

ADDRESS BY THE MINISTER OF COMMUNICATIONS, DR IVY MATSEPE-CASABURRI, AT THE INDABA ON THE ICT EMPOWERMENT CHARTER, Johannesburg, 16 September 2003

Programme Director  
Chairman of the ICT Empowerment Working Group, Advocate Dali Mpofu  
DGs of Departments  
Representatives of Industry bodies,  
Business Associations  
Enterprises large and small, national and international  
Distinguished Guests  
Ladies and Gentlemen:

I am very pleased to be here to participate in the discussions on the ICT Empowerment Charter. I think that Dali Mpofu and his team have done some excellent work in bringing the process to where it is today and we really must commend him and his team for that.

Earlier this year, as you are all aware, the Department undertook a Sector Ownership Survey of the industries in our sector. In this regard, we were guided by the BEE Mining Charter and work done by the Department of Trade and Industry. This study was described by industry as the most comprehensive audit of BEE players in these industries. It was out of this conscious and concerted effort on the part of government to audit the pace of BEE in the present ICT area that an industry-led process has got underway for the formulation of an ICT Empowerment Charter.

Nevertheless, I believe that our starting point for those people gathered at this meeting, must be to examine the ICT sector as part and parcel of the South African economy. In other words, the contribution of the ICT sector must be seen not in isolation, but in the context of its size, how many people it employs, its contribution to GDP and thus its potential for growth of the economy as a whole.

Furthermore we ought to contextualise our sector in a global way, for this sector takes on an even more profound significance if we begin to compare South Africa with the ICT sector in other developing countries. And we do so taking cognisance of its history.

We also need to recognise that in recent years the ICT sector has experienced a downturn and that this downturn has partly resulted from the hype created about the industry in the first place. We must be careful not to create another hype but to proceed with deliberate care and to provide a clear strategy that enables sustainable development through encouraging the growth of skills and the expansion of the existing market for ICTs.

The strategy that we embark upon must be understood in the context of

government priorities, among which black economic empowerment is but one. Certainly, the legacy of apartheid is still with us and presents us with enormous challenges of how to overcome, among others, the vast racial inequalities in the distribution of and access to wealth, income, skills development and employment and how to grow the economy to meet the needs of all our people in a sustainable way. In fact, apartheid restricted skills development and restricted business opportunities for the majority. We need to overcome this structural fault. We need to make a complete break from the prison house of the apartheid past; and one of the elements of this necessary liberation is BEE.

This presents tremendous challenges of how to grow SMMEs for instance, how to increase the participation of blacks in the economy and how to grow the economy to meet the needs of all our people in a sustainable manner. A few years ago, when we launched the E Commerce I-Community, I made a speech that deal with this sector and particularly mentioned the I-Community. At the time, it was just an idea that I did not expect to take root in South Africa.

This is why we have also made it clear that black economic empowerment cuts across all sectors of our economy and straddles various government departments.

The deracialisation of our economy will take time and inclusion of black people into the mainstream of the economy requires considerable intervention. The President's letter in ANC Today speaks about "conscious, specific interventions" and shows what need to be done in this sector:

"The central issue is the use of this technology to enable all our people speedily to address the issues that define our reconstruction and development process".

He said that "society requires conscious, specific interventions, such as the one give life by the Mogalakwena HP I-community project." This project has trained over a 1000 people. It helps to make people computer-literate and includes ICT use in schools, clinics, business people, cultural workers and others to use Icts to meet their needs.. It also allows e-government to move into the area. It gives an indication of what the President means when he says that: "In Mogalakwena and everywhere else in our country, what is happening, practically, says that, truly, the tide has turned."

The recent tabling of the BEE Empowerment Bill in the National Assembly that creates a framework for both the development and the implementation of black economic empowerment policy. It sets up mechanisms of the Advisory Council, a strategy document, codes of good practice and transformation charters, the latter of which in our sector concerns us at this gathering. The formalisation of an ICT charter with the private sector in this context becomes crucial.

But this will come to nought unless it is concretely demonstrated through

practical change in reality. Historically the ICT sector has been dominated by whites and males. It has even been suggested that as a result it is the biggest sector for fronting whereby black participation has not been at the levels of real ownership, operational control and management which in fact defeats the very purpose of BEE.

But our own department has embarked upon BEE before it became fashionable. What has been our experience of broad based BEE? We must learn from this. We have to learn from our own experiences and experiments as government with BEE in recent years. When radio stations were privatised we saw to it that there was an element of BEE ownership. Before the present process started, we were not walking around with folded arms. But already there were initiatives in place. Not all of that privatisation was successful. But there were elements that showed it could succeed. When we look at the sale of Primedia to MIC, when we look at radio stations like Kaya, the growth of Kagiso, there have been successes, also in community radio and ETV. As government we did the partial privatisation of Telkom and more recently in the case of the SNO. In some cases it worked. In other cases, it spelled disaster. Now we need to learn from these examples and are more prepared than before since we have a more solid policy framework in place that should strengthen what we do and how we do it, in order to ensure it is successful. But very clearly, it is the success in specialised empowerment, where BEE is focused and there is long-term vision of success and relative protection of the regulator for the long-term and not just for the short-haul.

Our task now must be to deepen the empowerment process so that there are not only a few beneficiaries, but also a broad spectrum as a result of effective black participation in the ICT sector as well as creating a stronger base for entrepreneurs and the development especially of SMMEs. In this way, we begin to speak about meaningful black participation in the economy as a whole, but also specifically in the ICT sector, and inclusive broad-based empowerment through creating better economic possibilities in communities. But the latter will not happen unless BEE specifically has the attitude to and improvement of communities as part of their long-term vision. Treatment of these communities is crucial. The first lesson we learn is to treat people with the dignity they deserve, that takes into account both the dignity of the people and their empowerment. Recently, I took an evaluation of projects. The evaluation I made was that technology was brought to people without preparing them for it. Clearly, the rollout, the attitude seemed to be like "vat, vreet and vra nie meer nie".

We are faced with the need to skill our nation so as to produce individuals who have both the necessary knowledge and skills to lead and participate fully in the ICT sector and in order to meet our goals of bringing about universal access. In this regard, our aim must be to provide access to IT and use of IT services to the masses of our people.

The ICT sector, while it can learn from the mining sector charter, is more

complex situation in that it is also concerned with intellectual property and we have to ask the question where does this intellectual property reside and what do we need to do to nurture it.

In other words, our strategy must include the development of a solid intellectual base. We meet here today barely four days after the anniversary of the death of Steve Biko in detention. We are reminded of what he said that:

"The most potent weapon in the hands of the oppressor is the mind of the oppressed". In a world where intellectual property is paramount, where the ideas of the mind are patented especially in the ICT sector, where the digital and knowledge divide between the north and the south is huge, his words must be noted and fully understood.

Furthermore he said:

"I think that what we need in our society is the power by us blacks to innovate. We have got the very system from which we can expand, from which we can innovate, to say: this is what we believe, accept or not accept.... You must have the right to reject or not anything that is given to you."

We are reminded of this challenge as we look at empowerment as a means of bringing about this development should be directed in ways which include training, technology transfer, knowledge transfer, activist, corporate and social responsibility. A whole range of issues should be taken into cognisance, not simply equity, but an all-embracing approach with strategic vision that encompasses a local, national, regional and continental aspect of implementation.

Government's role of course is critical, in a situation since it is the biggest buyer of IT products and services in this country and elsewhere on the continent. State owned enterprises are also buying IT at a tremendous pace.

We need to ensure that these companies will contribute to the transformation of the sector and of society in general. In fact, we believe that both public and private sector procurement must be looked at in a manner that they both contribute to skills training among other things. We must also look at the development of communities.

One of the biggest challenges is equity in companies, and of this, one of the biggest problems is funding. This must be examined closely. In this regard, there should be an element of mass ownership at certain levels and not only who owns what on the Stock Exchange. Institutional owners should also be looked at as well as ownership by big enterprises. The importance of this is there ought to be a combination of all and not simply one or the other.

I think that the issues I have raised are some of those that this meeting has to continue to grapple with. We need to be able to rise to the challenge of growth and competitiveness. We have to find clear solutions to these realities despite the complex situation we find ourselves in globally; and by all means we need to be globally competitive. But in pursuing global competitiveness, we have to strengthen our role and the importance of growth in the context of NEPAD and the African Union. The need for the advancement of the African people through using ICTs as tools for socio-economic development must be further fleshed out in relation to BEE priorities. We also need a solid development strategy in the context of preparation for the World Summit for Information Society. Your own participation in and contribution to the WSIS outcomes must be embraced by you with the same passion that South Africans had for the WSSD.

As you work towards an ICT BEE Charter, please bear in mind our national socio-economic obligations and the cultivation of sound business and corporate best practices that can chart a good example not only for the continent but also for the developing world because there are indeed international forces focused on us.

We should congratulate business for beginning this ICT Empowerment Charter process and working together with government as social partners. It augurs well for our country when each social partner has the right to initiate and to take processes forward. As government we will also make a meaningful contribution to this process. It is important as we do this, we realise that we have a potent weapon in our hands.

Noting that the bulk of people who benefit from ICT are the middle class and that the employment base in this sector in respect of black people and women is very thin, we should concentrate on creating an environment in which we can become a hub for skilling not only South Africa and disadvantaged groups, but also for the region.. This is important because although the Charter is an industry-led initiative, government's priority is the success of BEE not through short-term stop-gap measures, but through finding and implementing long-term sustainable solutions.

Through BEE in general and through working towards an ICT Empowerment Charter in particular, no doubt we shall succeed in becoming an innovative and creative black nation and we shall be able to move beyond black and white into a living, non-racial and non-sexist egalitarian society. If there is any sector that can give hope, set goals to aspire to and eventually give a sense of accomplishment to all individually and collectively of the new 21st century, it is this sector.

I wish you well in your deliberations and would like to say in a very political way:  
Phmbili Techno Boys and Girls.  
Proudly South Africans.  
Phambili to a Prosperous South Africa.

Thank you.

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