

Title: SCRIPT: "AFRICAN RENAISSANCE" PAGE ONE



NARRATOR (RALPH INESON)

Jubilation in the streets of South Africa, as Nelson Mandela's Government of National Unity ends forty years of minority white domination.

PETER DZWINGA

I've got my pride back and I know that whatever I do, I've got my country behind me, which makes a very big difference.

ARCHIVE FOOTAGE

NARRATOR

For all the joy there are tough choices facing the new government. It inherits a country divided by colour and wealth - the legacy of apartheid. Most white South Africans live in western style luxury, drive expensive cars have large houses, and eat in their favourite restaurants, seemingly oblivious to the third of the thirty million black people who are destitute. President Mandela pledged to change South Africa, to empower the black population and build an equal and just society.

JAY NAIDOO

How do we harness technology to leapfrog the society into the 21st century, and how do we prepare our children who are our future in these poorer areas for the knowledge based economy.

NARRATOR

But the 21st century seems a long way away in the poverty stricken black townships that surround the major cities. Many people have homes with no running water. More than half exist without electricity. But if South Africa is to create equality, everyone must have access to another basic need - communication.

JAY NAIDOO

It's fundamental that people are able to talk to each other. We have a historical situation of migrant labour in this country where men leave the rural areas to work in the cities, for them to be able to communicate with their families for kids to communicate with each other in terms of their studying at universities, for a mother to call the hospital for an ambulance for a sick child, those are very day to day functions that we take for granted, but in many rural areas they have to walk thirty to fifty kilometres to get access to a telephone, which usually gets charged at a very exorbitant rate.

NARRATOR

In South Africa, only one in a hundred black people in rural areas has access to a phone. Even in urban townships, only half the population has a phone within five kilometres. The government's dream is for every home to have a phone, and eventually for everyone to be wired to the Internet, to take their place in a digital world.

JAY NAIDOO

We have a vision in our country where I would like to see people in every household have a postal address a physical address, an Internet address as well as a telephone address.

NARRATOR

The vision is ambitious, and the scale of the task immense. But a technological revolution - the mobile phone - might just be making it possible. In the 1980's the mobile phone exploded on the west as a yuppie status symbol, but today the same technology is playing a key part in South Africa's future.

PETER DZWINGA

I think cell phones have, it's what really what Africa has been waiting for. By virtue of the fact that you know Africa has come to a standstill for close to thirty, forty years. There was no development there, a lot of guns were going there and that type of thing, but real development whereby it can bring to the people and to the country it has not been going there, unfortunately.

NARRATOR

Communication in black urban areas was not only ignored under apartheid, but repressed. Telephones were seen as dangerous devices, which might allow black opposition groups to co-ordinate. In rural communities the problems were more basic. South Africa is a vast country, the size of Europe, and the rural population is scattered and sparse. Even with today's will to wire the country with conventional technology, the task is proving incredibly expensive, and the copper wire is habitually stolen overnight, as soon as it's laid. But the mobile phone has changed everything.

PETER DZWINGA

Now the cellphone is actually made them to lift those forty years and to be smack right in the middle of everybody's communication system now, which I think that is a fantastic thing that has happened.

**NARRATOR**

No need for fixed phone wires across the African belt. This type of cellphone base station can be put up anywhere, linked to a satellite or a radio base. Suddenly hundreds of phones can be used up to thirty kilometres from every mast. But it's far from a complete solution. Most white city dwellers now carry a mobile phone, but outside the city people simply can't afford them. To meet its election pledge the government has had to find a way to adapt the technology to bring phones to the poor. The only way to build the right technology and infrastructure, was by commercial partnership, persuading the Telkom giants to invest millions of rands in South Africa's future. For a political party firmly rooted in Socialist ideology, the reality of the digital age demanded something called 'privatisation'. Thirty percent of the national telephone company Telkom was sold off to foreign investors, with the rest remaining in government control, and two new mobile operators MTN and Vodacom licensed to compete in the new digital market place.

ALAN KNOTT-CRAIG

We started in 1993 rolled out our first bit of network in the beginning of 94, and opened up for commercial service in June 1994. And since then we've grown to about 1.25 million subscribers, and doing very well thank you.

NARRATOR

The cellphone operators are making a fortune. As related markets open up, so new wealth is being brought to the country, and new jobs to the cities.

ALAN KNOTT-CRAIG

The growth has been huge, I mean people have expected that the total number of cellphones in South Africa would not exceed half a million in ten years. Well you know, the total number of cellphones in the country right now exceeded two million in four years. And I suspect that the set of the growth in the country will at least reach ten million, and the possibility of twenty million is not is not unreasonable.

NARRATOR

But the profits have only come with a promise. The licensed phone companies have a joint monopoly to sell phones in South Africa. As long as between them the install millions of subsidised phones for the poor. It's a low cost idea. This is an unused shipping container, but it now contains the most advanced cellular technology, adapted for use in townships and rural areas.

NEVILLE NDUMO

This is community service tariff, so it's going to be cheap because the government is regulating the tariff it's only 60 cents per minute, that you can charge, and it's part of the governments way of forcing Vodacom to have cellular telephone and not to be for a select elite few, but even the people all across the strata of society. They will not own the phone here but at least they can make a phone call using GSM technology.

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NARRATOR

They aren't like mobile phones as used by the rich. They're actually fixed to the wall so they won't be stolen, and calls are subsidised by the operators. They're known as 'phone shops'. They aren't selling phones, they're selling air time. Vodacom has developed this radical idea to address part of their community obligation, intending to install 600 across the country.

ALAN KNOTT-CRAIG

What people generally do is I say, well if these areas are third world and poor, let's put old you know cheap used technology in there. Wrong approach altogether. You now go for the most modern technology that's the best way to do it. And I think GSM have proved that in South Africa quite well.

NARRATOR

Vodacom needs local people to run the phone shops, but black people could find it difficult to borrow money. Today the government encourages banks to give loans to black businesses. In the township of Daveyton, half way between Johannesburg and Pretoria, Peter Dzwinga is one of South Africa's new entrepreneurs.

PETER DZWINGA

By a stroke of luck I ran into a guy from Teljoy, who is one of the service providers for the Vodacom system. Whereby he mentioned the fact that I said to him look I'm trying to get a cellular phone, and then he ran me through his thing and says no no no, you're a bad credit risk, he refused to get me a phone. I was very upset about that but well look the man was reading from whatever the credit bureau's were saying. Then he said to me but there is also a system coming up, Vodacom's gonna put up a public telephones that type of thing are you interested. I jumped like a bloody kid. Now when we kicked off that was in 1994 I think it was the 29th July. You have your five telephone lines some containers have ten, but I opted for five, because I felt that if you put in ten, our guys they do get a bit rowdy when they speak over the phone. Now if you've got ten then I thought I'm turning this thing into a circus now. Whereas this is supposed to add value to peoples lives. Anyway I started with that five then it went on it was just like a piece of cake, it was fantastic. It brought wonderful you know value to the peoples lives, in the sense that now they they could communicate they could say to their loved ones and that is the type of situation.

NARRATOR

A few miles from Daveyton Township, is Bekesdall, a recent settlement of migrant workers. In these areas it isn't only small entrepreneurs like Peter Dzwinga who put up phone shops, but also community action groups. It still isn't easy. The different tribal groups can be political rivals, and have to be brought together to achieve common goals. But eventually they agreed to run a phone shop for the community.

VUSI GUMEDE

We have to set up meetings with different organisations, within the community. From the left from the right, you know maybe ANC, PAC you have to make them see the common goal, agree on one goal, this is what we want to do for you people to benefit the community in the long term. People make applications for these kind of phone shops. It goes through a system of you know a checklist system, we take in the application, we really have to check the people to see if it's viable for them, and for Telkom cos we cannot just give phone shops to anybody, it has to be somebody who's got some sort of a credit track record. With this one, there was talk that the trust members of this particular phone shop were looking at building a crèche. Now there are certain logistics that they have to sort out within themselves in the community and the community will have something, thanks to the proceeds of the phone shop.

NARRATOR

Two million calls a month are made from phone shops, with an average length of one to two minutes. The calls keep people in touch. Migrants in a townships are often family breadwinners, and need to send money back home. The phones are important socially, but also vital for managing family finances. For some South Africans, phone shops themselves have been instrumental in breaking down the barriers of poverty. The phones make money, but they also attract people, encouraging the developments of other unrelated businesses around them.

ALAN KNOTT-CRAIG

We've essentially created telephone companies in areas where there were no telephones, and when I say telephone companies they haven't brought networks, but they've taken our product and we've modified that technology for them, so that they can on sell their product and really create very big flourishing businesses. And a large number of these people who were who already in many cases had no jobs before, have become very very rich very wealthy, and have become very well versed in the business of business. Besides providing a telephone service in those in those areas where there aren't, and look in many of these areas you have a million people living, and no telephones. So someone comes in there with five telephones and a telephone service, I mean just from the point of view of emergency, it's a huge positive thing to bring to those communities.



NARRATOR

Ellen Vilakazi grew up in Alexandra, the poorest of Johannesburg's townships. She spent the first six years of her working life filling shelves in a local supermarket, but now she's in business herself. On a friend's advice she approached Vodacom, and persuaded them to give her the opportunity of running her own phone shop. For Ellen it was just the beginning. Her businesses now include several phone shop containers, as well as a supermarket of her own.

ELLEN VILAKAZI

Since I have started with my business I think my life has changed, because I've got six kids, and then they in their multi racial school I can afford them. And then when I start with Vodacom I didn't have even a car, now I've got two cars, and then my house I am satisfied with my house, furniture, everything, it's nice and then we are living a better life with my husband now. I've got a butchery, a fast food, groceries, liqueur store. I need more phone shops if I can have something like ten containers I think I would be rich.

NARRATOR

But phone shops aren't the only solution. Vodacom's rival operator MTN, has developed their own system. MTN is owned by an independent consortium of black South African companies and foreign investors. They're critical of Vodacom, and its phone shops, claiming their own system is better.

ROSS MACDONALD

In terms of our community service obligation, the two chosen routes are a pay phone route, and a phone shop route. The difference between the two we believe is that the pay phone route is more accessible by using existing places of business as installations, and at those places of business having vendors who sell prepaid debit cards. Those prepaid debit cards are used by the user on the phone. What it does is that there is no coin in the phone, there's no temptation to vandalise the phone steal from the phone.

That's the one thing, the other thing is that the phone is accessible 24 hours a day, which is important. In terms of the way that phone shops work, and my understanding is that a lot of them are containerised, and so at the end of the day the guy is gonna close up shop and go home, so those phones are effectively out of range. And so that is one of the big differences that we have, the other I think advantage of our system, is that the customer is able to receive calls, he's able to take incoming calls. In other words, he will advise the user on the other side what his phone number is, and can take incoming call in fact this constitutes a third of our traffic, and I don't believe this is possible on the other system.

PETER RANTLOANE

We have in this area something like ten phones scattered in and around this area in places like shops clinics, schools, tuck shops, you know so that people can have easy access to them. There are no services there isn't the police station there isn't the hospital that type of thing now if somebody gets ill or somebody gets knocked down by a car, clearly you can go to the phone you know and that has proved to be helpful to the communities.

NARRATOR

But the internal rivalries of MTN and Vodacom only matter to the company. In rural areas and townships alike, what's important is for people to have access to telephones, where there was no access before.

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PETER DZWINGA

Look it hasn't been as easy as I maybe sounding about it, but you know I think it it's from the experience of seeing you know the change in peoples lives that comes up and boils over, and you get fairly excited about it. It has been quite a learning curve that I think we've just about hit the top now.

NARRATOR

But phone shops might provide much more. Bringing telephones to the people of South Africa is only the beginning.

JAY NAIDOO

The two central goals that we put into place was, first building a digital fibre optic high speed broad band backbone that will link every city and town in our country, and that will be in place in a years time. The second was extending universal service, so an obligation on them to deliver three million new lines over the next five to six years, and to connect every school, village, clinic, police station, community centre, and post office in the country so in a sense creating that network and almost a central nervous system so that we are able to take the most modern applications, for example tele medicine and distance education, to the remotest locations in our country.

PETER DZWINGA

We put in PCs as you can, also the fax facilities, we also put in photocopier which machine is at the back there. You know you can't believe this overnight it just turned a squatter area into like any other place in the middle of London almost, you get exactly the same sort of service that you get here. So when one looks at that he finds that really that brought him quite a big change. Now we also got here facilities for e-mail, and Internet, but in all honesty, we haven't used those because I didn't even know what an e-mail was when they started the thing. But the beauty about it is that the facility is there.

JAY NAIDOO

Well the phone shops were an earlier version of what we now call a tele centre, in that the knowing that the technology of cellular in the more developed parts of the world had been what addressed the needs of the affluent and powerful, and people who already probably had phones at home in their cars as well as phone lines for the Internet and the e-mail etc. The question was how could we take the most modern technology and adapt it to conditions in our country that address some of our policy priority.

NARRATOR

The measure of the governments success, will be whether these children will grow up using e-mail, whether they'll feel at home charting a course through the world-wide web. But in most townships, they're still struggling with basic needs. It's a balance of extremes.

CATHY ZWANIE

We do have electricity, we have running water and sewage. We have a slight problem with a telephone, we have a wire that comes into the school, but every now and then it snaps and we don't know maybe it could be vandalising around here. Cos each time it's fixed the following day it's not working. So I've given up on it. So we use the phones up the road the fax and everything from Vodacom up the road. We would like to have a computer, a fax, you know for our children to get used to using the computer cos when they go to school and when they start looking for work, every company wants you to be computer literate, and that's important for schools at an early age to expose the children to the type of life that they have to lead, early in their adulthood.



NARRATOR

The trouble is, computers demand a lot of money, which the government is unwilling or unable to spend.

CATHY ZWANIE

We've got a few thousand from the government a few months ago but, we are not allowed to use it for computation or anything. It was just to augment all the equipment that we did not have. We are only interested in what benefits the child directly as much as computer benefits the children, they feel they cannot afford it now.

NARRATOR

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 difficulties.

MAUREEN MPHATSOE

I'm a graphic designer, but two 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 Olivan and spoke to the people and said do you need telephones here and I saw the Telkom telephones there so it, are they always working they say no, not reliable, half the time they are not working. Initially I spoke to one lady who lives not too far from there, and asked her 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 next to a taxi rank. Where I work I sort of meet intellectuals, academics and people who are specialists in their field, and just a few meters away I get into this phone shop which is completely different and but it's very interesting because I've 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 start it started off at a 100 rand a day, and Vodacom takes two thirds of that, a third of that 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 15000 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

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 there and you end up with something artificial, which usually requires money to support and it's not successful any more. Let them, let them figure it out for themselves. If the need is great enough, it'll be open 24 hours. If the need is not great enough, and there's no 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

In the last 3 years we've had a very fundamental restructuring of 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, 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.

NARRATOR

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

Right now we are adhering to the requirements, we've rolled out 6.5 thousand payphones. Our final obligation is 7.5 thousand, and we should be complete during the course of next year which will be our kind of 5th 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 too early to decide exactly what's going to happen.

NARRATOR

But the operators have been criticised for only concentrating on areas near roads and towns. Despite the 500 phone shops of Vodacom, and the 6500 fixed phones of MTN, the regulator is not impressed.

NAPE MAEPA

We have just recently advised the minister to issue two new licenses 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. I think the issue of the monopoly was an instrument we used in order to deliver 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.

NARRATOR

And so the days of the joint monopoly seem to be ending, as the government joins the digital age of the 21st century, and the promise and insecurity of the global economy.



PRODUCTION TEAM