were implemented to tackle the access issue.

License Conditions and Rollout Targets as Access Strategy

This policy strategy involves attaching a universal access goal to license conditions offered to telecommunication operators. It entails imposing a target for the rollout of telecommunications services for either residential or community access. The objectives of this rollout conditions include providing services to uneconomic customers, as in low-income household, uneconomic areas (such as rural areas), and uneconomic services (such as pay phones). Specifically in South Africa, this strategy means that an operator given license to operate in the market must meet some social obligation requirements by providing a number of residential phone lines and a number of public payphones. The provision of Internet computer laboratories was later added to the conditions (Hodge, 2004). With the 30% privatization of the state national operator (Telkom) and a five-year exclusivity before introducing competition into the market, the operator was mandated to extend services to the previously unconnected households and communities. This social obligation implies that the operator must roll out 2.81 million lines over a five-year period of exclusivity, approximately 1.7 million of the lines must be in underserved areas. It must also install public pay phones as part of the community service obligations. To avoid any discriminatory practice from the operator, the government warns that failure to meet these obligations will incur financial penalties. The expectation was that South Africa could double the teledensity of number of lines per 100 people (ibid.). Specifically, the social obligations required of the national operator, Telkom, is to build 1.67 million lines in underserved areas, connect 3,204 villages to the telecommunication network, and install 120,000 pay phones (Telkom Annual Report, 2003). At the expiration of the exclusivity period for the national operator, a second national operator, Neotel, was licensed to operate and given a rollout target as part of a community service obligation. Neotel must provide high-speed Internet connectivity to 5,000 public schools, Further Education Training Institutions (FETs), and rural medical clinics. Within five years, this operator must make available Public Switched Telephone Service (PSTS) to 50% of the population in the major cities, and to 80% of the population of the country within 10 years (Neotel, 2006).

The three mobile phone service providers in the country were also allocated rollout targets as part of their license conditions in order to meet social obligations of enhancing access to telephony service

across the country. Within five years of operation MTN was to roll out 7,500 community service telephones, Vodacom to roll out 22,000 in underserved areas and Cell C to roll out 52,000 community service telephone lines over a period of seven years. Coupled with these obligations, the operators must provide low community service tariffs.

Underserved Area Licenses

In 2001, amendments were made to the Telecommunications Acts of 1996. One amendment created a new license category, the 'under-served area license' (USAL). This aimed to accelerate the growth of telecommunications services in underserved areas. Under this strategy, small- and medium-sized enterprises could apply for licenses to provide telecommunications services in areas with a teledensity of less than five percent. Underserved areas usually comprise rural and semi-urban areas characterized by poverty, poor infrastructures, limited access to services (including telecommunication), high levels of unemployment and few employment opportunities (Mmusi, 2005). The goal of this license policy is to provide services to these areas, which have not been served by telecom services due to high cost of expanding network to these regions that are dominated by low purchasing power of households. Secondly, the license empowers small and medium scale enterprises and individuals from these historically disadvantaged communities to participate in the telecommunications industry.

Universal Service and Universal Access Policy

The two concepts of universal service and universal access are defined differently from country to country. Historically, these concepts have meant the availability of telephone in every household. This has changed, as development in the telecommunications sector continues to grow beyond basic telephony. Today, these terms connote access, not only to telephone, but to other ICTs, such as Internet, computers, etc. In standard definition, universal service means availability of a connection to ICTs in every home and household in a country. In the current situation, it has extended to also include individual connection to ICT via wireless devices. Universal access, on the other hand, implies that everyone has access to publicly available ICT services. It implies accessing ICTs at public places. While some developed countries may aim for universal service, for now, this is an unrealistic idea for most developing countries. Traditionally, universal access in Africa was defined in terms of distance to a public phone. For instance, in Kenya, it was defined as a phone within a walking distance, and in South Africa, it traditionally means a phone within 30 minutes' walk.² In both concepts, the focus is on availability, accessibility and affordability of services. In South Africa, access policy has focused extensively on the concept of universal access. The Universal Service Agency was established as directed by the Telecommunications Acts of 1996,³ with the role of facilitating the extension of access to ICTs to all South Africans. The agency is involved in setting up

² This is as defined in the Telecommunications White Paper of 1996. The definition of universal access has been changing over time. In the mid- to late- 1990s the 'distance' definitions were often used. Today's emphasis is mainly on public accessibility.

³ The Universal Service Agency has been renamed Universal Service and Access Agency of South Africa (USAASA) under the Electronic Communications Act No. 36 of 2005.

telecenters that provide ICT services, especially in rural and semi urban areas. The agency also manages the Universal Service Fund (USF), which all telecommunications licensees and operators make annual contributions to. This fund supports the establishments of telecenters and provide ICT infrastructure for school computer labs in the country.

Telecenters in South Africa: The government's intention to provide access to rural and underserved areas is one rationale for the establishment of telecenters, which were to be facilitated by the Universal Service and Access Agency of South Africa (USAASA). While the USAASA maintains about 140 telecenters across the country, other forms of telecenters also provide access in the country. Two main models of telecenters exist in South Africa. The first is the private ownership model involving individuals and SMMEs (Small, Medium and Micro Enterprises). This model is very popular across Africa, the telecenters are run as businesses where people pay fees to access any of the facilities offered. The other model involves telecenters owned by government and the civil society □ Non-Government Organizations (NGOs), and Community Based Organizations (CBOs). Telecenters mostly provide access to computer services, voice (telephones), data (fax, Internet, e-mail), typing, printing and photocopying facilities, video facilities (TV Set, Video Recorder/DVD Player), and ICT Training Services (USAASA, 2008).

Public Information Terminal (PIT): The Public Information Terminal (PIT) initiative aims at providing electronic communication to South Africans. It was launched in 1998 as a joint venture between the South African Department of Communications (DoC) and the South African Post Office (SAPO). These terminals, also known as Internet kiosks, are located in post offices to provide the opportunity for millions of South Africans to create free e-mail accounts and access digital information. The PIT provides direct access to government information and services, such as application for a driver's license, national ID forms and government employment forms. It also provides access to business information, such as databases of local SMMEs, access to educational services, communication by e-mail, and general Internet connection. There are currently 700 of these terminals in South Africa (SA government services, 2007).

There are many other projects, access strategies and policies directed toward universal access in South Africa headed by many players, such as provincial governments and national departments. Undoubtedly, South Africa is well positioned as the hub of telecommunications activities in Africa. This is apparent when one compares the state of telecommunications in South Africa to the rest of sub-Saharan Africa. A study of the current ICT access indicator in South Africa reveals that universal access to mobile telephony is almost complete, with the percentage of population covered by mobile signal at 99.7%, and the number of people with access to cell phone at 87 per 100 people. Attaining universal access to other ICT services, such as the Internet, seems far from being achieved, it reveals a bleak picture.

| Figure 2: South African ICT Statistics 2007. Source: ITU ICT EYE 2007 | |
|---|-----------------|
| Population | 48'576'764 |
| GDP (U\$) (2006) | 257'172'821'270 |
| Fixed telephone lines per 100 inhabitants. | 9.56 |
| Mobile cellular subscribers per 100 inhabitants. | 87.08 |
| Computers per 100 inhabitants. (2005) | 8.36 |
| Internet users per 100 inhabitants (2005) | 10.75 |
| Broadband Internet subscribers per 100 inhabitants. (2006) | 0.70 |
| International Internet bandwidth (Mbps) | 3'380 |
| Radio sets per 100 inhabitants (2002) | 24.24 |
| TV sets per 100 inhabitants (2003) | 19.47 |
| % Population covered by mobile signal | 99.79 |

South Africa's Access Policy: Good Intent, But . . .

It may be argued that the policy of setting access obligation for the national operator was a failure. Although the national operator (Telkom) initially met the expansion target that was meant to be part of their social obligations (especially the extension of fixed line to underserved areas), the massive disconnection of lines by the operator, due to non-payment of fees, resulted in the net effect that 75% of the license obligation for network extensions has not been fulfilled (Melody, 2002). Hodge (2004, p. 209) presents a more emphatic analysis of this scenario, in 2001 a total of new 630,000 lines were rolled out, however 1,160,000 lines were disconnected, resulting in an actual decrease of 530,000 active lines. The following year, 606,000 more lines were disconnected. Given this massive disconnection, the policy of rollout targets for exclusivity can be considered a failure, and social obligations were unmet. The operator in defending these disconnections explained that the company had to clamp down on bad debt and enforce timely payment of bills. The operator can be criticized for redlining its operations in extending services. This is made evident in its declaration: "we elected not to roll-out lines in our last year of exclusivity where it was not economical to do so. As a result, we missed our fixed-line roll-out target by 16,448 lines" (Telkom Annual Report, 2003, p. 41). It goes without saying that "not economical" areas include mostly locations inhabited by the poor, the rural dwellers and those who are mostly affected by poverty and inequality that continue to hinder South African growth. As a penalty for not meeting the rollout target, the operator paid R15 million (US\$2 million) in fines, which was more cost-effective than choosing to provide access in "not economical" areas.

This policy failure should be seen in a deeper context. First, it reflects the outcome of collision between a capitalist intention of a neoliberal free market policy and social development goals. Often when this happens, the result is the failure of the social development goals. With the privatization and the intended aim of making the national telecom provider profitable, prices of local calls were increased, making the service out of reach for millions of poor South Africans. Secondly, it reflects conclusions that

economists and communication analysts have often made: that a mere physical connection to ICT services does not connote access, nor does it address the deep-rooted social inequalities exemplified by poverty. It may be argued that many people prefer to spend their meager money on meeting more pressing needs, rather than paying for ICT services. The focus on privatization during the beginning of the telecom reform in South Africa also contributed to the failure of the access program. As Gillwald (2005a, p. 486) notes,

the reform agenda prioritized privatization, which was perceived as the mechanism that would most rapidly redress the imbalances in provision of telecommunications services . . . the most significant outcome of this pre-occupation with privatization in South Africa is that the number of citizens connected to the fixed-line network today, at the end of the private monopoly period, has barely changed since before the monopoly was privatized in 1997.

These neoliberal agendas of liberalization and privatization that characterized international policy reform have been unwisely, but usually conveniently, applied in many developing economies as the way for foreign market access, and mostly ignoring more efficient policy reform strategies. The South African government privatization of the national provider was seen as a way of protecting its parastatal by making it economically viable (the government having about 39% stake is the largest shareholder in Telkom). The intention to make the national provider economically viable occurred at the expense of providing access to millions in the low income, and poor segments of the population. The privatization process was confronted with numerous attacks from the civil society. Trade unions were at the forefront of the anti-privatization campaign. The Congress of South African Trade Unions (COSATU) called for a two-day national anti-privatization work stay-away. During the strike, members of the union picketed on the streets carrying placards displaying their grievances, one reading: "we did not fight for liberation so that we could sell everything we won to the highest bidder" (Cosatu News, 2001), a poignant reference to the liberation struggle against apartheid. The trade union general secretary declared in an emotional speech:

[s]oaring rental charges for telephones place them beyond the reach of at least a third of our people. At the same time, the increase in local telephone charges makes telecommunications increasingly inaccessible. Local charges rose 35 percent even after inflation in the past two years. At the same time, we saw a 40 percent fall in the cost of international phone calls, which mostly benefit business and the rich . . . We should not be surprised at this kind of results from privatization. Our only surprise is that government can still call it "developmental" . . . The extension of telecommunications to the poor must form a central part of any development strategy. But the privatization process has undermined efforts in that direction, rather than strengthening them . . . We are not fighting for an empty process of consultation . . . We have to ask why this government, our government, a government for which COSATU fought and campaigned, has fallen in love with privatization . . . the success of our anti-privatization campaign rests with you and all our members. We need to make sure that every South African understands the nature of privatization and how it affects our communities. (Vavi, 2001)

This evidently showed the reaction to the neoliberal policy framework that failed in addressing the deep concern of the critical mass of the South African population. The failure in extending telecommunication connection to millions of people exemplified this.

One may ask why access to cell phone services increased exponentially while fixed line stagnated, despite the fact that the operators in both services have rollout target obligations? To put the success of cell phone access solely on a universal policy strategy will be a flawed assumption. The character of cell phone service is quite different. The pre-paid packages that cell phone services offer make it an attractive alternative. For starters, consumers are not tied to a monthly payment; rather they buy services as they can afford and as needed. This was also coupled with the ease of extending coverage to previously unserved areas, compared to the highly expensive task of laying cables that fixed line service requires. The portability of the cell phone also makes it attractive to millions of people who could, as a result, personally monitor their spending on this service.

The establishment of telecenters in South Africa has arguably been heralded as a pragmatic approach to extending telecommunication services to the many untouched by the massive communication technology revolution shaping the current information economy. By 2001, the first wave of telecenters was already completed with 65 telecenters established in all the provinces of the country, all in disadvantaged areas, with the majority in rural areas. It has been argued that the establishment of telecenters that require rural, mostly poor people in disadvantaged and economically depressed area to pay for communication services was poised for failure. Findings reveal that in the first wave of telecenters in South Africa, 32% of the centers did not work, some were burgled, some faced critical problems such as lack of electricity, or the people had no skills to operate or even demand for computers (Benjamin, 2001). This reinforces the assertion that technological interventions do not address many immediate social needs of people struggling with lack of proper education, poverty or lack of basic social utilities.

While the policy intentions of the government are clad in terms such as 'public good' and 'developmental strategy,' balancing the financial sustainability of access projects with affordability and priority issue of the large segment of the poor population always result in the failure of these access programs. The placing of Internet kiosks in post offices has been commended as a good strategy, although it is also aimed at additional income generation for post offices. However, in a situation where people pay to use this service, it raises the issue of priority regarding expenditure of financial resources, specifically in rural or semi rural areas. As Goldstuck (2001) notes, e-mail address access is not as much of a priority as access to water for rural communities. Especially when the basic skills to access this platform are absent.

The Under-Served Area License (USAL) projects a good policy intent that can actually address some access inequalities in South Africa, and the government's provisioning of funds to help small enterprises enter the telecom industry seems a reasonable policy agenda. However, this program encountered many challenges. For instance, the ordeal that small enterprises face with the resources to rollout networks, and the 30,000 rands (US\$4,000) application fee, which created a lot of frustrations amongst applicants. Requiring small businesses in a historically disadvantaged and economically deprived community in under-served areas to pay such money (which was not refundable if application was

unsuccessful), was too much of a risk for prospective applicants. The financial challenges were a major issue of concern, as small businesses encountered difficulties raising the required capital from financiers and investors to install and maintain a network in not economically viable areas, where other operators with much more financial resources refused to operate in. There were delays in awarding licenses, eventually resulting in a setback in the inception of operations. Many of the enterprises even considered recovering their losses through legal action against the state. Gillwald (2005b) notes that by the time the country legislated the licenses, USAL licensees had the initial advantage of being the only operators that could offer voice services with VoIP. However, before the policy and regulatory logistics could allow the operators to begin operation, the government announced policy directives that further liberalized the market. Gillwald (2005b, p. 17) argues, "This may have finally closed the window of opportunity for the USALs."

Universal access policies as social development agendas are honorable. The failure of some of these policies is not solely inherent in the policies alone, but also in forces from other social factors that render many access program unrealistic. It is futile to locate telecenters in communities that lack other social utilities such as water supply, electricity and struggle with unemployment and poverty. Irrespective of how much policy makers spread the gospel of ICT's potential to bring people out of poverty, having a physical connection to a digital domain is not the priority of most people, especially within communities that still struggle daily with poverty and many inequalities. In South Africa, the proportion of people living in poverty has not changed significantly. However, households living in poverty have sunk deeper into poverty and the gap between rich and poor has widened. According to the South African Human Sciences Research Council (HSRC), 57% of South Africans live in poverty (SARPN, 2004). To this group of population, investment in a computer and connection to an exorbitant Internet platform is not a priority. Paradoxically, their inability to access these new communication resources can contribute to their inability to escape poverty. Arguably, the high percentage of expenditure that households may incur on communication connection can affect access. Poor households who are targets of universal service policies have limited degrees of freedom around expenditure on more essential items such as food, shelter and transport (Hodge, 2004).

The argument in this paper is not to suggest that other social issues of poverty and unemployment must be addressed before access to ICTs is provided. The suggestion proffered here is that access policies must work in tandem with policies in other social sectors. With reference to South Africa, addressing critical level of inequalities is paramount for the access program to be successful. While the South African government has embarked on numerous successful pro-poor service deliveries in housing, electricity and water supply, the rate of service delivery backlog is still overwhelming. Also, this paper recognizes that access to communication technology is very important as a resource to empower people, and tackle poverty. With access to the right information, people become empowered to function in the political and the economic spheres of society, and hence, acquire the capabilities to function in the society. As Amartya Sen (1992) argues, achieving well-being depends on the capability to function. The adoption of neoliberal strategies has also not helped. With privatization agendas reigning supreme in sectors such as the lucrative telecommunications, many South Africans are continuously excluded from these services. The marketization and privatization strategies in policies have pulled access to many social infrastructures away from the poor, who consequently found themselves unable to climb out of the quagmire of poverty.

As corporations play more and more to the dictate of the markets, prices of products and services gradually become higher and result in the inability of critical mass of people to afford these services, and therefore they are excluded. The ability to participate in an evolving information economy depends on access to basic ICTs. Government must develop a pro-poor policy framework for ICT access, not independent of the other pro-poor service delivery in other sectors, but in tandem with these other social policies.

Obviously mere technological intervention cannot solve the endemic inequalities in South Africa, or any other developing nations of the world. As it has often been argued, bridging the many social divides is more than just a mere access to physical technology (Castells, 2002; Mansell, 2002; Servon, 2002; van Dijk, 2005; Warschauer, 2003). To address an endemic rate of inequalities in South Africa, bold policy intervention is needed. Without a doubt, communication technology can serve as a great resource toward addressing poverty and inequalities. However, policies that prioritized physical access and supported by neoliberal agendas are bound to exacerbate these inequalities. As a way forward for South Africa, access policy must provide a long-term approach, and not an immediate fix-all strategy that has yielded no result. A long-term approach must focus on developing skills for appropriate communication technology in order to address capability to function in the information economy of the 21st century. Access should be seen as developing the capability and skills to utilize information technologies. For instance, there is the need to restructure secondary education that includes ICT skills in the curriculum, not only in urban or city schools, but nationally including rural schools. The advantage of empowering young school children with ICT skills across the nation is undoubtedly a step in addressing a layer of inequality that may otherwise hamper the ability of these children to function in the information economy when they become adults. Essentially, communication policy must focus on developing skills. This information technology skill development must be built into education policy, reinforcing the need for policies to work in tandem across social sectors. The skill development will also focus on encouraging skills to create local and relevant contents in familiar local languages.

Government's intervention is also important in monitoring access prices to services, especially to the Internet, where access is extremely low in South Africa. Also the South African government needs to provide policy that encourages Internet access in the country. Many municipalities, realizing the inability of the national providers to provide affordable Internet connectivity, have begun exploring the potential of municipal telecommunication networks for Internet connectivity. While it is important that an oversight may be provided by the central government, a total clampdown on municipal attempt at providing Internet connectivity to its residents is damaging to the future of the Internet in South Africa. Undoubtedly, the need to protect the corporate financial interest of the dominant commercial provider stands as the main reason for hampering municipal attempts. The national telecom provider, Telkom, even threatened legal action against a municipality that started using its own wireless network (Gedye, 2005). The price for satisfying private commercial interest at the expense of public interest will be damaging to the future development of the Internet in South Africa. Many people will be unable to tap into the enormous benefit of the digital opportunities to improve personal economic advantage. The United States' experience stands as proof of this. With the clampdown on the burgeoning municipal wireless broadband projects by many states, and the federal government's consideration of a ban on it, the result is a continuous slumping of the U.S. broadband access per capital. The U.S. broadband access rate has

slumped from a fourth position amongst the world's top economies in 2001, to a 15th position in 2008 (OECD, broadband 2008). Undoubtedly, this is also the result of a highly market-influenced policy.

Specific policy attention should be placed on exploring the use of appropriate technologies that improve access. Wireless technology works for telephony by increasing access to voice services through cell phones in South Africa. With the wireless revolution, 99.79% of the population is now covered by mobile signal, and about 87 people in every 100 have mobile cellular subscription compared to just nine fixed telephones lines per 100 people (see Figure 2). The government needs to consider exploring wireless technology to expand Internet connectivity. While communication policy may enhance the platform for empowering people with resources to address social inequality, government must ensure that policy in the communication sector works in tandem with policies in other social sectors. This will be one of the bold attempts at addressing social inequalities. As Norris (2001) reminds us, this matters because the lack of real access affect the underclass, the info-poor, and the millions of the economically marginalized, who may further be marginalized in societies where basic computer skills and internet connectivity are becoming essential for economic success and personal advancement, entry to good career, educational opportunities and opportunities for civic engagement. Merely focusing policies toward addressing physical access to technology, coupled with the absence of a strong commitment to reduce the seemingly entrenched social inequalities in South Africa, will render an access program inconsequential.

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