



## **Keeping Ahead in ICT**

*An Entrepreneur's Story*

### **Voice-over**

Maureen was married to a lawyer. She's one of the minority of black people with an education. Although she has a full-time job when she became a single mother with two young children she suddenly found herself in financial difficulty.

### **Maureen Mphatsoe, Phone Shop Owner**

I am a graphic designer, OK, but three years ago I got divorced and I was forced to sort of look for ways of keeping the same kind of lifestyle, and I went to Oliven and spoke to the people and said do you need telephones in, I saw that Telkom telephones there, I said are they always working, and they said no, not reliable, half the time they're not working. Initially I spoke to one lady who lives not too far from there and asked the lady if I could put the container in her yard. She agreed to that, but then to make it more accessible to most people, we thought it would be ideal to have it where most people pass through. Where I work I sort of meet intellectuals, academics, and people who are specialists in their fields, and just a few metres away I get into this 'phone shop which is completely different, but it's very interesting because I have actually discovered that it doesn't matter who you meet, you will always learn something from, you know, the interaction with those people. When I started, it started off at 100 rand a day, and Vodacom takes two-thirds of it, a third of it comes to me, and I have to pay the lady that works there, pay for the batteries and the candles, and all that. Right now I must say it's actually doing very well, an average of 500 rand a day, which is 15,000 rand a month, so it's actually a very good kind of business, specially because I don't spend a lot of time there.

### **Alan Knott-Craig, Chief Executive, Vodacom**

If the businessman in the community sees a need or a profit, and it's a profit usually that drives people, and that's a good thing to drive people, at least everyone understands it, if he sees a profit in keeping his 'phone shop open all night, he'll do it, but you cannot try and force him to do it, you know, once you try and force those things you start interfering with how the market mechanism works, and you end up with something artificial which usually requires money to support it, and is not successful any more. Let them figure it out for themselves. If the need is great enough it'll be open twenty-four hours, if the need is not great enough and there's no buck to be made, it won't be. And, you know, I mean there's an upside to that and a downside, but that's how life works.

### **Jay Naidoo, Minister for Telecommunications**

In the last three years we've had a very fundamental restructuring of our policy and legislative framework so we've put into place a new policy that identifies universal services, a central goal of government, identifies the introduction of very modern technology as a very important goal to aspire to, and putting into place a regulatory system in which this consistency of the rules and transparency of the licensing processes, because a large part of the expansion of the communications infrastructure is going to be funded by the private sector.

### **Voice-over**

Market forces have become critical to South Africa's future, but the government believes that they must be kept in check. A regulator has been appointed to make sure that the companies are actually living up to their community promises.

### **Ross MacDonald, Group Executive, MTN**

Right now we are adhering to the requirements, we've rolled out six and a half thousand payphones, and our final obligation is seven and a half thousand, and we should be complete

during the course of next year which will be our kind of fifth anniversary, and at that time we will review the situation as, no doubt, will the regulatory authorities. We will, we are looking at some commercial payphone opportunities which may sort of follow on with our community service obligations. It's still too early to decide exactly what's going to happen.

**Voice-over**

But the operators have been criticised for only concentrating on areas near roads and towns. Despite the five hundred 'phone shops of Vodacom, and the 6,500 fixed 'phones of MTN, the regulator is not impressed.

**Nape Maepa, Chair, SATRA**

We have just recently advised the Minister to issue two new licences for cellular services because we were not seeing that many people were beginning to have telephones after four years of having the opportunity to provide wireless services.

**Jay Naidoo, Minister for Telecommunications**

I think the issue of the monopoly was an instrument we used in order to deliver a particular policy priority, and that was mainly in addressing the legacy of apartheid, which marginalised the black majority in our country, so it's not an ideological position we went into, it was a very practical trade-off that we took after considerable discussion and debate amongst ourselves. And it's proved successful; in fact South Africa is very much a case study internationally of how you take forward communications development.

**Voice-over**

And so the days of the joint monopoly seemed to ending as the government joins the digital age of the 21<sup>st</sup> century and the promise, and insecurity, of the global economy.