The Political Economy of Broadcasting and Telecommunications Reform in Namibia: 1990 – 2005

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I declare that this dissertation is my own unaided work. It is being submitted for the degree of Doctor of Philosophy in the Faculty of Humanities, Development and Social Sciences, University of KwaZulu-Natal, Durban, South Africa. It has not been submitted before for any degree or examination in any other University.

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April 2007

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Acknowledgements

Abstract

The thesis begins with a literature review on the political economy of communication, paying particular attention to the impact of globalisation on the communications sector. It highlights conflictual relationships between commercialisation and democratisation in transforming broadcasting and telecommunications in an era of globalisation. In doing this the study contends that the process of democratisation and commercialisation are 'mutually incompatible', as one can only be realised at the expense of the other.

Namibia gained its independence in 1990 and set out to transform and restructure its communication systems to respond to the demands of a new society. At the same time the country had to address the demands of an emerging global order. While trying to democratise and build a new nation based on the values of equity, social justice and participation, Namibia had to respond to commercial imperatives of global capitalism that were not necessarily compatible with the demands of democratisation and nation-building. The thesis argues that these conflicting demands resulted in challenges and contradictions experienced in the entire transformation process of the communications sector, which the State failed to overcome.

The thesis examines the policy, legal and regulatory practices adopted by the State to transform the communications sector and assess the internal and external factors that led to the adoption of these practices. It illuminates the roles and responsibilities of this sector in the broader transitional process.

In Chapters Six and Seven the thesis examines the restructuring processes of *NBC* and *Telecom Namibia*, at a micro level. This analysis pays particular attention to the manner in which these two institutions were streamlined (downsized and rightsized) in order to become effective, efficient and profitable in discharging their new mandate. It argues that the streamlining process prevented these institutions from properly performing some of their core mandates, particularly the provision of non-profitable public services.

The thesis also interrogates the penetration of the new Information and Communications Technologies (ICTs) in Namibian society in Chapter Eight. It argues that while

government adopted most of the relevant policies to establish an enabling environment for the transformation of the country into an 'information society', the penetration of the ICTs remained dismal. This elucidates the factors that led to this poor penetration.

In conclusion the thesis provides a summary of the major findings and arguments. It contends that the neo-liberal policies of commercialisation and liberalisation adopted to transform the communications sector coupled with the restructuring of the national broadcaster and telecommunications operator along commercial lines tended to diminish rather than advance the goal of universal and affordable communications services to the majority of the people.

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PART I

THEORETICAL AND METHODOLOGICAL
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CHAPTER ONE

Introduction

1.1 Aims and Objectives

The present study has several objectives, combined to examine the dynamics of the Namibian communications sector[1] (broadcasting and telecommunications) reform from 1990 to 2005. Firstly, the study discusses policies and regulations adopted to transform and restructure this sector. It then examines the rationale for such policies and regulations and interrogates factors that influenced their adoption. Secondly, it confronts the reform process at a micro (company) level in order to determine how the national broadcaster and the telecommunications operator were transformed and restructured to respond to their new mandates in the post-colonial polity. Lastly, the study assesses the progress made with regard to the conversion of the country into an 'information society', by examining the diffusion of the new information and communications technologies in its society.

The Namibian communications landscape experienced remarkable changes, both in terms of the liberalisation of the entire communications sector as well as the transformation of the national broadcaster and telecommunications operator at the company levels, between 1990 and 2005. In the course of these years, the formerly closed communications landscape opened up to new private operators, a development that introduced competition in the sector, while the national broadcaster and the telecommunications operators underwent rigorous restructuring processes. These changes resulted primarily, although not exclusively, from the State's adoption of the neo-liberal policy strategies of liberalisation and commercialisation at independence in 1990.

As indicated the empirical analysis of this study is structured around the transformation and restructuring processes of the national broadcaster and national telecommunications operator during the first fifteen years of Namibia's independence from colonialism. In terms of this empirical analysis, the study can be described as evaluative policy analysis. Being the first attempt to examine the broadcasting and telecommunications reform

processes in Namibia, the study can also be seen as an exploratory one. Moreover, the study addresses broader structural issues of policy and regulation reform and does not attend to the content of broadcasting programmes nor does it endeavour to deal with technical matters of the telecommunications reform process. I have left these issues to more detailed studies focusing on the reform of broadcasting content and telecommunications technologies. This delimitation is important to limit the data material and the focus of the study.

1.2 Background and Context

The communication sector reform in Namibia, as elsewhere in southern Africa, must be conceptualised within the transformation of the global political economy, which had tremendous impact on developing countries from the 1990s onwards. The impetus of these changes was the process of globalisation, inspired by the triumph of capitalism following the collapse of the Cold War and the subsequent demise of the State socialism in Eastern Europe. Briefly, this new development shifted the balance of power in the international relations to the West, resulting in the restoration of global capitalism driven by neo-liberalism (Sweezy, 1997).[2] The impact of this development in southern Africa, as elsewhere in the developing world, was substantial and resulted in massive transformation of the political and economic institutions along the exigencies of neo-liberal order. Presented as a process of 'democratisation' involving the liberalisation of political and economic institutions (Nabudere, 2000),[3] the process of globalisation echoed what Wisdom Tettey (2001: 5)[4] dubbed "winds of political openness" that resulted in the adoption of multiparty democratic political systems and the abandonment of the then autocratic systems in many parts of the developing world, not least southern Africa. At the economic front developing countries embraced the free market economic system, where the private sector was seen as the driving force of economic growth and development, while the boundaries of the State had to be rolled back through budget cuts

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[1] The term 'communications sector' in this study refers to broadcasting and telecommunications systems and does not include the print media.

[2] Sweezy, P. M. (1997). More (or less) on Globalisation". In *Monthly Review*. Vol. 49, No. 4, September, 1997.

[3] Nabudere, D. W. (2000). (ed.). *Globalisation and the Post-Colonial African State*. Harare: Print Source (PTY). Ltd.

on social spending and the opening of public spaces to private initiatives. According to Samir Amin (1994: 320)[5] the outcome of this development was the liberalisation of market forces, characterised by the re-emphasis on private property, the ideological rehabilitation of the superiority of private property, the legitimisation of social inequalities, and the emergence of anti-Statism.

The communication sector took a centre stage in this development through its co-option as an agent of the globalisation process. The sector was elevated and gained prominence in the globalised capitalist economy, were it was enlisted to contribute to capital accumulation and profit maximization in the much-acclaimed information economy[6] (Reeves, 1993;[7] Garnham, 1990).[8] In order to gain maximum profit from this information economy, the information and communications institutions came to be internationalised (linked across national boundaries through ownership) as more and more media organisations and multi-nationals expanded their global information and communications markets across national boundaries (Herman and McChesney, 1997).[9] These global media expansions were mutually constituted by, among others, processes of commercialisation (transformation of State media monopolies into revenue-generating businesses, based on commercial principles), liberalisation (opening of State or public monopolies to competition by allowing new players), and privatisation (selling State or public monopolies fully or partially to private entities) (Mosco, 1996).[10]

[4] Tettey, Wisdom J. (2001). "The media and democratisation in Africa: contributions, constraints and concerns of the private press". In *Media, Culture and Society*. London: SAGE Publications.

[5] Amin, S. (1994). "The Issue of Democracy in the Contemporary Third World", In U. Himmelstrand, K. Kinyanjus, and E. Mburugu, (eds.). *African Perspectives on Development: Controversies, Dilemmas and Openings*. James Currey Ltd.

[6] The former secretary General of the International Telecommunication Union (ITU), Dr Pekka Tarjanne noted, in a statement reported by *Telecommunication In Africa* (January-February, 1996: 6-7) under the section 'Key International and African Trends' and titled 'Urgent Need to Dismantle Barriers', that the information/communications sector generated a revenue of US$1.43 trillion from the US$5.9 trillion of the world global domestic product. This meant that for every US$1 000 earned and spent by the world in 1995, US$59 was created directly or indirectly by the information/communication sector.

[7] Reeves, G. (1993). *Communication and the 'Third World'*. London: Routledge.

[8] Garnham, N. (1990) *Capitalism and Communication: Global Culture and the Economics of Information*. London: Sage Publications.

[9] Herman, E.S. & McChesney, R.W. (1997). *The Global Media: The Missionaries of Corporate Capitalism*. Cassell.

[10] Mosco, V. (1996). *The Political Economy of Communication: Rethinking and Renewal*. Cromwell Press, Ltd.

The resulting development was an increased commodification of communications spaces exacerbated by the conversion of communication policies into industrial (trade and competition) policies (Bailie and Winseck, 1997;[11] McChesney, 1997).[12] On the other hand, technological innovations exacerbated by the processes of commodification and the spatialisation of the communication sector indirectly led to what Ben H. Bagdikian (1992)[13] have called "capitalist media monopoly". This monopoly was further characterised by media concentrations through acquisitions and takeovers. In order to benefit from the economies of scale, the information and communications organisations resorted to vertical and horizontal diversifications of their activities. In part these developments led to the elimination of formerly distinct traditional areas between different sectors of communication as they were converging.

The above-mentioned developments were not only confined to the industrialised countries, but were felt everywhere, not least in southern Africa, as enormous pressure was exerted on the countries in this region to adapt to the emerging communications relations. As a result, countries of southern Africa were increasingly confronted with the need to transform and restructure their communication sectors in the light of the emerging communications relations. These countries had to align their communications institutions in such a way that they 'benefit' from the emergent 'information economy'. This alignment encompassed the adoption of neo-liberal communication policies and regulatory regimes, paving the way for the commodification and spatialisation of the communications sector in line with the emergent neo-liberal global political economy.

Having assumed political power in 1990 following the end of colonialism the post-colonial Namibian Government set out to transform the inherited economic and political institutions to reflect the values and norms of a society in transition to democracy. It placed the national broadcasting and telecommunications institutions at the centre of its transformation process. For these institutions to reflect and facilitate the broader social

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[11] Bailie, M. & Winseck, D. (1997) "Critical Communication Studies and Theories of Communication and Democracy". In Bailie and Winseck (19970. *Democratizing Communication?* Hampton Press Inc.

[12] McChesney, R. W. (1997a). "The Communication Revolution: The Market and Prospect for Democracy". In Bailie & Winseck (eds.) (1997*). Democratizing Communication?*

[13] Bagdikian, B. H. (1992). *The Media Monopoly* (4th edition) Boston: Beacon Press.

transformation, they first had to be transformed from apartheid hegemonic apparatuses of oppression and exclusion into democratic public institutions with mandates of nation-building, economic development and the construction of a democratic society in the post-colonial dispensation. It is in this context that the broadcasting and telecommunications institutions became the first targets of the State's transformation process. The rationale being that the communication institutions are important instruments that reflect both the broader social change, while at the same time serve as platforms for the promotion of social change (Teer-Tomaselli and Tomaselli, 2001: 123, 124).[14] This is because the communications sector is an integral part of the political and economic structure that influences, while at the same time, is influenced by the transformation taking place in this broader structure (McChesney, 2000: 110).[15] It is therefore, interesting to note that while the present study has its own specific academic and intellectual objective, e.g. to examine the transformation of the communication sector in Namibia between 1990 and 2005, it serves, at the same time, as an important entry point to examine the broader socio-economic and political transformations of the country set off by the processes of de-colonisation and globalisation.

1.3 Statement of the Problem

The Namibian transition process was unique in a sense. While it took place in the broader globalisation environment, at the local level it was characterised by a process of decolonisation. The independence of the country from South African colonialism in 1990 coincided with a wave of massive changes resulting from globalisation, as indicated above. Thus, the communications sector reform process in Namibia was therefore, a two-pronged transformation process driven by both the demands of decolonisation and globalisation. While both these processes signalled the end of an autocratic era and promised political and economic renewal, marked by democratic reform, they still appeared to be contradictory, and in some instances tended to move into opposite directions. While colonialism represented an undemocratic way of life (political

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[14] Teer-Tomaselli, R. and Tomaselli, K. (2001). "Transformation, Nation-Building and the South African Media, 1993-199". In K. Tomaselli and H. Dunn (eds.) *Media, Democracy and Renewal in Southern Africa*. Colorado Springs: International Academic Publishers.
[15] McChesney, R.W. (2000). "The political economy of communication and the future of the field". In *Media, Culture and Society*. Vol.22, 109-116. London: SAGE Publications.

economy), which the colonialised people sought to democratise and establish a democratic State and its institutions, globalisation on the other hand was bound to abolish or diminish the role of the State, which was the focus of the struggles against colonialism (Nnoli, 2000: 173).[16]

Moreover, while the process of decolonisation set out to democratise State institutions so that they could provide essential services to the majority of the people, the logic of globalisation and its sponsoring ideology, neo-liberalism, was to commercialise and privatise these very same State institutions and thereby make their services unaffordable to the majority of the people who needed them most. This is the paradox the State had to overcome in an attempt to transform and restructure its communications sector between 1990 and 2005.

As I have indicated above, the State had to transform the national broadcaster and telecommunications sectors from their autocratic style of operation and management, as well as from their ideological roles as hegemonic apartheid State apparatuses into public institutions with new mandates. These sectors had to be transformed in such a way that they could provide affordable universal communication services to the majority of the people who suffered a deficit of such services due to discriminatory apartheid policies. This objective was within the State's mandate provided for in the Constitution of the country under Chapter 11 (Principles of State Policy), Article 95 (Promotion of the Welfare of the People), which obliges the State to provide basic public services to the majority of the people denied these services during the colonial era (Republic of Namibia, 1990: 51, 52).[17] Among basic services count the information and communication services seen as crucial to bringing the majority of the formerly disadvantaged people into the mainstream of society, and thereby improve their socio-economic situation. Thus, the State had to transform the colonial broadcaster, which had served as hegemonic State apparatus into a public service broadcaster with a mandate to provide public services, while restructuring the national telecommunications operator from a colonial post, telegraph and telephone (PTT) monopoly directed towards

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[16] Nnoli, O. (2000). "Globalisation and Democracy in Africa". In Nabudere, D. W. (ed.) (2000). *Globalisation and the Post-Colonial African State*. AAPS Books. Harare, Zimbabwe.

economic and technical issues into a business-oriented company with a dual mandate of providing both public services and commercial interests at the same time.

Thus, the post-colonial State in Namibian had to mediate demands of decolonisation and globalisation at the same time between 1990 and 2005 in its endeavour to transform its communications sector. The study therefore seeks to unravel how the post-independent Namibian State sought to provide non-profitable public information and communication services to the majority of its people, while operating its communication systems on economically viable terms.

1.4 Research Questions

The present study is guided by the following questions:

(a) What dynamics constituted the transformation process of the post-colonial communications sector between 1990 and 2005 and how did these dynamics influence the communications policy and practice that emerged during this period?

(b) How did the Namibian State conceptualise the role of the communications sector (broadcasting and telecommunications) in the post-colonial polity and how did it ensure that the adopted policies and regulations conformed to this conceptualisation?

(c) How successful was the communications sector reform process in terms of balancing the public and commercial interests in the sector and in terms of the transformation of the national broadcaster and the public telecommunications operator between 1990 and 2005?

(d) Given the widespread and far-reaching reforms in the communications sector across the southern African region what, if anything is special about the Namibian broadcasting and telecommunications transformation process?

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[17] Republic of Namibia (1990). *Constitution of the Republic of Namibia.*

1.5 Principal theories on which the study is constructed

The theoretical framework guiding this study draws from the political economy of the communication paradigm[18] that seeks to understand and analyse the communications sector in both its political and economic contexts. The study draws its key theories and concepts from this paradigm. The paradigm addresses the relationship between communication systems and the wider social structure (McChesney, 2000). It considers how communication systems reinforce, challenge and/or influence social relations on the one hand, and how economic, political, social and cultural factors influence communication policies and practices, on the other hand (Golding and Murdock, 1991;[19] Mosco, 1996). In line with this paradigm the study has adopted an approach, which positions the communications sector reform process in Namibia within the wider capitalist system, and examines the impact of political and economic factors on the transformation process from 1990 to 2005. Moreover, the study locates and examines the transformation process within a specific historical configuration – the era of globalisation.

The political economy of communication draws our attention to four 'values' in its analysis of the communications sector. Vincent Mosco (1996) calls these values "central qualities", which encompass *social totality* (the examination of the social whole or the totality of social relations that include both political and economic relations); interest in understanding *social transformation* (a concern with understanding social change and *historical transformation*); commitment to *moral philosophy* (a commitment to questions of *justice* and *democracy*)[20]; and a '*prescriptive mission*' or '*praxis*' (the desire to eliminate division between research and action or the unity of theory and practice)

[18] The political economy of communication paradigm draws from the early political economists (particularly from the work of Karl Marx) and is advanced and popularised by theorists such as Herber Schiller, Dallas Smythe, Vincent Mosco, Nicholas Garnahm, Robert W. McChesney, Janet Wasco, Dwayne Winseck, Armand Mattelart, Seth Siegelaub and others.

[19] Golding, P. & Murdock, G. (1991) "Culture, Communication and Political Economy". In Curran, J. & Gurevitch, M. (eds.) *Mass Media and Society* (pp15-32). Edward Arnold.

[20] According to Reddick and Mosco (1997) moral philosophy to Adam Smith meant the "understanding of values such as acquisitiveness and individual freedom that contributed to the rise of commercial capitalism", while to Karl Marx meant the " the struggle between the drive to realise self-and social value in human labour and the drive to reduce labour to a marketable commodity". In contemporary political economy moral philosophy relates to the desire to "extend democracy beyond the formal political realm, in

(Mosco, 1996; and McChesney, Wood and Foster, 1998).[21] Andrew Reddick and Vincent Mosco (1997: 14) argue that moral philosophy can be understood "as an interest in the values that help to constitute social behaviour and, normatively, those principles that ought to guide efforts to change it" (ibid.). In contemporary political economy this value relates to the extension of democracy beyond the political realm, to the economic, social and cultural domains that tend to be influenced by the requirements of capital in the era of globalisation.

The present does not claim to address all the above-mentioned 'values' of the political economy of communication, but seeks to isolate two of them, notably the need to understand the Namibian communications sector reform process in a specific historical context, and the need to facilitate democratic forms of communication. Particular emphasis is placed on the question of justice and democracy in the process of communications service provision to all and the active participation of society in policy and decision making in the communications sector. It should be pointed out that the political economy of communication is not only concerned with issues of ownership structures and questions of control. However, in addition to these issues, it has examined important questions of social justice, equity and participation in policy and regulation. It has also addressed the question of power. Moreover, it has been anxious about the provision of affordable and universal services to the majority of the people.

The reason for an emphasis on these issues is because of the commercial onslaught on the democratic notions in the emerging communication systems. Given that communications research that draws from the democratic notion is being neglected, weakened and abandoned in the face of the commercial offensive, according to Robert W. McChesney (2000), there is a need to develop a critical response (praxis) to address the transformation of the communications sector in the emerging democracies of southern Africa. The objective is to stem the tide of commodifying the communication public spaces.

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which it is previously legitimised in formal, legal, instruments to encompass the economic, social and cultural domains that tend to be shaped by the requirements of capital"(p14).
[21] McChesney, R. W., Wood, E.M. and Foster, J. B. (eds) (1998). *Capitalism and the Information Age: The Political Economy of the Global Communication Revolution.* Monthly Review Press.

1.6 Liberal (dominant) versus critical political economy

We need to distinguish between the mainstream/dominant or liberal and the radical or critical political economy traditions. The liberal political economy is represented by traditions that build on the classical tradition of Adam Smith and draws from neoclassical economics and pluralist political studies. The latter foregrounds the market as the structure of organisation and the individual as the unit of analysis (Mosco, 1996). It is concerned with private interests as opposed to public interests and therefore has influenced the contemporary communications transformation and restructuring that favours policy and practice and foregrounds market regulation, while encouraging the private and commercial interests in the emerging communication relations. It presents competition and profit maximisation (capital accumulation) as rationale. The dominant political economy in its present form is represented by various neoclassical and neo-liberal perspectives, which include the Modern Utilitarianism of the Public Choice School that pay particular attention to markets in the process of public policy making (Gandy, Jr. 1992).[22]

In contrast, the critical political economy perspective draws from various Marxist and Neo-Marxist perspectives that have been critical of the classical political economy of Adam Smith and his followers. It condemns issues of inequalities and injustices in access and participation in both the communications policy making process as well as in the provision of communication services. It addresses issues of class, questions and roles of power in the communications sector, more particularly in the transformation of the sector in an era of globalisation. It focuses on the concerns of public interests, universal access and services, while foregrounding issues of social change and pays attention to questions of social justices and equity. It is "materialist in its focus on the interaction of people with their material environment and it is preoccupied with the unequal command over material resources and the consequences of such inequality for the nature of the symbolic environment" (Golding and Murdock, 1991: 17).

Moreover, the critical political economy's analysis of the communications sector reform seeks to examine actions and processes that shape the environment in which these reform

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[22] Gandy, Jr., O. H. 1992. "The Political Economy approach: A Critical Challenge". In *Journal of Media Economics*, Summer, 1992.

processes are taking place. However, the study does not confine itself to structures as units of analysis, but addresses important roles of human beings and social processes in the operation (as well as transformations) of these structures. Vincent Mosco, drawing from Anthony Giddens (1984)[23] brings to our attention the duality of structure and action, which he refers to as "structuration". Anthony Giddens (1984) argues that structure should be seen as a duality with one side consisting of "limiting rules" and the other having "enabling resources" (cited in Mosco, 1996: 212). He further notes that structures are not fixed entities that control and give form to social life, but consist of *action* and are reproduced by this *action*. In the same line of argument Peter Golding and Graham Murdock (1991) caution us not to see structures as "building-like edifices, solid, permanent and immovable", but see them as dynamic formations, which are "constantly reproduced and altered through practical action" (Golding and Murdock, 1991: 19).

Underpinning the above-mentioned arguments is an understanding that media organisations, like other societal institutions, are not "permanent structures", but processes in constant change and adaptation (Mosco, 1996; Murdock and Golding, 1991). Being societal institutions the impetus for the transformation of communication organisations is a result of the continuous changes taking place in society. The protagonists of this transformation are human agencies and social processes.

1.7 Methodological Approaches

The study adopts a methodological approach which is based on the assumption that reality is based on what is seen, read and heard and how this information is explained or interpreted. This methodology assumes that reality exists in a dialectical relationship between "sensory observation and explanatory practices" and by extension the relationship between theory and data (Mosco, 1996: 6). It thereby seeks to reduce the "distance between context and action" (Dey, 1993)[24] by trying to understand, interpret and explain processes and actions that constituted the transformation of the Namibian communications sector. This methodology combines empirical and theoretical considerations in its attempt to understand reality, and hence marries analysis based on

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[23] Giddens, A. (1984). *The Constitution of Society: Outline of a Theory of Structuration.* Berkley: University of California Press.

both theory and empirical data. Thus, in the quest to understand the transformation of the Namibian communications sector the available data, such as empirical evidence obtained from primary and secondary material are considered against theoretical discussion developed in Chapter Two.

The nature of this research project requires an understanding of the dynamics of the processes and actions and to uncover how and why they have directed and influenced the Namibian communication policy and practice. This could not be done through a purely quantitative methodological approach, but could be better understood and conveyed through a qualitative approach that would seek to interpret and analyse the actions of the diverse actors involved in, and the dynamics of the processes that mutually constituted, the transformation process.

1.8 Procedures and Techniques

The primary corpus of data is drawn from documents. The study sought to 'squeeze the last drop' from these documents (Marwich, 1989: 233).[25] Primary material consists of policy, legal and regulatory documents, while the secondary material come from sources such as policy statements; conference and seminar papers, published and unpublished articles, including newspaper articles. It must be noted that the newspaper articles formed the backbone of the documents studied and analysed. The reasons being the paucity of written material: publications or research/studies focusing specifically on the changes taking place in the Namibian communications sector reform during the period covered by this study. Thus, I have found the newspapers not only useful, but also reliable material to monitor the developments in broadcasting and telecommunications reform. The newspaper articles were complemented by transcripts from interviews conducted with personalities involved in the Namibian broadcasting and telecommunications transformation and restructuring processes, including policy makers and members of the regulatory bodies. These interviews were geared towards understanding the views and perspectives of the informants on a wide range of policy and regulatory issues. In addition, I have studied Government development policy documents, legal documents

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[24] Dey, I. (1993). *Qualitative Data Analysis*. London: Routledge.

[25] Marwich, A. (1989). *The Nature of History*. (3rd Ed.). London: Macmillan.

(Bills and Acts of Parliament), communication policy and regulation documents, public statements by government officials and research papers by think tanks on the general economic development of the country.

Apart from the above, I have reviewed articles, books and book chapters dealing with the core political economy aspects related to the transformation of broadcasting and telecommunications in the 'information age'. Concepts, definitions, and propositions from this work were outlined to highlight the connections between the various aspects of the data, which further provided the context for the empirical description and interpretation.

A modest method of data analysis was used, drawing from Adrian Holliday (2002).[26] This method is centred on "thick description" of data, which gives context to an experience, states the intentions and meanings that organise the experience and reveals the experience as a process (Denzin, 1994: 505).[27] Richards and Richards (1994: 446)[28] argue that "thick description generates a richness of perception while reflecting and exploring data records, discovering patterns and constructing and exploring impressions. "It summarises, pen portraits, enabling a working up from data towards theory construction". Thus, the study was able to generate concepts and propositions from the data, a technique referred as "constant comparative method" (Taylor and Bogdan, 1984: 34).[29]

The raw data was analysed and subsequently organised. The method used to do this was to take the raw data from all part of the corpus and arrange it under thematic headings. The themes represent the dialogue between data and the researcher, which helps him to make sense of the data, and thereby provide a structure for the presentation of the thesis. The headings became the basis for data analysis sections in the chapters (Holliday, 2002: 100). Extracts of data taken from the corpus is embedded in the discussion, under each

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[26] Holliday, A. (2002). *Doing and Writing Qualitative Research*. London: Sage Publications.
[27] Denzin, N. K. (1994). "The art and politics of interpretation". In N. K. Denzin and Y. S. Lincoln (eds). *A Handbook of Qualitative Research*. Thousand Oaks, C. A: Sage.
[28] Richards T. J. and Richards, L. (1994). "Using computers in qualitative research". In N. K. Denzin and Y. S. Lincoln (eds). *A Handbook of Qualitative Research*. Thousand Oaks, C. A: Sage.

thematic heading, and used as evidence for arguments developed in the process of writing the thesis. The argument is also strengthened by a statement of theory, drawn from theoretical approaches in Chapter One and literature review in Chapter Two. The objective was to allow discursive commentary – to present data within the context of an argument. Thus, the finding of the present thesis is, an agency of its own, it has its own story, its own argument, different from the corpus of data from which the findings were obtained (Holliday, 2002: 100).

Given the fact that data analysis represents a reality that sometimes distorts the social settings from which data was taken (Thornton, 1988: 298[30] cited in Holliday, 2002: 100), I have done everything practicable to minimise distortions. The mere fact that I have weighed the data against theoretical positions and developed arguments from it, supported by extracts from data points to an attempt to eliminate distortions which result from subjectivity caused by own experience and ideology. This method guarantees credibility and validity of the research, to some extent. Validity in qualitative research according to Bailey, White and Pain (1999: 172)[31] is a personal strategy by which the researcher manages the analytical movement between data and theory.

1.9 Structure of the Dissertation

The dissertation consists of four parts bound together by their relation to the main theme, the transformation and restructuring of the broadcasting and telecommunications sectors in Namibia from 1990 to 2005. **Part I** is introductory, and consists of Chapters One and Two. In **Chapter One**, the theme, aims and objectives, the research context, the research questions and the structure of the dissertation are presented. It further contains a brief discussion on the approach and methods adopted in the study. In **Chapter Two** the analysis is more theoretical, and sets out a discussion of philosophical and theoretical texts on the transformation and restructuring of communications systems. The aim of this

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[29] Taylor, S. J. & Bogdan, R. (1984). *Introduction to Qualitative Research Methods: The Research for Meanings*. (2nd ed.). John Wiley & Sons, Inc.

[30] Thornton, R. J. (1988). "The rhetoric of ethnographic holism". In *Cultural Anthropology* 3/3: pp. 285-303.

[31] Bailey, C., White, C., and Pain, R. (1999). "Evaluating qualitative research: dealing with the tension between "science" and "creativity"". *Area* 31/2. pp.169 - 183.

chapter is to identify and present theoretical positions that will guide the empirical analysis in the rest of the chapters.

Part II presents the policy, legal and regulatory frameworks and consists of Chapters Three, Four and Five. **Chapter three** examines the information policy adopted at independence of the country to transform its communications sector, with particular focus on broadcasting. **Chapter Four** assesses the broadcasting regulatory framework adopted. It looks at the broadcasting market structure that emerged because of the transformation of the sector. **Chapter Five** examines the telecommunications policy and regulatory frameworks and addresses the various telecommunications segments that emerged because of the liberalisation of the sector and different modes of licensing and regulating these market segments.

PART III examines the reform process of the national broadcaster and telecommunication monopoly at the organisational (company) level and further addresses the country's attempt to construct an 'information society'. **Chapter Six** examines the transformation of the national broadcaster, while **Chapter Seven** interrogates the restructuring process of the national telecommunications operator. **Chapter Eight** evaluates the progress made by the country to transform itself into an 'information society' from 1990 to 2005, by assessing the diffusion of the new communications technologies into society. **PART IV** consists of **Chapter Nine**, which contains a summary of the most important findings. The chapter discusses the research findings and points at some of the challenges faced with the transformation and restructuring processes in the communication systems in the context globalisation.

The next chapter provides the conceptual and theoretical framework for the study. It builds and elaborates on the theoretical positions presented in this one. It defines concepts and outlines theoretical propositions on which the study is constructed.

CHAPTER TWO

Political economy of communication

2.1 Introduction

One of the major challenges facing developing countries, including Namibia, in the era of globalisation has been to transform State-owned broadcasting and telecommunications monopolies into economically viable and profitable public institutions, while providing non-profitable public and universal services at the same time. In terms of this challenge, developing countries have to balance conflicting interests in the process of transforming their broadcasting and telecommunications institutions. For instance, they have to weigh financial sustainability and profitability with rivalling values of public service/access, diversity and national/cultural identities, which have been incompatible with commercial and financial logic. At the bottom of this challenge lies the question of how to determine the place and define the roles of broadcasting and telecommunications institutions in societies in transition.

This chapter seeks to outline the key concepts and central themes on which the study is constructed. It does not intend to critique theories, but rather to develop working definitions and propositions that will inform the empirical analysis in the next six chapters. In addition, the chapter provides the holistic and historical context in which the Namibian communication sector reform is examined.

2.2 Transformation and restructuring: conceptual analysis

Given the fact that 'transformation' and 'restructuring' are the core concepts used in the present study to examine the Namibian broadcasting and telecommunications reform between 1990 and 2005, it is imperative to outline the technical meanings of these concepts at the onset. Transformation and restructuring are sometimes used interchangeably to delineate the abandoning of certain operational logic and the adoption of other ethos by societal institutions, following changes in the broader political economy at a particular historical juncture. Transformation, in this study refers to the changes in terms of functions/roles and responsibilities of societal institutions, including media and communication institutions, to reflect and accommodate the broader political and socio-

economic changes adopted in the southern African region in general and Namibia in particular, from the beginning of the 1990s onwards. Transformation in the Namibian context is characterised by the adoption of new visions and mission statements of institutions to reflect the political changes ushered by the independence of the country in 1990. The process further reflects the adoption of new values and priorities in terms of service provision to society (Teer-Tomaselli, 2004: 15).[1] Transformation has also addressed changes in staff complements of institutions to reflect racial and gender balance of the new society in transition.

Restructuring relates to the process of transformation, but refers more specifically to the commercialisation or corporatisation of institutions. The Namibian government has defined restructuring as:

> The composite of all actively and consciously taken organisational changes transforming the relationship within an enterprise and between it and its environment, in order to give it a new focus, character, scope, goals and purpose for existing. In an economic sense, restructuring means transforming the enterprise concerned to render it more competitive, efficient and effective in providing services, usually by changing the way it is owned, controlled and/or operated (that is bringing about a condition of economic viability for the enterprise) (Ministry of Information and Broadcasting, 1999: 43).[2]

Restructuring, thus entails the reorganisation of institutions (private and public), including communication systems to implement business principles. This process further entails the adoption of measures that make organisations effective (e.g. achieve set goals) and efficient (e.g. perform tasks as inexpensively as possible). It embraces the streamlining of organisations through downsizing and rightsizing. The process includes staff reduction in order to cut on labour costs; outsourcing of non-core functions, while focusing on the core ones. It embraces the acquisition and use of the new communications technologies and automation. Furthermore, restructuring involves the

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[1] Teer-Tomaselli, R. E. (2004). "Transforming State Owned Enterprises in the Global Age: Lessons from Broadcasting and Telecommunications in South Africa". In *Critical Arts*, Volume 18, Number 1.

[2] Ministry of Information and Broadcasting (1999). *Telecommunications Policy and Regulatory Framework.*

diversification of services through vertical and horizontal integration, a process which I will outline below.

The restructuring of media and communications institutions along commercial orientation has had an impact on the non-commercial and non-profit obligations of these institutions. This development, as it will be argued, has been exacerbated by the process of globalisation, which is the theme of the next session.

2.3 Globalisation

As implied in the introductory chapter, the process of globalisation provides the holistic and historical context in which the Namibian communication sector reform was undertaken. It is imperative therefore to understand this process, from the point of view of a critical theoretical perspective. Globalisation is conceptualised in terms of capitalism's tendency to expand in search of new markets. The process is broad, all inclusive and encompasses the interaction of economic, political, social and cultural aspects, but critical perspectives isolate economic factors to be the determinant ones from which other variables can be understood (Mosco, 1996[3]; McChesney, 1998[4]). Vincent Mosco (1996: 205) defines globalisation as the "spatial agglomeration of capital, led by transnational business and State, which transforms the spaces through which flow resources and commodities, including communication and information". Robert W. McChesney (1998: 2) argues that globalisation is "a set of neo-liberal economic policies that regard profit maximisation and the free flow of goods and capital (and services) with minimal regulation as the cornerstone principles of an efficient and viable economy". He isolates the commercial interest (of globalisation) and argues that this has an "anti-democratic bias", because it "forces national governments to comply with the needs of global mobile capital or face economic purgatory" (ibid.). In that context, the global mobile capital is promoted and perpetuated by multinational companies, including global media corporations. The nation-states are subjected to pressure from these

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[3] Mosco, V. (1996) *The Political Economy of Communication: Rethinking and Renewal*. Cromwell Press, Ltd.

[4] McChesney, R. W. (1998). "The Political Economy of Global Communication" In McChesney, R .W. Wood, E. M. and Foster, J. B. (eds.) (1998). *Capitalism and the Information Age: The Political Economy of the Global Communication Revolution*. New York: Monthly Review Press.

transformational forces, which have been driven by global mass culture promoted by mass adverting and technological advances within the global communication systems (Ake, 1995[5] cited in Nabudere, 2000: 11).[6] Since globalisation partly entails the expansion of capitalism on a global scale, it is imperative to comprehend the dynamics of this mode of production.

2.3.1 The capitalist mode of production

As a mode of production and accumulation capitalism is characterised by a tendency to expand both internally and externally, for it grows and spreads wherever it has taken root (Sweezy, 1997: 1).[7] Capitalism needs to expand to overcome what Yash Tandon (2000: 60)[8] has referred to as its "periodic paroxysms of crisis". Elements of this crisis include the overproduction of commodities and the saturation of existing markets. Thus, capital has to go global in search of new markets for commodities and services with the objective to secure more accumulation and more profit maximisation. Capital accumulation and profit maximisation are realised at two different stages, notably at an extensive and an intensive stage. At the intensive stage accumulation is achieved through the reorganisation of existing areas of capitalist activities, while at the extensive stage it is realised through expansions into new areas of activities. This latter stage involves entering into new geographical areas (extension into foreign territories) and extension into new business activity areas (diversification) (See Jessop, 1990).[9]

The above-mentioned development explains the expansion and diversification of the global media companies. These companies have been expanding across geographical boundaries moving, in Robert W. McChesney's (2001: 3)[10] words, across the planet at

[5] Ake, C. (1995). "The New World Order. The View from Africa", in H. He. Holm and G. Sorensen (eds.). *Whose World Order: Uneven Globalisation and the End of the Cold War*. Westview Press: London

[6] Nabudere, D. W. (ed.) (2000). *Globalisation and the Post-Colonial African State*. Harare: Print Source (PTY) Ltd.

[7] Sweezy, P. M. (1997). "More (or less) on Globalisation". In *Monthly Review*, Vol. 49, No. 4, September 1997.

[8] Tandon, Y. (2000). "Globalisation and Africa's Options". In Nabudere, D. W. (ed.) *Globalisation and the Post-Colonial African State*. Harare: Print Source (Pty). Ltd.

[9] Jessop, B. (1990). "Regulation in retrospect and prospect", In *Economy and Society*, Volume 19, No. 2, May 1990. Routledge.

[10] McChesney, R. W. (2001). "Global Media, Neoliberalism and Imperialism". In *Monthly Review*. Vol. 52, No. 6. March 2001.

"breakneck speed". While the process of expansion enables media and communication companies to spread their activities across the globe and thereby acquire more markets, the process of diversification allows them to "hedge their bets and cushion the effects of recession in a particular sector". It cushions them against recession, because when one section does not perform well, profit will be made up by obtaining it from another section of the same company (Murdock and Golding cited in Boyd-Barret and Newbold, 1995: 210, 211).[11]

Apart from the processes of expansion and diversification, global media and communication companies have been characterised by limited ownership and control, resulting in intense integration. Generally the process of integration takes place through mergers and takeovers and can be either vertical or horizontal. Vertical integration refers to a situation where a company controls, partly or completely, the channels of production and distribution in a particular market. In contrast, horizontal integration goes beyond the mere dominance of production and distribution processes in one market, as the company owns the same type of activity in different markets (Sánchez-Tabernero et al, 1993: 62, 70).[12]

The expansion of the capitalist mode of production into new territories is generally preceded and exacerbated by commercial or business ideology, a process in which the communications sector plays an important role, as just noted. This is the reason why Edward S. Herman and Robert W. McChesney (1997)[13] have dubbed the global media and communications sector as the "new missionaries of corporate capitalism". Herbert Schiller (1971)[14] argues that it is not the export of commodities that is significant in international communication, but rather the export of business principles (Schiller, 1971 cited in Boyd-Barrett, 1995: 188).[15] Bernard Miege (2004: 91)[16] calls the export of

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[11] Boyd-Barrett, O. and Newbold, C. (1995). *Approaches to Media: A Reader.* London: Arnold.
[12] Sánchez-Tabernero, A. et al (1993). *Media Concentration in Europe: Commercial Enterprise and the Public Interest.* The European Institute for the Media.
[13] Herman, E.S. & McChesney, R.W. (1997). *The Global Media: The Missionaries of Corporate Capitalism.* Cassell.
[14] Schiller, H. I. (1969/1992) (second updated edition). *Mass Communication and American Empire.* Beacon Press, Boston MA.
[15] Boyd-Barrett, O. (1995). "The Political Economy Approach". In O. Boyd-Barrett and C. Newbold (eds.). *Approaches to Media: A Reader.* London: Arnold.

business principles, the new "globalitarian ideology", which he says is "necessary for the profound transformation of the capitalist mode of production and implicit within it". Within the communications sector, the export of business ideology is characterised by the transfer of the neo-liberal communication policies and regulatory models from the West to the South. This development has seen the earlier debates on media content associated with the 'media imperialism' thesis rescinding into the background. Instead the recent debates are centred on the adoption of communication policy strategies of privatisation, commercialisation, liberalisation and internationalisation as the dominant State strategies defining the communications sector reform in the era of globalisation. I will outline these State policy strategies below.

2.3.2 State policy strategies

Adopted from Vincent Mosco's (1996) work on the political economy of communication these State policy strategies represent major initiatives aimed at transforming and restructuring broadcasting and telecommunication sectors globally, not least in southern Africa. Briefly these strategies entail:

2.3.2.1 Commercialisation

Commercialisation refers to the replacement of communication policies, which are based traditionally on public service norms with market policies and regulations based on market standards and private or commercial interests. Commercialisation in telecommunication is based on the increased revenue (profit), market position and concentration on linking urban centres to international networks to the detriment of the rural and poor areas. The focus on commercialisation in broadcasting is on increased audience, advertisement revenue, programming that attracts and delivers audiences to the advertisers, international and regional markets and the establishment of links to other revenue generating media and non-media business (Rideout and Mosco, 1997: 93).[17]

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[16] Miege, B. (2004). "Capitalism and Communication: A New Era of Society or the Accentuation of Long-Term Tendencies?" In A. Calabrese and C. Sparks (eds.). *Towards a Political Economy of Culture: Capitalism and Communication in the Twenty-First Century.* New York: Rowman $ Littlefield Publishers, Inc.

[17] Rideout, V. & Mosco, V. (1997). "Communication Policy in the United States." In M. Bailie and D. Winseck (eds) (1997). *Democratizing Communication? Comparative Perspectives on Information and Power.* Cresskil (New Jersey): Hampton Press, Inc.

Those in support of commercialisation argue that, apart from making the sector efficient and profitable, the process promotes 'public service goals'. It must be noted that free market fundamentalists tend to argue that market systems also provide 'public services'. For instance, Rupert Murdoch was once quoted as having said that "anybody who, within the law of the land, provides a service which the public wants at a price it can afford is providing a public service" (quoted by Ellis, 1994: 1[18] and cited in Raboy, 1996: 8[19]). However, as we shall see later in the chapter, 'public service' as propounded by critical political economy perspectives of communication has a different meaning to the one advanced here.

Critics, in contrast, argue that since commercialisation addresses commercial interests it will favour the rich and affluent users of communication services to the detriment of the poor and rural dwellers, and thus neglect public service ideals (Rideout and Mosco, 1997: 93).[20]

2.3.2.2 Liberalistion

Liberalisation refers to the creation of competition within a public or private communications sector. The State may intervene in the sector by expanding the number of players within broadcasting and telecommunications, and thereby create competition where this has not existed before (ibid.)

Proponents of the liberalisation strategy argue that the strategy lowers prices, because competition brings prices down. They note that consumers are provided with a variety of services to choose from in a liberalised environment. Critics, in contrast, contend that the process replaces State control with market control. They further argue that competition does not lower but increase costs of the communication services (ibid.). Moreover,

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[18] Ellis, J. (1994). Public Service Broadcasting: Beyond Consensus. European Film and Television Studies Conference. London.
[19] Raboy, M. (1996). "Public Service Broadcasting in the context of Globalisation". In M. Raboy (ed). *Public Service Broadcasting for the 21st Century*. Acamedia Monograph No. 17. Luton: Luton University Press.
[20] Rideout, V. & Mosco, V. (1997). "Communication Policy in the United States." In M. Bailie and D. Winseck (eds) (1997). *Democratizing Communication? Comparative Perspectives on Information and Power*. Cresskil (New Jersey): Hampton Press, Inc.

competition is said to result in 'cherry-picking' – the concentration of services amongst the wealthy customers and areas, while neglecting the poor and rural areas.

2.3.2.3 Privatisation

This strategy involves the full or partial sale of the State telecommunications and public-owned broadcasting monopolies to private undertakings. Privatisation comes in various forms and it is undertaken for various reasons. Some forms relate to the commitment by the State to the market ideology and also to the need to attract revenue. Privatisation may also be implemented because of pressure from funding organisations and, at times it comes as a package with donor funding or in a form of the "structural adjustment programmes" of the Bretton Woods institutions, the International Monetary Fund and the World Bank (ibid.).

Being the ultimate outcome of commercialisation, privatisation is seen as contributing to the effective operation of communication organisations. It is said to ensure the implementation of business principles in the formerly ineffective government monopolies. The strategy is regarded as a source of new capital and technology in a company that has undertaken this process. This will arguably improve the financial position of the company and allow it to expand in terms of services and profits. The main concern of those who oppose privatisation is the fear that the States looses ownership and control over national assets, including broadcasting and telecommunication institutions (ibid.).

2.3.2.4 Internationalisation

The process of internationalisation can be compared to the Marxist notion of the 'circuit of capital'. In terms of the media and communications institutions the process entails the linking of these institutions across national boundaries through ownership. This link is normally established between individual companies or through teaming arrangements between State-owned entities and private companies. In both cases the teaming partners are stationed in different nation-states or across national boundaries. In southern Africa,

these teaming arrangements or cross-border ownership have been loosely referred to as "regionalisation" (Heuva, Teer-Tomaselli and Tomaselli, 2003).[21]

In its conceptualisation, regionalisation refers to cross border ownership and teaming arrangements in the media and communications sectors in sub-Saharan Africa in general and in the southern African region in particular. Regional media and telecommunications companies, more particularly those of South Africa, have established new and consolidated existing, strategic partnerships and alliances by crossing borders in the sub-region. Regionalisation on this basis can be seen on two levels: as a localisation writ large and as globalisation writ small (ibid). The two processes work together dialectically as thesis and antithesis (Gillespie 1998).[22]

The process of regionalisation has its strength and weaknesses. On its strong or positive side, regionalisation has led to the establishment of co-operative ventures in the media and communication sector within southern Africa. On its negative side, the process has seen predatory moves ('crude capitalism') by strong media and communications organisations into other territories, a development that can undermine the viability or cultural integrity of the indigenous national institutions (Heuva, Teer-Tomaselli and Tomaselli, 2003).

Cross border expansion occurred initially from stronger economies into weaker ones, but there have been examples where small economies have ventured into each other's sectors as well as into stronger ones. While South Africa represent the first example the second one can be seen by how a Namibian independent public payphone operator *Tele2*, owned by among others, a hawker's association, teamed up with Botswana residents and opened a subsidiary in that country (Media Institute of Southern Africa, 2001).[23]

Internationalisation leads to the expansion of existing services and the provision of more services, giving 'consumers' of communication products a wider choice. However,

[21] Heuva, WE, Teer-Tomaselli, RE, and Tomaselli, KG. (2004). "The Political Economy of Media in Southern Africa, 1990-2001." In T. Pradip and N. Zaharom (eds.). *Who Owns the Media: Global Trends and Local Resistances:* London: ZED/Southbound/WACC.

[22] Gillespie, P. (1998). "Answer to globalisation is Europeanisation". In *The Irish Times on Web.* Available at http://www.irish-ties/paper/wldrew1.html. Accessed on April 12, 2002.

critics have highlighted negative aspects of cultural homogenization as one of the major drawbacks of this State strategy. Moreover, internationalisation shifts policy to the international arena through multilateral organisations such as the WTO, which leaves the State arguably vulnerable, and can limit its autonomy over national institutions (Raboy, 1998).[24]

2.3.3 States' reaction to globalisation

There have been different reactions to globalisation all over the world. Various regions and countries have reacted differently to the impact of globalisation. Pieter Conradie (2001),[25] drawing from Keith Banting (1995)[26] has identified the following reactions, notably reform, restructure, reinforce and resist, as the various ways in which countries have responded to the process of globalisation. Nevertheless, most countries have sought to exercise one or another form of local or national control over the process of globalisation (Conradie, 2001; De Kock, 1997),[27] and hence the aphorism of 'global control and local resistance'. Some countries have embarked on what Linda Weiss (1999: 127)[28] calls "managed openness". What is interesting however is that localisation can also be associated with disintegration and integration. At a more practical level, the southern African States for instance, have experienced the disintegration of their pre-1990 dominant political and economic systems, because of the process of globalisation. As a reaction to this disintegration these countries undertook measures to integrate themselves into the emerging global political economy, but with some measures of local or national control over the process of integration.

On its part, Namibia responded positively to the process of globalisation. Its process of integration into the global economy started with the restructuring of the State itself. This

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[23] Media Institute of Southern Africa (2001). *Telecommunications Updates*. October 2001.

[24] Raboy, M. (1998). "Global Communication Policy and the Realisation of Human Rights." In R. G. Noll and, M. E. Price (eds.) *A Communications Cornucopia*: (Markle Foundation Essays on Information Policy). Washington D.C.: Brookings Institute Press.

[25] Conradie, P. (2001). "Reactions to globalisation by the television industry in post-apartheid South Africa". In *Communicatio*, 27 (2), 2001, 70-83.

[26] Banting, K. (1995). "Social Policy Challenges in a Global Society. In G. Morales and A.Torres (eds.). *Social Policy in a Global Society*. Ottawa: IDRC. Available at http://www.idrc.ca/books/focus/761/banting.html. Accessed on July 25, 2002.

[27] De Kock, P. (1997). "Globalisation: investigating the process. In *Politeia*, 15 (2), 5-15.

involved the establishment of new institutions and agencies that had not existed during the colonial era and secondly, the transformation and restructuring of the existing ones. The process further involved the positioning of the agencies and institutions so that they could be able to respond to the requirements and the needs of the new society in transition, as well as to the demands of the multinational-led capitalist economy. Thus, the State was restructured in such a way that it was able to respond to the interests of the country through its integration into the global capitalist economy.

Namibia's integration into the global capitalist economy can be illustrated by the State's pro-active strategy of meeting halfway the demands of international organisations, such as the IMF and World Bank, by implementing some of their requirements for political and economic reform before having these forced upon it. Namibia introduced a liberal political and economic system, neo-liberal communication policy and regulatory frameworks. The State placed the private sector at the centre of economic development and commercialised some of its enterprises and services, while liberalising a host of its economic sectors. The commercialisation of the State-owned enterprises was to be followed by the privatisation of some of these entities. Furthermore, the State designed attractive foreign investment incentives, and relaxed some trade barriers that could have prevented easy access by investors to the Namibian markets. Finally, Namibia joined a number of international and regional organisations, including the World Trade Organisation and the Southern African Development Community and ratified a host of multilateral and bilateral instruments to this effect, which had tremendous impact on its communications sector reform.

2.3.4 Critique of the economic globalisation

The critical approach to globalisation has its weaknesses and it is often criticised for being 'too economistic', for it tends to concentrate on the economic dimension of the process at the expense of other important aspects, such as the social and cultural dimensions of globalisation (Germain, 2000).[29] It is argued that, as a result of globalisation, a number of countries and societies have been integrated into a new

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[28] Weiss, L. (1999). "Managed Openness: Beyond Neoliberal Globalisation". In *New Left Review*, No. 238, November/December 1999.

political dispensation through the political and economic democratisation reforms. At the same time, the democratisation of societies and the adoption of multiparty politics took an unprecedented pace while the autocratic rule in some parts of the world declined. The cultural dimension of globalisation has also contributed to the spread of positive cultural aspects from the West to the South. The media is seen as an important link in the dissemination of new ideas around the world (ibid).

Since the State has been responsible for the transformation and restructuring of broadcasting and telecommunications sectors through the adoption and implementation of the relevant communications policies and regulatory regimes, it is instructive to outline the concept of 'State' and to define its role in the era of globalisation.

2.3.5 The role of the State in globalisation

Various theorists informed by various perspectives have defined the State differently. Some (e.g. neo-liberal) view the State in terms of its composition and functions and therefore see it as a "collection of institutions and functions", while others (e.g. critical/Marxist) have defined the State as a "relationship between classes in society" (Ham and Hill, 1993: 37).[30] Bob Jessop (1982),[31] Haeuesler and Hirsch (1989)[32] have, following Nicos Poulantzas (1978),[33] reconceptualised the State as "institutionalised class relations", and a "complex apparatus with divergent class relations that provides, the ground for inter- and inner-class conflicts" (Hauesler and Hirsch, 1989: 304 cited in Barrera, 1995: 52).[34]

Early in his career Ralph Miliband (1977)[35] suggested that the State was an "instrument of the bourgeoisie domination". Drawing from Karl Marx, who in the *Communist*

[29] Germain, R. D. (ed) (2000). *Globalisation and its Critics*. New York: St. Martin's Press Inc.

[30] Ham, C. and Hill, M. 1993. *The Policy Process in Modern Capitalist State*. Harvester Wheatsheaf.

[31] Jessop, B. (1982). *The capitalist state: Marxist theories and methods*. New York: New York University Press.

[32] Hauesler, J. and Hirsch, J. (1989). Political regulation: The crisis of Fordism and the transformation of the party systems in West Germany. In M. Gottdiener, and N. Kmninos (eds.) *Capitalist development and crisis theory: Accumulation, regulation and spatial restructuring*. New York: St. Martin's Press.

[33] Poulantzas, N. (1978). *State, Power and Socialism*. London: New Left Books.

[34] Barrera, E. (1995)."State intervention and telecommunications in Mexico." In *Journal of Communication* 45(4). Autumn.

[35] Miliband, R. (1977). *Marxism and Politics*. London: Oxford University Press.

Manifesto argued that the State was a committee managing the affairs of the bourgeoisie (McLellan, 1971: 192[36] cited in Ham and Hill, 1993: 35), Ralph Miliband sought to prove that the State supported the bourgeoisie. He therefore, contended that although the State in capitalist society was a class State, it had some (relative) autonomy from the bourgeoisie. That explains why sometimes the State acts against the bourgeoisie. Nicos Poulantzas (1978) stressed the idea of "relative autonomy" of the State to explain the disjunction between economic and political power, but he however, maintained that the bourgeoisie was not a homogenous group, but consisted of fractions with different conflicting interests. The State may therefore, at one time act against and/or for the interests of one fraction to the detriment of other fraction(s).

We can conclude from the arguments by both Ralph Miliband and Nicos Poulantzas that the State has a relative autonomy in carrying out its function. According to the 'statist' theorists, the State is a "central actor with survival and consolidation interests of its own", (Mody, 1995: 184).[37] Moreover, the State has its needs and interests that have to be fulfilled and that might coincide and/or conflict with those of other groups in society, at different times. Thus, the State may at one point adopt policies of commercialisation for its economic institutions, while at the same time favour policies of decommodification depending on its needs and the prevailing political and economic conditions at that specific time.

The State has returned to the centre of analysis of communication institutions during the era of globalisation, despite arguments that it was 'withering away'. There was speculation that the State would loose power and authority to the transnational forces. Korinna Patelis (2000: 86)[38] cites neo-liberals who stress that the State was loosing its legitimacy in the on-line world (Johnson and Post 1997: 10)[39] and that it was "withering

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[36] McLellan, D. (1971). *The Thought of Karl Marx: An Introduction*. London: McMillan Press.

[37] Mody, B. (1995). "The Changing Role of the State". In B. Mody, J. M. Bauer, J. D. Straubhaar (eds). *Telecommunications Politics: Ownership and Control on the Information Highway in Developing Countries*. New Jersey: Lawrence Erlbaum Associates Publishers.

[38] Patelis, K. (2000). "The Political Economy of the Internet." In J. Curran (ed.) (2000). *Media Organisations in Society*. London: Arnold.

[39] Johnson, D. and Post, D. (1997). "The Rise of Law and the Global Network." In B. Kahin and C. Nesson (eds). *Borders in Cyberspace*. Cambridge, MA: MIT Press.

away slowly as the cyberspace became wider and wider" (Negroponte, 1995: 230[40]; Barlow, 1996a[41]). It must be remembered that Karl Marx also had predicted the 'withering away' of the State when the historic communism stage was to be achieved. However, the State has not declined or 'withered away' as was predicted in the era of globalisation. Paul Cook et al (2004: 3)[42] argue that:

> Contrary to the ambitions of leading advocates of 'privatisation', such as Milton Friedman in economics and Margaret Thatcher in politics, the 'frontiers of the state' have not been so much 'rolled back', but have been reshaped and redirected (Emphasis in the original).

Thus, the State has evolved and restructured itself as a response to the process of globalisation. Arguments in favour of the limited or vulnerable State tend to eclipse its 'active role' in the process of globalisation. The State remains the implementing agency in the realisation of the goals of globalisation, because globalisation cannot take place at the national level without its active participation. Leo Panitch (1998: 14)[43] argues that States are the actual authors of globalisation in as far as the changes they make in the rules governing capital movements, investment, currency exchange, and trade that permits a new stage of global accumulation to come about. The State develops and maintains infrastructure. It formulates policies and designs regulations; maintains law and order, mediates conflicting interests between labour and capital and any other activity that contributes to the creation of a climate conducive to the growth of capital (Jessop, 1982 cited in Mosco, 1988: 118).[44] Ellen Wood (1997: 13)[45] adds her voice to this argument by stressing that the State is (and it is going to remain) central to capitalism, in one way or another, in the foreseeable future. This claim is even acknowledged by radical free marketers, who stress the necessity of the State to intervene in the economy,

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[40] Negroponte, N. (1995). *Being Digital*. London: Hodder and Stoughton.

[41] Barlow, J. (1996a). "Jackboots on Infobahn", in P. Ludlow (ed.) *High Noon on the Electronic Frontier: Conceptual Issues in Cyberspace*. Cambridge, MA: MIT Press.

[42] Cook, P., Kirkpatrick, C., Minogue, M. and Parker, D. (2004). "Competition, regulation and regulatory governance: an overview". In P. Cook, et al (eds). *Leading Issues in Competition, Regulation and Development*. London: Edward Elgar.

[43] Panitch, L. (1998). "The state in a changing world: social-democratizing global capitalism". In *Monthly Review*, October 1998.

[44] Mosco, V. (1988). "Toward a Theory of the State and Telecommunications Policy". In *Journal of Communications*, 38 (1), Winter.

[45] Wood, E. M. (1997). "Labour, the state, and class struggle". In *Monthly Review*. Vol, 3, Jully-August, 1997.

even if it is for the purpose of ensuring the perfect functioning of markets (Harvey, 1998).[46]

As just noted, States have not withdrawn from regulating the economy in the era of globalisation, but restructured their relationship to it by reordering the roles of their agencies in representing and regulating social actors and markets (Panitch, 1998). State restructuring generally entails the adoption of strategies, functions, and activities that promote its efficiency and its successful integration into the global economy. Internally States reorganise their departments, offices and agencies to give attention to those that can relate to economic development and the integration of countries into the global economy. Thus, any assessment of the process of media and communication transformation and restructuring must focus on the State itself.

As has been indicated above the State performs a number of functions that contribute to the creation of a climate conducive to the growth of capital (Jessop, 1982 cited in Mosco, 1988: 118).[47] In performing these tasks the State has to have access to resources, including financial resources to manage these processes. It depends on the citizens and the private capital for revenue in the form of taxes. Due to the fact that corporate tax is more lucrative than individual tax, the State tends to rely on capital (business). In this way, the States' actions towards the business are determined by its reliance on revenue from the business sector. Thus, States would most probably be compelled to promote capital accumulation in order to obtain more revenue in the form of tax from private capital.

As a result, States have set up public-private partnership initiatives to boost economic growth and the effective and efficient management of formerly State bureaucracies and public monopolies. Moreover, developing countries that have converted to capitalism tend to regard the private sector as the predominant force in economic activity and as the main driver of economic growth. The perception is that "as economic growth proceeds,

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[46] Harvey, S. (1998). "Doing it my way – broadcasting regulation in capitalist cultures: the case of 'fairness' and 'impartiality'". In *Media, Culture and Society*. Volume 20. London: Sage Publications.
[47] Mosco, V. (1988). "Toward a Theory of the State and Telecommunications Policy." In *Journal of Communications*, 38 (1), Winter.

poverty is reduced with expanding economic opportunities for poor people through the growth in formal and informal employment" (Kirkpatrick, 2001: 4).[48] Thus, developing countries increasingly acknowledge the need to promote the private sector for these perceived benefits. In order to create an "enabling business environment" for the private sector to flourish, public policy is directed at removing constraints that impede private sector growth and the creation of opportunities for investment and business development (ibid. 5).

In spite of promoting the private sector, the State is confronted by its own contradictions related to its roles as a policy maker, regulator, provider of communication services in its own right and consumer of these services at the same time.[49] While having its own interests it must, at the same time, mediate interests of other stakeholders (both local and regional/international) who have interests in various sectors of the economy, including the communication sector. This makes its position very precarious in the communications sector reform.

Having defined the 'State' and examined its role in the process of globalisation I will now proceed to assess the economic and political roles of media and communication institutions.

2.4 Political versus economic role of media and communication

The impact of globalisation has shifted emphasis from the role of media and communication institutions as 'State ideological apparatuses' to their role as 'capital ideological apparatuses'. This shift in emphasis is based on the role of the sector in promoting the global capitalist order and the neo-liberal orthodoxy. The distinction between the media as ideological tools and media as economic resources has been conceptualised as a distinction between the media as "processes of material production" and as "sites of ideological struggle". This distinction is derived from Karl Marx's classical separation of the material transformation of economic conditions of production

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[48] Kirkpatrick, C. (2001). "Regulatory impact assessment in developing countries: Research Issues." *Working Paper Series. Paper* No. 5. Centre on Regulation and Competition. Institute for Development Policy and Management. University of Manchester.

(which is determined with precision by natural science) on the one hand, and the legal political, aesthetic or philosophical (which is the ideological) dimension of the media, on the other hand. Karl Marx distinguished between what he called the "unconscious forces governing material production" and the "conscious forces or ideology" (Karl Marx cited by Garnham, 1990 in Boyd-Barret and Newbold, 1995: 219 - 220).

Neo-Marxism has neglected, notoriously, this distinction and Dallas Smythe (1977)[50] at one point referred to this neglect as the "blind spot" of Western (Neo-) Marxism. In fact Neo-Marxism has tended to dismiss the economic role of the media as 'economistic' or 'reductionist'. For instance, the structuralism[51] of Louis Althusser and Nicos Poulantzas (and also Laclau and Mouffe) focused on the "State ideological apparatuses"[52], while the early British Cultural Studies theorists also tended to foreground the autonomy of the 'superstructure' (Garnham, 1990: 29). Desmond Bell (1995)[53] citing Gary Anderson (1987)[54] notes that the Western Marxism was concerned with the ideological factors/issues in its explanations of capitalist relations. Since Western Marxism has viewed the State as a "political instrument", which functions in the interests of the ruling class, its emphasis on media and the communications sector tended to see them as "ideological apparatus" of the State (Bell, 1995: 72-73). Thus, Neo-Marxism tended to pay more attention to the "ideological effects of the media in manufacturing consent in

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[49] It must be noted that under State or public ownership the State (government) is both the owner and regulator of public resources, a process which leads a potential conflict of interest.

[50] Smythe, D. (1977). "Communications: Blindspot of Western Marxism. In *Canadian Journal of Political and Social Theory*. 1 (3), pp1 – 27.

[51] Nicholas Garnham (1990:29) argues that dominant Western neo-Marxist perspectives also tend to place more emphasis on the autonomy of the ideological level (superstructure) of the communication sector. It must be noted that this particular position has caused a fierce debate between the political economy and cultural studies, two important approaches to the study of communication. Cultural Studies has been seen as paying too much attention to the superstructure, while Political Economy has been seen as 'economistic'. See the following work: (a) Garnham, N. (1995). 'Political Economy and Cultural Studies: Reconciliation or Divorce?' *Colloquy*, CSMC; (b) Grossberg, L. (1995). 'Cultural Studies vs. Political Economy: Is Anybody Else Bored with this Debate?' *Colloquy*, CSMC; (c) Carey, J.W. (1995). 'Abolishing Old Spirit World'. *Colloquy*, CSMC.

[52] Commenting on the Althusserian structuralist position, which took analysis out of the base/superstructure dichotomy, in an article titled: 'Communications, Corporatism, and Dependent Development in Ireland', in the *Journal of Communications* 45 (4), Autumn, 1995, Desmond Bell (1995) citing Downing (1978: 58) argues that the media came to be seen as "integral part of the institution-ideological complex of capitalist rule, a part of the development of the ruling class in alliance or struggle with other classes".

[53] Bell, D. (1995). "Communications, Corporatism, and Dependent Development in Ireland". In *Journal of Communication* 45 (4), Autumn.

[54] Anderson, P. (1987). *Western Marxism*. London: New Left Books

capitalist societies and hence in securing the compliance of subordinate classes to the rule of capital" (Bell, 1995: 73).

Despite the so-called "blind spot" some versions of the contemporary critical political economy have continued, nevertheless, to locate the communication sector within the economic sphere. Theorists advocating this position continued to see the media as "first and foremost industrial and commercial organisations, which produce and distribute commodities" (Murdock and Golding, 1979: 205-206;[55] cited in Mosco, 1996: 105). They therefore, call for the analysis of the communication sector, not only as "ideological apparatus", but also as an "economic entity". According to Nicholas Garnham (1990: 30)[56] the political economy of mass communication,

> attempts to shift attention away from the conception of the mass media as ideological apparatus of the State, and sees them first as economic entities with both a direct economic role as creators of surplus value through commodity production and exchange and an indirect role, through advertising, in the creation of surplus value within other sectors of commodity production.

The above-mentioned approach has been bolstered by the co-option of the communication sector into the global capitalist economy (information economy), through the process of globalisation and therefore, refocused attention to historical materialism, but more particularly to the radical political economy project. This development, according to Nicholas Garnham, has redirected attention away from the mass media as ideological apparatuses and back to their economic function within capitalism (ibid. 29).

In spite of the fierce debate about the political/ideological versus economic role of the media there have been attempts to chart a middle ground between the two extremes. This middle-of-the-road approach generally draws heavily from the Frankfurt School that maintained, originally, that in monopoly capitalism the superstructure was "invaded by the base", which led to the breakdown of the base/superstructure distinction "via a collapse into the base", rather than "via the transformation of the base into another

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[55] Murdock, G. and Golding, P. (1979). "Capitalism, Communication, and Class Relations". In J. Curran, et al (eds). *Mass Communication and Society*. Beverly Hills: Sage.

[56] Garnham, N. (1990). *Capitalism and Communication: Global Culture and the Economics of Information*. London: Sage Publications.

superstructural discourse as the post-Althusserian position would have argued" (Garnham: 1990: 28). Along this line of argument James Curran (1977 cited in Garnham, 1979: 219)[57] contends that the media in monopoly capitalism tends to perform political and ideological functions through the economy.

It must be stated however, that the 'refocus' on the economic role of the media and communication sector has not entirely undermined its political/ideological role. Strong voices among critical political economist continued to emphasise the political/ideological role of media and communication, despite the fact that the economic role continues to be seen as the fundamental one on which the political/ideological role is constructed. Robert W. McChesney (2003: 130)[58] for instance, emphasises the political/ideological role when he argues that:

> The media system is not simply an economic category; it is responsible for transmitting culture, journalism and politically relevant information. Fulfilling those needs is mandatory for self-governance. The media system is better understood as a social institution similar to the education system, which few would argue should be turned over to market forces. Even as economic entities, most media are public goods. That means that the traditional notions of supply and demand do not apply, because the use of the product is non-rivalrous.

The concept of 'non-rivalrous' has been very relevant to media products, as it distinguishes them from other 'commodities'. Media products tend to defy economic laws and theories of scarcity, because they are "not get used up or destroyed" when consumed (Doyle, 2002a: 12).[59] This simply means that when one person watches news, actuality or any other media programme, it does not "diminish" another person's opportunity to view the same programme (ibid). Along the same line of argument Mike Feintuck (1999: 69)[60] notes that media products have two characteristics: firstly, their consumption by one person does not leave less for others to consume and, secondly, it is

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[57] Curran, J. (1977). "Capitalism and Control of the Press 1800-1979." In M. Gurevitch and J. Woollacott (eds.). *Mass Communication and Society*. Beverly Hills: Sage.
[58] McChesney, R. W. (2003). "Theses on media regulation". In *Media, Culture and Society*. Volume 25 (1), pp125 – 133. London: Sage Publications.
[59] Doyle, G. (2002). *Understanding Media Economics*. London: Sage Publications.
[60] Feintuck, Mike (1999). *Media Regulation, Public Interest and the Law*. Edinburg: Edinburg University Press.

always costly and sometimes impossible to exclude those who do not pay for these products to consume them.

Nevertheless, the communication sector has emerged increasingly as a "central area of profit making in modern capitalist societies" (McChesney and Schiller, 2003).[61] Thus, the sector has come to occupy a dual role, as a pivot of the emerging global economy, on the one hand, and as a key foundation of democracy, on the other hand. These conflicting roles have led to tensions in the transformation of the sector, more particularly in the emerging democracies of southern Africa, not least in Namibia. The challenge faced by these countries relates to reconciling the relationship between the commercial activities and social and political duties the communications sector has to perform in the era of globalisation.

Thus, the adoption of the business principles in the communication sector, together with this sector's refocus on its economic role have evoked interesting debates on how its public service mandates can be maintained and justified in an environment where the commercial interests have become the primary motive of all social relations. In the next session I will examine this debate, focusing on the relationship between the processes of 'democratisation' and 'commercialisation' of the communication sector.

2.5 Democratisation versus commercialisation

The communications sector reform along business principles or commercial logic brought into sharp focus the relationship between the processes of democratisation and commercialisation and by extension the relationship between democracy and capitalism. Persuasive arguments abound, especially from within critical perspectives, that democracy and capitalism are incompatible, because capitalism is "innately in conflict

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[61] McChesney, R. W. and Schiller, D. (2003). The Political Economy of International Communications: Foundations for the Emerging Global Debate about Media Ownership and Regulation. Technology, Business and Society Programme Paper Number 11, October 2003. United Nations Research Institute for Social Development.

with the core tenets of democracy" (McChesney, 1999: 285).[62] Okwudiba Nnoli (2000: 184)[63] captures this debate more vividly and it is therefore worth quoting him at length:

> In one form globalisation has privileged the capitalist market so much that the market effectively assumes society. As society becomes a market the values and operative norms of the market tend to dominate society as well. Under it, consumer identity becomes the overriding identity rendering democratic politics virtually impossible. This is because the market is individualistic, particularistic, self-seeking and deals with purely private concerns. On the other hand, democracy is about how common concerns are to be addressed. In fact, without common cause and collective interest of the people, which makes common concern possible in the first place, the basis for democratic governance does not exist. Democracy presupposes the constitution of political society as a 'public', solidarity of some shared characteristics, common concerns and common use. The latter is the domain of civil morality, citizenship, political obligation, public interest and public opinion.

The uneasy relationship between capitalism and democracy has not been a new phenomenon associated with the recent form of globalisation, but has been present since the dawn of the Age of Enlightenment. Barry Clark (1991: 26)[64] notes that the conflict experienced between the democratic aspirations of the Enlightenment and the emerging power of capitalist property rights had encouraged the development of critical perspectives. He claims that early radical political economists[65] challenged the institution

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[62] McChesney, R. W. (1999). *Rich Media, Poor Media: Communication Politics in Dubious Times.* University of Illinois Press.

[63] Nnoli, O. (2000). "Globalisation and Democracy in Africa." In D. W. Nabudere (ed.). *Globalisation and the Post-Colonial African State.* Harare: Print Source (PTY) Ltd.

[64] Clark, B. (1991). *Political Economy: A Comparative Approach.* Praeger Publishers.

[65] We need to identify these categories of early political economists. On the one hand we have the classical political economists such as Adam Smith (1723-1790), Thomas Malthus (1706-1834), David Richardo (1772-1823), Nassau Senior (1790-1864) and Jean Baptiste Say (1767-1832). These classical economists supported the institution of private property. On the other hand we have a second category comprising of 'radical' political economists. The radical group consists of two sub-categories. The first sub-category of radicals consists of William Godwin (1756-1836), Thomas Paine (1737-1808) and Marquis de Condoret (1743-1794). They were not necessarily opposed to private property, but more concerned about the concentration in ownership which they felt limited opportunities and freedom of the majority of the people. The second sub-category of radical political economists was called the Utopian Sociologists and consists of individuals such as Robert Owen (1771-1853), Charles Fourier (1772-1837) and Henri de Saint-Simon (1760-1825). These subcategories challenged the basis of private property and propagated the total elimination of private property and the reorganisation of private property. Karl Marx (1818-1883) contributed immensely to the radical political economy. He constructed what Clark calls "an impressive theoretical analysis of capitalism by weaving together classical political economy, the ideas of the German

of private property at its early formation and proposed the introduction of an egalitarian society. Furthermore, these early radical political economists believed that unless all people participated directly in the formation of institutions governing their lives and shared in the benefits flowing from these institutions, society would be "arbitrary and oppressive and people would remain alienated from society" (ibid. p26). At the bottom of their argument was a concern for egalitarian society.

It can be seen from the foregoing arguments that the original perspective, from which the political economy of communication draws, defends people's participation in the running of public institutions, so that citizens may benefit from products and services provided by these public institutions. I will now proceed to examine how contemporary political economy of communication has conceptualised the creation of democratic communication systems in which the citizens can participate in their control in order to benefit from the services provided. I will start this assessment by first examining the concept 'democracy'.

In its earliest form 'democracy' used to mean the rule by the many. André du Pisani (1996: 2),[66] drawing from Norberto Bobbio's (1990: 31)[67] assessment of the rich and diverse historiography of democracy, notes that a distinction is made between a "formal" and "substantial" democracy, "or as it is more commonly put, between 'government by the people' and 'government for the people'". In his attempt to elicit the meaning of democracy Du Pisani interrogates the relationship between democracy and liberalism, which he argues can be equated to a relationship between "liberty and equality". To him liberalism represents a "liberal laissez faire society which is inevitably inegalitarian", while democracy stands for an "egalitarian society which is inevitably illiberal" (Du Pisani, 1997: 2). He goes on to argue that:

> Libertarianism and egalitarianism are rooted in profoundly divergent conceptions of man and society – conceptions that are individualistic, conflictual and pluralistic for the liberal;

Philosopher, G.W.F. Hegel (1770-1831), and the communal vision of the Utopian Socialists" (Clark, 1991: 27).

[66] Du Pisani, Andre, (1997). "Democratisation in Africa: The Third Wave Revisited." Unpublished Paper presented at the Prime Minster's Consultative Conference with Academics, Windhoek, 27-28 February 1997

[67] Bobbio, Norberto (1990) *Liberalism & Democracy*. London: Verso

> totalising, harmonious and monistic for the egalitarian. The principal goal for the liberal is the development of the individual, even if the wealthier and more talented achieve this development at the expense of the poor and the less gifted. The chief goal of the egalitarian is the enhancement of the community as a whole, even if this entails some constriction of the sphere of individual freedom (ibid.).

André du Pisani concludes by arguing that liberty and equality are "antithetical values", as one cannot be realised except at the expense of the other (ibid.). Comparing democracy to liberalism Robert W. McChesney (1999: 5) says that the two are not the same even though liberalism provides some core media freedoms that define a democratic society. Drawing from CB McPherson he describes liberalism as a combination of egalitarian politics with inegalitarian economics (McPherson cited in McChesney, 1999: 284). Sylvia Harvey links Jurgen Habermas' formulation of public sphere to the Marxist view that the objectives of capitalism as an economic system and of democracy as a political system are "mutually incompatible" (Harvey, 1998: 540). Antonio Gramsci makes the distinction between democracy and liberalism even clearer when he stresses that:

> Democracy is an ideology that cannot fully establish itself in capitalist societies. The part of it that can be realised is liberalism, through which all men can become authority from time to time as minorities circulate: all men can be capitalists, but not all at the same time, rather, a minority at a time. Integral democracy maintains the principle of 'all at the same time' (Gramsci cited in Salamini, 1981: 123).[68]

The foregoing discussion has attempted to demonstrate the conflictual relationship between democracy and capitalism. It has been argued that democracy cannot be fully realised in a capitalist society. The discussion further highlights the distinction between democracy and liberalism - concepts that are sometimes seen as synonymous. I will now proceed to examine two forms of democratic governance, notably a 'representative' or 'limited' democratic governance and a 'participatory' or 'expansive' governance. The representative form of democracy is characterised by periodic election and the right of

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[68] Salamini, L. (1981). *The Sociology of Political Praxis: An Introduction to Gramsci's Theory*. London: Routledge & Kegan Paul.

the people to vote in elections in order to elect and/or change their political leaders. However, as John Saul (1997[69] cited in Sandbrook, 2000: 5[70]) reminds us these elections are confined to the "political sphere" in which the elites compete for power and replace each other. It therefore, "widens the recruitment of political elites while the vast inequities and old practices of cronyism and clientelism continue unabated" (Shivji, 1990[71] cited in Sandbrook, 2000: 5). Nevertheless, the representative form of democracy recognises human rights and freedoms. It is further characterised by rule and policy making by experts.

In contrast, the participatory form of democracy is more than the exercise of the right to vote in elections. It involves the participation of the citizens in major decisions and issues that concerns their lives as citizens in a democracy. In this dispensation, citizens have input in a number of political, social and economic matters, including input in communications policy making and regulatory design of public communications institutions.

The expansive form of democracy is generally characterised by an element of communication. For instance, Dwayne Winseck and Marlene Cuthbert (1997: 164-167)[72] have combined George Herbert Mead's (1968)[73] concept of "universal communication" and Wright C. Mills' (1939,[74] 1956[75]) concept of "public communication" to Jürgen Habermas' (1992,[76] 1989a,[77] 1989b[78]) "public sphere" to conceptualise what they call a "communicative" or "expansive" form of democracy, in which "communication becomes

[69] Saul, J. (1997). "Liberal Democracy versus Popular Democracy". In *Review of African Political Economy*, 73: 339-353

[70] Sandbrook, R. (2000). *Closing the Circle: Democratization and Development in Africa*. London. Zed Books Ltd.

[71] Shivji, I. (1990). "The Pitfalls in the Debate on Democracy". In *CODESRIA Bulletin* 1: 12.

[72] Winseck, D. & Cuthbert, M. (1997). "From Communication to Democratic Norms: Reflections on the Normative Dimensions of International Communication Policy". In A. Sreberny-Mohammadi, D. Winseck, J. Mckenna and O. Boyd-Barrett (eds.). *Media in Global Context. A Reader*. London: Arnold.

[73] Mead, G. H. (1910/1968). *Mind, Self and Society*. Chicago: University of Chicago.

[74] Mills, C. W. (1939). *Power, Politics and People*. New York: Oxford University.

[75] Mills, C. W. (1956). *The Power Elite*. New York: Oxford University.

[76] Habermas, J. (1992). *Postmetaphysical thinking*. Massachussetts, Institute of Technology, Cambridge, MA.

[77] Habermas, J. (1989a). *Jürgen Habermas on society and politics*. Boston: Beacon Press.

[78] Habermas, J. (1989b). *The structural transformation of the public sphere*. Massachusetts Institute of Technology. Cambridge, MA.

a public good open to all and a cornerstone of democracy". Singling out the "public sphere" they argued that it "links the State to the civil society". Public communication in this conception of democracy plays an important role because it is a precondition for the "cultivation of a democratic mind" (ibid. 167).

The existence of a public sphere is vital for the functioning of democracy. The media and communications systems, apart from other channels and societal institutions, are important platforms from where citizens inform themselves on critical issues on which to make important choices, while at the same time enable citizens to participate in the political and economic decision-making processes (Hamelink, 1999).[79] The Habermasian concept of "public sphere" (öffentlichkeit) as Michael Tracey eloquently points out refers to the "arena of civic discourse, in which the media and communication institutions are said to play a central role in providing social mechanisms for public dialogue on common concerns of society" (Shalini Veturelli, 1993,[80] cited in Michael Tracey (1998: 13).[81] In his own formulation Jürgen Habermas has argued that:

> By 'the public sphere' we mean first of all a realm of our social life in which something approaching public opinion can be formed. Access is guaranteed to all citizens. A portion of the public sphere comes into being in every conversation in which private individuals assemble to form a public body (Habermas, 1979: 198[82] cited in Harvey, 1998: 540).

Drawing from this definition of Jürgen Habermas, Sylvia Harvey extends the public sphere to a "set of cultural practices and institutions which, taken together, provide the means for the sort of public communication that is required for the development and maintenance of democratic societies" (Harvey, 1998: 540).

The establishment and maintenance of the 'public sphere' and hence the civil society is therefore, an important feature of a democratic dispensation. For the public sphere to be

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[79] Hamelink, C. J. (1999). *Preserving media independence: regulatory frameworks.* Paris: UNESCO.
[80] Venturelli, S. (1993). "The Imagined Transnational Public Sphere in the European Community's Broadcast Philosophy: Implications for Democracy". In *European Journal of Communication* (1993), 8, 491-518.
[81] Tracey, M. (1998). *The Decline and Fall of Public Service Broadcasting.* Oxford: Oxford University Press.
[82] Habermas, J. (1979). "The public sphere". In A. Mattelart and S. Sieglab (eds.). Communication and Class Struggle. Volume 1. New York: International General.

effective it has to be independent from the State and from society's dominant economic forces (Herman and McChesney, 1997: 3).[83] However, it has not been easy to create and maintain such autonomy. Nevertheless, critical perspectives are adamant that the creation of a "democratic communication" is an important stepping stone to the construction of an autonomous public sphere (ibid.). This is because a democratised communications sector, more particularly broadcasting and telecommunications, provides a platform for peoples' participation in society. Edward S. Herman and Robert W. McChesney (ibid. 3, 4) put this more distinctly:

> The media, however, are the pre-eminent vehicles of communication through which the public participate in the political process and the quality of their contribution to the public sphere is an important determinant of the quality of democracy. If their performance is poor, people will be ignorant, isolated, and depoliticized, demagoguery will thrive, and a small elite will easily capture and maintain control over decision-making on society's most important political matters.

Thus, it is due to their importance and relevance that the media and communication institutions had first to be democratised, for them to contribute to the democratisation of society (Randall, 1998)[84]. James Curran[85] argues that the mass media:

> should be organised in a way that enables diverse social groups and organisations to express alternative viewpoints. It should assist collective organisations to mobilise support; help them to operate as representative vehicles for the views of their supporters; and aid them to register effective protests and develop and promulgate alternatives (Curran, 1991: 103 cited in Randall, 1998: 4).

It is in this regard that critical perspectives have called for the establishment and promotion of non-profit, non-commercial, non-partisan public communication systems, which are not under political and commercial control. Robert W. McChesney (1997) has been an unwavering proponent of such a public communication system model. Such a

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[83] Herman, E.S. & McChesney, R.W. (1997). *The Global Media: The Missionaries of Corporate Capitalism*. Cassell.

[84] Randall, V. (ed.) (1998). *Democratization and the Media*. London: Frank Cass

[85] Curran, J. (1991). "Mass Media and Democracy: A Reappraisal". In J. Curran and M. Gurevitch (eds) *Mass Media and Society*. London: Edward Arnold.

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system can co-exist with the commercial and community systems, although it should be the dominant one. He for instance stresses that:

> There is no reason a society cannot maintain a regulated commercial system, a democratically accountable public media system, and also have a large non-profitable and non-commercial media sector (McChesney, 2003: 132).[86]

In motivating this public communication model[87] Robert W. McChesney (1997: 66) argues that:

> By the logic of the public sphere, the crucial structural factor for democratic media is to have the dominant portion of the communication system removed from the control of business and the support of advertising. The government will have to subsidise some portion of the public sphere, and at the same time devise policies that encourage the growth of a non-profit, non-commercial public sphere independent of State authority. There are justified reservations about government involvement with communication. The purpose of policymaking, then, should be to determine how to deploy these technologies to create a decentralised, accountable, non-profit and non-commercial sector, which could provide a viable service to the entire population. And in times like these, when revolutionary technologies like the Internet hold extraordinary potential for democratic communication, it is imperative that we prevent the present appropriation of digital communication to suit the needs of business advertisers first and foremost.

In terms of funding Robert W. McChesney proposes public or State funding together with funding through taxes imposed on advertising in the commercial media. Marc Raboy (1996: 14)[88] supports this funding model proposed by Robert W. McChesney. He argues that society should fund public service broadcasting from its own collective resources in the form of public subsidy. In addition to this, he suggests that the public broadcasting

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[86] McChesney, R. W. (2003). "Theses on media deregulation". In *Media, Culture and Society*. Volume 25, pp. 125 – 133. London: Sage Publications.

[87] It must be noted that efforts to establish a public communication system do not negate the existence of a private and commercial mode of communication in society. McChesney (1997: 67) argues that there is a place for commercial media, but the dominant one in society should be "non-profit, non-commercial and accountable to the public".

[88] Raboy, M. (1996). "Public Service Broadcasting in the Context of Globalisation". In M. Raboy (ed.). *Public Broadcasting for the 21st Century*. Acamedia Monograph 17. Luton: John Libbey Media/University of Luton.

system should be cross subsidised through funds from commercial activities in the broadcasting sector itself.

Despite the letdown in the construction of a strong public communication system in West as well as in many parts of the developing world, the idea has nevertheless found support from different media theorists advocating different theoretical perspectives and advancing various methodological research approaches. Denis McQuail (1998: 221)[89] for instance argues that such a communication system is needed for political, social and cultural reasons in the Information Age. He insists that the existence of such a public communication system is one of the few "dependable guarantees of true media diversity". It is therefore, needed to preserve a space for public expression and debate, free from commercial pressures (ibid). Adding his voice to the debate of the relevance of the public service broadcasting Marc Raboy (1996: 5) notes that it is false to "assume that there is no longer a social need for public service broadcasting". Citing John Ellis (1994)[90] he stresses that "only public service broadcasting puts a social agenda before the market agenda". Similar arguments can be made for a 'public sphere' in the provision of telecommunications. However, the challenge facing the model outlined above is to ensure that the State does not control or manipulate it, as States normally do not fund operations they do not control.

Having established the rationale for democratic public communication systems it is now important to examine communication policies and regulatory designs that are the foundations for the construction of democratic communication systems. Thus, in the last two sections of this chapter I will interrogate the nature of policies and regulations that support the emergence of democratic forms of communications.

2.6 Communication Policy

Communication policies reflect the character of a society in which they are adopted and as such they tend to be influenced by the political, social and economic climate in which

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[89] McQuail, D. (1998). "Looking to the Future". In D. McQuail and K. Siune (eds.). *Media Policy, Convergence, Concentration and Commerce*. London: Sage Publications.
[90] Ellis, J. (1994). *Public Service Broadcasting: Beyond Consensus*. European Film and Television Studies Conference. London.

they flourish (Murrow, 1967[91] cited in Tracey, 1998: 16). Traditionally, communications policies tended to address attempts at the creation of democratic systems of communications[92] (Sreberny-Mohammadi, A. et al, 1997).[93] Thus, there exists a relationship or a link between communication and democracy, a theme that has already been explored in the section above, but that needs to be repeated for emphasis. Communication policies deal with issues of public interests: issues of democracy, public participation and public access that are of major importance to citizens and their societies. This explains the preoccupation of the political economy of communication with the evaluation of how the communication policy process can engender democratic communication dispensations to contribute to the democratisation of the broader society. In doing so, the political economy of communication seeks to judge the policy process against a set of values that include equality, access, participation, fairness and justice – values that relate to a moral philosophy as indicated in the introductory chapter. Moreover, the critical political economy of communication connects policy analysis to the "politics of changing it", because its focus goes beyond the activity of analysis (Mosco, 1996: 263). The process of turning analysis into practical activity relates to the question of 'praxis', also indicated as one of the 'values' of the political economy of communication in the introductory chapter.

The question of participation in the policy making process is very central to the realisation of a democratic communication system, as it enables citizens to provide input through airing views and opinions on public communication institutions. Therefore, a government that claims to represent citizens cannot deny them the right to participate in the process of communication policy making. Participation empowers citizens.

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[91] Murrow, E. R. "Address at an Annual Conference of the Radio and TV News Directors in the United Kingdom". In Friendly, F.W. (1967). *Due to Circumstances beyond our Control*. New York: Random House.

[92] The link between communication and democracy has been highlighted by a number of media and communication theorists. John Keane (1991) has argued that historically there had been link between communication, citizenship and democracy. Writing on telecommunication policy, Dwayne Winseck (1998: 2) argues that telecommunications policy has a "significance that goes beyond the economic because of historical relationship between communication and democracy". This link according to him is reflected in the *Canadian Charter of Human Rights*, the First Amendment of the *United States Constitution*, Article 10 of the *European Convention on Human Rights*, Article 19 of the United Nation's (1948) *Universal Declaration of Human Rights*.

Empowerment, following Srivinas R. Melkote and Leslie H. Steeves (2001: 37)[94] is defined as the "process by which individuals, organisations, and communities gain control and mastery over social and economic conditions; over democratic participation in their society; and over their stories".

Communication policy analysis can be approached from either an economic or a political angle. Some communication policy perspectives concentrate on the economic (economistic) dimension of policy, while others foreground the political (statist) dimension. The political dimension of policy generally looks at the relationship between policy and democracy, while the economic dimension looks at the operation of the market (Rideout and Mosco, 1997: 81). The political tendency gives greater emphasis on the State by locating power of decision making within it. The economic tendency, in contrast, locates the policy making process in the "market place", where everybody is said to compete in offering different policy products. The better policy products are found to be acceptable to society. However, the political economy of communication tends to combine the statist and economistic tendencies in its communication policy analysis.

Given the fact that communication policy making, like any other public policy, is influenced by broader social, political, economic and cultural dynamics, these factors tend to determine the options, goals and strategies that are available for consideration, adoption and implementation at every historical period. Thus, while policy makers formulate and adopt policy options and agendas as they like, or wish, they act and live in a "structured world" which promotes and constraints their agendas and options (Pearce, 2000: 353).[95] Michael Pearce (ibid. 353) notes that:

> The social and political world constraints and promotes some
> policy options over other policy options. The constraining and
> promoting factors include economic structures that show that

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[93] Sreberny-Mohammadi, A. Winseck, D. Mckenna, J. and Boyd-Barrett, O. (1997). (eds.). *Media in Global Context. A Reader*. London: Arnold.
[94] Melkote, S. R. and Steeves, H. L. (2001). (2th Edition). *Communication for Development in the Third World: Theory and Practice for Empowerment*. London: Sage Publications.
[95] Pearce, M. (2000). "Structured Action in Australian Broadcasting Policy" in *Media, Culture and Society*, Vol. 22, No. 3, May 2000.

policies must generally fit within government's accumulation strategies.

The formulation of communication policies has been historically the domain of the State and its agencies such as governments, courts, etc., although non-State agents, including media and business organisations, as well as other actors in civil society (academics, trade unions, churches, human rights bodies) have, at different time and in different societies, have played vital roles in influencing the outcomes of communication policies. Nevertheless, the State has remained the major force that opens up the space for non-State actors to occupy in the policy making process.

Since the State and their agencies are traditionally the dominant forces in the formulation of communication policies that guide the structure, roles and functions of communication institutions, these institutions tend to reflect the unique political, economic, social and cultural characteristics of their respective societies (Raboy, 1998: 219). However, there has been a form of policy transfer in the era of globalisation, due to the influence of external forces into domestic communication matters. This influence, coupled with the adoption of the neo-liberal agenda by many countries has led to uniformity in policies in many nations, both developed and developing. International organisations such as the World Trade Organisation, the International Monetary Fund and the World Bank and other regional bodies such as the North Atlantic Free Trade Agreement and the Southern African Development Community, have influenced major policy decisions with tremendous impact on the communications sector, through the process of policy transfer.

2.6.1 Power and policy

A critical political economy of communication places 'power' at the centre of its policy analysis. It starts from the assumption that power is not equally distributed among the stakeholders in the policy-making arena, and also in the whole society. Power as Vincent Mosco (1996: 257 – 258) cogently argues, is a scarce resource available to small, but powerful groups in society. However, not all the perspectives on policy foreground power in their analysis of communication policy making. For instance, Policy Studies, according to Vincent Mosco, do not see power as a central concern in policy formulation,

because its pluralist component contends that power is widely dispersed among all the communication stakeholders (Mosco, 1996: 258). Each of these stakeholders has one or another form of power. For this reason, power is not a central focus of Policy Studies, since this is an available resource accessible to all players. Cultural Studies, also focuses on the consumption of media messages in society and therefore, does not seriously consider power, at least, as a resource of the institutions that produce these messages. It is more concerned with reception and consumption of the messages produced, maintaining that the recipients are "active" in decoding these messages (Mosco, 1996; Garnham, 1995).[96]

Given that power is at the centre of public policy making process, the State being the embodiment of authority commands power, which influences social relations and process, including access to policy formulation. In most cases, policy making tends to favour the powerful in society. In the case of developing countries Okwudiba Nnoli (2000: 181) argues that policy-making is dominated by a small and privileged stratum of the population that continues to prefer non-participatory strategies such as "clientilism" (Nnoli, 2000: 181 in Nabudere). It is due to the power exercised by the State and its agencies that critical media theorists suggest that the communications sector must be kept "at distance from those who are making decisions on behalf of the public" (Hamelink, 1999: 11).

Due to the fact that in representative democracies decisions are taken by elected representatives (small elite) on behalf of the citizens, elected leaders must therefore, provide full and transparent account of their activities to the people. Moreover, the citizens must be involved in the decision making processes. Thus, participation in policy making processes is very crucial for ensuring democratic communication systems, as indicated earlier. Robert McChesney (2003: 126) is more specific when he reminds us that decisions on media policy "ought to be the result of informed debate". He continues:

> The more democratic a society, as a general rule, the more likely
> there will be widespread public participation in these debates. The

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[96] Garnham, N. (1995). "Political Economy and Cultural Studies: Reconciliation or Divorce?" in *Colloquy.* CSMC, March 1995.

more widespread public participation, the more likely the resulting policies will best serve the needs of the people (ibid.).

Since communication policies have to guide activities of public resources they are thus concerned with the relationship between society and its elected representatives. The mere fact that they deal with public resources, which are entrusted to elected representatives to oversee in trust of the citizens or society, they therefore address issues of *public interest*. However, the elected representatives view these concerns as *national interest*. The concept of national interest is therefore, sometimes contrasted with that of public interest and is thus, perceived to represent conflicting interests. The national interest is said to deal with the interests of the State and its agencies, including the government, while public interest is the domain of civil society. However, some perspectives tend to see these concepts as complimentary rather than conflicting. An example of the complementary view of these concepts is cogently argued by the former Chief of Communication and Head of the Policy Unit in the South African Presidency, who notes that:

> National interest as a concept is meant to define the aggregate of things that guarantee the survival and flourishing of a nation-state and nation. Usually national interest is counter-posed to that of other states, as a basis for foreign policy. Public interest, on the other hand, is meant to represent the interests of the aggregate collective of citizens, independent of state institutions. It is a kind of collective civil interest, the sixth sense of civil society ... The dichotomy between national interest and public interest does not mean that the two are contradictory, let alone antagonistic: in as much as the dichotomy between the state and the people does not mean that the state is necessarily anti-people or that the people are anti-state (Joel Netshitenzhe, 2002: 13).[97]

Despite these conciliatory remarks as the one above, various actors advocating diverse theoretical positions continue to emphasise the differences between these two concepts. For instance, the State, being the authority, will always defend its actions to be in the national interest, while actors in civil society tend to view 'national interest' as representing the State's own political interest. This 'contestation' has had adverse consequences for policy making and regulatory design in the media and communications

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[97] Netshitenzhe, Joel (2002). "Public interest evolves". In *Sowetan*, Wednesday, October 23, 2003: 13

sector, where battle lines are drawn between the State and its agencies (more particularly the government) on the one hand, and civil society on the other. At this point I will briefly examine the sub-sector's (broadcasting and telecommunications) particular policies.

2.6.2 Broadcasting policy

Traditionally broadcasting has fallen under the jurisdiction of media policy of which the major concerns have been the freedom of communication objective and by extension freedom of expression and media freedom (Sreberny-Mohammedi, A. et al, 1997; Van Cuilenburg and Slaa, 1993).[98] These ideals are regarded as central to the functioning of a democratic political system. Mike Feintuck (1999: 5) notes that the "centrality of the media to democracy as the primary source of information cannot be over-emphasised", because "democracy requires citizens to be informed, if they are to act effectively as citizens". In addition, media policy has pursued national and cultural identities, which is central to broadcasting. As such media policy has tended to address political, social, (and cultural) goals and less commercial imperatives (Van Cuilenburg and Slaa, 1993: 166).

However, because of the commercialisation and liberalisation (competition) in this sub-sector, more emphasis is being placed on profit maximisation through advertisement revenues for profit in itself and for financial stability. The strategy adopted generally as the result of commercialisation in the broadcasting sector is to produce and flight such programmes that will attract and deliver audiences to the advertisers and the establishment of linkages with other revenue generating media and non-media businesses (Rideout and Mosco, 1997: 93). Moreover, the liberalisation of the sector is said to have contributed to a "greater degree of the fragmentation of media/audience as broadcasting is transformed into commercial driven narrow-casting", due to increased competition resulting from the opening up of the airwaves (Barnettt, 2000: 5).[99]

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[98] Van Cuilenburg, J. and Slaa, P. (1993). "From Media Policy towards a National Communication Policy: Broadening the Scope". In *European Journal of Communication*. Vol. 8, No. 2, June 1993
[99] See Dr Clive Barnett's (2000) Paper presented at the Political Economy of the Media in Southern Africa Seminar, University of Natal, Durban, April 2000. The Paper is titled: Media, Scale and Democratisation".

Nevertheless, broadcasting operations of all types, whether public or private, are said to have been influenced by commercialisation logic (Tracey, 1978).[100] For instance, Margaret Gallagher (1982: 165)[101] contends that the commercial imperatives are dominant in determining the survival of media and communication organisations. Thus, communication organisations have to produce marketable products to compete in the market and stay in business. This process has, at times, led to what John Keane (1996: 31)[102] calls "self-commercialisation" of the public broadcasting, which he says tends to weaken its legitimacy by diluting its programming distinctiveness. This perception is true in the age of globalisation where the public service broadcasting stations have had to adjust their priorities and moral obligations in the face of the commercialisation challenge and concomitant competition resulting from the liberalisation of the sector.

Also, due to economic pressures many African countries in the 1980s were forced to approach the World Bank and the IMF for financial assistance. The assistance offered was conditional, requiring the restructuring the African economic and political institutions. More particularly, African States were forced to cut their public service expenditure. Broadcasting, seen as a public service since its establishment, suffered under these financial restrictions. In their attempts to source extra revenue due to budget cuts many public service broadcasters (PSBs) in the developing countries turned their operations into commercial ones by introducing entertainment-oriented programmes that sought to attract audiences, while downscaling public service programmes (Bourgault, 1995).[103] In addition, these PSBs have come to rely on cheaper imported programme material from the West, due to the high costs involved in local productions. Since many developing countries have lacked vibrant domestic audiovisual industries they turned to the import of foreign programme material to fill the void (Heuva and Tomaselli, 2004).[104]

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[100] Tracey, M. (1978). *The Production of Political Television*. London: Routledge and Kegan Paul
[101] Gallagher, M. (1982). "Negotiation of control in media organisations and occupations". In M. Gurevitch, J. Curran and J. Woollacott (eds.). *Culture, Society and the Media*. London: Routledge
[102] Keane, J. (1996). "Structural Transformation of the Public Sphere". In M. B. Anderson (ed.). *Media and Democracy*. Oslo: University of Oslo.
[103] Bourgault, L. M. (1995). *Mass Media in Sub-Saharan Africa*. Indiana: Indiana University Press.
[104] Heuva, W. E. and Tomaselli, K. G. (2004). "Television in Africa". In J. Sinclair (ed.) *Contemporary World Television*. London: The British Film Institute.

None-the-less, we need to differentiate between commercialisation as a strategy to augment revenue in order to cover other operations, as it has been adopted by most PSBs and commercialisation in order to secure profits, which is the strategy adopted by commercial broadcasters. It needs to be emphasised that both public service and commercial broadcasters undertake commercial activities in the form of advertising and sponsorships, but for various rationales. In defence of PSBs' use of advertisements and other forms of commercial activities, Gillian Doyle (2002a: 5)[105] notes that:

> Even when they compete for revenue from commercial sources, PSBs are usually distinguished from commercial firms by the fact that their primary goal is to provide a universal available public broadcasting service rather than to make a profit (ibid).

It is thus, clear that PSBs do not only rely on State subsidy, but derive their income partly from commercial activities. This argument finds support from Giuseppe Richeri (2004: 186),[106] who stresses that the public service broadcasters' ventures into a commercial direction, occupy a secondary role, because they have little to do with its fundamental function, which is the provision of public service. Thus, the commercial motive of the public service broadcaster is to augment revenue in order to fulfil its public service obligation in a highly competitive environment and not necessarily because of the profit motive in itself. Nevertheless, this development has led to the commodification of the broadcasting spectrum.

Broadcasting policy in the context of developing countries has also addressed issues of national building and socio-economic development of these countries. Inspired by Western developmental experts, broadcasting was seen as a potential medium for socio-economic development, while at the same time serving the political objectives of nation-building and the propagation of the policies of the ruling elite. As such broadcasting was inclined to be organised and operated within the broader context provided by the developmental communication paradigm (Eko, 2000).[107]

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[105] Doyle, G. (2002). *Understanding Media Economics*. London: SAGE Publications Ltd.

[106] Richeri, G. (2004). "Broadcasting and the Market. The Case of Public Television". In A. Calabrese and C. Sparks (eds.). *Toward a Political Economy of Culture. Capitalism and Communication in the Twenty-First Century*. New York: Rowman & Littlefield Publishers, Inc.

[107] Eko, L. (2000). "Public broadcasting in a changing political and regulatory environment: the case of Africa". In *Ecquid Novi*. 2000 21 (1): 82-97.

2.6.3 Telecommunications policy

Traditionally, the telecommunications sector addresses issues of infrastructure and pursued economic goals, but still provides public services in terms of its obligation to ensure universal service/access (Van Cuilenburg and Slaa, 1993: 166). Jan Van Cuilenburg and Paul Slaa (1993: 167) view the telecommunications public service role as the provision of "social, political and economic welfare" roles. These theorists further break the public service concept into four elements, notably geographical access; affordable access, service quality and tariffs, all of them with a prefix 'universal', and argue that "each of these elements is a specification of the ideal function of telecommunications" (ibid.). By providing universal service/access the telecommunications sector has offered an important communication platform to citizens in societies. Being communication networks, telecommunications "map the nation's access to information, resources, and the basic social inclusion that is a pre-requisite of citizenship" (Aufderheide, 1999: 2).[108] Thus, access to telecommunications, which is underpinned by the universal service, is at the centre of telecommunications policy, because it facilitates the participatory form of democracy that enhances the exchange of information between and among citizens. This role of telecommunications is neglected notoriously in the telecommunications sector reform processes (Winseck, 1998).[109]

Nevertheless, telecommunications policy seeks to ensure the development of effective and efficient services needed by the State, capital and the public. These services are comparable to others provided by other public utilities such as water and electricity and are seen as vital to nation-states. In this regard telecommunication services are said to be in the "national interest", even in capitalist countries (McQuail, 2000: 26).[110] In addition, telecommunications are also vital for national security, both military and civilian. Moreover, in the era of globalisation, telecommunications has increasingly come to play an important role in enhancing global capitalism, as it has become a vital instrument in integrating nations and their institutions into the global capitalist economy. Describing

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[108] Aufderheide, P. (1999). *Communications Policy and the Public Interest*. New York: The Guilford Press.
[109] Winseck, D. (1998). *Reconvergence: A Political Economy of Telecommunications in Canada*. New Jersey: Hampton Press, Inc.
[110] McQuail, D. (2000). "Media Policy: Premature Obsequies?" in Tumber, H. (ed.) (2000) *Media Power, Professionals and Policies*. London: Routledge.

the role of telecommunications in the globalised economy Gwen Urey (1995: 53)[111] argues that:

> Telecommunications lubricates capitalist expansion by facilitating the globalisation of both production and marketing for large corporations. But telecommunications also lubricates the processes by which institutions of capitalism in developing countries become integrated into a capitalist world economy.

This argument cannot be far from the truth. It highlights the strategic importance of the sector for the State and the national capital. Moreover, Gwen Urey goes a step further and reveals, at a micro level, how free market fundamentalists have conceptualised the telephone service as a "commodity" and the telecommunications network as a "fixed capital". She notes, in this regard, that the fixed capital form of the network can be understood in terms of "leased access" to other operators (or "productive capital"), which through lease fees and interests accrued, transforms fixed capital into "productive capital". In contrast, the telephone service or the commodity aspect of the telephone is the profits accrued through the usage of telephones, which is again transformed into financial capital. Thus, the telephone service and network play an important role in the circulation of capital, since increases of capital occur at every stage of this circulation (circle). We can conclude from the analysis by Gwen Urey that the commodification of telecommunications results in the construction of market relationships in which the citizens remain mere 'consumers' of these services, while telecommunication operators become investors in the sector and profitability becomes the motivating factor in that cycle.

In addition to above-mentioned functions and responsibilities, the telecommunications sector has become an important platform (network) on which the new information and communications technologies (ICTs) are rolled out, because it provides the essential infrastructure for ICTs that are the precondition for the construction of information societies. Thus, policies to be designed for the sector should also facilitate the acquisition and diffusion of ICTs in societies. For instance, the dominant neo-liberal orthodoxy

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[111] Urey, G. (1995). "Telecommunications and Global Capitalism". In B. Mody, M. Bauer and J. D. Straubhaar (eds.). *Telecommunications Politics: Ownership and Control of the Information Highway in Developing Countries*. New Jersey: Lawrence Erlbaum Associates Publishers.

demands that nations, more particularly the developing ones, must introduce competition in their telecommunication markets, while privatising their State monopolies. Privatisation leads, arguably, to the injection of skills and capital, while transforming the privatised monopolies into effective telecommunications enterprises, providing services efficiently. Market liberalisation is said to result in cheaper services, while at the time availing a variety of products and services (Nulens and van Audenhove. 1999).[112]

Furthermore, the ICTs in terms of the neo-liberal perspective are seen to be the best means to achieve general human prosperity in the new age of information economy (Goldsmiths Media Group, 2000: 31).[113] Greater emphasis is thus placed on what the Goldsmiths Media Group calls the "techno-utopian vision of improved prosperity, education, access and, ultimately, greater individual autonomy". In terms of this vision "technology becomes a determining factor that can overcome the social and economic inequalities" (ibid. 30). Among the new technologies the Internet is singled out as *the* medium that will enhance 'freedom' by opening up new frontiers and new possibilities for humanity that will arguably transcend the existing social relations. Furthermore, the Internet will open up an "electronic agora" or democratic meeting-place free from territorial or even social "constraints" (Goldsmiths Media Group, 2000: 50). However, critical political economists are quick to question the neo-liberal's assumption of universal benefits presumably to be obtained from the introduction and use of the new ICTs, more particularly in the light of the co-option of the Internet by commercial interests (Patelis, 2000: 90, 91). Critical perspectives counter such arguments by pointing out that:

> Far from constituting an unprecedented 'open' space for communicative exchange, it constitutes an unprecedented opportunity for commercial expansion, whereby economies of scale can be exploited to strengthen existing patterns of conglomeration in the global communications industry (Herman and McChesney cited in Goldsmiths Media Group, 2000: 52).

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[112] Nulens Gert and Van Audenhove Leo, 1999. "The African information society: an analysis of the information and communication technology policy of the World Bank, ITU and ECA". In *Communicatio*, 25 (1 and 2), (28 – 41).

[113] Goldsmiths Media Group (2000). "Media Organisations in Society: Central Issues". In J. Curran (ed.). *Media Organisations in Society*. London: Arnold.

Neo-liberals and technological determinants are further accused of dislocating technology from its economic, historical and social conditions and thereby discussing it in a vacuum. It is argued that such analysis renders redundant issues of access, equity, participation and public function of the new communication technologies. Critical perspectives tend to maintain that the ICTs do not emerge in socio-economic, political and cultural vacuum, but that they are a logical consequence of the capitalist society in which they are produced and thus they are "not a break with the past, but represent the next stage of capitalism" (Nulens and Van Audenhove (1999: 29).

The analysis above have sought to reveal the complexities in defining the place and role of telecommunications in societies, as propounded by opposing theoretical positions, and the challenges faced by policy makers, more particularly those in developing countries, in their attempts to formulate suitable policies to respond to these complexities in the globalised political economy.

Having assessed the dynamics of communications policy, I will now attempt to define the concept regulation and to outline some regulatory practices in the communications sector in this final section of the chapter.

2.7 Regulating the communications sector

Regulation is understood as a process of setting and applying rules and standards that govern social and economic institutions and relations. Cees J. Hamelink (1999: 13) suggests that media and communication regulations provide rules, procedures and institutional mechanisms for relations between the media, the political sphere, the market-place and the public. However, Vincent Mosco (1988: 107;[114] 1996: 201) sees the "entire social field" as an arena of regulation. He argues that when the communication industry is dominant or influences the social field, it is called market regulation. In contrast, when the State and its agencies (including the government) are dominant, it is called State regulation. In line with this argument, there is no room for deregulation, or as Vincent Mosco (1996: 201) notes "deregulation is not an alternative,

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[114] Mosco, V. (1988). "Towards a Theory of the State and Telecommunications Policy". In *Journal of Communication*, 38 (1).

but it is non-existent". According to him, taking away State regulation does not mean deregulation, but means the expansion of market regulation.

Earlier in his writing Vincent Mosco (1988: 107) argues that deregulation means the shifting of the nature of State action from "commanding specific outcomes to creating and maintaining markets". It must be emphasised that in reality the State is not totally removed from regulation, because it is involved in the 'social field' in which the market (regulation) is active. It is the State that creates the necessary environment for the market forces to operate and it therefore, regulates economic activities. Thus, State regulation makes market regulation possible, as there can be no market regulation without State regulation. Robert W. McChesney (2003: 126) reminds us,

> to have market regulation of anything, including media, requires
> explicit government laws and policies recognising and enforcing
> private ownership, contracts, the sanctity of profit, etc. Markets
> are not 'natural'.

Pushed further, this argument extents into what the revisionist accounts of the privatisation of State-owned enterprises have called the "regulatory State" (Majone, 1997).[115] In this conceptualisation the State, according to Paul Cook et al (2004: 3),[116] can cease to be involved in the provision of some goods and services directly, but it will still concentrate on "regulating private markets to promote economic and social welfare". Phillip G. Cerny (2000: 129)[117] attempts to clarify this argument when he notes that:

> Nevertheless, liberalisation, deregulation and privatisation have
> not reduced the overall role of the state intervention; rather they
> have simply shifted the means of intervention from
> decommodifying bureaucracies to marketising ones. 'Reinventing
> government', for example, means the replacement of
> bureaucracies which directly produce public services by ones
> which closely monitor and supervise contracted-out and
> privatised services according to complex financial criteria and
> performance indicators.

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[115] Majone, G. (1997). "From the positive to the regulatory state: causes and consequences of changes in the mode of governance". In *Journal of Public Policy*, 17 (2), pp 139 – 167.
[116] Cook, P., Kirkpatrick, C., Minogue, M. and Parker, D. (2004). "Competition, regulation and regulatory governance: an overview". In P. Cook, et al (eds). *Leading Issues in Competition, Regulation and Development*. London: Edward Elgar.
[117] Cerny, P. G. (2000). "Restructuring the Political Arena: Globalisation and the Paradoxes of the Competition State". In R. D. Germain (ed). *Globalisation and its Critics*. New York: St. Martin's Press Inc.

Put differently, the State never withdraws from regulating industries, but it rather "reforms" by replacing its formal regulatory powers with "informal and less accountable networks of influence" (Feintuck, 1999: 42). Given the fact that the State and/or its appointed agents are responsible for regulation, it will appear at face value that regulation operates in the 'public interest'. However, State regulations might at times tend to favour private interest to the detriment of the public ones. This situation is most likely to happen in a capitalist mode of production, where States establish alliances with capital to realise market growth, and thereby guarantee overall developmental goals of the nation, as indicated earlier in the chapter. Thus, States can regulate industries and institutions either in the public interest or to serve "purely private interest" (McChesney, 2003: 126). Allowing private interest or capital to influence the regulatory environment in their favour can lead to what is called "regulatory capture" (Dnes, 1995: 2).[118] In this situation the State allows particular fractions of capital to dominate the regulatory process because of the benefits it gains from capital. The 'capturing process' may occur in the legislative (parliament), in the executive (at government or ministerial level) or in the regulatory agency, which is also an agency of the State (ibid). Apart from allowing the industry to influence or dominate the regulatory process, the State can also distort the regulatory process by manipulating it to serve its political interest, which results in a situation referred to as "political capture" (Sarah Mosedale, 2004: 2).[119]

Regulation in the communication sector in general has addressed a number of pertinent issues. At its basic level regulation in this sector has dealt with the question of licensing, since broadcasting and telecommunications use public resources. Operators have to be licensed and pay licences fees for the use of the national spectrum, which is an income for the State, and thus national revenue. I will now examine the rationale for regulating broadcasting and telecommunications.

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[118] Dnes, Antony, (1995). "Post-Privatisation Performance – Regulatory Telecommunications in the United Kingdom". Available at http://www.worldbank.org/html/fpd/notes/60/60dnes.html. Accessed on May 31, 2003.
[119] Mosedale, S. (2004). "Regulating Utilities – controlling prices and profits". In *CRC Policy Briefs*. No. 5, 2004.Centre on Regulation and Competition. Institute for Development Policy and Management. Manchester: University of Manchester.

2.7.1 Broadcasting regulatory practice

The rationale for broadcasting regulation is based on four basic principles, notably *effective communication, diversity of ownership and content, economic justification* and *public service* (Feintuch, 1999: 54). I will introduce these four principles here briefly, before thrashing them out in the next few paragraphs of this section. *Effective communication* refers to the absence of any obstruction to communication. Such obstructions are made by congestions of the spectrum or cross-channel broadcasting, which is attributed to the 'scarcity' of the spectrum. Other obstructions or obstacles relate to State and economic control of broadcasting. Such control will prevent the realisation of the freedom of expression, the right to know and the free-flow of information. All these rights and freedoms are central to democratic expectations and broadcasting is vital for their realisation. It is through proper regulation that these obstructions will be minimised if not eliminated. Thus, effective communication is only possible through effective regulation (ibid. 43).

The principle of *diversity* of ownership and content also deals with an obstruction to effective communication. This obstruction deals with the domination of the broadcasting sector by one or more operators, a situation that will most likely tend to threaten the diversity of views transmitted and received. Mike Feintuck (1999: 44) reminds us that there is a "strong contingent of relationships between diversity of ownership and diversity of output or between monopoly of ownership and homogeneity of product". Thus, regulation is needed to ensure the diversity and plurality of ownership and content. The *economic justification* as a rationale for regulation relates first and foremost to the financial benefits accrued from broadcasting markets. It should be remembered that broadcasting operators are licensed and in return pay for the use of the frequencies, which as noted above result in revenue for the State. Secondly, the State accrues revenue from taxes imposed on advertisements in the broadcasting sector. Another dimension of the economic justification relates to nature of the content carried by some profit-oriented commercial broadcasters in that this content tends to "counter expectations of social justice" by denying the delivery of public service content that can be characterised as "public goods" (ibid. 46).

Thus, regulatory intervention in broadcasting markets is justified to ensure that citizens receive public service-oriented programme output. This last point relates to the fourth principle of broadcasting regulation, namely *public service*. The commodification of the broadcasting sector in the age of globalisation has seen the shift from public service ethos to commercial interests in the broadcasting sector. The rationale for regulation has thus, also been directed towards the reversal of this trend, while at the same time seeking to balance both the public and commercial interests in the sector.

Having briefly introduced these four principles I will now proceed to discuss some of their elements in detail below. As just noted, an important aspect of effective communication in broadcasting regulation is what Michael Tracey (1998: 53) calls "a useful myth" that views radio spectrum as limited and thus needs to be guarded carefully. However, with the new technological innovations that 'myth' has been debunked. The development of cable, satellite and digital technologies has overcome the scarcity of frequencies, which as just indicated, has been the long-standing justification for regulation in broadcasting (Feintuck, 1999: 24). More particularly the process of digitalisation has "squeezed and reshaped" the spectrum and thereby multiplied its use (Aufderheide, 1999: 10). Using arguments of the abundance of frequencies neo-liberal theorists maintain that:

> As communication possibilities open up and spectrum scarcity becomes irrelevant, state control becomes unnecessary and no single organisation – private or public may dominate. Governments, corporations, special interest groups and individuals have thus been placed on a more level playing field in which all may gain access to information and debate and no single entity may gain exclusive control (Goldsmiths Media Group, 2000: 32).

However, critical political economy commentators on the new information and communications technologies (ICTs), such as Korinna Patelis (2000: 90), dismiss the notion of frequency abundance, arguing that the issue of 'scarcity' is not a "technologically dictated phenomenon but an economic one". "No matter what the technology in question, there is no such thing as an economy of abundance, since economic goods are by definition scarce". It can be argued further that in an environment

of commercialisation and liberalisation of the communications sector, coupled with the commodification of the broadcasting space (airwaves), only regulation can facilitate the equitable share of the airwaves between public and private broadcasting operators to ensure the effective and efficient use of this national resource.

Moreover, the 'abundance' in frequencies has not done away with the other reasons for broadcasting regulation. For instance, regulation is also needed for competition in the broadcasting sector to ensure that commercial and public service interests are balanced. Issues of ownership, content and market structure need to the regulated as well. Content regulation, defined as the "limitations imposed on what cannot and must be broadcast" (Feintuck, 1999; 51) for instance, has been a thorny issue in broadcasting that has led to intense and constant tensions between the State and civil society. Content regulation, in itself, relates to the issue of media *externalities*. Broadcasting markets, like other media markets, are said to have *externalities* (both positive and negative), which are "those costs paid by society and not by the seller or buyer" (McChesney, 2003: 131). It is because of these externalities that the private media (broadcasters) are held accountable by society through regulation. Since, private broadcasters, as well as public ones, use public resources, airwaves; they have to be held accountable to the citizens, who are the ultimate owners of these resources. In some regulatory environments private broadcasters are compelled to observe certain public service-related obligations, normally associated with public service broadcasters, in order to minimise their (private broadcasters') potential negative externalities.

Apart from content regulation another major regulatory practice in broadcasting has been structural regulation, which is an aspect of the economic justification of regulation, as indicated above. Mike Feintuck (1999: 51) notes that structural regulation deals with issues of ownership and market structure in the broadcasting sub-sector. Its emphasis is on the prevention of anti-competitiveness and the domination of broadcasting markets by one or more operator(s). It can be deduced from this argument that structural regulation seeks to promote pluralism and diversity in the sub-sector, while at the same time prevents a monopoly, as already indicated.

So far I have discussed regulatory practices associated with the broadcasting sub-sector. In the next few paragraphs below I will attempt to address practices that are used in telecommunications. However, it should be mentioned that some, if not most, broadcasting regulatory practices are also applicable in the telecommunications regulatory environment.

2.7.2 Universal Service Obligation (USO)

While the principles of broadcasting regulation centre on effective communication, diversity, economics and public service, as indicated above, the rationale for telecommunications regulation has been based, traditionally, on the need to ensure that all citizens have access to telecommunications services at affordable prices. This goal is underpinned by the notion of universal services obligation (USO). The pursuit of this obligation has been one of the core goals of the regulatory practice in the telecommunications regulatory regime. However, in an era where the sector has become responsible for the expansion of capitalism on a global scale more and more regulatory goals have been identified. These include goals related to the promotion and management of competition in the sector as well as managing privatised former State monopolies, among others.

The imposition of the USO by the States on public as well as private telecommunications operators has sought to provide services to unprofitable areas as well as to avoid "cream skimming", a process whereby private and sometimes public telecommunications operators invest only in profitable areas and regions of the country, while shunning the poor and unprofitable ones (Sinha, 1997: 289).[120] The USOs are normally incorporated into licences and performance agreements entered between regulatory bodies and telecommunications operators. These 'agreements' require operators to provide services within a specified time period to any consumer that requests them within a specified geographical area (Kirkpatrick and Parker, 2004: 25).[121]

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[120] Sinha, N. (1997). "Regulatory Reform: An Institutional Perspective". In W. H. Melody (ed.). *Telecom Reform: Principles, Policies and Regulatory Practices.* Lyngby: Technical University of Denmark.
[121] Kirkpatrick, C. and Parker, D. (2004). "Infrastructure Regulation: Models for Developing Asia". Asian Development Bank (ADB) Institute. *Research Paper* No. 60, November 2004.

The need to facilitate the provision of telecommunications services to the citizens has been redefined and expanded to cover a broad category of institutions and sectors, and not only confined to the individual, which had been its main concern. Such an approach to universal service/access is referred to as "development-based", which according to Heather E. Hudson (1997: 404)[122] assumes,

> a broadening of the definition of "public interest" beyond the simple assessment of connection to network and pricing of basic services. It involves an analysis of the potential benefits of access to education and social services; the impact of geographical as well as income-related disparities; the potential economic benefits of affordable access to information for both the individual and collective activities.

The development-based approach has sought to encourage telecommunications policy makers to consider the socio-economic and political implication in policies and regulatory design and implementation (ibid.).

Both telecommunications and broadcasting need to expand infrastructure to realise their universal service obligations in order for them to contribute to the nurturing of democracy. As already pointed out telecommunications has an import role to play in democracy by facilitating information sharing between and among citizens. Similarly, broadcasting has been seen as an important medium of education, information and entertainment of the population - functions that are perceived as vital to democracy.

2.7.3 Effective and efficient regulatory regime

The challenges faced with the communications sector reform relates partly to the establishment and maintenance of an effective and credible regulatory structures and processes. Such an effective regulatory regime is determined by a host of factors. It needs a regulator that is independent and autonomous from the powers that be, for it to avoid being captured by the politicians and/or by industry. Financial independence, availability of equipment and the presence of skilled and professional staff are other

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[122] Hudson, H. E. (1997). "Converging Technologies and Changing Realities: Toward universal Access to Telecom in the Developing World". In W.H. Melody (ed.). *Telecom Reform: Principles, Policies and Regulatory Practices*. Langby: Centre for Tele-Information: Technical university of Denmark.

attributes of an effective and credible regulator. Similarly, the regulator has to be transparent and accountable. I will return to these last two issues shortly.

The success of the communication sector reform hinges on the effectiveness of regulatory oversight. For instance, Nikhil Sinha (1997: 287) notes that an effective and well-structured regulatory system enhances the development of telecommunications by ensuring that the reform process encompasses social and economic goals, while at the same time preventing the State's unnecessary interference in the sector. In contrast, a poorly structured regulatory system guided by a defective regulator weakens these goals. It also erodes investors' confidence, while allowing both public and private telecommunications operators to engage in monopolistic and predatory practices that are detrimental to the market environment and consumers (both business and residential) (ibid. 287).

Thus, the communications sector reform process demands the need to establish regulatory bodies that will be independent from the State and business, but still accessible to all stakeholders with interest in the sector. The best possible approach to regulation is for the State to lay the ground rules in terms of policy and to allow the regulator to operate within them without outside interference (Mosedale, 2004). In fact the State, in consultation with the industry and the public, is responsible for the overall policy formulation, while regulatory bodies are tasked with regulatory design and the practical implementation thereof. For regulatory bodies to perform all these functions effectively and with undue influence or bias, they have to operate independently and autonomously from the State and the industry, as noted above.

Regulatory agencies in developing countries have challenges and experience contradictions in regulating communication sectors than their counterparts in the West. They are concerned with the pursuit of the general socio-economic goals related to the expansion of basic services; the building of national infrastructure and the control of the industry in the national interest. At the same time they are increasingly being confronted with demands to ensure fair competition, improve quality of services and facilitate the acquisition of new, sophisticated and specialised services needed by modern business

sector and the advanced sections of the population. At the same time the regulator is expected to ensure that investors attain reasonable returns for their investment in the sector. Thus, these regulatory agencies have to balance contradictory imperatives: social welfare, national interest and market goals (Petrazzini, 1997: 357).[123]

Since developing nations face the challenges of poverty reduction and the creation of sustainable economic growth and development, their regulatory agencies are expected to do more than facilitating and promoting economic competitiveness and consumer interests. They are required to set social objectives aimed at achieving a host of socio-economic developmental goals. Therefore, these agencies must ensure that the telecommunications markets they are regulating nurtures economic growth and development (Cook and Minogue, 2005).[124] Nevertheless, these agencies have to do all these while trying to ensure that they remain independent, autonomous, effective and credible institutions.

The regulatory regime, as implied above, needs to be legitimate in the eyes of the public, the industry and investors (including international investors) in the sector. To achieve and maintain this legitimacy the regulators have to be transparent and accountable. Transparency means that the regulatory process and decisions taken by the regulator are open to public scrutiny. Thus, the public is allowed insight into regulatory decisions, while the regulator facilitates public consultation and challenge. Accountability means that the regulator is answerable to the citizens and/or their political representatives in parliament for its decisions and rulings (Haskins, 2000: 60[125] cited in Cook et al, 2004: 13). As a result, both neo-liberal and critical perspectives suggest the establishment of independent and autonomous regulatory agencies that will account directly to the legislature.

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[123] Petrazzini, B. A. (1997). "Regulating Communication Services in Developing Countries". In W. H. Melody (ed.). *Telecom Reform: Principles, Policies and Regulatory Practices.* Lyngby: Technical University of Denmark.

[124] Cook, P. and Minogue, M. (2005). Regulating for Development. Centre for Regulation and Competition. Institute for Development Policy Management (IDPM). University of Manchester.

[125] Haskins, C. (Lord) (2000). "The challenge to the state regulation". In J. Blundell and C. Robinson. *Regulation without the State ... The Debate Continues.* Readings 52. London: Institute of Economic Affairs.

In addition to the concerns of transparency and accountability, the regulator needs to protect society/citizens from unfair prices charged by telecommunications operators and from negative externalities in the broadcasting sub-sector. I will however, confine myself to tariffs and profits here, since the issue of externalities has been dealt with above. Unfair price charges are common in both monopolistic markets where there is no competition as well as in unregulated telecommunications markets. Generally, two methods are used to control the setting of prices or tariffs, notably: *rate of return* regulation and *price caps*. The rate of return regulation is a practice whereby the total operating and capital costs of the telecommunications operator are calculated, which is "the total amount of revenue needed to carry on making a reasonable profit. From this amount the price of what is to be charged is calculated and agreed with the regulator". In contrast, price caps limits the yearly price increases to the rate of inflation minus a specific amount which the regulator thinks the operator should be able to save by becoming more efficient (Mosedale, 2004: 3). Colin Kirkpatrick and David Parker (2004: 22) notes that the benefit of the rate of return is that it sets prices according to costs, while price caps can result in prices in excess of costs, which can lead to huge profits.

In cases where telecommunication operators achieve "huge profits" there have been suggestions that operators should share these profits with consumers (Kirkpatrick and Parker, 2004: 23). A regulatory approach that prescribes such a method is called the "sliding scale" and it is a hybrid of rate of return and price caps (ibid.).

2.7.4 Ownership and control

Ownership and control are at the centre of the analysis of the communications sector reform. The impact on ownership and control on the democratisation process of the communication sector, together with issues of access and participation, are very relevant to the reform of this sector. The critical political economy of communication maintains that public ownership is a fundamental democratic demand to redress the unequal balance of political as well as economic power and it further contends that economic efficiency must always be counter-balanced with social justice (Gamble and Kelly, 1996: 66).[126]

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[126] Gamble, A. and Kelly, G. (1996). "The New Politics of Ownership". In *New Left Review*. No. 220, November/December 1996.

The critical perspective supports State or public ownership, because of the potential this form of ownership has in ensuring a fair distribution of resources among the citizens.

However, the increasing rate at which State-owned enterprises are being privatised has had an adverse implication for public ownership. As a result, some voices within the critical political economy have called for the perspective to rethink its position on ownership in the light of this new development. One such suggestion comes from Andrew Gamble and Gavin Kelly (1996: 64), who while working within the broader Marxist tradition, have suggested that critical media and communication theorists need to consider pursuing "egalitarian objectives within the prevailing free market economy".

Apart from changes in ownership structure there has been a remarkable separation between ownership and control. In terms of this separation, it is argued that ownership no longer exercises control and thereby influences political power. It is further noted that a new strata of managerial elite has emerged in the modern corporation who exercises responsibility in the 'public interest'. In this development, governments need to encourage the emergence of socially responsible companies that would contribute to the social welfare and prosperity of the nation-states (Gamble and Kelly, 1996: 67). However, critical political economy perspectives have persistently maintained that ownership and control are linked and that ownership still is in charge of companies as it still has the prerogative to hire and fire management (ibid.).

That said, it is imperative to briefly understand the dynamics of ownership and control. Graham Murdock (1982: 122)[127] has identified two types of ownership of organisations, namely *legal ownership* and *economic ownership*. Legal ownership refers to the status of owning shares in the company and does not entail having power to make decisions and policies on its own. It is economic power only that provides ownership with the power to make decisions. Economic ownership thus, enables shareholders to vote on major policy decisions and strategies and thereby shape the direction of the company.

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[127] Murdock, G. (1982). "Large Corporations and the Control of the Communications Industries". In Gurevitch, M. et al (eds.) (1982). *Culture, Society and the Media*. London: Routledge.

Murdock further differentiates between *allocative* and *operational* control. Allocative control entails the power to determine goals and to deploy resources of the company. Central to allocative control is the obligation to formulate policies and strategies of the company. In contrast, operational control is confined to less strategic issues and deals with implementation of policy and strategic decisions already decided upon at the allocative level. Allocative control is concentrated in the hands of the shareholders, the legal owners of the company, while management of the corporation or company generally exercises the operational control. Thus, discussions on ownership and control of organisations ultimately refer to economic ownership and allocative control (ibid.).

While Graham Murdock's conceptualisation of ownership and control refers mainly, although not exclusively, to private and profit-oriented corporations or companies, the ownership structure and control measures in public companies are somewhat problematic. In terms of public communication institutions, ownership lies with the citizens through their elected representatives. The elected representatives appoint boards of directors to manage these institutions. However, the elected representatives through these appointments may ensure that their interests and those of their allies are served to the detriment of the interests of other forces in society, as it has been alluded to in the discussion on the capture theories above. Rianne Mahon's (1980)[128] theory of "unequal representation" in the regulatory agencies provides a glimpse on the contradictory role of the State in reasserting its interests through "structures of representation". This theory postulates the emergence of a class alliance among and between forces within and outside the State. This alliance seeks to promote common interests and long- and short-term goals of the hegemonic fraction of the dominant class.

2.8 Summary and conclusion

The theoretical review has demonstrated the suitability of the political economy of communication in analysing the broadcasting and telecommunications reform in the era of globalisation. In doing so the perspective does not only locate the sector in its holistic and historical context, but also identifies critical moral issues of social justice, equity,

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[128] Mahon, R. (1980). "Regulatory Agencies: Captive Agents or Hegemonic Apparatuses". In J. P. Grayson (eds.). *Class, State, Ideology and Change*. Toronto: Holt, Rinehart and Winston.

participation and the public good that tends to be overlooked in the broadcasting and telecommunication reforms in the era of globalisation.

As argued in the chapter, globalisation ignited the processes of transformation of institutions, both public and private. This process is premised on the assumed principles of democratisation and commercialisation of public institutions, including broadcasting and telecommunication systems. However, as could be seen from the theoretical discussion the processes of democratisation and commercialisation are 'mutually incompatible' as one cannot be realised except at the expense of the other. Attempts at democratising broadcasting and telecommunications institutions, for instance, cannot be realised while trying to commercialise them at the same time, or vice versa. The process of democratisation, as we have seen in the discussion, deals with issues that are fundamentally opposed to those of the process of commercialisation. For instance, democratisation deals with the vital question of people's participation in decision making processes of social institutions, including broadcasting and telecommunications institutions. These institutions provide them with a platform on which to exercise their democratic rights and freedoms. Furthermore, the process of democratisation upholds issues of equity, fairness, social justice and access to universal and affordable services that promote and enhance citizenship, public interest, public opinion and common concerns.

In contrast, and as we have seen in this chapter, commercialisation foregrounds issues of efficiency, proficiency, good governance and consumerism, which promote individual and private interest. The process of commercialisation further promotes the capitalist market that upholds market values that depoliticise society. Markets, as it has been argued in the chapter, are individualistic, self-seeking and deal purely with private interests to the detriment of the well-fare of nations (Nnoli, 2000). Commercialisation tends to move broadcasting and telecommunications in a business-oriented direction in terms of operation and service provision. Another negative outcome of commercialisation is the restructuring of societal institutions which lead to the inaccessibility of public services as they become unaffordable to the needy who require them most. Moreover, the restructuring process moves the communications sector along commercial and

business-oriented direction, while its public interest imperatives are being downscaled if not totally compromised. This development is aided and abetted by the 'globalitarian ideology' (Miege, 2004) exemplified by neo-liberal communication policies and regulatory approaches that have been adopted across the globe, not least in developing countries.

The theoretical analysis has also touched on the role of the State in the era of globalisation. It has demonstrated that the role of the State in the broadcasting and telecommunications sector in the era of globalisation is not diminishing. Rather, the State is directly and indirectly responsible for policy formulation and regulatory design, and is not withdrawing from these activities, as predicted by neo-liberals of all shades, including free market fundamentalists and technological determinists. Instead, it reshapes and redirects its responsibility, while delegating some of its duties to its agencies. The rationale is to overcome conflict of interests.

It has been argued that the State promotes national interest as opposed to public interest, which sometimes leads to tensions and conflicts between the State and civil society. At times, the State intervenes in the sector in order to promote its interests or alternatively support interests of sections of society that coincide with its own at a particular time. This intervention is realised at the policy and regulatory levels as the State may dominate and/or manipulate the policy and regulatory processes in favour of its interests.

In terms of the developing countries the 'national interest' has been expanded to encompass developmental issues expressed as socio-economic development, nation-building and national identity. These issues are at times pushed to the extreme to the extent that they clash with the public interest. Thus, apart from the threat of commercialisation the national interest promoted by the State can undermine the democratisation of the communication sector, as well.

The theoretical discussion has shown that the communication sector assumed a dual role in the era of globalisation, as a catalyst of the global capitalist economy and as an important instrument in the democratisation of societies. Attempts to balance these

conflicting roles have proved to be challenging both at the policy and regulation design levels as well at the practical implementation thereof. These challenges are more pronounced in societies in transition, which while engaged in efforts to provide basic needs of their citizens, they are at the same time compelled to address the demands of the multinational-led global capitalist economy.

Equally important the theoretical review has elucidated the crucial link between communication and democracy, which cannot be conceptualised in purely economic terms only, but points at the political role as well (McChesney, 2003). This link, as indicated in the theoretical discussion, is not confined to the broadcasting sector (or media in general), but extends to the telecommunications sector as well. By connecting citizens to the network and by providing them with the universal and affordable services, telecommunications facilitates the expression and exchange of information, views and opinions among the citizens. Furthermore, broadcasting and telecommunications facilitates social dialogue between citizens and their elected representatives that is one of the preconditions for a democratic dispensation.

The theoretical review contained in this chapter seeks to guide the empirical analysis in the next six chapters. It establishes the theme that runs throughout the present study, notably how to address the contradictory challenge of democratising communications institutions while at the same time commercialising them. At the bottom of this challenge is how to transform and restructure broadcasting and telecommunications systems in such a way as to maintain and justify their non-profitable public service interest in an environment that is dominated by the commodification of public spaces.

PART II

POLICY, LEGAL AND REGULATORY REFORMS

CHAPTER THREE

The principles of broadcasting reform

3.1 Introduction

Soon after Namibia gained independence in 1990 the new government adopted an *Information Policy* as the basic framework on which to transform the media in general and broadcasting in particular. This *Policy*[1] laid down the fundamental principles and norms that determined the place and role of broadcasting in the new society and served as the foundation for the transformation and restructuring of the entire information-communication sector. The policy set out the goals and objectives of the media, while at the same time addressing crucial questions relating to the freedoms, roles and functions of the media. These included critical questions of freedom of expression, press freedom, access to information, free-flow of information, media ownership and control, infrastructure expansion, among others.

The thinking of the Namibian government about the place and role of broadcasting during the transitional process to nationhood is examined in this chapter. This is achieved by examining the principles and rationale of broadcasting reform during the first fifteen years of independence of the country. The chapter begins with a brief overview of the apartheid colonial broadcasting policy and practice in order to understand the character of the broadcasting system that needed to be reformed. It further examines the mandate of broadcasting in an independent Namibia and the particular duties the national broadcaster had to perform in the transitional period.

3.2 Ideological orientation of the colonial broadcasting policy

The colonial broadcasting policy was constructed on the apartheid ideology on which the pre-independent Namibian society was organised. Media policies, of which broadcasting policy is a sub-set, are based on the ideologies that underpin the political and socio-economic foundations of societies, as indicated in the previous chapter. Thus, the characteristics of societies, including the way they are governed have tremendous impact on the nature of policies adopted to guide the operations of communication institutions

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[1] I have used the term "Policy" in this chapter to refer to the "Information Policy".

(Oosthuizen, 2001).[2] As such, communication policies reflect the political ideologies and the socio-economic conditions and values of societies in which they are designed (Ugboajah, 1980: 5)[3], or are "analogous to national ideologies" as Richard M'Bayo and Chuka Onwumechili (1995: 107)[4] have argued.

The apartheid ideology, on which the Namibian colonial broadcasting policy was constructed, was based on the pillars of exclusion and marginalisation of the black majority in terms of access to the mainstream economic resources and political institutions. Apartheid, according to Chris Tapscott (1993: 29),[5] "served to reify racial and ethnic divisions throughout society, to the extent that different communities were segregated geographically, economically and socially". It was these divisions the colonial broadcasting system reflected and perpetuated. It should also be pointed out at the onset that the colonial broadcasting system was co-opted within the apartheid machinery as an important instrument of hegemony, along with other State apparatuses, to perpetuate the "colonial discourse", defined as "all the utterances written, spoken and iconographic aimed at affirming the superiority of a dominant group or class over others and justifying such a domination to perpetuate it" (Charles, 1995: 135).[6]

Having sketched briefly the ideological orientation of the colonial broadcasting policy in general, I will now proceed to examine the emergence and the character of the colonial broadcasting system.

3.3 The genesis of the colonial broadcasting system

While South Africa started beaming broadcasting signals fairly early to the then South West Africa after the establishment of its broadcasting system in the mid-1930s, the

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[2] Oosthuizen, L.M. (2001). "The External Media Policy Framework: From Restrictive Policy to the Democratisation of Communication". In P.J. Fourie (eds.). *Media Studies, Volume 1. Institutions, Theories and Issues.* Lansdowne: Juta.

[3] Ugboajah, F.O. (1980). *Communication Policies in Nigeria.* Paris: UNESCO.

[4] M'Bayo, R. and Onwumechili, C. (1995). "Communication Policies and the African Experience: An Overview". In P. Nwosu, C. Onwumechili and R. M'Bayo (eds.). *Communication and the Transformation of Society: A Developing Region's Perspectives.* New York: University Press of America, Inc.

[5] Tapscott, C. (1993). "National Reconciliation, Social Equity and Class Formation in Independent Namibian", In *Journal of Southern Africa,* Vol. 19, No. 1, March 1993.

[6] Charles, A. "Colonial Discourse since Christopher Columbus". In *Journal of Black Studies,* November 1995, Vol. 26, No. 2.

South African Broadcasting Corporation (SABC),[7] it was only in 1956 that the South African rulers established permanent broadcasting facilities in the territory. Initially the *SABC* targeted the white settler communities and the South African administration in the territory. Radio services in the vernaculars or "Radio Bantu" was introduced in 1969 (De Beer, 1975: 33)[8], but it was only in 1979 that the national broadcaster, the *South West Africa Broadcasting Corporation* (SWABC) was established (Amupala, 1998;[9] Heuva, 2000[10]). The formation of the *SWABC* coincided with the broader reorganisation of the colonial administration during the late 1970s, following the extension of "reform apartheid" to Namibia (Horwitz, 2001: 87).[11]

Extended to Namibia, the reform apartheid assumed an important dimension by attempting to construct a 'neo-colonial' dispensation. Moreover, the reform apartheid was thus, more than an attempt to restructure the apartheid superstructure by repealing petty apartheid laws, as it sought to restructure the apartheid economy as well. The interim colonial administration established by the South African Administrator General (AG) and the Transitional Government of National Unity (TGNU) created a number of state-owned enterprises (parastatals) by de-linking them from their South African parent bodies. Since these parastatals had to provide 'basic services', such as water, transport, electricity, postal, telecommunications and broadcasting to the inhabitants, an impression was created that the TGNU was in charge of providing 'essential services' to the people and thereby boost its image. It is worth noting that the *SWABC* was the first among the parastatals to be established, because it had to play a leading role in the legitimisation of

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[7] South Africa first introduced a radio service called *JB Calling* on the 1st July 1924, which initially broadcasting to Johannesburg and its surroundings. This followed by similar radio stations were established in Cape Town and Durban during in the same year. However, in 1927 all these three radio stations combined to form the *African Broadcasting Corporation*. In 1936 the latter was transformed into the *South African Broadcasting Corporation*, which was established by an Act of Parliament (Mampone, L. 2005. "The SABC – 70 Years of Broadcasting" in *City Press*, December 4, 2005: 11.

[8] De Beer, S. (1975). "Die Werksaamhede van die SAUK in Suidwes Afrika". In *SWA Jaarboek*. SWA Administration.

[9] Amupala, J. "Development of Broadcasting in Namibia". Unpublished Paper presented at the Namibian Press Centenary Conference. Windhoek, 12-13 October 1998.

[10] Heuva, W. E. (2000) "A Decade of Broadcasting in Independent Namibia". *BAB Working Paper*, No. 6, 2000. Switzerland: Basler Afrika Bibliographien.

[11] Horwitz, R. B. (2001). *Communication and Democratic Reform in South Africa*. Cambridge: Cambridge University Press.

the reform apartheid, while also propagating the functions of the interim administration and the activities of the parastatals.

However, attempts to scrap the petty apartheid laws and to provide basic services were negated by contradictions within the reformed apartheid system itself as it was applied to in Namibia. Central to these contradictions was the fact that the provision of basic services was still organised along ethnic and racial lines. Ironically, at the political level the interim administration was organised on the Proclamation $AG\ 8^{12}$ legal framework of 1980, which provided for the administration of the country on ethnic divisions at the regional and local levels, while at the central level the country was governed by representatives from the internal political parties, selected from among the 'stooges' of the colonial administration, which comprised the transitional government of national unity with limited legislative powers. The South African government, through its representative in the country, the Administrator General (AG), remained the major decision making authority.

The *SWABC* reflected and consolidated the broader framework provided by the AG 8 legislation, since the structure and programming of the *SWABC* was based on the broader ethnic orientation. Describing the role of the Namibian colonial State broadcaster, the *South West Africa Broadcasting Corporation (SWABC)*, within the apartheid dispensation Ellen Dyvi (1993: 65)[13] argued that it was:

> Controlled by, and designed to serve, a select few. It largely disenfranchised the majority of Namibians through its content programming which almost solely promoted the attributes of colonialism, suppressed freedom of speech and advocated white, Calvinistic conservatism.

Based on the *Broadcasting Act, 1976* (Act 73 of 1976) the *SWABC* was modelled on the pre-1994 *South African Broadcasting Corporation* (SABC). The *SABC*, while seen as a "putative public broadcaster", in reality it was an "arm of the Apartheid State, reflecting the National Party's political agenda and vigorously promoting apartheid ideology in its

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[12] The AG 8 was a legislation enacted by the Administrator General and that facilitated the establishment of the eleven second tier ethnic administrations in Namibia during the 1980s.

programming, editorial practices, and hiring" (Horwitz (2001: 38). Thus, the *SWABC* retained these characteristic and thereby remained a mere extension of its mentor (Swapo, 1985: 24).[14] In addition, the *SWABC* depicted characteristics of State broadcasting systems found in autocratic States, which according to Lucas Oosthuizen (1989: 61):[15]

- represented the ruling political elite or the party in power
- prevented the operations of opposition stations
- served as a public relations mouthpiece of the government, and
- preferred to cancel programmes that might not be acceptable
  to the government of the day.

Drawing from its mentor the *SWABC* claimed to be imbued with the Rethian set of public service values: to inform, educate and entertain, but in contrast it discharged these functions in terms of its parochial ethnic confines - of informing, educating and entertaining Namibian communities, each according to its own needs and interests. This is illustrated in its policy documents and annual reports. For example, the corporation in its 1978/1979 *Annual Report* maintained that it had to contribute towards the "spiritual and material welfare of the different communities in the country by utilising its scarce resources to satisfy the communities, each with its own needs and interests" (*SWABC*, 1979: 7).[16] The emphasis on the different communities in service provision presumed a "minoritarian" broadcasting system, which promotes a "plurality of diverse publics rather than a single integrated national audience" (Barnett, 2001: 47).[17]

The *SWABC* did not conceal the fact that it had a mandate to promote the then prevailing status quo. It had to promote the internal political settlement by presenting the interim political arrangement as *the* only alternative to the internationally accepted time-table for the independence of the country under the United Nations' supervised elections. This was done through the promotion of the Transitional Government of National Unity (TGNU), which constituted the internal settlement at the practical level, as an attempt by

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[13] Dyvi, E. B. (1993). "Radio and National Identity in Namibia: A Study of the Namibian Broadcasting Corporation." A Dissertation submitted to the Degree of Cand. Polit., Department of Media and Communication, University of Oslo, Spring 1993.

[14] South West Africa Peoples Organisation (1985). "Mass Media in Occupied Namibia". In *Swapo Information Bulletin*. June 1985. Luanda: Department of Information and Publicity.

[15] Oosthuizen, L. M. (1989). *Media policy and ethics*. Cape Town: Juta & Co., Ltd.

[16] South West Africa Broadcasting Corporation (1979). *Annual Report, 1978-1979*.

[17] Barnett, C. (2001). "Media, Scale and Democratization". In .G. Tomaselli and Dunn, H. (eds.). *Media, Democracy and Renewal in Southern Africa*. Colorado Springs: International Academic Publishers Ltd.

the South African government to circumvent the implementation of the internationally accepted political settlement plan, the United Nations Security Council Resolution 435. Although it was adopted in 1978, the settlement could only be implemented in 1989 due to the South African's government's 'delaying tactics'.

3.4 Post-independence broadcasting policy initiatives

Having seen the characteristics of the colonial broadcasting policy and role of the *SWABC* in the promotion of the 'neo-apartheid dispensation',[18] I will now proceed to examine the post-independent government attempts to redress the colonial broadcasting policy and practice. As a first step to redress the apartheid media policy and practice, the Namibian government adopted the *Information Policy*, which as indicated above, provided the broader theoretical and philosophical foundation of the role and place of the post-independent broadcasting dispensation. Apart from the *Information Policy*, the *Namibian Broadcasting Act*, 1991 (Act 9 of 1991)[19] adopted after independence spelt out the specific responsibilities the *NBC* had to perform in the new society. Furthermore, a number of government policy papers and documents also assigned the *NBC* certain responsibilities. As we shall see in Chapter Six, the management of the corporation adopted a set of values and norms to guide the *NBC* in exercising its mandate. These values and norms were part of the corporation's internal policies and strategies and addressed specific issues, such as objectivity, programmes, and language policy among others. These policy guidelines drew from the economic and political system adopted at independence.

Given that media policies are an embodiment of the ideologies of societies as stated above, we need to interrogate the nature of ideologies that inform the reconstruction of the post-independence society. Ascending to power in 1990 when the global political and economic outlook was being entrenched along the neo-liberal agenda, the Swapo government had no alternative but to embrace neo-liberal macroeconomic policies or face

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[18] The phrase 'neo-apartheid dispensation' has been used for analytical purposes only, to distinguish the periods when the South African authorities ruled its former colony directly roughly between 1920 to 1978, from the period when it ruled indirectly after the introduction of the internal political dispensation, which culminated in the appointment of the Transitional Government of National Unity from 1985 to 1989.
[19] Republic of Namibia (1991). *Namibian Broadcasting Act, 1991* (Act 9 of 1991). In *Government Gazette*, No. 223, Windhoek, June 19, 1991.

marginalisation and exclusion from the global capitalist economy. In this development small developing nations such as Namibia had "few options except to genuflect to the same", according to Lloyd Sachikonye (1995: 2).[20] Moreover, it was believed that there was no alternative economic blueprint, after the demise of the communist and socialist economies, and that globalisation was "irreversible" (Albo, 1996: 6, 7).[21]

It is worth noting that the process that led to the independence of Namibia was an outcome of the development in the international political economy (globalisation). This process can be understood against the background of the triumphalism of the neo-liberal ideology that led to the near world-wide adoption of the liberal democracy and the free-market economics in the post-Cold War era. The collapse of the bipolar world and the triumph of neo-liberalism signalled the end of the autocratic states in much of sub-Saharan Africa, as elsewhere in the developing world, and the start of the democratisation process of the States and their institutions. This development threatened the continued existence of both the apartheid system and Soviet communism. The Namibian people, who were oppressed by the apartheid system and at the same time supported by the Soviet communist regime in their struggle for independence, were freed from the oppression and support of both these autocratic systems.

The emerging changes in the global political economy paved the way for a negotiated political settlement to the long delayed question of the independence of Namibia from South Africa. Five Western members of the United Nations, notably the United States of America, the United Kingdom, Canada, France and Germany, seized the opportunity created by changes in the global political and economic arena to propose a "negotiated political settlement"[22] to resolve the long outstanding question of the independence of Namibia (Bauer, 2001).[23] The proposed settlement plan for the independence of the

[20] Sachikonye, L.M. (1995). "Democracy, Civil Society and Social Movements: An Analytical Framework". In L. Sachikonye (ed.). *Democracy, Civil Society and the State; Social Movements in Southern Africa.* Harare: Sapes Books.
[21] Albo, G. (1996). "The World Economy, Market Imperatives and Alternatives". In *Monthly Review*, Vol. 48, No. 7, December 1996.
[22] This settlement plan was initiated by the five Western members of the UN Security Council, notably USA, UK, Canada, Germany and France and adopted by the UN Security Council and Resolution 435.
[23] Bauer, G. (2001). "Namibia in the First Decade of Independence: How Democratic?" *In Journal of Southern African Studies*, Vol. 27, No. 1, March 2001

country, to be known as the United Nations Security Council Resolution 435, or UNSCR 435 in short, contained certain constitutional guidelines, which an independent Namibia had to adopt. Thus, the resultant negotiated political settlement was sealed as a "package" containing "constitutional principles",[24] which set the contours within which the country's constitution would be drafted and within which the country's major institutions should be established (Saunders, 2001).[25] The guidelines recommended the adoption of a liberal political system, based on multiparty democracy, adherence to the rule of law, the separation of powers among the legislature, executive and the judiciary, the adoption of the *Bill of Fundamental Rights*, the adoption of a free market economy and the protection of private property. The principles shaped and directed the outlook of political and economic institutions that were transformed and restructured in the post-independent Namibia, not least the information and communication institutions.

An understanding of these constitutional principles is crucial, not only for the sake of understanding the rationale for the *Information Policy*, but also for establishing the justification for the policy enterprise. It is therefore important to highlight the specific Namibian constitutional provisions from which the *Information Policy* draws. I will here briefly highlight these provisions while they will be thrashed out throughout the chapter. For instance, Article 98 of the Namibian Constitution provides for a mixed ownership in the economy. This informed the policy of a mixed ownership in the communications sector. As indicated in Chapter One, Article 95 provides for the provision of public services to those denied these services during the colonial era, and therefore obliges the State to expand communication infrastructure and services to reach all the citizens.

More importantly, Article 21 guarantees "fundamental freedoms" of which Sub-Article (1) (a) provides for "freedom of speech and expression, which shall include freedom of the press and other media" (Republic of Namibia, 1990: 13).[26] The claim for freedom of

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[24] These principles were adopted in 1982 by the five Western contact groups and laid down the principles on which the future constitution should be crafted. Generally they have been referred as the '1982 Constitutional Principles'.

[25] Saunders, C. (2001). "From Apartheid to Democracy in Namibia and South Africa: Some Comparisons". Discussion Paper, No. 10. In *Transition in Southern Africa: Comparative Aspects*. Nordic Africa Institute.

[26] Republic of Namibia (1990). *Constitution of the Republic of Namibia*, Act 1 of 1990.

the media is a fundamental expectation in a liberal democracy (Feintuck, 1999: 8).[27] Media policy in general and broadcasting policy in particular are concerned generally with the "freedom of communication objective", expressed in terms of freedom of expression and free flow and access to information. Freedom of expression, access to and the free-flow of information are core practices to the functioning of the liberal democratic system. The freedom of expression is a precondition for democratic politics since it enables the citizens to be informed (Martin, 1998: 63).[28] Drawing from the libertarian media perspective, the *Information Policy* upheld three important journalistic tenets, notably the right to publish and freely express views and ideas; the right not to disclose sources of information; and the right of access to information (Ministry of Information and Broadcasting, 1991a: 8).[29] However, freedom of expression or freedom of media is not absolute and the Namibian constitution provides parametres in which these freedoms shall be exercised. For instance, Sub-Article (2) of Article 21 notes that:

> The fundamental freedoms referred to in Sub-Article (1) hereof
> shall be exercised subject to the law of Namibia, in so far as such
> law imposes reasonable restrictions on the exercise of the rights
> and freedoms conferred by the said Sub-Article, which are
> necessary in a democratic society and are required in the interests
> of the sovereignty and integrity of Namibia, national security,
> public order, decency or morality, or in relation to contempt of
> court, defamation or incitement to an offence (Government of the
> Republic of Namibia, 1990: 14).

By providing these parameters as set out in the above-mentioned Sub-Article, the Namibian Constitution prescribes the principle of free, but responsible media. Drawing from this constitutional provision the *Information Policy* embraced the social responsibility perspective, which cautions the media to act responsibly in executing their duties. The bottom-line of a free but responsible media is that despite the desire to communicate beliefs, ideas and views being held central to democracy; there is a limit on the freedom to communicate in all democracies (Feintuck, 1999: 9).

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[27] Feintuck, M. (1999). *Media Regulation, Public Interest and the Law*. Edinburgh: Edinburgh University Press.

[28] Martin, R. (1998). "Notes on Freedom of Expression in Africa". In P. H. O'Neil (ed.). *Communicating Democracy: The Media and Political Transitions*. London: Lynne Rienner Publishers.

[29] Ministry of Information and Broadcasting (1991a). *Namibia's Information Policy*.

Despite the above-mentioned constitutional limitation to media freedoms the Namibian government claimed to have left the media, more particularly the press to regulate their own activities. Namibia's first Minister of Information and Broadcasting, Hidipo Hamutenya, claimed that:

> Since the government regards the press and other media as essential organs of our democratic set-up, and important vehicles for communication or vital instruments in the creation of public opinions, the government would want to leave it to the journalists to treat their profession as a trust to serve public interest and, as such, to practice that profession by giving truthful and reliable accounts of events as they happen in our society and around the world. Thus, while serving as the watchdog of government to protect public interest, the media should exercise their freedom of expression with a sense of responsibility (Hamutenya, 1990: 3).[30]

What can be read from Hamutenya's argument is the reaffirmation of the claim that media freedom is not absolute. Moreover, and despite the claim by Minister Hamutenya that the government would allow the media to regulate themselves, this wish was not fully realised. As I will indicate below the Swapo government made various attempts to intervene into the media regulatory arena through regulatory and legal instruments at a number of occasions.

Having established the constitutional principles on which the *Information Policy* draws from, it is now imperative to assess the expectations of the Namibian government from its broadcasting sector in general and from the national broadcaster in particular. This brings me to the perceived functions and responsibilities of broadcasting.

3.5 Functions and responsibilities of the post-colonial national broadcasting

The *Information Policy* states that apart from performing their traditional role of informing, educating and entertaining the media must serve as "catalyst for nation-building and socio-economic development" (Ministry of Information and Broadcasting, 1991a: 4, 5). As such the media should "help to raise the people's awareness of and active interests in the country's development programmes and projects" (bid. 5). It is in

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[30] Hamutenya, H. (1990). "Communication Policy of the new government." A statement by the Minister of Information and Broadcasting, Mr. Hidipo Hamutenya, at the NBC Staff Training Workshop. November 5, 1990. Windhoek.

this context that the media in general, but the national broadcaster in particular, had to mobilise the population to rally behind the government's efforts of economic development and nation-building.

These roles are based on the communication development paradigm, which draws from the structural-functionalist modernisation perspective. This perspective sees the media as important tools in disseminating developmental and nation-building discourse (Melkote and Steeves, 2001: 72-102).[31] Emerging from colonial under-development Namibia had to mobilise all its institutions and resources at its disposal to contribute towards nation building and socio-economic development, and the institution of the media had to play important roles in that regard. Many developing countries in transition adopted the communication development paradigm and tasked their media to be partners in the process of nation-building and economic development (ibid). For its part, the Namibian government was unambiguous about the role of the media in this regard. For instance, it argued that the main objective of its *Information Policy* was "to maintain a vigorous mass media system that would be capable of serving as a catalyst for nation-building and development" (National Planning Commission, 1993: 227).[32] Seen as the "most potent" medium to achieve the development objectives, the national broadcaster was therefore, tasked with the responsibility to:

> Effectively utilise all its resources in a responsible and professional manner to serve the entire Namibian population by providing a broadcasting service to disseminate information, to promote national reconciliation, education, social upliftment and health care and to provide entertainment according to the needs of the people. At the same time the electronic media should be employed to promote Namibia internationally (ibid. 229).

With a brutal colonial past in mind in which the socio-economic development of the black masses was undermined, the Namibian government sought to place development goals of the citizens high on its agenda by mobilising human resources towards increased productivity. Development could be realised through the creation of wealth and enhancement of service provision to ensure the equitable distribution thereof, and thereby

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[31] Melkote, S. R. and H. L. Steeves, L. 2001. *Communication for Development in Third World: Theory and Practice for Empowerment.* (Second Edition). New Delhi: Sage Publications India Pvt, Ltd.

[32] National Planning Commission (1993). *Transitional Development Plan:* 1991-1002 to 1993-1994.

redress social inequalities. It is in this context that development was conceptualised as a "multidimensional process of societal change aimed at improving the quality of life of the country's population" (ibid.). The media had an important role to play in this regard, by mobilising the citizens "in order to raise people's awareness of and active interests in the country's development programmes and projects" (Ministry of Information and Broadcasting, 1991a: 5). In addition, the media had to facilitate the participation of the people in the economic life from which the majority was excluded before independence. These economic development objectives were further articulated in the government's macroeconomic policy documents, such as the *Transitional National Development Plan* (1991-1994) which states, inter alia, that:

> Namibia has adopted a democratic political system. In order for this young democracy to flourish, the Namibian electorate must be adequately informed to be able to make sound judgments. The development of a flourishing mass communication system is crucial in facilitating the implementation of educational and economic development programmes. The mass media must be deployed to combat illiteracy and to create the necessary social and psychological pre-conditions for fundamental change. Information must illuminate the path for development (National Planning Commission, 1993c: 227).[33]

The *Information Policy* also obliges the Namibian media to contribute to *nation-building* as indicated above, in order to "instil in the people a sense of belonging and loyalty to single motherland; to unite them and foster in them patriotic sentiments around which their productive energies can be galvanised for socio-economic and political development" (Ministry of Information and Broadcasting, 1991a: 5). The government regarded the information and communications sector as very crucial for nation building as it was "responsible for holding together the social system and thereby nurture the young democratic State and its institutions" (Republic of Namibia, 1993: 75).

Predictably, media practitioners and their institutions, particularly those schooled in the liberal media perspectives, did not support developmental journalism. Their objection was based on the assumption that news reporting in the communication development

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[33] Republic of Namibia (1993c). *Working for a Better Namibia. Sectoral Development Programmes.* Review of 1991-1993 and the Plans for the Future.

paradigm was subordinated to the imperative of development. For example, David Lush and Kaitira Kandjii (1998: 54) [34] point to the fact that the nation-building provision "contradicts the recognition of the need for a free flow of information, in that it inevitably requires the media to filter information in a way prescribed by government". At a more concrete level, the interpretation of the nation-building function of the media resulted in constant clashes between the media and the politicians. Critical media reports directed towards the government policies and programmes were ostracised by the political elite for allegedly acting contrary to the objective of nation-building. As Robert Martin (1998: 69) points out, "critical reporting about the activities of the government and party leaders was not considered as part of the development journalism; rather, to engage in such reporting came to be viewed as opposition to development". I will return to this contestation in Chapter Four.

It is in this context that the media had to contribute to social regeneration of the Namibian people in the aftermath of the destructive apartheid nihilism. The media further were expected to enable the population to share "a common field of reference" in terms of news and information gathered and circulated to ensure that the people shared common "ideas and national ideals" (Ministry of Information and Broadcasting, 1991a: 4). This notion is consistent with Kalyani Chadha and Anandam Kavoori's (2000: 425)[35] contention that the "mass media constitute the cultural arm of nation-building, that they provide a focus on the political and cultural integration of the nation by acting as sources of common meanings, agendas and imagery".

Thus, the *Information Policy* placed the national broadcaster at the centre of the promotion of cultural values and norms. In fact, it must be remembered that the policy of the public broadcasting system that emerged in Europe after the invention of radio broadcasting initially was concerned with national and cultural identities, and therefore tended to pursue socio-political and cultural issues, rather than economic or private

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[34] Lush, D. and Kandjii, K. (1998). "Namibia". In *Up in the Air: The state of broadcasting in Southern Africa*: The Panos Institute. Southern Africa
[35] Chadha, K. and Kavoori, A. (2000). "Media imperialism revisited: some findings from the Asian case". In *Media, Culture and Society*, Vol. 22 (4): 412-432. London; Sage Publications

interest' issues (Van Cuilenburg and Slaa, 1993: 166).[36] Following in this tradition, deformed though as inherited from the pre-1994 South African broadcasting system, the Namibian government obliged its national broadcaster, the *Namibian Broadcasting Corporation*, to promote the national identity and cultural sovereignty of the Namibian people by promoting:

> The country's cultural heritage through research and comprehensive coverage of our people's artistic – visual, literary and dramatic arts. In giving patronage to Namibia's artists, the media would be fostering a vital symbiotic relationship between media practitioners and culture creators, the two social groups which should be the critics of the nations' political and socio-economic life and the conscience of our society (Ministry of Information and Broadcasting, 1991a: 16, 17).

Thus, while contributing to the quantitative economic development of the country, the media in general and the national broadcaster in particular had an important role to restore the "shattered imaginative lives" of the people and thereby promote a *national identity* (Tracey, 1998: 19).[37] In addition, the national broadcaster had to contribute to *unity* and thereby redress the divisions among the Namibians created under the apartheid rule. Given the ethnic, tribal and racial divisions perpetuated by the apartheid government and promoted by the *SWABC*, unity became a clarion call of the new government. It is in this context that the new national broadcaster had to foster new values and norms, unify the divided people and thereby provide them with hope for the future and common destiny as a free and united people.

The process of globalisation posed a threat to the discourse of unity and nationhood at local and national levels in certain instances, despite it being perceived as fostering unity and a common destiny among diverse peoples and nations under one global destiny. Nation-states were faced with fragmentation due to pressures resulting from the process of globalisation. Explaining this process Dani W. Nabudere (2000: 12)[38] argues that globalisation works through two "contradictory processes". He stresses that:

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[36] Van Cuilenburg, L. and Slaa, P. (1993). "From Media Policy towards a National Communication Policy: Broadening the Scope". In *European Journal of Communication*. Vol. 8, No. 2, June 1993.

[37] Tracey, M. (1998). *The Decline and Fall of Public Service Broadcasting*. Oxford: Oxford University Press.

[38] Nabudere, D. W. (2000). *Globalisation and the Post-Colonial State*. Harare: AAPS Books.

> On the one hand it creates uniformalities throughout the world through the logic of capital accumulation and profit maximisation, while on the other hand it fragments, differentiates and marginalises those social forces that cannot catch up with the dominant social forces in charge of the capital transformation.

The problem of fragmentation was characterised by the disintegration of nation-states and the establishment of new States and nations in Eastern Europe, more particularly the former Soviet Union after the collapse of Soviet communism (Pietersee, 1994).[39] In Namibia, supporters of a political party called Caprivi National Union, based in the north-eastern part of the country, attempted to secede the region from the rest of the country through an armed revolt in 1998, an event marked by loss in human lives and destruction of property.

At the same time, and also because of the process of globalisation, the notion of identity became a contested terrain, posing a challenge to the broadcasting system traditionally organised at the national level. The national broadcasting system was seen as the main vehicle through which national culture and identity could be reflected, was threatened by the multi-channel, commercialisation and liberalisation of the airwaves – all these brought about by the process of globalisation. It is due to these negative effects of globalisation that scholars, more particularly those informed by critical perspectives, urged the media to unite people. Marc Raboy (1996: 5)[40] for instance, calls for the public service broadcasting system to "rethink its approach to one of its most cherished objectives: the cementing of national unity if it wants to speak to the real concerns of its public".

Apart from the nation-building, socio-economic development and unity the media also had to contribute to the process of *democratisation*. Namibia's fledging democracy required citizens to make informed decisions - a process that could be facilitated best by the media. Associated with the promotion of the Habermasian "public sphere", which is vital for the functioning of democracy the media, apart from other political platforms, are vital channels through which citizens inform themselves on critical issues on which to

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[39] Pietersee, J.N. (1994). Globalisation as Hybridisation. In *International Sociology*. 9 (2), 161-184.
[40] Raboy, M. (1996). *Public Broadcasting for the 21st Century*. Luton: Luton University Press.

make important choices, as already indicated in the previous chapter. At the same time the media enable citizens to participate in the political and economic decision-making processes (Hamelink, 1999).[41] It was therefore, of utmost importance to have well-informed citizens in order to nurture a democratic culture in a young democracy thus the media, became an import tool to cement and nurture a democratic culture in the country. This was understandable because democracy was not part of the Namibian social life in the pre-colonial era.

A broadcasting system with such complex responsibilities, i.e. nation-building, unity, socio-economic development and democratisation, has been referred to as a "national public service", whose role is to be a "catalyst for development". It has to be enlisted to promote policies and developmental objectives of governments (Eko, 2000: 84).[42] In the Namibian context the national broadcaster had also to safeguard the vaguely defined 'national interest'. The obligation given to the national broadcaster to promote the 'national interest' as opposed to the 'public interest' has been another bone of contention between the government and civil society. This contestation continued during the entire broadcasting transformation process and was also reflected at the level of policy making, the process I am going to outline below.

3.6 Policy making process and public participation

Democratic governance requires public participation in decision-making on issues that affect the citizens (Hamelink, 1999). Therefore, democratic governments that seek to promote human rights or public interest should be responsive to input from citizens (Clark, 1991: 15).[43] However, in spite of the notion that democracy is linked to citizenship, which implies effective participation in societal activities by the citizens, Namibia's broadcasting policy formulation process tended to exclude the public from participation. The denial of public participation in broadcasting policy formulation is endemic to the 'limited' or 'thin' democratic system Namibia adopted at independence. As indicated in Chapter Two, the 'thin' or 'minimalist' democratic system, while it is

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[41] Hamelink, C. J. (1999). *Preserving media independence: regulatory frameworks.* Paris: Unesco.

[42] Eko, L. (2000). "Public broadcasting in a changing political and regulatory environment: the case of Africa". In *Ecquid Novi,* 2000 21(1): 82-97.

[43] Clark, B. (1991). *Political Economy. A Comparative Approach.* Westport: Praeger Publishers.

associated with multi-partyism, periodic free and fair elections based on universal suffrage, press freedom, human rights and the rule of law, it is however characterised by an elitist policy making process whereby the government as elected representative of the citizens takes the responsibility to formulate and implement policies with minimal input from the electorates (Sanhikonye, 1995: 1).[44] This is because public policy making in minimalist democratic systems is based on, among others, *authority* and *expertise*, both elements of power (Colebatch, 1998).[45] Referring to the impact of the powerfully-centred policy making processes in general and that of Namibia in particular, the Namibian think-tank, the Namibia Economic Policy Research Unit (1999: 3),[46] notes that:

> Government policies are often biased in favour of the politically powerful and against the politically weak. Policies are better designed in consultation with the intended beneficiaries. The poor's lack of participation in the policy process, however, indirectly, reduces the impact of those policies on the poor.

Thus, communication policy making in Namibia started as an elitist process, overwhelmingly designed by the political elite. Contrary to the expansive democratic practice, which allows public participation in crucial policies, the process of formulating the Namibian 1991 *Information Policy* eclipsed the public. Thus, the notion of public participation in the initial policy making process was notably absent. This was despite the fact that broadcasting was said to be fundamental to democratic public life, which demanded that the procedures to determine its policy had to be democratised, as argued in Chapter Two. Moreover, it was pointed out in the theoretical discussion that if broadcasting was to be seen as important to public life, the citizens should not be excluded from debates and struggles related to it (Raboy, 1994: 20, 21).[47] Nevertheless, the Namibian broadcasting policy making process represented an anti-thesis of the above-mentioned ideal.

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[44] Sachikonye, L.M. (1995). "Democracy, Civil Society and Social Movements: An Analytical Framework". In L. Sachikonye (ed.). *Democracy, Civil Society and the State; Social Movements in Southern Africa*. Harare: Sapes Books.

[45] Colebatch, H. K. (1998). *Policy: Concept in the Social Sciences*. Buckingham: Open University Press.

[46] Namibia Economic Policy Research Unit (1999). "Can Namibia do better? Policies to improve economic performance". *Quarterly Review*, No. 22, October 1999.

[47] Raboy, M. (1994). "The Role of the Public Broadcasting Policy-Making and Regulation: Lessons for Europe from Canada", in *European Journal of Communication*, Vol. 9, (1994), pp2-23.

For instance, the *Information Policy* was a "desk study" adopted by senior officials of the Ministry of Information and Broadcasting. Those close to the adoption of this *Policy* argued that the "urgency" to have a policy in place to transform the inherited colonial media institutions did not allow time for consultation with stakeholders (Gowaseb interview, 2002).[48] The argument of urgency reveals more than it conceals. It points to fact that there was no policy research or debates on the media in general and broadcasting in particular. Apart from political rhetoric and condemnation of the colonial media policy, the anti-colonial forces did not have any vision of the future broadcasting policy. Even Swapo, as the leading liberation movement, had a very vague understanding of the future broadcasting policy. Both its *Political Programme* (1976) and its first *Election Manifesto* (1989) had very little to say about the future media policy. The only reference to the media in its 1989 *Election Manifesto* was that "mass media in Namibia will subscribe to the United Nation's New International Information Order in providing an accurate and balanced account of information and events on and about Namibia and the world at large" (South West Africa Peoples Organisation, 1989: 14).[49]

To add insult to injury, there were no organised media interest groups campaigning for the adoption of a progressive broadcasting policy in the pre-independence era. There were no researchers or academics among the ranks of the Namibian progressive forces paying attention to the media, prior and shortly after the independence of the country, helping to chart the future broadcasting policy. With an opposition that carried apartheid baggage, because of its association with the colonial administration, and having co-opted most of the prominent civil society organisations into its new structure, the Swapo government used this vacuum to formulate its own policies with little public input. Among the prominent civil organisations to be co-opted were the labour federation, the National Union of Namibian Workers and the Namibia National Students Organisation.[50]

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[48] Mathew Gowaseb interview with the author, 23 July 2002.
[49] South West Africa Peoples Organisation (1989). Election Manifesto. Windhoek: Swapo.
[50] Both the National Union of the Namibian Workers (NUNW) and the Namibia National Students Organisation (Nanso) affiliated to be ruling party, Swapo, on the eve of independence.

Moreover, the political stake in broadcasting was high, due to the fact that the new government's first priority was to consolidate its acquired power and to implement its socio-economic goals, and the national broadcaster was seen as one of the viable instruments to realise those objectives, as indicated above. All these factors combined enabled the ruling party to exclude other forces from the broadcasting policy making process.

However, it would be wrong to apportion blame for the lack of a participatory policy solely on the government. While it could be acknowledged that States create the space for public participation in policy making, it is also expected of the non-State actors to carve a space within the State controlled public policy making process and hereby influence the policy direction. However, apathy, among other factors, abounded within the ranks of the Namibian people and civil society organisations after the attainment of independence. This apathy is captured accurately by the first Director General of the *Namibian Broadcasting Corporation*, who notes that:

> Never exposed to an open democratic society, Namibians have a tendency to perceive their government as the ultimate rulers. This is not uncommon in Africa, but it is in direct conflict with democratic notions (Gorelick, 1996: 240).[51]

Having elected Swapo to power, the majority of the people left crucial policy decisions in the hands of the new governing elites. Since many Namibians regarded Swapo as their liberator from colonialism, it was not easy for them to challenge its policy decisions. Coming from a history of colonial repression and exclusion in which their views and opinions were ignored, many Namibians were used to accepting the dominant definitions provided by the political elite. Therefore, it took a while before Namibians could wake up to the dynamics of participatory decision making.

Nevertheless, the emerging actors outside the State, more particularly civil society organisations such as the Media Institute of Southern Africa as well as a host of media declarations, multilateral agreements and protocols, including the *Windhoek Declaration* (1991) on the promotion of plurality of the media in southern Africa; the *Broadcasting*

Charter (2001), which sought to promote the democratisation of State broadcasters in the SADC region; and the Southern Africa Development Community's (SADC) *Protocol on Culture, Information and Sport* (2001), which set out to harmonise information policies among member States in the region, put pressure on the government to revisit its *Information Policy*. It must be pointed out that the Namibian government reluctantly embraced the liberal ideals promoted by some of these civil society organisations and the media declarations and protocols. This reluctance is illustrated by the way the government set out to review its *Information Policy*. For instance, the government 'outsourced' the process of reviewing its *Information Policy* through a public tender process. Interestingly, it obliged the successful tenderer to:

> Conduct wide consultations with all stakeholders and umbrella organisations in the field of media and Information and Communications Technology, on an individual basis and collectively in order to gain understanding and support for, as well as consensus on the revised Information Policy for the Republic of Namibia (Deetlefs Interview, 2002).[52]

However, despite the new spirit of 'openness' to policy making, the government rejected the draft reviewed policy, which sought to draw inspiration from the above-mentioned media declarations, agreements and protocols. The ground for this rejection was that the external consultancy that drafted the revised policy did poor work M'ule Interview, 2004).[53] Instead of reopening the tender process, if the work was poor, it tasked officials of the Ministry of Information and Broadcasting to redesign the revised policy, without public input. This development indicated that contrary to the government's new approach of 'openness', it still could not leave broadcasting policy and the regulation of the national broadcaster in the public domain, as we shall see in Chapter Four. Thus, the Swapo government continued to shield debates on public policy, more particularly on public broadcasting, from public participation. It is because of these contradictions that the national broadcaster continues to remain a guided priority of the government which led to constant contestations between the State and the stakeholders, as it will be shown in Chapter Four.

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[51] Gorelick, N. (1996). "Namibia: Broadcasting and Democratization". In M. Raboy (ed.). *Public Broadcasting for the 21st Century*. Luton: University of Luton Press.

[52] Wilma Deetlefs interview with the Author, 24 July 2002.

A comparison of the government's policy-making processes on broadcasting and telecommunication reveals an interesting pattern. For instance, while the broadcasting policy making process tended to exclude the public from participation in the early years of independence, the telecommunications policy was open to public (stakeholder) participation. The reason is not hard to come by. National broadcasting was 'political and ideological', seen as there to serve the national interest by promoting the government's policies and programmes as already indicated. In contrast, telecommunications was seen as 'non-political' and economic and had to be operated on a commercial basis in order to lure investors and thereby contribute towards economic development. Telecommunications policy-making had to be transparent and credible in the eyes of potential investors, both national and foreign, as it will be explained in Chapter Five. The telecommunications policy evolved over a longer period and constituted a broad process of consultation involving various stakeholders, although the non-State actors tended to be dominated by business (capital) with little participation from the community and civil organisations.

3.7 The 'right to know'

While the *Information Policy* took cognisance of the key elements of media freedom including the right of access to information, especially information on public affairs, the government did very little to translate this policy objective into concrete reality, for instance, by enacting and implementing legal instruments. The right to know or right to information is based on the right to direct access to information, including direct assess to government information. The right of access to information is not confined to the media practitioners and professionals, but to the broader society (Sénécal, 1995: 12).[54] The concept freedom of expression traditionally focused strongly on information which is based solely on the position of the media practitioners and professionals. In contrast the notion of the 'right to information' favours the interests of the receivers of information to the extent that this right (to information) calls for "a legal framework other than that which has been built around the principles of the freedom of expression" (ibid, 14).

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[53] Elizabeth M'ule interview with the Author, 22 October 2004.
[54] Sénécal, M. (1995). "Democratisation of the Media: Liberty, Right and Privilege". In Brij Tankha (ed.) *Communications and Democracy. Ensuring Plurality.* Penang: Southbound.

The lack of legal instruments in the Namibian context therefore, tended to undermine the people's 'right to know'. In its White Paper on the *Sectoral Development Programme*, the Namibian government acknowledged that without a guaranteed access to the sources of information media freedom would remain "a privilege enjoyed by a few" (Republic of Namibia, 1993: 75). The fact that the government did not guarantee the right of access to information rendered its definition of the right to know very narrow. Thus, access to information tended to be seen as the reception of government information output and not necessarily access to information in the government's possession which might be needed by the citizens. Put differently, the Namibian government availed information which the citizens ought to know and not necessarily what they wanted to know.

In mature democracies the idea of access to information is underpinned by the discourse of *Freedom of Information*, which compels governments to provide information on request by members of the public. Historically, the idea of the 'right to know' can be traced back to the 1950s when media practitioners mounted campaigns to have their governments adopt this right as a constitutional principle, with the establishment of the *Freedom of Information Movement* that championed the access of government records, documents and action (Oosthuizen, 1989: 18, 19) While the Namibian government in principle recognised the need for the 'right to know' it was hesitant to adopt the *Freedom of Information* legislation. Nevertheless, the government contemplated the possibility of enacting a legal framework along the *Freedom of Information* discourse, prompted by the need to contain graft in the public and private spaces, through the protection of whistleblowers. At its 4th ordinary meeting in March 1999 the Cabinet of the government decided that the "Freedom of Information Act should be passed and constitutional amendments be made to safeguard this" (Republic of Namibia, 1999).[55] Following from this decision the Office of the Prime Minister together with other government offices and ministries such as the Office of the Attorney General and the Ministry of Information and Broadcasting, initiated exploratory work with regard to the drafting of the *Freedom of Information Bill*. Nothing concrete came from these efforts.

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[55] Republic of Namibia (1999). Press Release. March 2, 1999.

However, the declaration by Namibia's second president, Hifikepunye Pohamba, to root out corruption in public and private sectors, after assuming office on the 21st March 2005, gave impetus to the revival of the *Freedom of Information Bill*. Writing in *The Namibian* newspaper John Grobler (2005: 3)[56] noted that government officials were of the opinion that the long-delayed *Freedom of Information Bill* was going to be enacted soon. However, that did not happen. Instead the government enacted the *Anti-Corruption Act* in 2005 and subsequently appointed the Director and the Deputy Director to head the *Anti-Corruption Commission* (ibid.). This development, however, signalled the revival of the *Freedom of Information Bill*, despite the delay.

In the absence of the *Freedom of Information* legislation, the government could only disseminate the type of information it felt was in the 'national interest'.[57] Most governments do this. The provision of information to the public as practiced by the Namibian government amounted to what Jan Van Cuilenburg and Paul Slaa (1993: 151) call a "top-down" information flow. The top-down information flow approach embraced by the Namibian government is reminiscent of the practice in the rest of sub-Saharan Africa. Describing this practice in the sub-continent Paul Ansah (1992: 56 cited in Morrison and Love, 1996: 66)[58] notes that:

> Communication patterns ... tend to be top-down, uni-directional, paternalistic and manipulative rather than being participatory, dialogical, horizontal and providing awareness of genuine feedback and interaction. The existing situation has been described as one in which 'the few talk to the many about the needs and problems of the many from the standpoint of the few'.

The top-down information provision can at best be interpreted as the mobilisation or conscientisation exercise of the citizens towards the acceptance of the government's policies and programmes, which in turn translates into the propaganda function of the

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[56] Grobler, J. (2005). "Freedom of Info Act to be revived". In *The Namibian*, June 21, 2005.

[57] The author as a Personal Assistant to the Minister of Information and Broadcasting from 1993 to 1997 had a first hand experienced of how the government decided what was needed by the public and what not. Tasked with the responsibility of drafting Cabinet Media Briefings which were released weekly by the minister who was at the same time the Government's Spokesperson, the author was instructed by the Secretary to Cabinet about which information should be released and which shouldn't at the weekly media briefings.

[58] Morrison, A. and Love, A. (1996). A discourse of disillusionment: Letters to the Editor in two Zimbabwean magazines, 10 years after independence. In *Discourse and Society*. 7.1.39-75.

government. In the Namibian context the mobilisation function was illustrated lucidly by the government's own admission that the State-media had a "distinct function to prepare, package and deliver the government's nation-building messages to the public and to mobilise the people for active participation in the country's development tasks" (Ministry of Information and Broadcasting, 1991a: 11). The emphasis in this statement is placed on the *preparation and packaging* of government information before it is delivered to the public. This implies more than the provision of information to the public, as it points to the fact that information is tailored or 'manufactured' in such way as to ensure a positive reading or what Stuart Hall calls a "preferred reading" from the citizens (Hall. et al, 1980).[59]

It became the responsibility of the Ministry of Information and Broadcasting (MIB) to ensure the production and dissemination of messages that could be read positively by the citizens. The MIB came out of the transformed former colonial Department of Information. The objectives of the MIB were, according to its mission statement, to:

> Produce, disseminate and facilitate the free flow of information in order to empower the people of the Republic of Namibia with knowledge, through effective communication, to contribute to nation-building and development (Ministry of Foreign Affairs, Information and Broadcasting, 2001: 5).[60]

Thus, the MIB became the vital link between the government and society, because it had to disseminate information on government policies, projects and programmes through publications, information, education and communications campaigns, video shows as well as through community meetings. It assumed the responsibility of broadcasting and thereby became responsible for the transformation of the sector. The Ministry was responsible for the formulation of the *Information Policy* (1991a), the *Revised Information Policy* (2005)[61], the *Telecommunications Policy and Regulatory Framework* (1991)[62] and the *Information and Communications Technology Policy* (2002).[63]

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[59] Hall, S. (1980). "Encoding and Decoding". In Hall et al (eds). *Culture, Communication and Language*. London: Hutchison.

[60] Ministry of Information and Broadcasting (2001). *Annual Report 2000-2001*.

[61] Ministry of Information and Broadcasting (2005). *Draft Revised Information and Communication Policy*.

[62] Ministry of Information and Broadcasting (1999). *Telecommunications Policy and Regulatory Framework.*

In addition, the MIB designed the following legal instruments: the *Namibian Broadcasting Corporation Act*, 1991 (Act 9 of 1991), the *Namibian Communications Commission Act*, 1992 (Act 4 of 1992)[64], the *New Era Act, 1992* (Act 1 of 1992)[65], the *1992 Namibia Press Agency Act*, 1992 (Act 3 of 1992),[66] the *Film Commission Act, 2000* (Act 6 of 2000)[67] and the *Draft Communications Bills* (2002).[68] Under its jurisdiction fall the national broadcaster, the *Namibian Broadcasting Corporation*, the State-owned newspaper *New Era*, the State-owned wire-service the *Namibia Press Agency*, the regulator, the *Namibian Communications Commission* and the *Namibia Film Commission*. The foregoing outline of responsibilities points to how the Ministry of Information and Broadcasting was strategically placed to manage and control government's information and communications system. This further indicates the importance of the Ministry's role in the transformation and restructuring of the entire information and communications sector in the post-colonial era.

Nevertheless, opposition parties, civil society organisations and individuals continued to maintain that the Ministry was a propaganda arm of the government and some called for its scrapping, while others requested that it be downgraded to a directorate in one or other government departments (*The Namibian*, April 22, 1998: 3).[69] It is therefore, necessary to undertake a separate in-depth study (analysis) on how effectively the Ministry of Information and Broadcasting has performed its duties and responsibilities to facilitate the transformation and restructuring of the information and communications sector during the early phases of the democratic transition process.

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[63] Ministry of Information and Broadcasting Policy (2002a). *Information and Communications Technology Policy for the Republic of Namibia.*
[64] Republic of Namibia (1992c). *Namibian Communications Commission Act, 1992* (Act 4 of 1992). *Government Gazette*, No. 384, 3 April 1992.
[65] Republic of Namibia (1992a). *New Era Publication Corporation Act, 1992* (Act 1, 1992) *Government Gazette*, No. 377, 24 March 1992.
[66] Republic of Namibia (1992b). *Namibia Press Agency Act, 1992* (Act 3 of 1992). In *Government Gazette*, No. 382, 2 April 1992.
[67] Republic of Namibia (2002a) *Film Commission Act, 2000* (Act 6 of 2000). In *Government Gazette*, No. 2322, 5 May 2000.
[68] Ministry of Information and Broadcasting (2002b). *Communications Bill for the Republic of Namibia.*
[69] The Namibian (1998). "Call to scrap Info Ministry". Wednesday, April 22, 1998.

3.8 'Free-flow of Information'

Allied to the discourse of the 'right to know' is the principle of 'free flow of information'. Both these discourses are based on the strong link connecting communication to democracy (O'Neil, 1998:1).[70] As enshrined in the *Universal Declaration of Human Rights*, the concept of 'free-flow of information' underpins the free press theory which has been the dominant perspective guiding the communication policies in most advanced Western societies and in the emerging Third World democracies (Servaes, 1999: 136).[71] For a society to function effectively its citizens have to be enlightened in order to become knowledgeable about crucial issues affecting them and their society and thus information should flow freely.

The Namibian government subscribed to the principle of the "free flow of news and information" in its *Information Policy* to facilitate the dissemination of information within society in order to nurture democracy (Ministry of Information and Broadcasting, 1991a: 4). Under apartheid, information was both controlled and restricted by the State. The apartheid system created a battery of legal instruments to inhibit the freedom of expression and the free flow of information and, the colonial media and security legislation therefore imposed severe restrictions directly on the gathering, production and dissemination of information (Louw, 1993),[72] and indirectly through self-censorship on the part of the media organisations (Oosthuizen, 1989: 45), because of these strict provisions. The former Director General of the national broadcaster, the *Namibian Broadcasting Corporation*, Ben Mulongeni (1998: 1)[73] argued that the Namibian colonial media operated "within a legal environment deliberately aimed at curtailing and controlling freedom of expression and free access to gathering and dissemination of information". The *Information Policy* formulated by the Swapo government sought to redress this situation. It embraced the notion of free-flow of information to eliminate the

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[70] O'Neil, P. H. (1998) (ed.). *Communicating Democracy. The Media and Political Transitions*. London: Lynne Rienner Publishers.

[71] Servaes, J. (1999). *Communication for Development: One World, Multiple Cultures*. New Jersey: Hampton Press, Inc.

[72] Louw, R. (1993). "Foreword". In Louw, P.E. (ed.). *South African Media Policy: Debates of the 1990s*. Bellville: Anthroppos.

[73] Mulongeni, B. (1998). "Media and Broadcasting in Namibia". A paper delivered at the Workshop on National Information and Communication Infrastructure (NICI) for Namibia. 11 – 13 May 1998. Windhoek: Ministry of Information and Broadcasting.

"information blackout" caused by the South African colonial government's restrictions imposed on the gathering, production and dissemination of information.

I will highlight briefly some of the media and security legislation that adversely affected the operation of the media in both South Africa and Namibia. For example, Sections 3, 4, and 5 (2) of the *Protection of Information Act*, 1982 (Act 84 of 1982) restricted media practitioners from gathering and disseminating information freely, by prohibiting the dissemination of classified information related to security matters and thus restricting the fundamental freedom of expression and media freedom (Stuart, 1990: 150).[74] The *Defence Act* of 1957 (Act 44 of 1957), the *Police Act* of 1958 (Act 7 of 1958), the *Prison Act* of 1959 (Act 8 of 1959), and the *Internal Security Act* of 1982 (Act 74 of 1982) prevented the media to report freely on matters relating to the coercive 'State apparatuses' – the army, police and prisons, without obtaining prior permission to do so from these coercive State apparatuses first (Herbstein, 1985).[75]

In addition, the *Defence* and the *Protection of Information Acts* controlled the flow of information between the "war zone" and the outside world (Herbstein, 1985 cited in Heuva, 1992: 21).[76] As a result the northern part of Namibia, dubbed the "operational area", where Swapo waged 'low intensity' guerrilla warfare, became a no-go area for media practitioners during the years of the liberation struggle for freedom. Any information obtained in northern Namibia had to be cleared with the defence and other security apparatuses before it could be disseminated. This restrictive environment not only affected the privately-owned print media, but the State-run electronic media as well. With regard to the *SWABC*, Nahum Gorelick, (1996: 232) recalls that:

> Being a state broadcasting instrument during a war, all information relating to the local environment had to be cleared by the security police and the military, thus restricting the freedom of journalists and programme producers to move about as they would have liked.

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[74] Stuart, K.W. (1990). *The Newspaperman's Guide to the Law*. Durban: Butterworths.

[75] Herbstein, D. (1985). "Namibia: How South Africa Controls the News". In *Censorship*, No.4, 1985.

[76] Heuva, W.E. (1992). "Resistance in Print: The Aims of the Namibian Press during the Namibian Liberation Struggle". Unpublished BA (Hons.) Dissertation. Rhodes University, Grahamstown, South Africa.

As implied, censorship was another impediment to the realisation of the twin issues of access to and free-flow of information. Moreover, the legislation discussed above, notably the *Publications Act*, 1974 (Act 42 of 1974) forced the media into self-censorship. Specifically, Section 47 (2) of this Act prohibited the publication of material that was deemed to be either indecent or obscene or offensive or harmful to public morals; or blasphemous or offensive to religious convictions and feelings. It also prohibited the publication of materials that would bring a section of South Africans in ridicule or contempt; harmful to race relations and prejudicial to safety of the State. Given the above-mentioned strict criteria, the *SWABC* like other media organisations in colonial Namibia, resorted to self- censorship. For instance, the *SWABC* had to select a very limited number of programmes among those on offer, because of the Apartheid State's narrowly defined "moral standards". At one point the corporation was forced to acknowledge that:

> The selection of television material was subject to moral standards and the priority and rejection of a heterogeneous viewing public, which considerably limited the volume of programmes from which an eventual choice could be made (*SWABC*, 1983: 7).[77]

The restrictive environment sketched above denied the media the necessary space in which to flourish as vital and critical platforms of freedom of expression. The result was the denial of the citizens their basic right to information and thereby, undermining any possibility for a democratic culture to take root in pre-independent Namibia. While the Swapo government initially sought to change that restrictive media environment it was caught in contradictions with regard to the realisation of the ideals of the 'right to know' and the 'free flow of information'. Two factors led to these contradictions: the failure by the new government to speedily repeal or amend all apartheid laws and secondly its tendency to enact similar restrictive laws. The United Nations Security Council Resolution 435 that ushered independence to the country provided for the repeal of some of the discriminatory and repressive laws (Kandjii, 2004: 53).[78] Other similar laws were left to be repealed by the new government. However, Article 140, Paragraph (1) of the

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[77] South West Africa Broadcasting Corporation (1983). *Annual Report, 1982-1983*.

[78] Kandjii, K. (2004). "Namibia". In R. Louw (ed.). *Undue Restriction: Laws impacting on media freedom in the SADC*. Windhoek: Media Institute of Southern Africa.

Namibian Constitution insists that "all laws which were in force immediately before the date of independence shall remain in force until repealed or amended by Act of Parliament or until they are declared unconstitutional by a competent court" (Republic of Namibia, 1990: 79).

Despite this constitutional provision a host of apartheid laws remain on the statue almost 15 years into the independence of the country. Among the remnants of the colonial period that had direct bearing on the discourse of the 'right to know' and 'free flow of information' was the *Protection of Information Act, 1982* (Act 84 of 1982). Section 4 of the Act prohibits public servants to disclose government-related information. The objective of the Section was to safeguard national security by protecting State secrets. However, media practitioners now argue that the Section hinders their role of watchdog because it provides "excessive wide-ranging limits on access to official information" (Kandjii, 2004: 57). Another apartheid legislation that continues to constrain the operations of the media in post-colonial Namibia is the Criminal Procedure Act, 1977 (Act 51 of 1977). Although some of the provisions of this Act were amended by the Criminal Procedure Amendment Act, 2003 (Act 24 of 2003),[79] Section 205 is not amended. This Section gives powers to judges and magistrates to compel any person (including journalists) to reveal sources of their information, at the request of public prosecutors. It could thus undermine the journalistic practice of maintaining the confidentiality of sources.

As noted above the Swapo government also tended to enact laws that inclined to curtail the freedom of information. Of particular importance to the freedom of information was the *Defence Act*, 2002 (Act 1 of 2002),[80] which was generally modelled on the apartheid *Defence Act* of 1957 (Act 44 of 1957).[81] Section 46 (1) of the 2002 Act creates

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[79] Republic of Namibia (2003). *Criminal Procedure Amendment Act, 2003* (Act 24 of 2003). In *Government Gazette*, No. 3123, 30 December 2003.

[80] Republic of Namibia (2002b). *Defence Act, 2002* (Act 1 of 2002). In *Government Gazette*, No. 2749, 7 June 2002.

[81] It is interesting to note that when civil society organisations including media rights groups (such as Legal Assistance Centre and Misa Namibia), complaint about restrictive provisions in the Defence Bill the Defence Ministry's Legal Advisor, Colonel Veikko Kavungo, was quoted by The Namibian newspaper as saying that the "restrictions imposed under the proposed [Defence] Bill were the same as those contained in the Defence Act of 1957 currently in operations". See Hamata, M. (2001). "Defence media restrictions 'not

punishable offences for the disturbance, interruption, contempt, ridicule and disrepute of military courts, while Section 54 (1) prohibits any person from publishing or broadcasting any information seen to endanger national security or the safety of defence force members. Sub-paragraph (3) of this Section makes it an offence to disclose any secret or confidential information relating to the defence force.

Lastly, Section 57 (c) prohibits any person from recommending, encouraging, aiding, inciting, etc. others to refuse or fail to render any service to which they are liable in terms of the *Defence Act*. All these provisions are defended in Article 21 (2) of the Namibian Constitution, which is based on the discourse of 'national interest' but has the likelihood of impeding upon the functions of journalists and thereby curtailing the freedom of expression and media freedom as set out in Article 21 (1) of the Constitution.

Already in 1996 and 1997 the Namibian lawmakers attempted to curb media freedom and freedom of expression by proposing restrictive provisions into the draft *Powers, Privileges and Immunities Bill* (1996/1997). These provisions not only sought to compel citizens, including journalists, to reveal sources of their information to Parliamentary Standing Committees, but also sought to prohibit journalists from interviewing parliamentarians on matters that still needed to be tabled in Parliament. However, due to strong opposition from civil society groups, including media rights groups, the lawmakers were forced to withdraw these provisions from the *Bill* (Staby, 1997:1;[82] *The Namibian*, September 22, 1997: 3).[83]

The foregoing attempts by the Swapo government to erode freedom of expression and media freedom had a propensity to undermine fundamental principles upon which the Namibian Constitution is based. This liberal Constitution adopted in 1990 was hailed as a one of the best in the world, while the country was regarded as a model for democracy in the entire southern African region. It was due to that positive development that

new'". In The Namibian, Friday, September 28, 2001. Available at http://namibian.com.na/2001/September/news/0118C6D406.htmal. Accessed on September 30, 2001.
[82] Staby, J. (1997). "Muzzled off: Motion to curb press freedom". In *Windhoek Advertiser*, Wednesday, 24 September 1997.
[83] The Namibian (1997). "MPs urged to reject law 'which is set to suffocate democracy ...'". Monday, 22 September, 1997.

UNESCO in 1991 chose to host a conference on the establishment, maintenance, and fostering of an independent, pluralistic and free press in Namibia. The *Windhoek Declaration* adopted at the conference led to the declaration of the *World Press Freedom Day* – May 3, the date on which the *Windhoek Declaration* was adopted by the United Nations General Assembly. Thus, attempts by the Namibian government to control or interfere in media freedoms and rights are seen as the reversal of the country's positive beginnings, such as the liberal Constitution and its *Bill of Fundamental Rights*. For instance, the Committee to Protect Journalists (CPJ) at one point criticised the Swapo government for the "erosion" of media freedoms, following the government's interference in the media. In a 2002 *Special Report* titled "Undoing Press Freedom in Namibia", the CPJ claimed that Namibia was no longer a model of democracy for the southern African region (Maletsky in *The Namibian*, Friday, November 1, 2002).[84]

It can be seen from the discussion above that the Swapo government had experienced contradictions in realising the free flow of information in the post-independence era. While it had attempted to abolish restrictive legislation to ensure free flow of information, it was at the same time relying on the old laws and enacting new laws similar to the old ones to guarantee the realisation of national interest, i.e. national security. Nevertheless, the realisation of free flow of information could not be confined solely to the abolishment of restrictive policies, but had to be accomplished also through the construction and the expansion of the necessary information and communication infrastructure. Thus, in the next section, I will examine the government policy on the development of information and communication infrastructure.

3.9 Expansion of information and communication infrastructure

As I have noted above, apart from formulating the relevant information policies the government had to erect and expand the necessary infrastructure through which information could be transmitted in order to realise the objective of free-flow and access to information. The entire population needed information on vital issues in order to make

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[84] Maletsky, C. (2002). "CPJ says Namibia's media environment getting worse". In *The Namibian*, Friday, November 2, 2002. Available at http://www.namibian.com.na/2002/November/national/0293E3553C.html. Accessed on November 2, 2002.

informed decisions about public affairs, and hence the expansion of infrastructure through which information could reach the citizens.

It must be remembered that communications policy orientation in the early 1990s in most developing countries was characterised by a shift from the expansion of communication infrastructure to its democratisation following the neo-liberal discourse that engulfed the developing world (Blake, 1997: 253).[85] However, while most of the first generation of independent nations in sub-Saharan Africa set out to democratise their communication sectors, Namibia being the last colony in Africa to achieve independence, had the daunting task of addressing both the democratisation of its inherited communications institutions, while at the same time rolling out communication infrastructure and services across the country. In fact the expansion of the communication infrastructure could be seen as an integral part of the democratisation process, since it involved the extension of services to those who were denied in the past, because of the discriminatory apartheid information policy. It would only be possible when the majority of the Namibian people had access to infrastructure and services that they could be able to participate fully in the activities of their society. This is the context in which the development and expansion of information and communication infrastructure in the post-colonial Namibia must be understood.

The urgency to expand communications infrastructure across the length and breadth of the country became the rallying call for the Ministry of Information and Broadcasting early in the transformation of the broadcasting sector. The first Minister of Information and Broadcasting, Hidipo Hamutenya, in defending the 1991/1992 Budget Vote of his Ministry's in Parliament emphasised that:

> Namibia's constitution guarantees freedom of expression and the media. However, the constitution does not guarantee access to the means of information delivery. Yet, without due access to such means, the constitutional right to freedom of the media will remain, for the majority of the people, a privileged enjoyed by a small groups of media practitioners and journalists. Hence, the need for the government to provide the nation with the necessary

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[85] Blake, C. (1997). "Democratization: The dominant imperative for national communication policies in Africa in the 21st Century". In *Gazette*, Vol. 59 (4), 253-269. London: Sage Publications.

capacity for mass communication around which the processes of
nation-building and socio-economic development evolve
(Hamutenya, 1992a).[86]

It is clear from Hamutenya's argument that the government needed to expand the infrastructure through which its messages on policies and programmes could reach the entire population. Thus, the government urgently needed to have communication channels in place in which it could propagate its policies to the nation. This is another context in which to view the government's preoccupation with the expansion of communication infrastructure.

The expansion of infrastructure is informed by Article 95 of the Namibian Constitution, which obliges the State to provide public services and utilities, including broadcasting and telecommunications infrastructure and services to citizens, as argued in Chapter One. The *Information Policy* built on Article 95 in its quest to expand the communication services to the areas and people formerly neglected under the previous dispensation. Given the fact that information and communication are vital to the developmental goals of the country, the policy of infrastructure expansion became a national priority that enjoyed a special place in the country's macro economic policy framework. For example, the *White Paper on Sectoral Development Programmes* is clear on the importance of the provision of broadcasting infrastructure.

> Broadcasting (sound and image) is today the most potent means
> of the transmission of information, knowledge, and ideas. In
> other words, it is a vital medium of mass communication that
> must occupy central place in the nation's media development
> planning. Accordingly, the government has decided to do
> everything possible to expand the NBC Radio and Television
> transmitters' network to all parts of the country (Republic of
> Namibia, 1993: 79).

Drawing from the above quotation, it is necessary to link the infrastructural expansion to the government's desire to narrow the gap between the urban-rural divide in order to bring the marginalised communities into the mainstream economy. One way of

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[86] Hamutenya, H. (1992). "A Speech by the Minister of Information and Broadcasting, Hidipo Hamutenya, on the Ministerial vote (Vote 12) of the 1992/1993 Appropriation Bill in the National Assembly." July 7, 1992.

achieving this objective was to integrate the poor and rural communities in the mainstream communication network. Thus, this objective could only be realised when the Namibian government allocated resources to the public media to acquire communication technologies for the expansion and upgrading of the entire communication sector (Republic of Namibia, 1993: 75). In short, the idea was to strengthen the communication infrastructure in order to avail its services to the entire population. The expansion and extension of broadcasting transmitter network, as it will be discussed in Chapter 6, became a priority in the government's strategy of communications infrastructure expansion. The government looked to the national broadcaster as a "vital medium" that needed to contribute to socio-economic development of the country and resolved to do everything possible to expand broadcasting infrastructure. The government took a similar strategy with regard to telecommunications, whereby it granted monopoly to the State-owned fixed line operator, *Telecom Namibia*, to expand the telecommunications network to the neglected rural and poor urban areas, a theme that will be explored in Chapter 7.

Having outlined the State policy objectives with regard to infrastructure expansion I will now assess its policy on ownership of the means of information production.

3.10 Patterns of media ownership

As noted at the beginning of the chapter, Article 98 of the Namibian Constitution guarantees a mixed form of economic ownership. This mixed form of economic ownership was extended to the communications sector and thereby paved the way for the liberalisation of the broadcasting and telecommunications sectors, which in turn led to the emergence of private-commercial and non-profit community-based communications operators, as it will be indicated in Chapter Four. This policy reform was a remarkable change since the provision of information and communication services was restricted to the public operators during the colonial era, with no private broadcasting and telecommunications operating in these sectors prior to 1992. The first Minister of Information and Broadcasting in this regard explains that:

> The Government of Namibia subscribes to mixed ownership and
> operations of the mass media. The Government considers the

issue of private ownership and operations of the mass media as a matter of human rights. At the same time it recognises the need for the state to own and operate public media and to bring governmental activities to all its citizens and to harness the potentials of the media for national development (Hamutenya, 1990: 2).

As it will be discussed in Chapter Four, the liberalisation of broadcasting through the adoption of the mixed form of ownership brought the sector into the economy, because for the first time private broadcasters with commercial interests entered the broadcasting space. However, despite the liberalisation of both broadcasting and telecommunications the State retained dominance in the communications sector, because of its ownership and control of the dominant players in the sector, notably the *Namibian Broadcasting Corporation* and *Telecom Namibia*. Thus, the State did not withdraw from the communications sector, but continued to be one among other players. It justified its involvement in the sector on a number of reasons. First among these, was the claim of mixed ownership, which justified the State to set up and operate means of information production. Secondly, the State argued that it had a responsibility to provide information and communication infrastructure and services to the Namibian people, as it was obliged to do so by Article 95 of the Namibian Constitution, as noted above. It could therefore not abscond this responsibility, nor could it delegate it to the private communication operators.

Moreover, its preoccupation with nation-building, development and democratisation of the new society weighed heavily to the extent that it could not consider leaving the expansion of broadcasting services to the privately-owned media. At one point the government acknowledged that the responsibility of infrastructure expansion could not be left to the "intermediation of the private media", because the private media arguably could not perform these functions with the same vigour as the public media. Hence, the State had to set up its own "delivery channels" in order to communicate effectively its policies and programmes to the public. It further saw as its duty to provide the public with means of communication through which they had to transmit their "interests, wishes, desires and demands" to their elected representatives (Ministry of Information and Broadcasting, 1991a: 11).

It was in this context that the new government decided to enter the sphere of information production and dissemination. Apart from tightening its control over the national broadcaster, the *NBC*, which it inherited from the colonial dispensation, the government set up a newspaper, *New Era*. The initial objective of this newspaper was to address the neglected rural communities, but it resorted to competing with the private media for the urban market. Nevertheless, *New Era* carried a few articles in the local languages targeting rural communities, and was distributed in rural areas as well, unlike the mainstream commercial press, as I will indicate in Chapter Six.

In addition, the government 're-established' a news agency, the *Namibia Press Agency* (*Nampa*), to collect and disseminate information to local and international news organisations. Swapo as a liberation movement in exile operated a news agency, the *Namibia Press Association* (Nampa), which formed the nucleus of the new *Nampa* (Heuva, 2003: 32).[87] The government also operated a video production unit fitted with a mobile video production, responsible for production and screening of government-related audio-visual material in the far-flung rural areas where television did not reach.

Ownership in the media sector is an important determinant of the plurality and diversity of media operators in the sector. While plurality refers to the number of players, diversity points at the different players in the sector. It is partially through the process of empowerment that diversity of the media can be achieved. In the section below, I will examine government's policy of diversity and empowerment in the broadcasting sector.

3.11 Pluralism, diversity and empowerment

Namibia's concept of a mixed media system provided a plurality of the media without diversity and empowerment. Despite attempts to provide citizens with access to sources of information and to facilitate the free-flow of information the government did very little to empower the neglected communities in terms of the ownership of the means of information production. Thus, while the government laid the foundation for getting its information to the areas and communities that previously were neglected and excluded, it

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[87] Heuva, W. E. (2003). "Voices in the Liberation Movement: Discourse and Ideology in the Swapo Exile Media". In H. Melber (ed.). *Re-examining Liberation in Namibia: Political Culture since Independence.* Stockholm: Nordic Africa Institute.

did very little to facilitate the diversification of the sources of information. Also the expansion of infrastructure tended to perpetuate a dependency relationship rather than empowering the citizens in terms of ownership of communication outlets. This was in spite of the government's public pronouncements to the contrary. At policy level the government advocated diversity of the media and communication outlets and thereby sought to promote the diversity of voices in the media and communication sector. Minister Hidipo Hamutenya noted:

> What the people of this country should oppose is any form of monopolistic ownership of the media, be it by the government or by private interests. The public must be accorded access to as many opinions on any issue possible. In other words, the people should not be bombarded and fed with the opinions of the commercial or government media only on any given issue. Therefore, we say, let there be a mixed and variegated ownership and operation of the media in this country because this is the best way to achieve true democratisation of the media (Hamutenya, 1992b: 7).[88]

The process of democratisation of the media is not limited to the reception of information, but also involves the provision of voices to the citizens through the production and dissemination of their own information. The reluctance by the government to empower communities through the ownership of the means of information production further could be seen from the pronouncements of its officials. Speaking at the launch of a community broadcasting station, a community initiative of the Erongo Region (central-Western part of the country, which includes the coastal towns of Swakopmund and Walvis Bay) of the country, Kae Matundu-Tjiparura (2002: 3),[89] an official of the Ministry of Information and Broadcasting, said:

> In the context of empowering people and providing them with the tools to make the most of their lives, the Namibian Government encourages and supports the development of independent community-based broadcasters. We strongly believe that access to information at a local level, where communities can achieve access to broadcasters who serve their own needs is of vital importance to the development of the country (ibid. 3).

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[88] Hamutenya, H. (1992b). "A Statement by Hidipo Hamutenya, Minister of Information and Broadcasting to the symposium on the role of the media in society." University of Namibia, August 25, 1992.

Matundu-Tjiparuro went on to elaborate the government's policy on empowerment, by stating:

> In view of these noble objectives by community broadcasters, the Government cannot otherwise but support and facilitate the establishment of community broadcasters. Let me emphasise the two key words here, SUPPORT and FACILITATE, which means that the Government does not intend to be involved in the establishment of community radio stations directly save to provide a conducive environment in terms of policy and legislation, and where needs be, facilitate the provision of equipment and training by donors to communities wishing to establish radio stations (ibid: 2. Emphasis in the original).

As can be seen from the above-stated quotation, despite the rhetoric of 'empowerment' in the broader economic sector, when it came to the media, the government's policy was limited to 'support', 'facilitate' and 'encouragement' and did not include the provision of material and financial support. Ostensibly, the government did not want to be seen to establish community media outlets, which might be interpreted as government radio stations. In contrast, in the telecommunications sector the government, at least at policy level, committed itself to empower groups of disadvantaged people in terms of shares in the national telecommunications operator when the telecommunications market was to be privatised, as it will be shown in Chapter Five. In addition, the government also committed itself to the establishment of Multi-Purpose Community Centre across the country, which could be owned and operated by the communities themselves. Also in telecommunication the State decided to set up a Universal Service Fund to help expand telecommunication facilities and services across the country. However, the same government did not consider a similar Fund for the media sector, in order to promote the plurality and diversity of the media. That omission left the impression that the government was not interested in empowering people in the broadcasting sector, but only interested in the propagation of its policies and programmes.

South Africa for instance, with similar constitutional provisions and emerging from the same apartheid background where the majority of the people were denied voices in the

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[89] Matundu-Tjiparuro, K. (2002). "An address", delivered at the Strategic Planning and Development Workshop of the Erongo Community Radio at the Continental Hotel, Windhoek, on 12 August 2002.

mainstream media, initiated measures to support marginalised communities to set up their own communications outlets. It established the *Media Diversity and Development Agency* (MDDA) to promote media diversity. Established as a State agency in terms of Section 16 (1) of the South African Constitution, which guarantees "freedom of the press and other media", the objectives of the *MDDA* were among others to:

- encourage ownership and control of, and access to, media by historically disadvantaged communities as well as by historically diminished indigenous languages and cultural groups;
- encourage the development of human resources and training, and capacity building, within media industry, especially amongst historically disadvantaged groups;
- encourage the channelling of resources to the community media and small commercial media sectors;
- raise public awareness with regard to media development and diversity of issues;
- support initiatives which promote literacy and a culture of reading (Republic of South Africa, 2002: 4).[90]

The omission on the part of the Namibian government to empower those at the bottom of the socio-economic ladder to set up their own means of communication or to support efforts towards media diversity and empowerment negated the development of vibrant and diverse voices in the media environment, which would have been a stepping stone towards a mature democracy. If liberal democracy places information at the centre of civil society, then any omission to promote dialogue through upward communication from civil society to the political leaders would dilute the same values of a democratic culture.

Thus, while the government was vocal on media freedoms and rights by opening the broadcasting sector to competition through the mixed ownership economic system, it had failed to recognize the economic reality limiting these rights and freedoms. As Michel Sénécal (1995:18) notes "financial problems, along with those of achieving politico-legal recognition and popular support, will be the sign-posts on the long road to equal representation and appropriation, towards a real right to communication". Since many

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[90] Republic of South Africa (2002a). *Media Development and Diversity Agency.* In *Government Gazette,* Vol. 444, No. 849.

Namibian communities do not have adequate financial resources and lack skills and expertise they could not easily set up their own communications outlets. By this omission the government continued to deny the majority of the grassroots people the opportunity towards collective appropriation of the media through the establishment of community broadcasting stations and thus denying them active assertion of the right to information. Moreover, and at the bottom of this omission was a failure to differentiate between what Michel Sénécal (1995:18) calls the "right to be informed and the right to inform". However, in spite of the government's reluctance to nurture media diversity, a few community-based broadcasting stations and newspapers were set up by the communities themselves with financial assistance and support from donor organisations, as will be shown in Chapter Four.

3.12 Human resources development

The need for human resources development was central to the post-independent reconstruction and development of the country and, therefore, enjoyed a central place in the country's macro-economic policy. The Namibian government had placed the question of training and skills high on the agenda of communication reform. The *Information Policy* on the training and research notes, among others:

> Namibia's media institutions can neither effectively play their
> role in the process of nation-building and development if they are
> not staffed with knowledgeable and skilled personnel, nor can
> they hope to be successful in their general functions to inform
> and enlighten the Namibian public without adequate professional
> training and research (Ministry of Information and Broadcasting,
> 1991a: 19).

Following this realisation the government opted to improve the "functional skills and professional competence" of the media practitioners in the public sector through training programmes and retraining workshops (ibid. p19). In addition the Ministry of Information and Broadcasting became instrumental in the establishment of the media studies training programme at the University of Namibia. In collaboration with development partners and donors the Ministry of Information and Broadcasting conducted a host of ad-hoc media training workshops and sessions targeting media practitioners in the public service during the period covered by this study. Particular

attention was given to the training needs of the personnel at the *NBC*, *New Era* and *Nampa*. Despite the training of public service journalists, little was done to improve the salaries and working conditions, and over the years many promising media practitioners left the public service and joined the private media organisations and the parastatals. Thus, the government became a training ground for the private and semi-State media organisations.

Linked to human resources development was the desire to acquire and deploy new information and communications technologies. The Swapo government set out to introduce new technologies in various sectors. These technologies were to be integrated in the broader national development plan of the country to cater for priorities such as rural electrification, roads, radio and television transmitters, telecommunication, public education and literacy programmes (ibid: 12 - 13). The *Information Policy* also embraced new technologies to "ensure rapid and effective generation, processing and dissemination of information to all levels of society and beyond the nation's borders" (ibid. 12). Due to the vastness and inhospitability of the country, the State had to expand broadcasting transmitter networks through terrestrial and satellite technologies to distribute the signal across the length and breadth of the country (ibid).

3.13 Summary and conclusion

The *Information Policy* adopted shortly after the independence of the country reflected the direction in which the State wanted to steer the broadcasting sector reform. Firstly, the *Information Policy* sought to undo the apartheid colonial media policy and practice and to replace these with a broadcasting sector that mirrored the ethos of the new society. Secondly, the *Policy* provided the theoretical and philosophical foundation for the broadcasting sector reform and further embodied the nation's new values and norms. These values and norms, as we have seen, were drawn from the political and economic system the country embraced at independence. Among them counted issues such as the recognition of basic freedoms, including freedom of expression and the freedom of the media. In addition the *Policy* in principle guaranteed the free-flow of information and the people's right to now. It further provided for a mixed form of media ownership and the

provision for the expansion of media infrastructure to reach all the citizens, among others. All these principles were absent in the colonial broadcasting system.

Interestingly, the *Policy* obliged the media to perform more than their traditional roles of informing, educating and entertaining, as it was expected of them to contribute to nation-building and socio-economic development. Moreover, the media, but more specifically the national broadcaster, had to nurture national identity and contribute towards national unity and the democratisation of the new society. These obligations indicated at the broader reconstruction and the transformation of the post-independent society, and the national broadcaster had to contribute to these processes. The national broadcaster therefore, occupied an important place and performed vital roles during the transitional period. This is the context in which to understand the role and place of broadcasting in an independent Namibia, which further explains why the State sought to monopolise/control the broadcasting policy making process and implementation.

Assigned with an important role to contribute to the transformation of the post-independent society, the broadcasting sector became one of the first candidates for transformation and restructuring. More particularly, the national broadcaster had to be transformed in order to mirror the broader transformation taking place in society, while at the same time contributing to this transformation process.

Despite these plausible policy goals the broadcasting transformation process encountered contradictions, which were inherent in both the political and economic system adopted by the new government, notably the 'narrow' or 'minimalist' representative democracy. It is partly due to this narrow democratic system that the government did not allow full participation from civil society and stakeholders in the broadcasting policy making process. Furthermore, the national broadcasting system was crucial to the propagation of the government's policies, programmes and activities and the government made sure that this obligation was carried out in letter and spirit. Thus, in this context the national broadcaster was enlisted to play political and ideological roles in order to secure and consolidate hegemony of the political elite.

For the government to ensure that the citizens received information on its policies, programmes and activities, it had to expand the broadcasting infrastructure and services to reach all the citizens. Moreover, while the government embraced principles of the 'free-flow of information' and the people's 'right to know', the implementation of strategies were top-down, with emphasis on the 'free-flow' of government information and the 'right to know' government's information. The government also failed to repeal all the apartheid laws that impeded the freedom of information, while at the same time enacting new restrictive laws to guarantee the 'national interest'.

Surprisingly, the Swapo government did very little to ensure media diversity and the empowerment of the communities in the production and dissemination of their own information. Nevertheless, the policy of liberalisation of the broadcasting sector engendered the emergence of private broadcasters, both commercial and a few community operators, as we shall see in Chapter Four. Thus, one of the most tangible outcomes of the *Information Policy* was the emergence of a mixed broadcasting system, consisting of public and private broadcasting operators. However, as indicated above the *Policy* had many shortcomings, of which one was the lack of participation of stakeholders in the policy making process, which is a basic requirement for the democratisation of the broadcasting sector.

CHAPTER FOUR

Power and control in the broadcasting sector

4.1 Introduction

After having formulated a fairly 'liberal' *Information Policy* to steer the transformation of its media sector the Namibian government proceeded to 're-arrange' the inherited colonial broadcasting system. It established a new regulatory framework, which subsequently engendered a new set of power relationships, experienced between and among the various stakeholders in the broadcasting sector. By its nature broadcasting regulation is underpinned by power relationships among the State, the business and the public (Winseck, 1998: 39).[1] At the centre of this power relationship in the Namibian regulatory context was the control over the regulator and the national broadcaster, a process that was experienced during the entire transformation process of the broadcasting sector. In this chapter, I will document the post-colonial regulatory process and interrogate how the State positioned itself to maintain its dominance in the sector. I will further examine the emergent broadcasting market structure and the regulation of both the public and the private broadcasters.

4.2 Re-regulating the broadcasting sector

The Namibian government set out to liberalise the broadcasting environment by dismantling the monopoly held by the national broadcaster, but despite the liberalisation process it did very little to democratise the sector, as the political control of the national broadcaster was 'transferred' from the colonial to the post-colonial era. I will return to this point shortly. In 1992 the government created a separate regulator, the *Namibia Communications Commission* (NCC),[2] to take over the regulatory function from the colonial regulatory instruments. During the colonial era the broadcasting sector was regulated under the provisions of the *Broadcasting Act, 1976* (Act 73 of 1976),[3] *Radio Act, 1952* (Act 3 of 1952) and the *Post Office Act, 1958* (Act 44 of 1958), in addition to a

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[1] Winseck, D. (1998). *Re-convergence: A Political Economy of Telecommunications in Canada*. Hampton Press, Inc.

[2] Unless qualified I have used "NCC", the "commission" or "regulator" to refer to the Namibia Communications Commission throughout the thesis.

[3] Republic of South Africa (1976). *Broadcasting Act, 1976* (Act 73 of 1976). In *Government Gazette*, No. 5138, Cape Town, May 26, 1976.

host of media and security legislation (see Hachten and Giffard, 1984: 102),[4] as indicated in the previous chapter. Established under Section 2 of the *Namibia Communications Commissions Act, 1992* (Act 4 of 1992),[5] as amended, the commission was tasked with the responsibilities to license private broadcasters and to regulate their activities. This new regulatory framework abolished State monopoly in the broadcasting service provision; while at the same time introduced competition in the sector through the liberalisation of the airwaves. For a broadcasting sector that was supposed to accommodate both commercial and public service imperatives which premised on the ideals of accessibility to all stakeholders with interest in the sector, it needed to have an independent regulator (Raboy, 1994: 7).[6]

However, despite the rhetoric of 'independent' regulator, the commission was neither independent nor autonomous. Instead, it was positioned under State control. This arrangement was by design rather than by default. While William Melody (1997: 19)[7] claims that the "independence" of the regulator does not necessarily mean independent from State policy, but independent to make own decisions within the broader policy framework set by the State *without interference from the State and others stakeholders,* the Namibian regulatory regime represented a different approach to what William Melody had in mind. In the following section I will demonstrate how the State positioned the commission so that it remained dependent on the government of the day.

4.3 'Capturing' the regulator

The regulator was established and positioned in order to function as an appendage of the government. Firstly, the Minister of Information and Broadcasting appoints the commissioners in terms of Section 3 of the *Namibian Communications Commission Act, 1992* (Act 4 of 1992) who account directly to him/her through an upward referral system.

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[4] Hachten, W.A. and Giffard, C.A. (1984). *Total onslaught: The South African Press under attack.* Johannesburg:Macmillan.
[5] Republic of Namibia (1992c). *Namibian Communications Commission Act, 1992* (Act 4 of 1992). In *Government Gazette*, No. 384, Windhoek, April 3, 1992.
[6] Raboy, M. (1994). "The role of the public in broadcasting policy-making and regulation: Lessons for Europe from Canada". In *European Journal of Communication.* Volume 9 (1994), 5-23. London: SAGE Publications Limited.
[7] Melody W. H. (1997). *Telecom Reform: Principles, Policies and Regulatory Practices.* Den Private Ingeniorfond: Technical University of Denmark.

Secondly, the secretariat of the commission consists of a directorate in the Ministry of Information and Broadcasting seconded to the commission (Kruger interview, 2001). Furthermore, the commission does not have its own independent sources of income, but relies on the State budget, voted by the Ministry, for its operation, while its income from licence fees and other operations are deposited back into State Treasury. Moreover, the commission has been dogged by shortcomings related to human resources and expertise since its establishment, which have hampered its operations and meeting the demands and challenges of the changing broadcasting and telecommunications sector (Hara-Gaeb interview, 2001). Thus, all these shortcomings combined render the role of the regulator purely administrative and a division of the Ministry. Other shortcomings relate to the fact that its decisions are not subjected to public input. It does not hold public hearings in connection with licensing, despite the fact that it published pending licences in the *Government Gazette* for public attention. The commission is accountable to the government through the Ministry of Information and Broadcasting rather than to the public.

The above-mentioned shortcomings are not unique to the Namibian regulator, but a general phenomenon experienced in Africa. Describing the dilemma of the African regulators Ernst Wilson III and Kelvin Wong (2003: 166)[8] note:

> Most African countries had virtually no experience with effective independent regulatory agencies. Instead, all regulation was done by in-house ministry officials. Most lacked adequate training and money. They frequently lacked the autonomy necessary for effective enforcement that facilitates privatisation and competition. Thus, while many African countries established formal regulatory agents for the ICT sectors, in most cases the Regulators were understaffed and lacked the expertise necessary to run effective regulatory agencies.

Thus, like other African countries, Namibia has as yet to establish an effective regulator that could design and implement competitive market rules, punish non-compliance, monitor behaviour, set tariff structures and perform any other functions relevant to a dynamic information and communications sector in a rapidly changing political and

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[8] Wilson III, E. J. and Wong, K. (2003). "African information revolution: a balance sheet". In *Telecommunications Policy*. Volume 27, Issues 1-2, February-March 2003, Pages 155-177.

economic environment. The regulator has to accomplish all these functions with some degree of autonomy and expertise.

Civil society and other stakeholders have persistently challenged the commission's lack of autonomy and demanded that it be transformed into an 'independent' and autonomous regulatory body. Interestingly, demands for autonomy have come also from the commissioners themselves. For instance, the first chairperson of the commission, Barney Barnes, in an address to a workshop on the "National Information and Communication Infrastructure Strategy for Namibia" in 1998, lamented the lack of autonomy of the commission and recommended that:

> In order to ensure an effective regulator in Namibia, it is essential that the regulator be placed in a position to function as autonomously as possible in terms of financing, staffing, regulating and reporting. Even though the Commission should submit annually a report and audited financial statements to a ministry, Cabinet or Parliament (Barnes, 1998: 3).[9]

However, the fiercest challenge to the government's control of the commission came from civil society groups among them the Namibia Chapter of the *Media Institute for Southern Africa, Misa Namibia. Misa Namibia* had invariably criticised government's control of the commission and called for the "appointment of an independent regulator through a transparent and participatory process (*Misa Namibia* cited in Hamata, 2002: 5).[10]

Despite persistent pressure from stakeholders the government seemed not willing to establish an independent regulator. That the government was to maintain its control over the regulator could be seen from the draft *Communications Bill* circulated in 2002 to replace the *Namibia Communications Commission Amendment Act, 1992* as well as from the pronouncements of government officials. For instance, the 2002 *Communications Bill* retained the appointment of the regulator by the Minister, however, the Minister had to make his/her selection from "a list of suitable candidates" prepared by a selection panel.

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[9] Barnes, B. (1998). "Legal, Regulatory and Policy Management Issues in Namibia". A Statement by Mr. Barney Barnes, Chairperson of the Namibia Communications Commission at the Workshop on a National Information and Communication Infrastructure Strategy for Namibia. Windhoek, 11-13 may 1998.

Interestingly, the same Minister would appoint the panel, while the majority of its members would consists of civil servants (*Communications Bill*, 2002: 8).[10] If perhaps the *Bill* did not make clear that the government was not interested in an 'independent' regulator, the Minister of Information and Broadcasting at the time, Nangolo Mbumba, made the government's position unequivocally clear.

> One of the major expectations among stakeholders is to see an independent and fully autonomous regulator in place soon after the Bill becomes an Act. On this point, I have to disappoint you. In view of the numerous fraudulent activities that have been uncovered at State-Owned Enterprises lately, the Ministry of Information and Broadcasting, as line-ministry dealing with the regulator, does not see its way open to immediately surrender its oversight role over the regulator that will be created as a State-Owned Enterprise (Mbumba, 2003: 3).[12]

Mbumba went on to argue that:

> The Ministry could, therefore, not agree with the current provision in the Bill that board members of the regulator should have the executive authority over the regulator. For the time being, Cabinet will still retain its role to appoint board members for the newly created State-Owned Enterprise, while the board members will still be accountable to the line-Minister for their decisions. (ibid. 3)

Writing in *The Namibian* newspaper journalist Lindsay Dentlinger noted with reference to the lack of an 'independent' regulator in Namibia:

> Namibia is the only country in the region still to empower an independent broadcast and telecommunications regulator, despite having agreed to this through the various international instruments it has acceded to (Dentlinger, 2003).[13]

Some other countries in the region, notably Botswana, South Africa and Zambia by 2002 had appointed 'independent' regulatory bodies through a fairly transparent process,

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[10] Hamata, M. (2002). "Communications body 'must be independent' – media watchdog". In *The Namibian*, Thursday, June 4, 2002.

[11] Ministry of Information and Broadcasting (2002b). *Communications Bill of the Republic of Namibia.* Article 9: "Appointment of Directors".

[12] Mbumba, N. (2003). "A Statement by Honourable Nangolo Mbumba, Minister of Information and Broadcasting, at the Final Workshop on the Draft Communications Bill for the Republic of Namibia." Nampower Convention Centre, Windhoek, 24 July 2003.

[13] Dentlinger, L. (2003). "Mbumba voices Govt doubts over broadcast regulator". In *The Namibian*, Friday, July 25, 2003. Available at http://www.namibian.com.na/2003/july/national/03E50A2AEC.html. Accessed on July 25, 2003.

through public nominations, and independent from government of the day or government ministries. However, by 2005 Namibia had not considered introducing the public nomination system for its regulator, despite claims that it embraced the *African Charter on Broadcasting*, which proposes the introduction of independent regulatory bodies for the broadcasting sector. Pronouncing its position on the *Charter*, the government stated:

> The provisions as contained in the African Charter on Broadcasting are mostly covered in the [Telecommunications] Policy and the draft [Communications] Bill and, therefore, the Namibian Government supports the Charter, with the exceptions of a few provisions (Ministry of Information and Broadcasting, 2002: 2).[14]

The government objected to four clauses of the *Charter*. The first clause objected to, dealt with the facilitation of an open and participatory process in the frequency allocation in order to ensure "a fair and proportion of the spectrum is allocated to broadcasting users". Secondly, and linked to the first one, was the proposal for broadcasting frequencies to be shared equitably among public, commercial and community broadcasters. The government's objection to both these clauses was based on the myth of "scarcity of frequencies". Thirdly, the government objected to the proposal to allocate "minimum quotas of broadcasting material to independent producers" and to the suggestion that the transmission infrastructure owned by State broadcasters should be availed to all broadcasters "under reasonable and non-discriminatory terms". The government's response was that it did not want to prescribe to public broadcasters on how to "make use of minimum quotas and to avail its infrastructure to all broadcasters". Lastly, on the suggestion that African governments should mobilise resources to "research and keep abreast of the rapidly changing media and technology landscape in Africa", the government responded that:

> While the Namibian Government agrees with the statement, the realities on the ground may dictate otherwise. Developing countries often have other national priorities, like health issues and education and, therefore, the implementation of the statement as contained in the Charter may be difficult (ibid. 3).

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[14] These comments on the African Charter on Broadcasting are contained a letter signed by the Permanent Secretary of the Ministry of Information and Broadcasting, Mocks Shivute, dated 14 May 2002 and addressed to the Secretary General of the SADC Sector for Culture, Information and Sport, Dr. Renato Matusse.

Although these 'objections' were based on minor issues, the government did not object to the fundamental concern of the *Charter*, which sought to transform the State-owned broadcasting systems into 'public service' institutions through the establishment of 'independent' regulatory bodies. Adopted during the 10th anniversary of the *World Press Freedom Day* in May 2001 the *African Broadcasting Charter* inter alia maintains that:

> All state and government controlled broadcasters should be transformed into public service broadcasters, that are accountable to all strata of the people as represented by an independent board, and that serve the overall public interest, avoiding one-sided reporting and programming (Misa, 2001).[15]

The *Charter* was preceded by campaigns initiated by the *Media Institute of Southern Africa* (Misa) aimed at lobbying governments in the southern African region to transform 'State broadcasters' into truly 'public service' broadcasting institutions and to establish independent broadcasting regulatory bodies.

The demand for an 'independent' regulator stemmed partly from the perception that governments had interests in the sector as owners, producers and consumers of communications commodities, at the same time, and could not therefore be independent arbiters (Schiller, 1969/1992[16] cited in Mosco, 1996: 92).[17] In the situation where States assumed such conflicting responsibility in terms of broadcasting, they could not be expected to mediate effectively in the sometimes conflicting interests of the various stakeholders. This was true in the African context where the media, and more specifically broadcasting, served as the mouthpiece of the ruling parties. The preceding discussion explains why the Namibian government did not establish an 'independent' regulator, despite the fact that it was the first country in the southern African region to initiate structural reform in the communications sector during the 1990s. I will now proceed to examine how the State regulated the national broadcaster, the *Namibian Broadcasting Corporation* (NBC).

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[15] Media Institute of Southern Africa (2001). *African Broadcasting Charter*. Windhoek: Misa.
[16] Schiller, H. I. (1969/1992) (2nd updated edition). *Mass Communication and American Empire*. Boston: Beacon Press.
[17] Mosco, V. (1996). *The Political Economy of Communication: Rethinking and Renewal*. London: Sage Publications.

4.4 Regulating the national broadcaster through political control

Much of the commentaries and critique of the Namibian government's interference tends to focus on the content, evaluating the level and extent of government interference in editorial and programme policy. I will argue that political interference in the editorial and programme policies was made possible by the way the corporation was reorganised in terms of regulatory mechanism. There had been little attention given to how the Namibian government repositioned itself in order to exercise control over the national public broadcaster. To understand this form of control we must first acknowledge the structural reform of the national broadcaster in terms of the regulatory regime. The starting point should be the examination of the legislative framework. The *Namibian Broadcasting Act, 1991* (Act 9 of 1991)[18] does not provide autonomy to the corporation; neither does the regulatory mechanism provide checks and balances to eliminate political control. On the contrary, the Act makes the government central to the *NBC*'s legally-defined powers, duties and functions, most of which can only be carried out with written approval of the Minister of Information and Broadcasting (Lush and Kandjii, 1998: 56).[19]

While the government established a 'new' broadcasting organisation 'different' from the colonial *South West Africa Broadcasting Corporation* (SWABC), it did not abandon the patterns of political control established under the colonial legal and regulatory mechanisms, but perpetuated them. Thus, it will be imperative to review the colonial control mechanism in order to understand and acknowledge the continuity from the 'old' broadcasting dispensation to the 'new'.

As indicated in Chapter Three, the *SWABC* was established in 1979 under the Administrator General's *Broadcasting Act Amendment Proclamation*, 1979 (AG 16 of 1979).[20] This Proclamation is similar to the *Broadcasting Act, 1996* (Act 73 of 1976). The only changes was done by merely substituting "Minister" with the "Administrator

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[18]Republic of Namibia (1991). *Namibian Broadcasting Act, 1991* (Act 9 of 1991). In *Government Gazette*, No. 223, Windhoek, June 19, 1991.

[19] Lush, D. and Kandjii, K. (1998). "Namibia". In *Up in the Air: The state of broadcasting in Southern Africa*. The Panos Institute. Southern Africa

[20] South West Africa Administration (1979). *Broadcasting Amendment Act, 1979* (AG 16 of 1979). In *Extraordinary Official Gazette*, No. 3942, Windhoek, April 27, 1979.

General" and "South Africa" with "South West Africa". Therefore, the South African *Broadcasting Act, 1976* (Act 73 of 1976) remained the basic legal instrument on which broadcasting in Namibia was regulated since the establishment of the *SWABC*.[21] Section 31 of the *Broadcasting Act, 1976* (Act 73 of 1976) notes that, "This Act and any amendment thereof shall apply also in the territory of South West Africa, including the Eastern Caprivi Zipfel" (p.27). Thus, the *SWABC* was technically operated in terms of Section 11 of the *Broadcasting Act, 1976* (Act 73 of 1976) that set the objectives of the corporation as:

> To carry on a broadcasting service; to broadcast programmes for reception in country or territory outside the Republic, if so requested by the Minister and subject to conditions determined by him/her; to transmit programmes by means of cables or wires for reception by members of the public in general or of any category of persons in a particular area or at a particular time (Republic of South Africa, 1976: 9).

As we have seen in Chapter Three the *SWABC* resorted under political control exercised by the Administrator General (AG), appointed by the South African government to implement an internal political settlement in Namibia. The AG assumed allocative powers, while the operational powers were vested in the directors he appointed and who reported directly to him. The chairperson of the board of directors served also as the director general of the corporation. With the creation of the 'internal political settlement', which culminated with the formation of the Transitional Government of National Unity (TGNU) on June 1985, the control of the *SWABC* was symbolically 'transferred' to the Cabinet of the TGNU, with the Minister of National Education taking control of the corporation. In this arrangement the *SWABC* was accountable and reported directly to the Minister who reported to Cabinet and the National Assembly of the TGNU. Following the implementation of the United Nation's Peace Plan (Resolution 435), which led to the internationally supervised elections in the territory on 1 April 1989, the TGNU was dissolved and the AG resumed direct control of the corporation. It was during the crucial period of the elections when the corporation was positioned to advance the interests of

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[21] See *Extraordinary Official Government Gazettes of South West Africa*, Numbers 3942 and 3944 of 27 and 30 April 1979 issued by the first Administrator General in Namibia, Judge M.T. Steyn.

the pro-South African government political parties pitted against the progressive forces in the elections (NPP 435, 1989).[22]

When it ascended to power at independence in 1990 the Swapo government retained the foregoing patterns of control. In fact the new government retained the inherited State broadcasting system, under a new name, because the colonial *Broadcasting Act, 1976* (Act 73 of 1976) remained the basis on which the *Namibian Broadcasting Act, 1991* (Act 9 of 1991), was crafted despite the much fanfare of a 'new Act'. It must be remembered that the International Telecommunications Union in a 1983 study commissioned by the United Nations Council for Namibia and the United Nations Development Programme, aimed at charting the future broadcasting and telecommunications dispensation, recommended to Swapo to retain the then existing broadcasting legislation, but to modify it in order to remove "discriminatory and inappropriate provisions", if the new government opted to retain the *South West Africa Broadcasting Corporation* (ITU 1 and 11, 1983: 47).[23] Thus, the pattern of control inherited from the colonial Act was transferred 'carte blanche' to the new Act. The difference is that the 'new' corporation was assigned a 'public service mandate' following its reorganisation. For instance, the objectives of the new corporation were to:

- inform and entertain the public of Namibia;
- contribute to the education and unity of the nation, and to peace in Namibia;
- provide and disseminate information relevant to the socio-economic development of Namibia; and
- promote the use and understanding of the English language (Republic of Namibia, 1991: 3).

In terms of the *Namibian Broadcasting Act*, the Minister of Information and Broadcasting appoints the directors who are accountable to him/her for the management of the corporation. This is how the Minister retains allocative power. Moreover, the Minister does not only reserve the right to appoint directors, but appoints directors from among the

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[22] One of the Namibian pressure groups that campaigned for the implementation of the United Nations Security Council Resolution 435, the Namibia Peace Plan 435, conducted a survey shortly before the United Nations supervised elections, which concluded that the *SWABC* was favoured the pro-South African 'internal' parties during the election campaign. Unpublished NPP 435. Namibia Archive, Holding: 0095-0097-RU.

trusted and loyal ruling party members/supporters, including civil servants (Tyson, 2002: 6).[24] The exception was that the founding board of directors comprised a diverse people representing various interests in society (Lush and Kandjii, 1998: 55). In contrast, the second and the third board of directors comprised active Swapo members and high-ranking civil servants. Such ministerial appointments inevitably reproduced political clientelism and created the perception that the directors represented the interests of the ruling party and not that of the public, which ultimately resulted in the lack of credibility of the directors in the eyes of the public. Handpicked by the government, the directors were compelled to bestow allegiance to the political authorities, the Minister, the ruling party, government and the President, rather than working in the interests of the broader interests of society (Tyson, 2002).

Apart from appointing the directors, the Minister has absolute power to, among other matters; approve major decisions of the corporation ranging from financial matters to programme content. The Minister has to approve any cooperation between the corporation and other operators. For instance, the corporation needs a written permission from the Minister to establish cooperation or enter into agreements with other broadcasters if it wants to co-broadcast or to supply/receive information, news or programmes. Loans, investments and any other financial transactions have to be approved by the Minister as well (Republic of Namibia, 1991: 24, 25). While some of these obligations are of administrative nature, they have had nevertheless serious implications for the autonomy of the corporation, as it will be shown below.

Behind the political control of the corporation is not only the question of 'national interest', but also the short-term self interests of the government. To the government, national broadcasting is a very critical medium, which can enable it to achieve its political and economic objectives as indicated in Chapter Three. Moreover, the national broadcaster became the primary medium through which the ruling party could promote

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[23]International Telecommunications Union (1983). "Report on Legislative Proposals for the establishing Telecommunications and Broadcasting Organisations in Namibia." Parts I and II, Project No. Nam/79/010. Geneva: ITU.

[24] Tyson, R. (2002). "The Future of the NBC: Should be 'national' not 'government 'broadcaster". In *The Namibian*, Friday, June 14, 2002.

its image and credibility. Having received negative coverage for years in the colonial *South West Broadcasting Corporation* (SWABC) were it was labelled a "terrorist organisation", the Swapo government needed to create a different perception in the minds of the citizens. It needed to make sure that it had the right people in the corporation who could promote not only its image but, its policies and programmes as well. Ellen Dyvi (1993: 93, 94)[25] notes that:

> With this in mind it is obvious that the government and authorities have a need to establish and legitimise themselves as serious politicians and civil servants, able to govern and make decisions on behalf of and for the well-being of the Namibian people. The NBC is surely assisting them in establishing this impression. They have a news team at their disposal, consisting of people who quote them uncritically at all time (ibid. 94).

Thus, the government-appointed directors at the corporation were proactive in assisting it to change its image, according to Ellen Dyvi. During the early days of the transformation process, programmes produced, promoted and popularised the new political leadership among the electorates. For instance the *National Radio* featured a programme called "decision makers", whereby members of the new government were introduced to the citizens (Katjatenja interview, 2001).[26]

The promotion of the governing elite through broadcasting was a practice that dated back to the *SWABC* era. For instance, in its 1985 *Annual Report* the *SWABC* notes that it "created an image of the government through a series of programmes that contributed towards a more sound knowledge and greater appreciation for services rendered by the state" (*SWABC*, 1985: 2).[27] The *SWABC* further argues that senior government officials were trained in the effective use of the corporation to "produce positive results for both officials and the corporation that resulted in greater mutual trust and understanding" (ibid.). This development followed 'concerns' by the board of directors about the "under-ultilisation of the broadcasting services by the state". The *SWABC* directors argue that, "although news events are covered well and reflected editorially, there is a lack of

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[25] Dyvi, E. B. (1993). "Radio and National Identity in Namibia: A Study of the Namibian Broadcasting Corporation." A Dissertation submitted to the Degree of Cand. Polit., Department of Media and Communication, University of Oslo, Spring 1993.
[26] Ephraim Katjatenja interview with the author, 19 July 2001, Windhoek.

pro-active and planned use of the available broadcasting services by government departments" (*SWABC*, 1986: 8).[28]

To the Swapo government, radio was to remain the most vital component of the media in reaching the majority of the population. Television, in contrast, was to be used to reach the middle-class strata of the population, the international funding organisations and foreign governments' representatives (embassies), all of them stationed in the capital city, where television had the widest reach (Miescher, 1999: 18).[29] It was in this context that the national broadcaster became the most potent vehicle in not only promoting the policies and programmes of the government, but also in showcasing its activities in the eyes of the electorates and the international community. As such, broadcasting was not to be left to the broadcasters, who might have undermined the government's policies and programmes. In fact, broadcasting is regarded as a powerful institution that could easily disrupt other institutions. Thus, it had to be controlled to counterbalance its "disruptive power" (Gallagher, 1982: 154)[30]. In order to bring the national broadcaster into conformity, the Swapo government, at the initial phase of the broadcasting transformation process, forced the directors and management of the corporation to remove any reference to "autonomy" in its mission statement (Lush, 1994: 6).[31] Commenting on this development Namibia's leading English daily observed in its 7 October 2002 editorial that:

> The fall of the *NBC* can be traced back to the early 1990s when the word 'autonomous' was removed from its mission statement. It wasn't long before State House officials were turning up at 20h00 demanding that unedited footage of the President be shown on the TV news (*The Namibian*, October 7, 2002).[32]

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[27] South West Africa Broadcasting Corporation (1985). *Annual Report*, 1984-1985.

[28] South West Africa Broadcasting Corporation (1986). *Annual Report*, 1985-1986.

[29] Miescher, G. (1999). The Political Significance of the Press and Public Radio (NBC) in Post-Colonial Namibia". In *BAB Working Paper* No.2, 1999. Basel: Basler Afrika Bibliographien

[30] Gallagher, M. (1982). "Negotiation of control in media organisations and occupations". In M. Gurevitch, J. Curran and J. Woollacott (eds.). *Culture, Society and the Media*. London: Routledge

[31] Lush, D. (1994). "Caught between the Devil and the Deep Sea". In *The Namibian*, Friday July 29, 1994: 6.

[32] The Namibian (2002). "A Tragicomedy of Our Times". October 7, 2002. Available at http://community.namibian.com.na/WebX?50@@.50425/02. Accessed on October 11, 2002.

After the removal of the word "autonomy" political interference from the Ministers and the President gained a new momentum, as on many occasions politicians would intervene in the programme schedules to prevent the airing of material which was seen not to be in the "national interest" (Lush, 1995: 67).[33] Such undesired programme material threatened peace, unity and national reconciliation, values embraced by the Swapo government that were considered to be in the national interest. David Lush notes that the government's interference in the programming of the national broadcaster was characterised by:

> Politicians ordering changes in programme content, Ministers haranguing editors and producers over content, and the removal of news items at the politicians' request. A number of language radio services have had their phone-in programmes suspended, because the callers have arguable 'misused' these programmes (ibid.).

Among the most notorious forms of political interference was when the Chief of Protocol in the State House (Presidency) on instruction from the President entered the *NBC* television newsroom one evening and ordered staff to air an unedited coverage of a news conference addressed jointly by the Namibian President and his South African counterpart, Nelson Mandela. However, political interference took a new turn when in August 2002 President Sam Nujoma took charge of the Ministry of Information and Broadcasting portfolio, thereby securing direct control over the national broadcaster. He promised to "clean up the mess" at the *NBC*, because in his view, the corporation was "corrupt and used by the "enemies" of the State to sabotage government initiatives and the national economy" (Maletsky in *The Namibian*, August 28, 2002).[34] It must be noted that despite the fact that the Swapo leadership continuously accused the journalists at the *NBC* of being "unpatriotic" and for promoting the interests of the "enemies" of the State, the politicians had not been able to prove who the enemies of the State were or how unpatriotic the media practitioners were.

Soon after taking charge of the *NBC* the President, by a decree, ordered the cancellation of all foreign films and series that in his view had "bad influence" on the Namibian

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[33] Lush, D. (1995). "Namibia". *In Who Rules the Airwaves in Africa?* Article 19 and Index on Censorship.
[34] Maletsky, C. (2002). "President takes over Information Ministry". In *The Namibian*, Wednesday, August 28, 2002. Available at http://www.namibian.com.na/2002/august/news/02/F559930.html. Accessed on August 28, 2002.

youth. This resulted in a change of the programmes' schedule, because running programmes and series had to be replaced by news feeds from *CNN* and other international news services along side local productions made several years ago as well as political programmes some of them featuring the ruling party's past congresses (*The Namibian*, October 1, 2002).[35] These developments seem to have contrasted Margaret Gallagher's claim that media organisations were not directly or effectively controlled by external forces. According to her:

> External control is paralleled by internal demands of the organisation, which relates in part to professional autonomy and manifested in terms of intra-organisational conflict and tension. The drive towards autonomy or independence is expressed in terms of a set of balances, which maintain the separation of media institutions from apparatus of the state (Gallagher, 1982: 154).

Arguments, such as this one by Margaret Gallagher, tend to portray pluralist perspectives on power where power is seen as dispersed equally among groups in society. However, judging from the foregoing analysis it can be seen that the Namibian example tends to dispute these arguments. As implied in Chapter Two the democratisation process of broadcasting systems do interrogate the question of power. In order to ensure the democratisation of broadcasting systems we need to focus on the transformation of that power structure (Hallin, 1998: 162).[36] The conflict arising from the transformation of this power structure in the Namibian context can be seen from calls by civil society organisations and opposition political parties for the reorganisation of the control structure of the corporation. *The Namibian* newspaper in its October 7, 2002 editorial aptly titled "A Tragicomedy of Our Times", sums up the demand for the reform of the corporation made by civil society groups.

> At the fundamental level it is not restructuring or re-organisation that the *NBC* needs but reform. This would mean the removal of political interference by restoring the broadcaster's autonomy. The current political appointees on the board would have to be replaced by credible candidates selected through a process of public hearings. The Minister of Information's role should be carefully defined in relation to the *NBC* – while he or she may

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[35] The Namibian (2002). "Nujoma orders purge of NBC schedule", Tuesday, October 1, 2002. Available at http://www.namibian.com.na/2002/October/national/0289DAAI20.html. Accessed on October 1, 2002.
[36] Hallin, D. C. (1998). "Broadcasting in the Third World: From national development to civil society". In T. Liebes and J. Curran (eds.) *Media, Ritual and Identity*. London: Routledge.

have an oversight role in terms of resources, the Minister should not interfere in programming matters (*The Namibian*, October 7, 2002).[37]

These sentiments captured concerns raised by civil society organisations. As can be seen from the above-mentioned quotation, the underlying concern was the fear that political interference would compromise the editorial policy and credibility of the *NBC*. A prominent civil society organisation, the Legal Assistance Centre, for instance maintained that political interference would change the *NBC* from a public to a State broadcaster, if key decisions continued to come directly from State House (Inambao cited in *The Namibian*, Wednesday, November 20, 2002).[38] Therefore, a number of civil society organisations called for the transformation of the *NBC* into a truly "public service broadcaster" (*The Namibian*, August 8, 2003).[39] Despite these demands the government was adamant that it was not ready to relinquish its control over the national broadcaster. This stubbornness can be seen from policy statements issued by political leaders. For instance the Minister of Information and Broadcasting, Nangolo Mbumba, rejected any possibility of relinquishing political control over the national broadcaster, at the third workshop on the draft 2002 *Communications Bill*, when he expressed his reservation about the appointment of an independent regulator to oversee the corporation. Noting that his government "was not comfortable with the idea of placing the national broadcaster under an independent regulator", he further argued:

> I am aware of strong voices calling for the public broadcaster to be placed under the direct control of the independent and autonomous regulator, but at the same time the advocates of this practice call for heavy state subsidies for the public broadcaster. This call has several implications. For one, the mandate of the public broadcaster would have to be re-looked should it be placed under the direct control of the regulator. Furthermore, if the state no longer has a say in the mandate of the public broadcaster, funding to the public broadcaster from the state coffers will have to be reconsidered. It does not make business sense to fund an institution and not be able to reprimand the institution if it no

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[37] The Namibian (2002). "A Tragicomedy of Our Times". October 7, 2002. Available at http://community.namibian.com.na/WebX?50@@.50425/02. Accessed on October 11, 2002.

[38] Inambao, C. (2002). "Partisan NBC under fire". In *The Namibian*, Wednesday, November 20, 2002. Available at http://www.namibian.com.na/2002/November/national/0298/04/56.html. Accessed on November 20, 2002.

[39] The Namibian (2003). "NBC 'must be transformed' – Misa Namibia". Friday, August 8, 2003. Available at http://www.namibian.com.na/2003/july/national/03EADEBECA.html. Accessed on August 8, 2003.

longer serves the needs and aspirations of the nation. (Mbumba, 2003: 4).

What can be gathered from the Mbumba's statement is the government's dominant approach to the national broadcaster. There seem to have been misconceptions about the place and role of the government vis-a-vis State within the ruling party, more particularly with regard to the ownership of public institutions and funds. The government's insistence on direct regulation of the national broadcaster (while rejecting independent regulatory oversight) could be seen, on the face of it, to be in the 'national interest'. Moreover, it must be remembered that public service broadcasters have historically evolved in direct relationship with the State, which has created and regulated them in order to serve the 'national interest' (Raboy, 1994: 6). Thus, as Marc Raboy argues the idea of an intermediary agent to regulate its operation has been unthinkable to many politicians, including the Swapo ruling elite.

In spite of the fact that the State has regulated the public service broadcasting since its early development, there have been none-the-less, strong arguments calling for it to be placed at a distance from the State and its agencies. Arguing in the defence of the removal of the public service broadcasting from the State and economic control, Michael Tracey (1998: 31)[40] notes:

> The whole history of public service broadcasting has been dominated by the commitment to the idea that it can best serve the nation when it remains distanced from any particular commitment to any power structure inside the nation.

Thus, when distanced from the State the public service broadcasting system is placed in the public domain where it is linked to the notion citizenship. If allied to the idea of citizenship the public broadcasting system must be automatically de-coupled from the "authoritarian power of the State and business control" (Raboy, 1996: 7).

Having seen attempts by the Swapo government to control the national broadcaster, let us briefly examine its relationship with independent press. Like elsewhere in southern

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[40] Tracey, M. (1998). *The Decline and Fall of Public Service Broadcasting.* Oxford: Oxford University Press.

Africa this relationship had been an uneasy one.[41] Initially the Swapo government used verbal threats and legal instruments to force the press into conformity. It subsequently resorted to 'economic strangling' tactics to starve newspapers that were seen as undermining its policies, programmes and activities through their economic lifeblood - advertisements. For instance, in May 2001 the President through a decree ordered the government offices and ministries to stop buying *The Namibian* newspaper with public funds. This followed shortly after a Cabinet decision to ban government advertisements in that newspaper from March 2001. The reason given for both these moves was that the newspaper had an "anti-government stance", and that it was unpatriotic and undermined government policies and programmes (*The Namibian*, May 30, 2001).[42]

This was not the first time for the government to withhold public advertisements from independent newspapers, as in the early 1990s Cabinet decided to ban advertising in the *Windhoek Advertiser*. This decision followed the editor's damning editorial criticising the Zimbabwean leader, Robert Mugabe, on the eve of his first State visit to the country. The banning did not however, end with the demise of the *Windhoek Advertiser*, but continued to be applicable to the *Windhoek Observer*, a newspaper edited by the same editor. Many commentators saw the decisions by the government as moves to strangle both newspapers economically.

After having demonstrated the government's attempts at controlling the media, more particularly the national broadcaster, I will now proceed to examine how the commercial imperatives were introduced in the broadcasting sector through the State policy strategy of liberalisation.

4.5 Commodification of the broadcasting space

Drawing from the constitutional provision of mixed ownership in the economy, which guided Namibia's macroeconomic policies, the policy strategy of liberalisation brought

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[41] See Misa annual state-of-the-media reports in the SADC region titled "So This is Democracy?" from 1993 to 2005.

[42] The Namibian (2001). "Nujoma orders Govt boycott of The Namibian". Wednesday, May 30, 2001. Available at http://www.namibian.com.na/2001/May/news/01F227EADE.html. Accessed on May 30, 2001.

the broadcasting sector into the sphere of the economy (Garnham, 1990).[43] Besides the potential of broadcasting to contribute to nation-building, unity, peace and the democratisation of society as envisaged by the government in its 1991 *Information Policy* discussed in Chapter Three, broadcasting had also come to assume a commercial potential following the liberalisation of the sector. The government and forces outside the State sphere recognised that economic potential. Seeing the potential of broadcasting as a commercial venture the private sector lobbied the State to expedite its liberalisation of the sector at a very early stage of the broadcasting transformation process.

The first post-independence Deputy Minister of Information and Broadcasting admitted that pressure was exerted on the government by organisations and individuals to establish legal and institutional framework in order to licence private broadcasting stations (Tjongarero, 1992: 2).[44] The pressure on the government was not confined to local, Namibian interests, but included foreign players with commercial intent as well. For instance, the South African company, *MultiChoice Africa*, counts among the first foreign players to lobby the government in 'deregulating' the sector so that it could establish a franchise in the country. However, it would be wrong to assume that all the actors outside the State saw the commercial potential in broadcasting. Players outside the state, such as civil society organisations recognised the role of liberalisation of the broadcasting sector as the birth of new societal voices to complement the dominant State broadcasting system. In their 1998 paper on broadcasting in Namibia David Lush and Kaitira Kandjii point out at the role played by the non-governmental organisations in lobbying the government to create space for community broadcasting in the post-independent broadcasting system (Lush and Kandjii, 1998). Thus, the need to liberalise the broadcasting sector in the post-independence era was shaped by various objectives: political/democratic and economic/commercial interests in the sector.

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[43] Garnham, N. (1990). *Capitalism and Communication. Global Culture and the Economics of Information.* London: SAGE Publications.

[44] Tjongarero, D. J. K. (1992). "A Speech by the Deputy Minister of Information and Broadcasting, Daniel J.K. Tjongarero, at the inauguration of the Namibian Commissions Commission." Windhoek: Wednesday, April 29, 1992.

The response of the government was to open the sector to competition, through the licensing of private broadcasters. This led to a mixed-ownership in the broadcasting sector, consisting of public and private operators, each with a specific mandate and regulated by different legal instruments. The State retained the dominant public sub-system embodied in the *NBC*. Besides the dominant system, a relatively weaker privately-owned sub-system in terms of penetration in society, comprising commercial as well as the community broadcasting system also took root. The dominant sub-system was regulated directly by the State through the *Namibian Broadcasting Corporations Act, 1991* (Act 9 of 1991), while the *Namibia Communications Commission* regulated the privately-owned sub-system. The dominant public sub-system was partially tailored along Robert McChesney's (1997b: 66)[45] "decentralised, accountable, non-profit, non-commercial" public broadcasting model, despite the fact that the Namibian system was not "independent from State authority" and not "free from advertising support", as explained in Chapter Two.

The dominant public system comprised *NBC-TV*, operating a single terrestrial television channel and *NBC-Radio* with nine radio services, including *National Radio*, broadcasting in English across the country. The *National Radio* reached 85 percent of the population by 2002, compared to 25 percent reach of *Radio Energy*, which by 2001 was the most profitable commercial station. The nearest rival to *Radio Energy* was *Radio 99* with a mere 7.6 percent share of the listeners. The *NBC-TV* reached 44 percent of Namibian households, while *MultiChoice Namibia*, which operated multi-channel terrestrial and satellite narrowcasting services through *M-Net* and *DStv*, providing more than 50 channels, reached only nine percent of the households. There were 32 000 households with *M-Net* decoders and 20 000 with *DStv* satellite discs in 2001 (AC Nielsen, 2001).[46] This was an indication that *NBC* remained the largest broadcaster in terms of reaching the majority of the population.

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[45] McChesney, R. W. (1997b). "Corporate Media and the Threat to Democracy". The Open Media Pamphlet Series.
[46] Nielsen A. C. (2001). NAMPS 2001 Media Study

The relatively small economy and the lack of disposal income by the majority of the citizens prevented the commercial broadcasting system, more specifically television, from penetration.[47] This had both a positive and negative impact on the state of democracy in the country. The negative impact could be attributed to the limited diversity in the broadcasting sector, which was a disservice to the citizens, because apart from the lack of competition to contain prices and improve quality service, the lack of diversity also undermined the breadth, depth and quality of public knowledge (Calabrese, 2004: 7).[48] The positive attributes were that the commercial broadcasting system which was premised on entertainment and the promotion of a consumer culture was contained, while the public system enjoyed much penetration and therefore led to the enlightenment of the citizens. This helped nurture a sense of democracy among them. However, this was the ideal situation, but in reality it was not the case, because political control had seriously undermined the public service role of the national broadcaster and thereby weakened its democratic practice. Moreover, the inadequate funding, as it will be demonstrated in Chapter Six, undermined the public service role of the national broadcaster. Another attribute of the commodification of the broadcasting space was the emergence of broadcasting markets, one theme which I will pursue in the next section below. .

4.6 Broadcasting market structure

The State policy of liberalisation opened the sector for competition as noted above and as can be seen from Table 4 *A* in the Appendix. However, despite the 'opening up' of the formerly 'closed' broadcasting space, the sector has not been entirely open, due to restrictions imposed on foreign ownership, limiting it to minority shareholdings. In terms of this 'managed' or 'controlled' liberalisation broadcasting licences were issued only to Namibians or to a "company of which at least 51 per cent of the shareholding is beneficially owned by Namibian citizens, and which is not controlled directly or

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[47] The country's relatively small economy meant that the advertisement cake was limited and should not be fairly shared among all the broadcasters. Moreover, it must be noted that the commercial broadcasters, more particularly *MultiChoice Namibia*, had been operating a pay-per-view system which was unaffordable to the average Namibia, in terms of costs related to purchasing of the decoders, satellite dishes and the monthly subscription costs.

[48] Calabrese, A. (2004). "Towards a Political Economy of Culture". In A. Calabrese and C. Sparks (eds.). *Towards a Political Economy of Culture. Capitalism and Communication in the Twenty-First Century.* Lanham: Rowman & Littlefield Publishers, Inc.

indirectly by persons who are not Namibian citizens" (Republic of Namibia, 1992: 10). The rationale being the empowering of Namibians in terms of ownership and thereby control and manage investment in the local broadcasting sector.

The restriction in foreign ownership in national broadcasting systems is a common practice around the world and therefore not confined to Namibia. South Africa with a fairly liberal broadcasting system in the southern African region, for instance, restricted foreign ownership to 20 per cent (*Media Institute of Southern Africa*, 2001: 6).[49] In contrast, Zimbabwe in terms of its *Broadcasting Services Act, 2001* prohibited foreign ownership and investment in the broadcasting sector. The Zimbabwean broadcasting legislation further prevented political parties from owning and operating broadcasting stations. With its unrestricted control over the national broadcaster, the *Zimbabwean Broadcasting Corporation*, the ruling Zanu-PF remained the dominant player in the Zimbabwean broadcasting sector. Interestingly, the *Broadcasting Services Act, 2001* compelled 'independent' broadcasting operators (commercial, church and community) to devote one hour a week to the airing of government policies (ibid. 6).

Namibia has managed to attract a handful of foreign investors mainly from South Africa in its broadcasting market, despite its restricted foreign ownership coupled with a relatively small advertisement market. Apart from historical and cultural links, South African broadcasters have played on the economies of scale by investing in the Namibian market to acquire an additional audience and thereby accrue extra advertising revenue mainly from the Namibian business market, which is dominated by the South African retail companies. It is important to note that advertisements used in South Africa are carried over to Namibia, at no extra production cost to the broadcasters, while the Namibian-based South African companies have to pay for the 'new' customers in Namibia.

The lack of local content requirements in Namibia, as we shall see below, enabled programmes produced for the South African audience to be rebroadcast to new additional customers. Thus, the economies of scale were achieved by the re-use of the same

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[49] Media Institute of Southern Africa (2001). *Broadcasting Updates*, April 2001.

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programme material to a new expanded audience at no extra production costs (Van Loon, 1996).[50] This is an interesting area of research that needs to be explored further.

The emerging mixed broadcasting market was far from perfect. It was a monopolistic one dominated by the State and the ruling Swapo Party. Swapo, being the ruling party, controlled the public media and had a substantial interest in the private broadcasting market. This dominance was exacerbated by the lack of anti-trust legislation in Namibia, as cross ownership was not restricted in the Namibian broadcasting market - in fact in the entire media sector. Paragraph (5) (c) (i) and (ii) of the *Namibian Communications Commission Act, 1992* (Act 4 of 1992) did not prohibit mixed ownership in the broadcasting sector *per se*, but made it a criteria in the consideration of allocating broadcasting licences.

Swapo's dominance was manifested in terms of political and commercial gains. Politically, in terms of its dominance of the national broadcaster, it controlled the editorial and programme content of the national broadcaster and thereby ensured a favourable coverage of its policies and activities. Furthermore, as the government the ruling party, the President and Cabinet Ministers enjoyed maximum coverage in the execution of their official duties, as it will be demonstrated in Chapter Six. Writing in *The Namibian* newspaper the former manager of the *NBC National Radio*, Robin Tyson (2002: 6), argues that much of the corporation's news and current affairs programmes were dominated by Presidential trips, ministerial activities, pronouncements and government media briefings and press releases, an indication that the national broadcaster remained the government's mouthpiece, even in the post-independence era. In addition, the ruling party had control over the state-owned bi-weekly newspaper, *New Era* and the news agency, *Namibia Press Agency*, while it owned a weekly newspaper, *Namibia Today*.

Furthermore, the ruling party benefited commercially from its majority shareholding in *MultiChoice Namibia* in which its commercial arm, Kalahari Holdings Limited, owned

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[50] Van Loon, A. (1996). "Global trends – global solutions?" In V. MacLeod (ed.). *Media Ownership and Control in the Age of Convergence*. London: International Institute of Communications.

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51 percent shares, while the remaining 49 percent was owned by *MultiChoice Africa Limited*. *MultiChoice Namibia*, the first of *MultiChoice Africa* joint ventures on the African continent, initially operated an analogue pay service, but due to the economies of scale created by satellite delivery of programmes it expanded onto a digital platform by introducing its *DStv* service. Swapo, through Kalahari Holding Limited, also owned 51 percent shareholding in a profitable private commercial radio station, *Radio Energy*. The remaining 49 percent belonged to German citizens who also owned the largest commercial radio, *Radio 99*, together with politicians and business personalities linked to the official opposition party, the Democratic Turnhalle Alliance (DTA) (Kandjii, 2000: 4).[51] The DTA was initially linked to the *Democratic Media Holding* (DMH), a commercial company established with the South African slush funds (Amupadhi, 2000).[52] It published two daily newspapers, *Die Republikein 2000* (Afrikaans) and *Allgemeine Zeitung* (German), while it had a minority stake in an English weekly newspaper, the *Windhoek Observer*. The *DMH* further owned the country's largest printing press and printed all the country's newspapers (Kandjii, 2000: 4).

The preceding ownership structure shows the dominance of the ruling party in the media sector in general and broadcasting in particular, while the official opposition comes second in the dominance of the media sector. This tendency points to the party political control of the media sector, which tends to undermine the diversity of the media, as indicated in Chapter Two. Despite the dominance of broadcasting by political interests, relatively independent broadcasters did exist, both in radio and television, outside the State and the political party-owned and controlled broadcasting market. Many of them were fully and partially owed by Namibians, with a few local-foreign joint ventures. However, these independent stations found it difficult to survive in a small advertising market. It is significant to note that the Namibian advertisement market has always been relatively small and relies heavily on the South African companies operating in the country. By 2001 the total ad-spent in Namibia was estimated at N$ 100 million, of

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[51] Kandjii, K. (2000). "De-regulation of the Namibian Broadcasting Industry. Challenges and Contradictions". A paper presented at the Seminar on the Political Economy of the Media in Southern Africa. University of Natal, Durban, 25-29 April 2000.

which N$ 20 million went into television, while the rest was shared between newspapers, radio and out-door advertising (Sasman, 2001: 23).[53]

In this highly competitive market two independent commercial television stations, notably, *Desert Entertainment Television (DEtv)* and *One Africa Television* attempted to eke a living. Both stations had to rely on foreign programmes, because of the lack of funds to produce local material. In fact, it was the question of programme material that forced these companies into joint ventures with foreign television operators, in the first place. Interestingly, their foreign partners tended to capitalise on the lack of programmes to secure shares and advertising revenue from them. The *DEtv*, initially owned by *NamCapital*, a fully Namibian-owned company, with 60 percent share, with the remaining 40 percent owned by *TV Africa South Africa*, had to broadcast 17 hours of *TV Africa*'s international programme material in return for 80 percent of advertisement revenue and 40 percent of shares in the company (Smith, 2001).[54] With the termination of this partnership on 12 March 2002 *DEtv* went temporarily off the air due to the lack of programmes material to broadcast. The company was forced into another partnership with the London-based *African Broadcasting Network* (ABN) and re-launched its operations on 2 May 2002 (*The Namibian*, May 7, 2002).[55] In terms of the new partnership *DEtv* had to re-broadcast four hours of *ABN* international programme material in return for 70 percent of advertisement revenue to *ABN* (Laubscher, 2002).[56] However, *ABN* did not demand any shareholding from *NamCapital*, leaving this company the only shareholding in *DEtv*. In addition to the *ABN* material the *DEtv* broadcast some programmes from the *SABC* and the *Deutsche Welle* news (Ellis, 2002).[57]

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[52] Amupadhi, T. (2000). "Mudge spills beans on DTA funding". In *The Namibian*, Tuesday, September 26, 2000. Available at http://www.namibian.com.na/2000/September/news/00A81CFF6.html. Accessed on October 13, 2003.

[53] Sasman, C. (2001). "Diversifying the Airwaves: An Interview with Lucky Masabane". In *Free Press*, December 2001. Windhoek: MISA.

[54] Smith, P. (2001). "Teething troubles for Desert TV". In *The Namibian*, Monday, June 4, 2001. Available at http://www.namibian.com.na/2001/june/news/01F53986F1.html. Accessed on June 4, 2001.

[55] The Namibian (2002). "Ready to beam ..." Tuesday, May 7, 2002. Available at http://www.namibian.com.na/2002/may/marketplace/025C6FA29F.html. Accessed on May 14, 2002.

[56] Laubscher, N. (2002). " Eerste private TV-stasie hier". In *Die Republikein*, Maart 25, 2002. Available at http://www.republikein.com.na/archive/Maart2002/Maandag2503/tv%20stasie.htm. Accessed on March 28, 2002.

[57] Ellis, H. (2002). "Desert TV on the air". In *The Namibian*, Tuesday, May 21, 2002. Available at http://www.namibia.com.na/2002/may/news/02606ECA88.html. Accessed on May 21, 2002.

The lack of insistence of shareholding by *ABN* paved the way for the merger between *NamCapital* and a local Information Technology company, *Capital IT*, to form the *Innovation Capital* (Heita, 2002).[58] While *DEtv* planned to produce and broadcast local material, by the end of 2002 the station had not yet produced or aired any local material. The *DEtv* suspended its operation in 2004 and went into a joint venture with *One Television Africa*.

Following the demise of the *DEtv - TV Africa* partnership, *TV Africa* formed a new joint venture with a local company, *INtv Film and Video* Production, owned by a local film personality, Paul Van Schalkwyk, to establish the country's second 'independent' free-to-air station *TV Africa Namibia*, with majority shares in *INtv*. It started operating in July 2002, by relaying mostly foreign programmes from *TV Africa*, while using its own studio and equipment. It broadcast to the capital, Windhoek, and to two other small towns, using the Ultra High Frequency (UHF) television signal. The station provided 24-hour viewing focusing on education, youth and adult programming and a channel switching to the BBC at mid-night continuing to the follow day.

With the liquidation of *TV Africa South Africa*, owned by the *Africa Media Group*, which provided most of its programme material, *TV Africa Namibia* turned to *BBC* for news and current affairs material and to other South African programme producers and distributors (Ellis, 2003).[59] The station entered into a joint venture with a black economic empowerment group, *One Namibia Investment Holding Company*, comprising former directors and owners of the now defunct *DEtv*. The *INtv Film and Video Production* retained 51 percent shares while the remaining 49 percent went to *One Namibia Investment Holding Company*. It assumed a new name, *One Africa Television* and secured funding from the Southern African Media Development Fund (De Bruin, 2005: 14).[60]

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[58] Heita, D. (2002). "Any competition for NBC?" In *Namibia Economist*, Friday, June 21, 2002. Available at http://www.economist.com.na/2002/21june/06-21-02.htm. Accessed on June 21, 2002.
[59] Ellis, H. (2003). "TV Africa press on in Namibia despite liquidation". In *The Namibian*, October 6, 2003.
[60] De Bruin, E. (2005). "One Africa TV se opdreaande wenpad". In *Die Republikein*, Woensdag, Julie 20, 2005.

Like *DEtv*, *One Africa Television*, promised the production and screening of local programmes as well as the expansion of its signal to other urban centres, including the coastal towns of Swakopmund and Walvis Bay. This dream was realised in July 2005 when *One Television Africa* launched its television services to the coastal towns through satellite broadcasting, after entering into an agreement with Intelsat 906 to provide it with satellite broadcasting services (ibid. 14). Having established itself as the leading fully locally-owned private television station, *One Television Africa* was still haunted by the lack of non-production and screening of adequate local television material. The station telecasted a variety of news and entertainment material, mostly acquired from foreign sources. These included news from the *BBC* and *Deutsche Welle*'s English service, Journal News and the *SABC*'s 60 Minutes Africa News. Its entertainment programmes comprised soap operas, such as "Isidingo", "7de Laan" and "Friends". Other popular programmes were the "Oprah Winfrey Show", "Gillette World Sport Special", "Hallmark" and other feature films and children's programmes such as Kideo. The limited local productions focused on the promotion of Namibia as a tourist destination, through the screening of popular tourist attractions. In addition, the station screened music videos of local (Namibian) up-and-coming artists (De Bruin, 2005: 5).[61]

What we must note in the preceding discussion is the dilemma of local (Namibian) private television stations. The fact that they lacked the capacity to produce domestic material forced them into partnership with others operators. Most significant about these partnerships was the fact that they had to dispense their shares in return for foreign broadcasting material to fill their airtime with. This is an element of broadcasting ownership structure that needs further research in order to access the impact of this development on policy and regulation.

Not only did the private commercial broadcasters form joint ventures, but the national broadcaster as well. In the next section I will examine the *Namibian Broadcasting Corporations* attempts to form joint ventures with other broadcasters.

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[61] De Bruin, E. (2005). "One Africa Television brei uitsendings uit". In *Die Republikein*, Maandag, Julie 18, 2005.

4.6.1 NBC Joint Ventures

The licensing of free-to-air private broadcasters from the beginning of 2001 forced the publicly-owned national broadcaster to explore joint ventures with competitors. The *Namibian Broadcasting Act, 1991* (Act 9 of 1991) provides for such a possibility, as Paragraph 4 (1) (o) permits the corporation to set up joint ventures in which shares can be owned by private broadcasting operators. It must be noted however, that this provision existed in the colonial *Broadcasting Act, 1976* (Act 73 of 1976), but could not be applied, due to the reluctance of the colonial authorities to licence private broadcasters. In terms of Paragraph 4 (1) (o) the Minister in consultation with the commission may permit the corporation to:

> form and incorporate or establish, and to manage and control a company for the purposes of a broadcasting service, the shares of which may also be held by persons other than the corporation or any body of persons, incorporated or unincorporated to such an extent that such body or persons do not manage or control such company (Republic of Namibia, 1991: 5).

With a threat to its audience and advertising base the *NBC* management initially considered to launch a second television channel that would be commercial so as to compete with the new private broadcasters, while the original channel could be left to concentrate on the public service obligation. Established at the time when the *NBC* was looking into a possibility of a second channel, *Desert Entertainment Television* (DEtv) sought to set up a joint venture with the *NBC* whereby it would serve as the second channel. The directors of the *NBC* were responsive to the proposed joint venture with *DEtv*, as it would have enabled both the *DEtv* and *NBC* to share staff through the establishment of an employee-owned company to which programme production could be outsourced (Kaumbi, 2001: 3).[62] However, the management and staff thwarted the proposed collaboration fearing staff retrenchments. This led to the abandonment of the proposed venture.

A year later the corporation succeeded in establishing a joint venture with the *Radio French International* (RFI) by setting up a relay station in Windhoek to broadcast French and English news and programmes to Namibia. Named the *Windhoek-Paris FM* the

station was 51 percent owned by *NBC*, while the remainder 49 percent was owned by *RFI*. The station initially carried 30 percent local content and 65 percent French information, education and entertainment programmes. Five percent was allocated to English news bulletins. It was expected that the corporation would benefit from the state-of-the-art broadcasting equipment from *RFI* and the transfer of skills to its staff. Moreover, the new station could provide an opportunity for the corporation to increase its local content, by broadcasting on an additional frequency, while generating additional advertisement revenue at the same time (Maletsky, 2002).[63]

4.6.2 Commercial radio

Apart from the major commercial radio stations, *Radio Energy* and *Radio 99*, embedded in political interests, there emerged 'smaller' commercial stations, independent from political links, due to the liberalisation if the airwaves. These stations included *Cosmos Radio* owned by *Cosmos Namibia* with 51 percent shares, while the remaining 49 percent stake was held by a South African company the Dagbreek Electroniese Media (Daybreak Electronic Media) (Von Meck, 2001: 9);[64] *Radio Wave* (English) and its sister radio station *Radio Kudu* (Afrikaans) were owned through a joint Namibian-South African partnership, (Kandjii, 2000: 4). Almost all the commercial radio stations operated from the capital city and broadcast to urban centres, with the exception of *Radio Energy* and *Omulunga Radio* that were based in northern rural town of Oshakati and broadcast in English and Oshiwambo. Another station based outside the capital was the *Live FM* operated at Rehoboth, about 80 kilometres south of the capital.

While there was a desire from the authorities to take broadcasting to the regional and rural areas, many broadcasters were concentrated in Windhoek, with very few operating outside the capital, as we have seen. Moreover, most of the private radio and television stations confined their signal distribution to the capital and major towns, which corresponds to the practice of 'cream skimming' or 'cherry picking' explained in Chapter Two. The national broadcaster (both radio and television) and *MultiChoice Namibia*

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[62] Kaumbi, U. (2001). "Statement for the NBC Media Conference". Windhoek, July 19, 2001.
[63] Maletsky, C. (2002). "NBC to launch French radio station". In *The Namibian*, March 4, 2002. Available at http://www.namibian.com.na/2002/March/news/024804B108.html. Accessed on March 4, 2002.
[64] Von Meck, A. (2001). In *Die Republikein* "Afrikaanse radio 'n stem ryker". Mei 9, 2001.

were the main exceptions. The expansion of information services across the country was one of the policy objectives of the Namibian government as we have seen in Chapter Three, and the national broadcaster had a relative success in that regard, as discussed in Chapter Six.

4.6.3 Grassroots broadcasting

Community radio was another important broadcasting market that emerged following the liberalisation of the airwaves in 1992. Despite the lack of financial resources by communities and the government's reluctance to assist them in setting up communication outlets, as I have argued in the previous chapter, community broadcasting nevertheless became part of the new Namibian broadcasting landscape. A handful of community radio stations were established by communities with the assistance and support of the international organisations such as UNESCO, the Netherlands Institute of Southern Africa (NIZA) among others. The first community radio, the *Katutura Community Radio* (KCR) was launched in June 1995 by NGOs. Established with donor funding, *KCR* sought to promote development objectives of the founding NGOs, while accommodating youth's tastes of the formerly segregated townships of Katutura and Khomasdal. The station relied mainly on advertisements as a source of income. However, due to staff and financially related problems the station went off air in January 2001, which led to the regulator cancelling its licence in December the same year. However, with much effort and planning the station was reorganised and re-launched in October 2002.

Another important community radio with developmental objectives has been the *Ohangwena Community Radio* launched in September 1997 to serve the community of Ohangwena region in northern Namibia bordering Angola. It was established with UNESCO's financial and technical assistance as part of a Multi-Purpose Community Centre to provide various information and communication services to about 100 000 people in the Ohangwena community (Günzel, 1997).[65] Towards the end of 2002 the station together with the Centre were transferred to the Ohangwena Poverty Reduction

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[65] Günzel, E. (1997). "Eenhana launches Community Radio". In *Windhoek Advertiser*, September 24, 1997.

Pilot Project of the Ohangwena Regional Council (Jacobie, 2002).[66] Its obligation changed to the promotion of the regional government's anti-poverty programme. In addition, it had to inform, educate and entertain the residents of the region.

Besides the above-mentioned two initiatives there were other community radio stations with less focus on developmental issues, but more on education, information and entertainment, such as the *UNAM Campus Radio* of the University of Namibia and *Erongo Community Radio*. The only community television station was the *Reho-TV*, established in February 1996 by a resident of Rehoboth, a small town 80 kilometres south of Windhoek. *Reho-TV* broadcasts three hours a day in Afrikaans to the residents of the town. Broadcasting within a 30-kilometre radius it generated its income mainly from advertisements. With regard to programme content the station has been innovative and apart from producing local and foreign news from newspapers it could also produce local material about events and issues in the town (Lush and Kandjii, 1998: 71). However, despite contributing to the diversity of the broadcasting sector its licence was revoked, because it failed to adhere to licence requirements of paying its annual licence fee, according to Jan Kruger, the Chief Administrator of the Namibian Communications Commission (Kruger interview, 2001).

In terms of legal provisions, community broadcasters enjoyed a special consideration in licence allocations, despite the reluctance of the regulator to enforce them. Paragraph 11 (c) of the *Namibian Communications Commission Act, 1992* (Act 4 of 1992) on the "functions" of the Commission obliges the regulator:

> To be responsible for the standardisation, planning and management of the frequency spectrum available for broadcasting and to allocate such spectrum resources in such a manner as to ensure the widest possible diversity of programme and optimal utilisation of that spectrum resources, and, where possible, to give priority to broadcasters transmitting the maximum of hours per day *and to community-based broadcasters* (Republic of Namibia, 1992: 7. Emphasis added).

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[66] Jacobie, C. (2002). "Radio verenig mense". In *Die Republikein*, Augustus 4, 2002. Available at http://www.republikein.com.na/content/nuus/2002/august/05_radio.php. Accessed on August 5, 2002.

Despite this provision, the commission gave priority to the commercial broadcasters much to the annoyance of the civil society organisations, and more particularly to the *Namibia Community Radio Network* (NCRN), an umbrella body of the community radio stations, established to safeguard their interests. Given the fact that the "community-based broadcasters" are not defined in the Namibian legal and regulatory regime (Lush and Kandjii, 1998: 73), the commission continued to overlook the interests of community broadcasters, while favouring their commercial counterparts, because of the financial return from the latter. Since all broadcasters have to contribute 10 percent of their annual income to the Commission, commercial broadcasters are in a better position to contribute more than the community broadcasters with a scanty income. To illustrate the biasness of Commission against community broadcasters, when the *Katutura Community Radio* (KCR) forfeited its broadcasting licence for not broadcasting for a period of more than six months, as required by law, the commission decided to auction its licence rather than offer it to an aspiring community broadcaster. There was a strong probability that had the licence been auctioned it would have been acquired by commercial interests because of their financial clout. However the commission rescinded its decision because of pressure from civil society organisations such as *Misa Namibia* and *NCRN*.

The State policy of liberalisation also brought the Church into the broadcasting arena. Religious bodies thus benefited from the liberalisation of the airwaves as they established religious radio stations as from 1992. They were allocated community broadcasting licences. First among these stations was *Channel 7*, owned by an ecumenical group, Media for Christ, established in December 1993 and broadcast in most urban centres. *Channel 7* was one of the few private radio stations to produce and broadcast its own programme material. The station generated about 70 per cent of its income from advertisements, while the rest of its revenue came from donations (Lush and Kandjii, 1998: 72). The Catholic Church had also been broadcasting religious material since August 2000 from its station *Radio Ecclesia* in Windhoek (Mutelo, 2000: 4, 5).[67] Yet another religious station, *Trinity Broadcasting Radio*, was licensed in the middle of 2002 to provide religious programmes to the coastal towns of Swakopmund and Walvis Bay.

Owned by an individual, Conrad Botha, the station rebroadcast foreign religious programmes from satellite, while providing just a mere five per cent of local content (*The Namibian*, July 3, 2002: 3).[68]

Having seen the broadcasting market structure that emerged following the liberalisation of the sector in 1992, I will now examine how the State attempted to regulate the emerging broadcasting markets, by focusing on the regulation of the private broadcasters.

4.7 Regulating private broadcasters

In spite of the government's interference in the policy and operational matters of the national broadcaster, it did very little, if anything, to encroach on the activities of the private broadcaster, both commercial and community. This was partly because the ruling party had major interests in the private (commercial) broadcasting market as indicated above. However, while maintaining an arm's length relationship with the private broadcasters the Namibian government's thinking was not to allow market regulation in the broadcasting sector, because of political reasons. This policy decision could be discerned very early in the transformation process of broadcasting. In a discussion paper in which the Ministry of Information and Broadcasting sought to stimulate debate prior to the liberalisation of the airwaves, it noted that the government was "ready to honour the constitutionally guaranteed freedom of the media through the adoption of a mixed system whereby both the government and the private interests could participate in the ownership and operation of the electronic and print media" (Ministry of Information and Broadcasting, 1991b: 1).[69]

However, the paper called for a "balance between the concerns of many people to retain public service broadcasting as provided for through the *NBC*, on the one hand and to meet the demand for the private commercial broadcasting, on the other". It went on to argue that the Ministry believed that broadcasting was "a uniquely powerful means influencing minds" and called for "any person or persons granted the right of using that

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[67] Mutelo, R. (2000). "Historical Overview of Electronic Media in Namibia". Unpublished Paper presented to Students from the University of Vienna, Austria on a visit to the *NBC*.

[68] The Namibian (2002). "Religious TV on way". Wednesday, July 3, 2002.

power should, in the public interest, be made subject to proper restraints" (ibid. 2). The paper further argued:

> Therefore, young Namibia cannot also leave the development and operation of these media to the free enterprise market forces, without an appropriate control mechanism. In this regard, there is, thus, a need to introduce a bill to provide for the ownership and operation of non-governmental radio and television station facilities in the country as well as for the setting up of a statutory agency to carry out effective regulation of such private commercial broadcasting so as to prevent the abuse of the media and to protect the rights and freedoms of the other persons (ibid. 2).

In yet another internal document titled: "Private Participation in the Electronic Media", circulated and discussed within government circles at the time of drafting the *Namibian Communications Commission's Bill* in 1992, the Ministry of Information and Broadcasting expressed fears about an unregulated electronic media. This document like the one mentioned above acknowledged the constitutional provisions that guaranteed freedom of the press and other media as fundamental rights and that the government was obliged to permit private participation in the broadcasting sector in line with the adopted mixed ownership in the economy. However, the document further notes:

> The government cannot turn a blind eye to the fact that the electronic media are the most potent and sensitive arm of the communication and information industry. They are important outlets for the dissemination of information on government policies, programmes, activities and achievements; and just as they can be vital instruments for social mobilisation towards development. They can also be a possible danger to the unity and security of the nation, if left in the hands of private interests without the necessary regulatory measures. National unity and our infant democracy could be undermined by extreme partisanship privately-owned electronic media in the hands of the opposition parties (Ministry of Information and Broadcasting, 1991c: 2).[70]

Despite this strong language the government did very little to interfere in the activities of the private broadcasters unlike the case with the national broadcaster. As pointed out

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[69] Ministry of Information and Broadcasting (1991b). "Notes on the proposed Private Commercial Broadcasting Act". Unpublished Discussion Paper.
[70] Ministry of Information and Broadcasting (1991c). "Private Participation in the Electronic Media". Internal Memorandum.

earlier the private broadcasters were regulated by the commission and not directly by the government. In terms of Paragraph 27 of the *Namibian Communications Commission Act, 1992* (Act 4 of 1992) the Minister formulates regulations on the "recommendations" of the commission. The first set of such regulations was promulgated in the *Government Gazette* on 25 February 1994.[71] In addition to the ministerial formulated regulations, various provisions of the *Namibian Communications Commission Act, 1992* (Act 4 of 1992) set a number of duties and responsibilities to be observed by licence holders, which together affirmed the importance of private broadcasting in the Namibian broadcasting sector. Since the national broadcaster did not fall under the jurisdiction of the commission, the latter's regulations did not apply to *NBC*. Section 29 of the *Namibian Communications Commission Act, 1992* (Act 4 of 1992) makes this clear:

> This Act shall not apply to the Namibian Broadcasting Corporation established by Section 2 of the Namibian Broadcasting Corporation Act, 1991 (Act 9 of 1991), or in respect of the broadcasting activities carried on by that corporation (Republic of Namibia, 1992: 19).

Some of these regulations dealt with the general administrative matters relating to application procedure, licence requirements, including licence conditions and fees. Others again pertained to the performance of private licence holders and set rules and responsibilities in terms of *professional* standards, advertising, political reporting and the promotion of national identities. I will briefly outline these rules and guidelines. Like other broadcasting operators elsewhere, Namibian private broadcasters were required to observe professional standards of factual, accurate and impartial reporting, while providing "counter-versions" to people and institutions affected by false or unfair reporting. This provision was based on the Federal Communications Commission's 1949 "Fairness Doctrine", which enabled the allocation of free airtime to individuals and groups affected by broadcasting corporations in the United States of America, but unfortunately suspended in 1987 (Harvey, 1998: 542).[72]

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[71] Republic of Namibia (1994). *Regulations under the Namibian Communications Commission Act, 1992* (Act 4 of 1992)". In *Government Gazette*, No. 802, Windhoek, February 25, 1994

[72] Harvery, S. (1998). "Doing it my way – broadcasting regulation in capitalist cultures: the case of 'fairness' and 'impartiality'". In *Media, Culture & Society*. Volume 20, Number 4, October 1998.

Furthermore, the regulatory approach addressed the question of negative externalities, discussed in Chapter Two, in the broadcasting sector. For instance, the private broadcasters were obliged to limit their advertisements to 20 percent of their total daily broadcasting time, and they were prohibited from carrying advertisements of alcoholic beverages and tobacco products in programmes aimed at audiences younger than 18 years. Licence holders also were held accountable to the commission in terms of content and scheduling of their sponsored programme (Republic of Namibia, 1994: 3, 4).

Interestingly though, private broadcasters were prohibited from carrying advertisements "intended for or related to party political purposes" or to broadcast "any programmes which had as its predominant tenour, the advancement of the interests of any political party", except during elections times (Republic of Namibia, 1992: 13). During elections, private broadcasters were required to follow certain guidelines in covering elections. For instance they were allowed, if they so wished, to grant airtime to all political parties, but only during the last six weeks prior to the polling day. They also had to allocate equal airtime to all the candidates in the presidential elections. In terms of local, regional and parliamentary elections, private broadcasters had to allocate an initial 40 percent airtime to all the political parties. The remaining 60 percent was to be divided among contesting parties in accordance of the number of votes received in the previous elections (Republic of Namibia, 1994: 3). It is interesting to note that while the government prescribed the coverage of political reporting to private broadcasters it did not prescribe this to the national broadcaster, the *Namibian Broadcasting Corporation* (NBC).

In contrast, the government permitted the corporation to set up its own election guidelines in consultation with the Directorate of Elections and political parties (Poolman, 1996).[73] However, the corporation failed to adopt its own election guidelines as required of it, but retained guidelines prescribed for private broadcasters by the 1994 Regulations of the *Namibian Communications Commission* (NCC) during the 1994, 1998 and 2004 national elections. How the corporation managed to manipulate political parties, more especially the opposition, for such a long time without them realising what was happening is beyond

comprehension. The corporation established an election forum, called NBC Election Forum, in which all the political parties were represented. The Forum's election policy allowed for the proportional representation whereby the ruling party received more coverage than the opposition parties. For instance, and in line with *NCC* guidelines during the last ten (10) days of the 2004 national election campaigns the ruling party, Swapo, was given 150 minutes of airtime compared to 30 minutes to the official opposition and 13 minutes to each of the smaller opposition parties (Maletsky, 2004).[74] It was only after 2004's biased election time allocation that the country's oldest political party, the South West Africa National Union (Swanu) challenged the *NBC* in court for using provisions meant for private broadcasters under the 1994 regulations. As noted above the *NBC* was not covered under the *Namibian Communications Commission Act, 1992* (Act 4 of 1992) and thus, the commission's 1994 regulations did not cover the national broadcaster (*Die Republikein*, 18 Oktober 2004).[75] While the corporation acknowledged its wrong doings, it maintained that it had used its own "discretion" in allocating these criteria. However, despite the unfair time allocation and the opposition's verbal threats of boycotting the NBC's Election Forum combined by further warnings to disrupt the elections, all the political parties took part in the national elections in the name of 'national interest'.

We can see from the foregoing discussion that the *NBC* manipulated the electoral systems in favour of the ruling party. The opposition parties, while disadvantaged by the corporation, continued to participate in national elections to unsure that the 'common good' was served. This development highlights the ruling party's dominant discourse of the politics of reconciliation. Lastly, the government tasked private broadcasters with a special responsibility to contribute to the socio-cultural needs and values of the Namibian

[73] Poolman, J. (1996). "The Role of the Namibian Broadcasting Corporation in the 1994 elections". In G.K.H. Totemeyer, A. Wehmhorner, and H.Weiland (eds.). *Elections in Namibia*. Windhoek: Gamsberg Macmillan Publishers.

[74] Maletsky, C. (2004). "'Biased' NBC blasted". In *The Namibian*, Wednesday, November 3, 2004. Available at http://www.namibian.com.na/2004/october/national/0462F2CA2.html. Accessed on November 3, 2004.

[75] Die Republikein (2004). "NBC taken to task: Dr. Rihupisa Kandando, President of Swanu writes." Maandag, Oktober 18, 2004. Available at http://www.republikein.com.na/content/nuus/2004/OKT/18_nbc.php. Accessed on October 18, 2004.

nation. Paragraph 18 of the *Namibian Communications Commission Act, 1992* (Act 4 of 1992) obliges them to:

(a) encourage the development of Namibian expression by providing a wide range of programming that reflects Namibian attitudes, opinions, ideas, values and artistic creativity by displaying Namibian talent in entertainment programming insofar as it is practicable to do so and with due regard to the nature of the service pertaining to the licence holder;

(b) serve the needs and interests and reflect the circumstances and aspirations of Namibian men, women and children in a multicultural society;

(c) make maximum use of Namibian creativity and other resources in the creation and presentation of programming, unless the nature of the service provided renders that use impracticable or the resources and expertise are not available in Namibia;

(d) contribute through programming to shared national consciousness and identity, but with the due regard to the nature of the service pertaining to the licence holder;

(e) provide programming that caters for culture, arts, sports and education, but with due regard to the nature of the service pertaining to the licence holder (Republic of Namibia, 1992: 12-13).

These requirements were historically specific to public service broadcasters, and by extending them to private broadcasters, this indicated at face value, the seriousness of the government to establish a single broadcasting system in terms of its responsibilities to the public. The rationale behind that could be ascribed to the fact that both the public and the private broadcasters used a national/public resource and as users of the national spectrum they were, under obligation to observe a degree of 'public service' responsibilities. With reference to American community broadcasters, Mark Lloyd (1997: 9)[76] contends that broadcasters are "given a licence and in exchange agree to serve the public interest". The same argument was advanced by Marc Raboy (1994: 10) with reference to the Canadian broadcasting system, when he said that while it consisted of different actors in terms of ownership and purpose, broadcasters constituted a single system responsible for public service and could be challenged to meet that responsibility. In terms of the regulatory

measures presented above, the Namibian private broadcasters were also called upon to perform public service responsibilities.

In spite of the fact that Namibia had adopted what could be seen as a progressive regulatory approach, the commission was a dysfunctional regulatory agency. As already indicated the commission suffered from a shortage of resources, including funds, personnel and the necessary equipment and could not therefore monitor the compliance of these obligations. As Nikhil Sinha (1995: 300)[77] points out, regulatory authorities might have the necessary legal and regulatory framework needed to regulate the industry, but the mechanisms to enforce such laws and regulations might not be well developed. Furthermore, the Namibian regulatory regime suffered from a lack of proper regulatory mechanisms to enforce regulations. For instance, the commission did very little to establish the necessary infrastructure for monitoring compliance. While the commission considered options such as the purchasing of monitoring equipment and the outsourcing of the monitoring function to the Information and Communication Department at the University of Namibia (*Misa*, 1999: 4;[78] Hara-Gaeb interview, 2001)[79], these options had to be abandoned due to lack of funds.

Despite having what could be seen as an 'innovative' regulatory mechanism in terms of holding private broadcasters accountable to the public interests, which had few parallels in Sub-Saharan Africa, the government made these obligations conditional to the type of service provided, and the availability of "resources and expertise" (Republic of Namibia, 1992: 13). This 'opt-out clause' provided a loophole in the regulation, which led to its abuse by private broadcasters. The result was the establishment of stations that rebroadcast foreign material without any consideration for local content. To compound the problem there was a lack of precise local content quotas for all the categories of

[76] Loyd, M. (1997). "Communication Policy is a Civil Right Issue". Civil Rights Forum on Communication Policy. A Project of the Tides Centre. Available at http://www.civilrightsforum.org/text/compolfull.htm. Accessed on January 31, 2000.

[77] Sinha, N. (1995). "Regulatory Reform: An Institutional Perspective". In B. Mody, J. M. Bauer and J. D. Straubhaar (eds). *Telecommunications: Ownership and Control of the Information Highway in Developing Countries.* New Jersey: Lawrence Erlbaum Associates, Publishers.

[78] Media Institute of Southern Africa (1999). "Broadcasting policy and law in Namibia". Media Alert: Press Statement. May 11, 1999.

[79] Barthos Hara-Gaeb interview with the author. July 5, 2001, Windhoek.

broadcasters. Resultingly, many if not all, private broadcasters had not considered producing and screening local material. The national broadcaster was not an exception. I will address its low local content in Chapter Six. South Africa was the only country in the southern African region to have introduced specific domestic programming quotas, despite the fact that the monitoring of these content requirements was also not effective. For instance, the South African broadcasting regulatory authority (ICASA) by 2002 required different categories of broadcasters to observe the following local content quotas: public broadcaster, 55 percent; commercial broadcasters, 35 percent; subscription broadcasters, eight percent; public radio stations, 40 percent; community radio stations, 40 percent; commercial radio stations, 25 percent (*Business Report*, February, 18, 2002).

4.8 Summary and conclusion

In a post-colonial polity like Namibia the concept of independent regulatory mechanisms in broadcasting are still unattainable. Having moved generally from an autocratic regime of the pre-1990 era much of the problem faced with the proper transformation of the public broadcasting system can be associated with the challenges of the democratisation of society and its institutions. In this context the public service broadcasting system still remains an ideal and not a working reality. This is due to the colonial repressive legacy as well as the post-independence State control over the regulator and the national broadcaster. Despite the liberalisation of the broadcasting sector in the post-independence era which led to the emergence of private, commercial and community broadcasters, offering the possibility for diverse views and broader public debate, political control continued to undermine any nascent public sphere (Thussu, 1999).[80]

It is worth noting that while the government dismantled the State monopoly in the broadcasting sector, it retained State control over the national broadcaster, a strategy established in the colonial era, by adopting similar control mechanism over the national broadcaster used during the previous dispensation. Thus, despite the 'rearrangement' of the broadcasting sector, the policy legacy of the old broadcasting dispensation remained strong, which constrained the space and scope of the transformation of the former State

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[80] Thussu, D. K. (1999). Privitasing the airwaves. The impact of globalisation on broadcasting in India. In *Media, Culture and Society*. Volume 21, 125-131. London: SAGE Publications Limited.

broadcaster into a truly public service broadcaster. While the objective of the regulation was to serve the public interest, the focus of the government was less public interest, as its emphasis was on the narrow and short-term self interest.

The government continued to appoint directors of the national broadcaster and the commissioners of the regulator. While it is not wrong for the government to appoint these officials, the problem is the lack of transparency in the appointment system and the fact that directors and commissioners are not accountable to the public but to the government of the day. The positioning of the directors and commissioners can be understood in terms of "structures of unequal representation", which refer to the State-owned regulatory bodies and boards of directors appointed by the government to guarantee the advancement of its vested interests (Mahon, 1980: 154[81] cited in Mosco, 1996: 93[82]). Moreover, the directors and commissioners were handpicked from the ruling party's loyal supporters, followers and civil servants, and they therefore lacked credibility from a significant number of the citizens.

Although a mixed broadcasting system emerged following the liberalisation of the airwaves, the penetration of the private broadcasters into society was disappointing. Many of the commercial broadcasters were confined to the capital and the major towns, leaving the rural areas neglected in terms of signal distribution. Moreover, most of the private broadcasters continued to air foreign material with little or no domestic content at all. The government through the regulator formulated domestic content requirements to be observed by the private broadcasters, but this was not realised during the period covered by this study. Firstly, the regulations did not provide a specific percentage of domestic content to be observed. Secondly, domestic content was subject to the type of service provided by the licence holders, which served as a loophole in the regulations and continued to be abused by the broadcasters. Thirdly, the regulator did not have the capacity to monitor the observance of these requirements due to a lack of resources and expertise.

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[81] Mahon, R. (1980). "Regulatory Agencies: Captive Agents or Hegemonic Apparatuses". In J. Paul Grayson (ed.). Class, State, Ideology and Change. Toronto: Holt, Rinehart, and Winston, pp154-168.
[82] Mosco, V. (1996). The Political Economy of Communication. Rethinking and Renewal. London: SAGE Publications.

CHAPTER FIVE

Telecom policy and regulatory regime

5.1 Introduction

Telecommunications policy and regulatory practice are determined by and reflect the prevailing economic mode of production of a country at any given historical conjuncture. Embracing neo-liberal economics that are premised on a free market economy and privileged on the expansion and development of the private sector, the Namibian government based its telecommunications policy and regulatory strategy on the same liberal principles. The government's objective was to promote the telecommunications sector as a catalyst for economic development and the integration of the country into the global capitalist economy. Two policy strategies notably, commercialisation and liberalisation were adopted between 1990 and 2005 to guide the telecommunications reform.

This chapter seeks to document and examine the telecommunications reform in post-independent Namibia, by exploring the policy, legal and the regulatory framework adopted to transform the sector. It will assess external factors that influenced and directed the telecommunications reform and examine the market structure that developed following the liberalisation of the sector. More importantly, the chapter will highlight some of the main contradictions experienced with the adopted telecommunications policy and practice. It starts with a brief overview of the colonial telecommunications system in order for the reader to understand the character and nature of the system that needed to be transformed and restructured in the post-colonial era.

5.2 The colonial telecommunications: an overview

The Namibian colonial telecommunications system was organised on the classic balances of the *ancien regime* characterised by the typical old post, telegraph and telephone (PTT) monopoly, which existed in most colonial dispensations. This PTT system, according to Erenst Wilson III and Kelvin Wong (2003: 162)[1] tended to represent the interests of the

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[1] Wilson III, E. J. and Wong, K. (2003). "African information revolution: a balance sheet". In *Telecommunications Policy*, Volume 27, Issues 1-2, February-March 2003, Pages 155-177.

political and economic elite who preferred public, monopolistic, domestic and centralised systems. The Namibian colonial PTT system had a low potential for generating foreign exchange revenue, partly because of the economic sanctions imposed on the Apartheid State and partly because it served as a milking cow for other parastatals. Moreover, the system was biased towards technical and economic issues over social and political issues, partly due to the desire of the colonial administration to control the flow of information in society. While the technical, economic and racial orientation of the apartheid telecommunications system is well documented in both the Namibian (Dierks, 2001[2]; Duggal, 1989[3]), and South African (Horwitz, 1992[4], 1997[5], 2001[6]; Kaplan, 1990[7]) literature, there was a conspicuous silence on the democratic role of telecommunications, which could be ascribed to the fact that telecommunications was seen as a "non-political"[8] sector and therefore kept out of the "democratic political debate" (MacQuail, 2000: 26).[9]

However, critical political economic perspectives propounded by Dwayne Winseck, Robert McChesney, Vincent Mosco and others, as we have seen in Chapter two, tend to situate telecommunications analysis holistically by addressing both its economic as well as its political roles. In terms of these perspectives, access to telecommunications as underpinned by the universal service/access concept is equated with the popular participation of citizens in a democracy, and it is conceptualised as the political role of the sector. Underlying this assumption is the notion that telecommunications contribute to

[2] Dierks, K. (2001). Namibia's Telecommunications – Link to Africa. Available at http://www.namibweb.com/namtel.htm. Accessed on June 23, 2001.
[3] Duggal, .K. (1989) (ed.) *Transport and Communications in Namibia: Some Policy Considerations.* Lusaka: United Nations Institute for Namibia.
[4] Horwitz, R. B. (1992). "The Politics of Telecommunication Reform in South Africa". *Telecommunication Policy*, 16: May/June, 1992. 291-306.
[5] Horwitz, R. B. (1997). "Telecommunications Policy in the new South Africa: Participatory Politics and Sectoral Reforms". In *Media, Culture and Society*. Vol. 19, No. 4, 1997.
[6] Horwitz, R. B. (2001). *Communication and Democratic Reform in South Africa*. Cambridge: Cambridge University Press.
[7] Kaplan, D. (1990). *The Crossed Line. The South African Telecommunications industry in Transition*. Johannesburg: Witwatersrand University Press.
[8] Edward Lenert has criticised conservative perspectives that regard telecommunications as non-political and thus see it as a sub-sector concerned mainly with economic and technical/technological issues. For detailed account on this see: Lenert, E. M. (1998). "A Communication Theory Perspective on Telecommunications Policy". In *Journal of Communication*. Volume 48, Number 4, 1998.
[9] McQuail, D. (2000). "Media Policy: Premature Obsequies?" In H. Tumber (ed.). *Media, Professional and Power*. London: Routledge.

the communicative interaction within society, which allows direct participation of people in the communication of their activities without representative or mediated channels, such as in broadcasting. It has been argued that, while broadcasting is premised on representational democracy, telecommunications is based on the participatory dimensions of democracy (Winseck, 1998: 15).[10] Pursuing this argument, Jill Hill (1993a: 21-23)[11] maintains that telecommunications provides citizens with an opportunity to communicate and join with others in furthering their interests. Telecommunications further enables the citizens to receive information on which to base their decisions, because it provides them with access to the media and other information/communication services (Winseck, 1998: 2). Jan Van Cuilenburg and Paul Slaa (1993: 167)[12] give an imaginative argument in linking telecommunications to the media, when they argue:

> Clearly universality in telecommunications does, to some extent, reflect the principle of open and equal access to the media in order for all people to exert their right of freedom of communication. Furthermore, the idea of telecommunications being a 'public service' corresponds to the notion of mass media fulfilling certain socio-political functions.

Thus, apart from contributing to the growth of national economies, telecommunications performs important social functions as they enable interaction between people, and facilitates people's participation in social and economic lives. Taking a cue from the critical political economy perspective, I will argue that by denying telecommunications services to people, as the Apartheid State did, can be equated to the infringement of people's basic human rights and freedoms, which can be translated into the exclusion of people from the participation in the core activities of their society. This is the starting point to understand the dynamics of the political economy of the colonial telecommunications system and it offers a glimpse on the character and nature of the system the post-independent Namibia set out to reform.

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[10] Winseck, D. (1998). *Reconvergence: A Political Economy of Telecommunications in Canada*. New Jersey: Hampton Press, Inc.

[11] Hill, J. (1993a). "Telecommunications and Democracy. The international experience". In *Telecommunications Journal*. 60 (1), 21-29.

[12] Van Cuilenburg, J. and Slaa, P. (1993). "From Media Policy towards a National Communication Policy: Broadening the Scope". In *European Journal of Communication*. Volume 8, No. 2, June 1993.

The colonial telecommunications system in Namibia and South Africa resembled the broader apartheid political economy on which it was wired. While catering for technical and economic issues it served, at the same time, as a political tool to reinforce the skewed distribution of public resources, by excluding the African majority from the communications system and thus from the mainstream activities of society. The services provided through this system were tailored on racial as well as on the urban/rural divide (Morris and Stavrou, 1993: 527[13] cited in Teer-Tomaselli, 2004: 20).[14] They focused on the white community, including the white farmers whose services the Apartheid State subsidised. Thus, the policy objective of the apartheid telecommunications was to ensure the development of effective and efficient services needed by the State, capital, the white residential customers and the white farming community. Robert Horwitz (2001: 76) is unequivocal on the racial basis in the provision of the telecommunications services by the apartheid government.

> The historical operation of South Africa telecommunications, like all state services, was inscribed within the apartheid system, and the inequitable distribution of infrastructure and access to services reflected this fact. The disparity in South Africa telephone penetration by race are striking, and the politics of the system of separate development have meant that there is inadequate infrastructure in black townships and virtually non in the country's African rural areas.

The telecommunications environment described by Robert Horwitz above was replicated in Namibia where the colonial administration undercut the provision of services to both the rural areas and the indigenous people. Prior to independence, the telecommunications network was heavily concentrated in urban areas, while the teledensity in rural areas was appallingly low (Dierks, 2001), as will be shown in Chapter 7. In addition, telecommunications in Namibia, like in South Africa, served as the repository for white employment, more specifically to provide public sector employment to the unemployable Afrikaners, under the "job reservation scheme" (Horwitz, 1997: 505).

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[13] Morris, M. and Stavrou, I. (1993). "Telecommunications needs and provision to underdeveloped black areas in South Africa". In *Telecommunications Policy*, 17, (7), pp. 17-30.
[14] Teer-Tomaselli, R.E. (2002). "Transformating the State-Owned Enterprises in the Global Age: Lessons from Broadcasting and Telecommunications in South Africa". In *Critical Arts*, Volume 18, Number 1, 2004.

Introduced by the German colonial administration on 16th January 1899, telecommunications in Namibia initially served the colonial administration and the military before it was extended to the white settler community in towns and on farms. Soon the network was expanded to link the coastal town of Swakopmund to other points (towns and settlements) inland. The Germans first introduced the telegraph followed by the telephone on 1st October 1901 (Dierks, 2001: 3) to link the German colonial administration to Cape Town through a sea cable. This development laid the ground for Namibia's dependence on South Africa for its international gateway.[15] When the South Africans took over the administration of the country at the end of the First World War, they integrated that system into their own and expanded the network, skewed though as indicated above.

For much of South African colonial rule, the *South African Post and Telecommunications* (SAPT) provided telecommunications in the then South West Africa (now Namibia). However, in 1980 the South African Administration established the *Department of Posts and Telecommunications* (DOPAT) in Namibia under the Government Service Act, 1980 (Act 2 of 1980)[16]. DOPAT remained a *de facto* State department and operationally dependent on *SAPT* in terms of the international surface/ocean mail exchange and data links with other countries (*Department of Post and Telecommunications*, 1989: 3). The objectives of *DOPAT* as set out in its 1980-1981 *Annual Report* were:

> To provide efficient postal, communication, savings and money transfer services to the inhabitants of the country and to maintain and expand these services to meet demand. The replacement and modernisation of existing installations as well as the training of staff to keep trend with new techniques, improved apparatus, and to install and maintain this equipment on a continuous process, is accorded high priority. It is the policy and aim to constantly provide the best possible and most efficient services at the most economical rates. The needs of the general public are of primary consideration in the planning and formulation of future activities and policy because of the distinctive role the department plays economically and in the promotion of the

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[15]For a detail history of the early telecommunications services in Namibia see *Telecom Namibia* (2002). Telecom commemorative Issue: 1992-2002 and Dierks, Klaus (2001). Namibia's Telecommunications-Link to Africa. Available at http://www.namibweb.com/namtel.htm.

[16] Administration of South West Africa (1980). *Government Services Act, 1980* (Act 2 of 1980).

infrastructure. (*Department of Post and Telecommunications*, 1981: 1).[17]

These objectives point at the 'narrow' technical and economic concerns of the pre-independent telecommunications policy that undercut the relevance of issues of politics, power and democracy, as indicated above. Before examining the legal and regulatory framework I will first attempt to outline the context in which the post-independence telecommunications reform was attempted and highlight the external influences that impacted on the post-independent telecommunications reform in Namibia. I will provide a thumbnail description of these issues here, while their impact on the post-independent telecommunications reform in Namibia will be indicated throughout the chapter.

5.3 Impact of global changes on the Namibian telecommunications reform

The genesis of telecommunications reform in Namibia, like in other developing countries, must be examined alongside the massive transformations in the global political economy that had their impact on the region starting from the 1990s onwards. Driven by the demands of global commerce the resultant restructuring of the telecommunications sector globally repositioned information as a 'commodity', and the goals of liberalisation of the sector was to make this commodity inexpensive in moving it from one place to another (Lenert, 1998)[18]. Namibia, which adopted a free market economy after independence set out to reform its telecommunications sector on the principles expounded by the neo-liberal economics, as has been noted above. Moreover, the responsiveness of the Namibian government to the broader global changes and its cooperation with the agencies of globalisation, international organisations and its ratification of a number of multilateral agreements have had a major impact on the post-independence policy formulation and the direction telecommunications reform assumed.

Among the international organisations that influenced the post-colonial telecommunications reform counted the International Telecommunications Union (ITU), the Swedish International Development Agency (SIDA) and the United States Agency

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[17] Department of Post and Telecommunications (1981). *Annual Report, 1980-1981.*
[18] Lenert, E. M. (1998). "A Communication Theory Perspective on Telecommunications Policy". In *Journal of Communications.* Vol.48, No. 4.

for International Development (USAID). ITU laid the foundation for the future telecommunications reform through a set of recommendations, long before the independence of the country, while SIDA played an important 'midwifery role' during the transformation process of telecommunications in Namibia. Similarly, USAID contributed directly and indirectly towards telecommunications reform in Namibia. Directly, because this agency drafted the Namibian *Communications Bill* of 2002, and indirectly, through its contribution to the Southern African Development Community's (SADC) telecommunications multilateral agreements, which in turn impacted on the Namibian telecommunications reform, as I will explain below.

As noted, the ITU provided some guidelines on how the post-independence telecommunications should be transformed. The United Nations (UN), being responsible for Namibia due to its historical development, mobilised its agencies and resources to ensure the smooth transition of the country to independence. It is in this context that ITU in collaboration with the United Nations Council for Namibia and the United Nations Development Programmes conducted a study on the post-colonial telecommunications and broadcasting reform in Namibia as part of the Namibia Nationhood Programme, under the Project Nam/79/010. The purpose of the study was to explore possible communications policy options and strategies to be adopted by the future government on attainment of independence. Undertaken in 1983 at the time when the industrialised countries of the West launched massive restructuring of their telecommunications sectors, starting with divestiture of the *AT&T* in the United States and the privatisation of the *British Telecom* in the early 1980s, the recommendations of the study reflect some of the emerging trends in the global telecommunications regime at the time. The ITU study recommended, among others, the:

- transformation of the State telecommunications department into a State-owned company or corporate parastatal;
- separation of postal from telecommunications services;
- operation of the telecommunications division on sound business principles, because of its economic potential;
- expansion of the network and the improvement of the existing network through automation of the manual exchanges (network modernisation);
- human resource development by training Namibians in different categories of jobs;

- end of dependency from South Africa (ITU I and II, 1983: 6, 7 and 11).[19]

These recommendations formed the basis on which SIDA proceeded to restructure the Namibian telecommunications sector in the post-independent era. Having supported Swapo as a liberation movement, the Swedish government continued its assistance to the Swapo government after independence in 1990. Through its agencies, more particularly SIDA, the Swedish government helped with the transformation and restructuring of the Namibian transport and communications systems, including the telecommunication system (Kabajani, 1991: 2).[20] The Swedish assistance covered the restructuring of the entire Ministry of Works, Transport and Communications, including the former *Department of Post and Telecommunications* (DOPAT) and the first attempts in drafting of the 1999 *Telecommunications Policy and Regulatory Framework*, although this policy was finalised by USAID (Kruger interview, 2001; Hara-Gaeb interview, 2001). Sweden further seconded experts to help with the transformation and establishment of the Namibian telecommunications organisations. For example, the first managing directors of *Telecom Namibia*, and *Mobile Telecommunications Limited*, Bo Ecklöf and Per Eriksson respectively, were Swedish nationals seconded to the Namibian government to steer the development of these companies during their formative stages. Ecklöf was an employee of *Telia International AB* while Eriksson worked at *Swedtel*, before being seconded to Namibia. Apart from providing expertise Sweden gave financial assistance to Namibia too. For instance, between 1990 and 1995 Sweden contributed an amount of N$ 42 million towards the restructuring of the transport and telecommunications sectors (Karlsson and Renstrom, 1995: 36).[21]

As indicated, multilateral instruments were other important elements that impacted on telecommunications reform in Namibia. Of particular importance were the World Trade Organisation's multilateral agreement on trade in services (TRIPS), more especially the

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[19]International Telecommunications Union (1983). Report on Legislative Proposals for the establishing Telecommunications and Broadcasting Organisations in Namibia. Parts I and II, Project No. Nam/79/010. Geneva: ITU.

[20] Kabajani, R. K. (1991). An opening speech by the Minister of Works, Transport and Communications at a Policy Discussion Seminar on the Conversion of the Department of Post and Telecommunications into a Public Corporation. Harmony Seminar Centre, Windhoek, 17 June 1991.

[21] Karlson, R. and Restroom, L. (1995). "Cellular Phones in Namibia: A Case Study of an Internationalisation process." Unpublished MA Thesis. Mid Sweden University. Sundsvall: Sweden.

Annex X of the *Uruguay Round*, the *1997 Basic Services Agreement* and the SADC's *Protocol on Transport, Communication and Meterology*. This *Protocol* was drafted with the assistance of the USAID, through its *Regional Telecommunications Reform Programme* (RTRP) and approved by SADC Heads of States in 1996 (McCormick, 2003: 98)[22]. It needs to be mentioned that the United States government through the USAID and other agencies exerted pressure on the less developed countries to adopt neo-liberal telecommunications policies. For instance, those developing countries who embraced policy strategies of commercialisation, liberalisation and privatisation were promised assistance with Internet connectivity and other information and communications technologies they wished to acquire (UNESCO, 2001).[23]

The World Trade Organisation's (WTO) *Basic Services Agreement* (BSA) obligated member states to open up their telecommunications markets to competition and to guarantee foreign investment in their telecommunications sector. In terms of the BSA's "most-favoured-nation" (MFN) principle, member states were required to treat their trading partners, both local and foreign suppliers of telecommunications services[24] equally, fairly and on the principle of non-discrimination (Cowhey and Klimenko, 1999: 1).[25] If a State allowed foreign competition in its telecommunications sector, it also had to provide equal opportunities to telecommunications service providers from all other WTO members under the motto, "favour one, favour all" (World Trade Organisation, 2003: 34).[26] The BSA however, provided member states with an opportunity to file a "once-off MFN exemption", which allowed them to register exceptions and or a delay in the implementation of some of the requirements for a specified period. It further provided an opportunity to members to challenge laws, policies and regulations of other

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[22] McCormick, P.K. (2003). "Telecommunications reform in Southern Africa: the role of the Southern African Development Community". In *Telecommunications Policy*, Volume 27, Issues 1-2, February-March 2003, Pages 95-108.

[23] UNESCO (2001) World Communication and Information Report: 1999 – 2000. Paris: UNESCO Press.

[24] Basic services are those telecommunications services that make the backbone of a nation's information and communication infrastructure (Wang, 2003: 268). Generally basic services in this study will refer to fixed line telephony both national (local) and long distance (international) calls.

[25] Cowhey, P. and Klimenko, M. M. (1999). "The WTO Agreement and Telecommunications Policy Reforms." A (draft) Report for the World Bank. World Bank.

[26] World Trade Organisation (2003). *Understanding the WTO*. (3rd Edition). Gevena: WTO Information and Media Relations Division.

member states that were not in compliance with the principles of the BSA (Wang, 2003: 271).[27]

Another provision of the BSA required member states to adopt "pro-competitive regulatory principles", which embraced cost-based pricing schemes, interconnection rights and an independent regulatory authority, to ensure free access to telecommunications markets (ibid.: 271). Based on the assumption that member states might place barriers to competition or might design commitments that were not backed by enforceable rights, the WTO adopted a "Reference Paper" that prescribed to member states how they should go about in ensuring competition, interconnection, universal service, public availability of licencing criteria, independent regulators and the allocation and use of scarce resources (WTO, 1996: 1-4)[28]. As Cowhey and Klimenko (1999: 5, 6) note, these guidelines are broad enough to enable member states to adopt strategies relevant to their telecommunication needs, but at the same time more specific to make countries accountable to the fundamentals of market-oriented regulation.

Thus, while the BSA did not contemplate a uniform set of national practices, it did however, bind countries to common principles of governance. Bjorn Wellenius (1997: 4)[29] argues that the:

> World Trade Organisation's member countries that subscribe to the telecommunications agreement of 1997 enter a binding international commitment to implement aspects of their own reform targets, abide by a common set of regulatory principles, and recognise the WTO as an instance of inter-governmental appeal.

Being a founder member of the WTO and signatory to the BSA, Namibia had an obligation to honour the BSA. It therefore, committed itself to restructure its telecommunications within the broader framework provided by the *Agreement*. Thus, it had to reform its telecommunications system along commercial principles and open its

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[27] Wang, G. (2003). "Foreign investment policies, sovereignty and growth". In *Telecommunications Policy*, Volume 27, Issues 3-4, April-May 2003, Pages 267-282.

[28] World Trade Organisation (1996). Telecommunications Reference Paper. Available at http://www.wto.org. Accessed on October 14, 2003.

[29] Wellenius, B. (1997). "Telecommunications reform. How to succeed". In *Public Policy for the Private Sector*. No. 130, October 1997.

basic market segment to competition through the processes of commercialisation, liberalisation and privatisation.

While the basic telecommunications markets resorted under the provision of the BSA, the enhanced or value-added markets were covered by *Annex X* of the Uruguay Round adopted under the GATT, which became the WTO. Launched in 1986 and concluded in 1994, the Uruguay Round was inspired by the need to extend trade regimes to services in order to ensure unhindered growth and exchange of value-added telecommunications services among member states. The value-added services market covers data services, the Internet, electronic mail and other online information services, both voice, text and data. It is worth noting that trade in telecommunications services initially was confined to trade in value-added services, before being extended to the basic services in 1997. Namibia's policy objective with regard to the value-added services was guided by the provision of *Annex X*, as it will be demonstrated later in the chapter.

While the preceding guidelines refer to global trends, at the southern African regional level, the *SADC Protocol on Transport, Communication and Meteorology* remained the dominant determinant of the telecommunications reform. Nevertheless, the *SADC Protocol* was a reflection of the global trend. For example, Article 10 of the *Protocol* requires SADC member states to establish reliable, effective and affordable services in the process of reforming their telecommunication systems. Member states were obliged to harmonise their policies, restructure their systems, create environments conducive to investment, and develop universal service goals that would encourage local, national, and regional participation. Article 10 further provides for the establishment of "autonomous, independent and national regulatory bodies which shall have statutory authority to regulate and monitor specified telecommunications-related activities in the respective member State" (SATCC-TU, 1998: 54).[30] In addition to the *Protocol*, the SADC Sector of Transport and Communication formulated a *Model Telecommunications Policy*, which guides member states in designing their national telecommunication policies and

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[30] Southern Africa Transport and Communications Commission Technical Unit (SATCC-TU) (1998). *SADC Protocol on Transport, Communications and Meteorology*. Maputo, Mozambique.

regulations. The *Model Policy* compels member states to liberalise and privatise the telecommunications systems (SATCC-TU, 1999).[31]

A combination of these factors in addition to Namibia's adopted macroeconomic policies, which in themselves were direct outcomes of the global neo-liberal agenda, were at play during the post-independent telecommunications reform in Namibia, as it will be seen in the rest of the chapter. Before examining the policy and regulatory mechanism in the telecommunications sector it is important first to assess and highlight the premise on which the dominant State players approached the reform process. It will be argued that the divergent approaches of these players contributed to the contradictions experienced in the telecommunications transformation.

5.4 Contesting claims by protagonists

Although telecommunications was regarded as an economic sector and thus escaped much of the political controversy that beset broadcasting reform, there was nevertheless, a simmering conflict between the main custodians charged with the telecommunications sector reform in Namibia. These custodians, notably the Ministry of Information and Broadcasting (MIB) and the Ministry of Works, Transport and Communication (MWTC) had jurisdiction over the telecommunications sector, but their expectations from the sector, more particularly from *Telecom Namibia*, differed. While the MIB was responsible for the policy and regulation of the entire communications sector, the MWTC was the line ministry responsible for *Telecom Namibia*. This company reported directly to the MWTC in terms of its enabling Act of Parliament and in terms of the Performance Agreement signed with this Ministry. However, in terms of policy *Telecom Namibia* was under the MIB. Ironically, the regulator, the *Namibia Communications Commission*, which reported directly to the MIB, did not have jurisdiction over *Telecom Namibia*. Nevertheless, that arrangement was supposed to be changed with the enactment of the 2002 *Communications Bill* that required all the telecommunications operators, including *Telecom Namibia*, to resort under the *NCC*. However, by the end of 2005 this *Bill* had not yet become law.

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[31]Southern Africa Transport and Communications Commission Technical Unit (SATCC-TU) (1999). *SADC Telecommunications Policies and Model Telecommunications* Bill. Maputo, Mozambique.

Assigned with the responsibility to disseminate government information and policies, as indicated in Chapter Three, the MIB was more responsive to the socio-political role of telecommunications, by emphasising the public service role and the provision of universal services to the disadvantaged communities at affordable rates. In contrast, the MWTC was pro-commercialisation, favouring the operations of *Telecom Namibia* on business logic and the promotion of the telecommunications sector as catalyst of economic development. It must be remembered that the MWTC was overwhelmingly an infrastructure development agency of the State, responsible for the rollout of infrastructure across the country. The mission statement of the MWTC sets out its commercial-orientation clearly.

> The Ministry is dedicated to ensuring the availability and quality of transport infrastructure and specialised services, as well as functional and assigned accommodation to the satisfaction of the customers and the government.
> The Ministry also envisages that by the year 2002, these services rendered by the Ministry which can be self-reliant, will be commercialised and that the core Ministry will be responsible for the regulatory and ownership and control aspects only.
> Furthermore, it is the Ministry's wish that Namibia may become a world leader in the commercialisation of non-core government services. The purpose of the restructuring of the Ministry of Works, Transport and Communication is to provide, maintain and administer Government infrastructure in respect of accommodation, transport, communication and certain specialised services in a more efficient way (MWTC, 2002: 6).[32]

It is worth noting that the MWTC was the first State department to be commercialised, as a number of its functions were out-sourced, while some of its divisions, including telecommunications, roads and airports were transformed into State-owned commercial companies, such as Namibia Airports Company, Road Authority, Road Fund Administration, including *Telecom Namibia* and *NamPost* (Labour Resource and Research Institute, 2001: 77).[33]

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[32] Ministry of Works, Transport and Communication (2002). *Annual Report, 2001-2002.*
[33] Labour Resource and Research Institute (LaRRI) (2001). "Playing the Globalisation Game: The implications of economic liberalisation for Namibia." *Research Report* prepared by the LaRRI, Windhoek, July 2001.

The contestation between the two ministries could have provided the basis for balancing the public and commercial imperatives of the sector, hade the designed policies were fully implemented. This was because, while the MWTC pushed the telecommunication reform process into a commercial direction supported by the neo-liberal agenda, the MIB moved in the opposite direction by invoking constitutional provisions that upheld the provision of public services.

Having outlined the external forces that influenced the telecommunications reform and also established the priorities of the prominent protagonists in the process of telecommunications reform, I will now proceed to examine how the government attempted to transform its telecommunications in the post-independence era, starting with the policy strategies adopted.

5.5 State telecommunications policy strategies

The government approached telecommunications reform the same way it restructured other State-owned enterprises (SOEs). Its policy on the SOEs was to restructure them into financially viable institutions, operated on business principles, while at the same time providing social services to the majority of the people. *Telecom Namibia* in its first *Annual Report* notes that it was established within the government's declared policy to embark on a new economic approach by deregulating certain functions of the State and opening up the markets to encourage international exposure and competition (*Telecom Namibia*, 1993:2).[34] The government commercialised/corporatised the national fixed line telecommunication operator, *Telecom Namibia*, while it liberalised a number of other 'fringe' telecommunications market segments. This strategy was adopted by other developing countries in the process of their telecommunications reform, as well.

By transforming the telecommunications sector along the broader macroeconomic policy, the Namibian government was cognisant of the vital role the sector could play in promoting economic development. Telecommunications was therefore destined to occupy a crucial place in the Namibian political economy. Being the most fundamental infrastructure with a pervasive effect on the performance of the economy,

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[34] Telecom Namibia (1993). *Annual Report, 1992-1993.*

telecommunications served as a platform and catalyst for other sectors (McCormick, 2003: 98). It could promote the private sector as the engine of economic growth, while at the same time network the market economy adopted at independence. In addition, the sector had to integrate the country into the global capitalist economy through trade and investment as a response to the emerging global telecommunications regime. At the same time the sector was tasked with the responsibility of uplifting the socio-economic condition of the formerly disadvantaged people by integrating them into the mainstream economic and communications systems. The place and role of the telecommunications sector in the Namibian political economy was articulated clearly in the country's macro-economic policies. The *Second National Development Plan* (NDP2), for instance, notes among others that:

> The development of telecommunications [and postal services] is an important element in facilitating the internal integration of the domestic economy and provides the linkage with the rest of the world, thereby promoting trade and economic development. [Postal and] telecommunications are essential services, which facilitate the development of all sectors of the economy. An efficient and modern communication network creates an economic environment that stimulates growth in all sectors of the economy, and promotes public administration, environmental protection and social mobilisation. The sector also constitutes an effective medium for achieving the Government's rural-urban balance policy (National Planning Commission, 2002: 502).[35]

The approach adopted by the Namibian government was to steer the telecommunications sector into an economic direction, along the commercialisation policy strategy adopted soon after the independence of the country. However, the commercialisation strategy was adjusted slightly following the adoption of the sector specific policy in 1999, sponsored by the Ministry of Information and Broadcasting and that provided for balancing the commercial and social imperatives in the provision of telecommunications services. The 1999 telecommunications policy emphasised that:

> There is a need for an accelerated expansion of the infrastructure to obtain the economic and social goals of Namibia. A vision to satisfy this aim entails a balance between the goal of universal service and that of satisfying business demands as well as to prepare the country to be

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[35] National Planning Commission (2002). *Second National Development Plan* (NDP II), 2000-2005.

part of the global information and communication infrastructure in the next century (Ministry of Information and Broadcasting, 1999: 6).[36]

While making a conceptual clarity between commercial obligations (market-oriented criteria) and social obligations (non-market imperatives), the 1999 telecommunications policy, at the same time, obliged the State to combine both obligations into a single telecommunications system. Thus, while the Namibian government recognised the need to operate telecommunications on a commercial basis in order to ensure broad, reliable and efficient services it was, at the same time concerned, at least at the policy level, with networking the poor and the marginalised people to the mainstream economic and communication systems.

It is worth dwelling on the 1999 telecommunications sector specific policy, the *Telecommunications Policy and Regulatory Framework* for a moment, because it provides the first indication of the envisaged future telecommunications reform and it also forms the basis on which the 2002 *Communications Bill*, which aims to restructure the entire telecommunications sector, is based. For instance, the 1999 telecommunications policy sought to liberalise all the telecommunications market segments, including the basic or fixed telephony, through the introduction of competition. The policy set out to achieve the following objectives:

- the provision of broad, reliable and efficient supply of telecommunications services at the lowest cost for the nation;
- the creation of an environment for the development of the Information and Communication Society;
- the development of telecommunications infrastructure where it is needed;
- the provision of universal access for all citizens to basic telephone services at affordable prices;
- the development of the sector to reap its potential for national growth and to encourage public and private sector partnership; and
- the realisation of regional telecommunications cooperation to promote efficiency in economical and industrial affairs across the borders (Ministry of Information and Broadcasting, 1999: 12).

However, by the end of the period covered by this study, this sector specific policy was not fully implemented and telecommunications remained a sector concerned largely with

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[36] Ministry of Information and Broadcasting (1999). *Telecommunications Policy and Regulatory Framework.*

economic matters, while the social/public service was neglected. The only tangible outcome of the 1999 telecommunications policy was the drafting of the *Communications Bill* in 2002, which set out to regulate the entire telecommunications sector, including *Telecom Namibia*. The broader objectives of the *Bill* were to:

(a) establish the general framework governing the opening of the telecommunications sector in Namibia to competition;
(b) provide for the regulation and control of communication activities by an independent regulatory authority;
(c) promote the availability of a wide range of high-quality, reliable and efficient telecommunication services to all users in the country;
(d) promote technological innovation and the deployment of advanced facilities and services in order to respond to the diverse needs of commerce and industry and support the social and economic growth in Namibia;
(e) encourage local participation in the communication sector in Namibia;
(f) increase access to telecommunications and advanced information services to all regions of Namibia at just, reasonable and affordable prices;
(g) ensure that the costs to customers for telecommunications services are just, reasonable and affordable;
(h) stimulate the commercial development and use of the radio frequency spectrum in the best interests of Namibia;
(i) encourage private investment in the telecommunications sector;
(j) enhance regional and global integration and cooperation in the field of communications;
(k) ensure fair competition and consumer protection in the telecommunications sector;
(l) advance and protect the interests of the public in the provision of communications services and the allocation of radio frequencies to the public (*Communications Bill*, 2002b, Chapter 1, Section 2: 6-7).[37]

Most of these objectives reflect the policy goals set out in the 1999 *Telecommunications Policy and Regulatory Framework* and were, at the same time, in conformity with both the WTO and the SADC instruments on telecommunications outlined above, which the Namibian government committed itself to implement. However, by the beginning of 2005 the *Communications Bill*, like the 1999 telecommunications policy, was not enacted and thus, the above-mentioned objectives could not be realised. The next section will examine attempts to liberalise the telecommunications sector, since the liberalisation policy option was central to both the 1999 telecommunications policy and the 2002 *Communications Bill*.

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[37] Ministry of Information and Broadcasting (2002b). *Communications Bill of the Republic of Namibia.*

5.5.1 Liberalisation

Drawing from the WTO and the SADC instruments the Namibian government embraced the policy strategy of liberalisation with an understanding that this strategy would facilitate the growth and development of infrastructure, diversify services and thereby enhance the efficiency and quality of services, leading to the multiplication of the range of affordable products and services (Ministry of Information and Broadcasting, 1999: 7). This perception was also contained in the government's *Second National Development Plan* (2000-2005) where the government maintained that the process of liberalisation would result in the attainment of the universal service principle and thereby lead to:

- the basis of future socio-economic interaction;
- provide for the basis or education and training;
- the more efficient delivery of social services; and
- the provision of access to government (National Planning Commission, 2002: 669).

Following from this realisation the government opened a number of 'fringe' value-added market segments to competition, while restricting competition in the lucrative fixed and mobile telephone markets. The strategy adopted was to marry a delayed liberalisation/privatisation of the basic and mobile markets segments with an early liberalisation of the value-added markets. The initial intention was to liberalise the mobile telephone market segment in 2000 and the basic services in 2004. However, that objective was not realised as both *Telecom Namibia* and the *Mobile Telecommunications Limited* (MTC) remained State-owned monopolies by the end of 2005, the end of the period covered by the present study. While the government adopted the policy of liberalisation in line with the WTO and SADC protocols it reserved the right to delay the liberalisation in order to secure infrastructure roll-out before these markets were opened to competition. Since liberalisation deals with the introduction of competition, I will proceed to examine the government's commitment to competition in the telecommunications sector.

5.5.2 Competition

The rationale for liberalisation is to introduce competition in the telecommunications sector. Proponents of liberalisation and competition have argued that in countries where telecommunication services were liberalised and opened to competition, the network had

grown twice more than in those countries where monopoly was retained (International Telecommunications Union, 1999[38] cited in Wang, 2003: 270). To facilitate competition the government tasked the regulator with the responsibility to "promote, develop and enforce fair competition and equality of treatment among all providers of telecommunications services and users" (*Communications Bill*, 2002: Section 33 (1): 21). This responsibility was emphasised further in the *Communications Bill* where the regulator was required to:

> Prohibit any practice or activity that has the object or effect of preventing, restricting or distorting competition in a market for the supply of telecommunications services or any product or services used in connection with these services (*Communications Bill*, 2002: Section 32 (1): 20).

Thus, the *Communications Bill* sought to outlaw anti-competitive tactics; prevent cross-ownership, while at the same time prohibit mergers and acquisitions that might restrict competition in the supply of telecommunications services. However, while believing in competition, the State was adamant, at the same time, that the telecommunication markets would not be "completely" opened to competition.

> Certain market segments would be open for anyone willing to go into business in that market; other markets will be requiring a licence but still open for anyone to apply. The strategic market segments will only be open on a restricted basis, i.e. when additional licences will be awarded it will be on a tendering basis (Ministry of Information and Broadcasting, 1999: 16).

Since competition goes hand-in-hand with market regulation, the Namibian government did not intend to leave the regulation of the telecommunications sector to what Graham Murdock and Peter Golding (2004: 247)[39] have referred to as the "unfettered play of the market forces". The State intended to retain control over the operators in all the market segments through licensing and regulation – a policy strategy that excluded any possibility for market regulation. Competition even in its restricted form cannot be realised in the absence of transparency and the State, therefore, claimed to be committed

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[38] International Telecommunications Union (1999). Special Sessions on Telecommunications. Council for Trade in Services. June, 1999. Geneva.

[39] Murdock, G. and Golding, R. (2004). "Dismantling the Digital Divide: Rethinking the Dynamics of Participation and Exclusion". In A. Calabrese and C. Sparks. *Towards the political Economy of Culture.*

to the principle of transparency as well. I will briefly examine the government's commitment to this principle.

5.5.3 Transparency

In terms of its obligation to the WTO's agreements and more particularly to the "most-favoured-nation principles", Namibia was required to make its telecommunications reform transparent in order to enable potential investors to know the rules under which they would do business (World Trade Organisation, 1996).[40] To this effect, the State adopted relevant policy and regulatory instruments that relatively opened the sector to potential investors. The regulatory process had to be transparent in order to legitimise telecommunications reform process and the regulator had to be 'neutral'. Despite this acknowledgement, the Namibian telecommunications regulator was not independent from the State in terms of its operation, and its decisions were not open to public scrutiny. The dominance of the State over the regulator compromised the principles of transparency and impartiality. Thus, the State remained the *de facto* regulator of the sector for the period covered by this study. The omission to put in place a transparent and independent regulatory regime was a fundamental flaw in the Namibian telecommunications reform. In a competitive market potential entrants to the sector needed not only to understand how the market was regulated but needed also to know that they would be treated fairly in terms of the MFN principle. Thus, transparency was a decisive factor needed to win investor confidence in the sector.

Despite the above-mentioned shortcomings in the Namibian regulatory process, the *Communications Bill* provided for some guidelines to ensure transparency in the telecommunications sector reform. An important feature of transparency covered by the *Bill* is the question 'information' and the confidentiality thereof. Article 27 of the 2002 *Communications Bill* provides for the availability of information on the regulatory process to the public. In terms of this Article the regulator would be obliged to provide the public with access to its documents containing various types of information, including

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Capitalism and Communication in the Twenty-First Century. Toronto: Rowman & Littlefield Publishers, Inc.

[40] World Trade Organisation (1996). The WTO Negotiations on Basic Telecommunications. Available at http://www.wto.org Accessed on October 14, 2003.

minutes of public meetings, statements on policy interpretation, decisions, and regulations of the board as well as information on rules and procedures. The regulator would be under obligation to keep a public register of licence holders, containing conditions under which each licence was granted, that could be viewed by the public.

Related to the above, the regulator had to provide, for public consumption, all documents and information submitted to it in proceedings (hearings), including applications and submissions, unless the information contained therein was classified as confidential. Confidential information would relate to information designated as business secrets or related to financial, commercial, scientific or technical confidential matters (*Communications Bill*, 2002, Section 28, (1)). The obligation would be on the regulator to prove that such information was confidential and could not be made public, because the publicity thereof would "prejudice the combating or prosecution of crime, or may harm national interest" (*Communications Bill*, 2002, Section 27 (4): 17). Moreover, the *Bill* would afford the public and the affected parties an opportunity to take controversial decisions by the regulator on judicial review in order to promote transparency, openness and accountability (*Communications Bill*, 2002, Section 31 (1) and (2): 20).

Apart from the policy of liberalisation, which sought to introduce competition and its related value of transparency, the 1999 telecommunications policy also made provision for privatisation of some market segments of the telecommunications sector. In the next section I will examine how the State attempted to address the question of privatisation in the telecommunications sector.

5.5.4 Privatisation

The Namibian considered privatisation as a possible strategy in its telecommunications reform and as the final destination in the restructuring of the fixed line operator, *Telecom Namibia*, and the cellular operator, *Mobile Telecommunications Limited*. It set out the possibility to privatise these telecommunications market segments in its 1999 *Telecommunications Policy and Regulatory Framework*, where it argued that:

> The role of the government in *Telecom Namibia* will also change over time. Following the intention given in the National Development Plan 1, there is a need to restructure the government and it is envisaged that

the government will withdraw from activities that can be more effectively undertaken by the private sector. One form or another of privatising *Telecom Namibia* and *MTC* will be under consideration in the longer-term plan (Ministry of Information and Broadcasting, 1999: 14).

Privatisation as a policy strategy in the telecommunications sector is seen as an attempt to improve the efficiency of the national telecommunication operators. Privatisation can arguably stimulate private sector participation; enable countries to acquire new technologies needed to modernise and expand their telecommunication systems, and at the same time mobilise foreign and domestic investment that would enable them to propel their economic growth (United Nations Economic Commission for Africa, 2000: 5).[41]

Despite the presumed benefits of privatisation, which are said to result in capital inflow, a number of countries in the SADC region had been reluctant to privatise their national telecommunication operators, partially because of the fear to lose autonomy over these institutions (McCormick, 2003: 99). Thus, developing countries of southern Africa, including Namibia, have faced the challenge of balancing the need to attract hard currency capital, skills and technology on the one hand, while trying to retain control over telecommunications institutions in terms of policy and regulation, on the other hand (Melody, 1997: 17).[42] In order to retain autonomy over their national telecommunications operators most SADC member States opted for 'partial' as an alternative to 'full-scale' privatisation, by selling franchises in their national fixed-line telecommunication operators, rather than divesting the entire national operators. This strategy enabled State telecommunication operators in the region to set up 'strategic alliances', 'partnerships' or 'joint ventures' with private operators, both local and foreign. Described as 'managed' privatisation, the strategy further enabled countries to gain access to the latest technologies, investment and financial resources, which in turn enabled them to modernise and expand services, while at the same time retaining control over their

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[41] United Nations Economic Commission for Africa (UNECA) (2000). "Subregional Development Centre for Southern Africa (ECA/SRDC-SA)." *Draft Report on Economic and Social Conditions in Southern Africa, 2000.* Available at http://www.uneca.org/eca_programmes/srdc/sa/publications/economic_report_2000/. Accessed on August 23, 2001.

telecommunications sectors in terms of policy and regulation. The strategic partners did not attain economic and legal ownership of the company and that allowed the States to remain in control and thereby avoid "selling the family jewel for a song" (United Nations Economic Commission for Africa, 2000: 5).

The proportion of shares acceded to by the strategic partners differed from country to country. Malawi, for example, divested 30 percent of the shares in its national monopoly to private operators, while Tanzania sold 35 percent shares in the State-owned *Tanzanian Telecommunications Company Limited* (TTCL) to a consortium comprising German (Detecom) and Dutch (*MSI*) investors, called the *Detecom/MSI*, earning US$ 120 million in the process (*The Financial Times* (Tanzania), April 30, 2002). During the same period Zimbabwe contemplated to divest 30 percent shares in the State-owned telecommunications company, *Tel One*. Four foreign companies showed interest in acquiring shares before the collapse of the country's economy (*Business Report*, June 24, 2002). South Africa in 1997 sold 30 percent shares of the State-owned fixed line operator, *Telkom*, to a company, *Thintana*, jointly owned by the US-based *SBC Communications International* (18 per cent) and *Telekom Malaysia Berhad* (12 per cent) (*Financial Mail*, March 15, 2002). However, in June 2004 *Thintana* sold 14, 9 percent of its shares in *Telkom* to institutional investors for N$ 6 billion (US$ 923 million) (*The New York Times*, June 19: 2006;[43] Rumney, 2004: 29).[44] *Telkom* South Africa subsequently initiated a further partial privatisation process whereby it listed on the Johannesburg and New York Stock Exchanges. This process encompassed the selling of millions of shares, the majority to "historically disadvantaged" South Africans, who were offered up to 20 percent discount to the offering price on shares, in a scheme known as Khulisa (ibid).

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[42] Melody, W. H. (1997). *Telecom Reform: Principles, Policies and Regulatory Practices*. Den Private Ingeniorfond. Technical University of Denmark.
[43] The New York Times (2004). "Company News: SBC sells shares in Telkom South Africa". June 19, 2004. Available at http://query.nytimes.com/gst/fullpage.html?res=9B0CE2DF1539F93AA25755C0A9629C8B63. Accessed on July 25, 2006.
[44] Rumney, R. (2004). "Telkom: The squirm factor". In *Mail&Guardian*, October 29 to November 4, 2004.

While the above-mentioned countries divested minority shares in their national telecommunications monopolies, Lesotho in contrast was an exception. It sold 70 percent of the shares in *Telecom Lesotho* to a consortium, *Mountain Kingdom Communications*, owned by South African and Mauritian companies. The balance of shares was owned by local institutions and individuals (*Misa Telecom Updates*, May 2002).

The Namibian government, while in principle embraced the privatisation of its fixed and mobile market segments, nevertheless decided to place a 49 percent ceiling on foreign ownership[45] in these markets. Section 47 (1) of the 2002 *Communications Bill*, provides for the 49 percent foreign ownership restriction:

> Subject to Sub-Section (2) no licence holder may be controlled by any person that is not a Namibian citizen or a Namibian company and no less than 51 percent of the stock in any licence holder maybe owned by persons that are not Namibian citizens or Namibian companies (*Communications Bill*, 2002: Section 47 (1): 28).

However, in terms of Sub-Section 47(2) of the *Communications Bill*, the Minister (of Information and Broadcasting) may annul the prohibition of foreign ownership. In this way the government left its options open should it need to allow majority foreign ownership in its basic and mobile telephone markets. This strategy was understandable judging by the difficulties small developing countries were experiencing in attracting foreign investors in their telecommunications sector.

In addition to partial privatisation, some countries in the SADC region established second network operators (SNOs) to compete with the national telecommunications monopolies. For example, Zimbabwe licensed a second network operator, *TeleAccess* in December 2002 to compete with the State-owned *Tel One* in the provision of fixed line telephones. However, due to the country's foreign risk profile and the chronic scarcity of foreign currency, *TeleAccess* was not able to roll out its telephone network by 2003 (*Zimbabwe Standard*, July 6, 2003). South Africa on 9th December 2005 licensed a SNO after a

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[45] It must be noted that about one third of the Basic Services Agreement signatories retained the right to restrict foreign ownership in their basic telecommunications markets. Powerful nations such as the USA, France and Japan continue to restrict foreign ownership in their basic telecommunications markets. Developing countries such as Mexico, India, Malaysia, South Africa, Morocco, Tunisia and Ghana among others have opted to maintain some form of restrictions on foreign ownership.

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delay of about four years caused by a drawn-out bidding process and infighting among the bidders. Shareholders in the South African SNO include a black economic empowerment group, *Nexus Connexion* Pty Ltd, which owns 19 percent and the State-owned enterprises *Transtel* and *Eskom Enterprises* with 15 percent each. Fifty one (51) percent is owned by a strategic equity partner company, *SepCo*. The latter company is a conglomeration of the following; *Two Telecom Consortium* and *Communitel Telecommunications*, each owning 12, 5 percent, an India-based group *Tata Africa Holdings SA*, with one percent and *Videsh, Sanchar* and *Nigam* Ltd. with 25 percent (Mashalaba, 2005: 1).[46]

The Namibian government embraced both these strategies - the partial privatisation and the establishment of a second network operator. This policy strategy was apparent in the 1999 *Telecommunications Policy* in which the government maintained that the State could, at one point, introduce a "strategic partner" in the distance segment, but that it would maintain a majority shareholding in order to "reinvest profits in the sector" (Ministry of Information and Broadcasting, 1999: 27). This policy objective together with the foreign ownership restrictions in the fixed line and the mobile telecommunications markets clearly eliminated the possibility of wholesale privatisation. Thus, wholesale privatisation was not considered to be an option when the telecommunications markets were to be liberalised, at least on paper.

Encouraging, however, was the government's decision to offer shares in both *Telecom Namibia* and *MTC* to a combination of businesses, Namibian citizens, including the formerly disadvantaged, and to the employees of these companies, should it partially privatise them.

5.6 Regulating the national telecom operator

During the pre-independence era, the *Department of Posts and Telecommunications* (DOPAT) was both the service provider and the *de facto* regulator of the sector at the same time. Thus, while performing its core functions of providing postal, savings banks and telephone services, *DOPAT* was, at the same time, responsible for standardisation of

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[46] Mashalaba, S. (2005). "Telkom faces new competitor", in *City Press Business*. December 11, 2005.

equipment and licensing of radio frequencies (Barnes, 1998;[47] Ministry of Works, Transport and Communication, 1997).[48]

The new government after independence bifurcated the postal and telecommunications service in line with the recommendations of the ITU, while it placed the regulatory function in a 'neutral' body, the *Namibian Communications Commission*, as indicated in the previous chapter. Established under Section 2 of the *Namibia Communications Act*, 1992 (Act 4 of 1992) as amended by the *Namibian Communications Commission Amendment Act*, 1995 (Act 1 of 1995),[49] the commission was tasked with the responsibility of licensing private broadcasters, postal and telecommunications operators and regulating their activities. In addition, the commission had to allocate frequencies and managed the national spectrum. Furthermore, it had to prevent cross-ownership in telecommunication services, promote competition, facilitate the pursuit of commercial interests by private operators, and implement the universal service principles that could, arguably, ensure the provision of the affordable services to the poor and the marginalised. As indicated above, the commission had to regulate private broadcasters and telecommunication operators and not *Telecom Namibia*. The latter was regulated by the government through a set of legal instruments and the "performance contract" entered into between the company and the government. I will outline these legal instruments below.

5.6.1 Legal instruments

The State adopted a set of legal instruments to regulate the public telecommunications operator, *Telecom Namibia*. The first being the *Posts and Telecommunication Companies Establishment Act*, 1992 (Act 17 of 1992)[50] enacted to establish the *Namibia Posts and Telecommunications Holdings* (NPTH), a fully State-owned company with two

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[47] Barnes, B. (1998). "Legal, regulatory and policy management issues in Namibia". A paper presented at the Workshop on National Information and Communications Infrastructure (NICI) Strategy for Namibia. Windhoek, 11-13 May 1998.

[48] Ministry of Works, Transport and Communication (1997). "Telecommunications needs for Namibia for short- and long-term national economic development". A Paper delivered at the Telecommunications Policy Workshop, Windhoek, October 8-9, 1997.

[49] Republic of Namibia (1995). *Namibian Communications Commission Amendment Act, 1995* (Act 1 of 1995). In *Government Gazette*, No. 1031, February 15, 1995.

subsidiaries, notably *NamPost* and *Telecom Namibia*. At the same time it enacted the *Posts and Telecommunications Act*, 1992 (Act 19 of 1992),[51] to regulate these two subsidiaries of the *NPTH*. Interestingly, both these Acts did not commit *Telecom Namibia* to provide social services, but emphasised the operation of the company on business principles. Chapter 1, Section 2 (9) (c) of the *Posts and Telecommunications Companies Establishment Act* obliged both *NamPost* and *Telecom Namibia* to conduct their functions and activities on "sound business principles" to promote an economically prosperous and efficient postal system and telecommunication system in order to "enhance corporate profit and shareholder gain" (Republic of Namibia, 1992a: 6). Chapter 1, Section 2 (9) (b) of the same Act provides for a "performance agreement" to be entered between the Ministry of Works, Transport and Communication and *Telecom Namibia*. The performance agreement would enable the government to impress its expectations on the company in terms of financial performance, the need to link tariffs to performance and the implementation of personnel policies, such as affirmative action (Ministry of Works, Transport and Communications, 1997: 2).

The *Post and Telecommunications Act* restricted the provision of the fixed telephony to *Telecom Namibia*, an arrangement that dated back to the colonial era, where *DOPAT* was the only provider of the fixed telecommunications services. The difference between the two periods was that in the post-independence era private operators were allowed to offer basic services provided the Commission granted them permission to do so following the liberalisation of this market segment. Chapter II, Section 2 (2) of the *Posts and Telecommunications Act* made this very clear. It argued that "no person other than the telecommunications company shall conduct a telecommunications service, except under the authority of a licence granted by the Commission" (Republic of Namibia, 1992b: 7).

As discussed above, no other operator was licensed and *Telecom Namibia* remained a 'natural monopoly', an arrangement that led to an 'imperfect market structure' in the basic telephony market segment. From the government's perspective the monopoly was

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[50] Republic of Namibia (1992d). Posts *and Telecommunications Companies Establishment Act, 1992* (Act 17 of 1992). In *Government Gazette*, No. 447, Windhoek, July 31, 1992.

[51] Republic of Namibia (1992e). *Posts and Telecommunications Act, 1992* (Act 19 0f 1992). In *Government Gazette*, No. 464, Windhoek, August 27, 1992.

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granted on condition that certain obligations were to be fulfilled, while in *Telecom Namibia*'s view, the assigned obligations was the price it had to pay for holding the monopoly. The rationale for monopoly can also be understood from various standpoints, depending from which theoretical perspective one approaches it. Firstly, as an attempt to enable the incumbent to expand the network to unprofitable low-income areas and thereby increase access to basic telephone services across the country (Motinga, 2003: 4).[52] Secondly, the monopoly could also allow *Telecom Namibia* time and space to balance its tariffs before competition is introduced. The concern was that if *Telecom Namibia* was not given an opportunity prior to the liberalisation of basic telephony, it could not be able to price itself competitively and thereby loose its market share, which could have a negative effect on its profitability (Ministry of Information and Broadcasting, 1999: 16).

Thirdly, the monopoly had to be understood in terms of government's concern about the private operators' reluctance to invest in the less profitable areas. It is known that without effective regulatory mechanisms, as had been the case in Namibia, private operators would have preferred profitable areas through a process of 'cherry picking'. The flipside of this argument is also true. The government was aware that it would scare potential investors if it obliged them with the responsibility to roll out infrastructure. Thus, the government's strategy was not to hurry the liberalisation of the basic market segment, but to allow *Telecom Namibia* to roll out infrastructure in the non-profitable areas before private operators were invited to invest in the telecommunications sector (National Planning Commission, 1995: 306).[53] For a country with a small economy and a limited telecommunications market, Namibia had to do everything possible to attract investors in all its economic sectors, including telecommunications.

Finally, the role of telecommunications in national security was another important consideration for the granting of a monopoly to *Telecom Namibia*, because such a vital resource could not be entrusted to private operators. Taking all these factors into consideration the government continued to renew *Telecom Namibia*'s monopoly every

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[52] Motinga, D. (2003). "Liberalising the telecommunications Sector in Namibia: Better regulation is the Key". In *IPPR Briefing Paper* No. 25, November 2003.

five years since the incorporation of the company in 1992, irrespective of the performance of the company at any given time-frame. Thus, despite the government's 'commitment' to the WTO's *Basic Services Agreement* to end monopoly in its national operator in 2004, the date set for the liberalisation of the market segment and the introduction of competition, the basic telephony was still a monopoly market by the end of 2005.

5.6.2 Tariff regulation

Apart from being granted monopoly, *Telecom Namibia* was permitted to determine its own tariffs, though with the approval of its line ministry (Ministry of Works, Transport and Communications) and not by the commission. During the colonial era the *Department of Posts and Telecommunications*, being the service provider and the regulator at the same time, also determined its own tariffs. In the post-independence era *Telecom Namibia* retained the right to set its own tariffs. Chapter IV, Section 22 (1) of the *Posts and Telecommunications Act* notes that "the fees, rates and charges, including rent payable in respect of services of the telecommunications company shall be as prescribed by the telecommunications company" (Government of the Republic of Namibia, 1992b: 15).

The above-mentioned provision removed tariffs from an independent regulatory oversight, which had adverse consequences in terms of the penetration of the telecommunications services in society, as it will be argued in Chapter Seven. However, that arrangement was expected to change in order to allow the commission to regulate tariff schemes when the basic telecommunications market segment moved into a competitive market structure. Under the provisions of the 2002 *Communications Bill* the commission would be required to regulate the general tariffs, while the service providers would be obliged to file tariffs with the commission for approval (*Communications Bill*, 2002: Section 53: 32-34).

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[53] National Planning Commission (1995). *First National Development Plan: 1995-1996 to1999-2000.*

5.6.3 Universal service

The doctrine of 'universal service' was another important policy strategy, which became a vital point in the telecommunications reform in the post-independence era. The State embraced the universal service principle to provide telecommunications infrastructure and services countrywide in order to alleviate the disparities in telecommunications access created by the apartheid system. Aware that it was unrealistic, if not impossible, to provide a telephone connection in every home, the State shifted emphasis from universal service to universal access. The realistic and implementable objective became the provision of a telephone connection within walking distance of every citizen rather than a telephone in every household. In addition, the government embraced the expanded notion of universal service beyond its original concern with the basic telephony. In its 2002 *Information and Communications Technology* (ICT) *Policy* the State subscribed to the expanded notion of the universal service that includes value-added services, such as the fax, e-mail and the Internet. Moreover, the re-defined version of the universal service concept encompasses the provision of services beyond the individual and households in order to cover public spaces and societal institutions, such as schools, clinics, hospitals and community centres (Hudson, 1997: 399).[54] The Namibian State set out to achieve these objectives through the establishment of multi-purpose community centres across the country as set out in its *ICT Policy*.

Furthermore, the State moved to expand the responsibility for the provision of universal services to all the operators, including private operators. While private operators initially were exempted from public obligation, in terms of neo-liberal regulation they could nevertheless, be held accountable for "public missions within the classical economic frame of reference" (Verhoest, 2000: 607).[55] While the provision of universal service had been the responsibility of the incumbent, *Telecom Namibia*, because of its monopoly, following the adoption of the telecommunications policy in 1999 the State decided to establish a Universal Service Fund (USF) to which all the service providers, both basic

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[54] Hudson, H.E. (1997). "Converging Technologies and Changing Realities: Toward universal Access to Telecom in the Developing World". In W.H. Melody (ed.). *Telecom Reform: Principles, Policies and Regulatory Practices*. Langby: Centre for Tele-Information: Technical university of Denmark.
[55] Verhoest, P. (2000). "The myth of universal service: hermeneutic considerations and political recommendations". In *Media, Culture and Society*. Volume 22, 595-610. London: SAGE Publications.

and value-added, would contribute to finance the provision of universal services. The rationale behind committing private operators to contribute to the USF was necessitated by the fact that private operators interconnect with and draw on the networks provided by the PTOs that had a universal service obligation and they (private operators) should, therefore, contribute towards the expansion of the basic telecommunications infrastructure on which they interconnect (Hudson, 1997). Moreover, policy makers and regulators, as Tina James, (2001: 7)[56] observes, exploit the universal service policy and practice to "mitigate" the loss of network control experienced through liberalisation and privatisation. Despite its 'commitment' to the principles of universal service/access the State had not set up the USF by the end of the period covered by this study and thus, the objective of universal service/access had not been realised.

5.7 Telecommunications market structure

An important characteristic of telecommunications reform in Namibia was its segmentation into various markets with different criteria of entry and different modes of licensing and regulation. Some of these segments were declared 'entirely open' to investors, while licences were needed in other markets. For example, a licence was not a requirement in market categories such as Internet Access Providers, Internet Service Providers, Terminal Equipment, while licences were required in the following market categories: National Traffic Operators, International Traffic Operators, Local/Private Network Operators, Cellular Telephony, Data Packet Services and Public Payphones.

Services such as the Customer Premises Equipment did not need a licence, but had to meet standards prescribed by the commission. Others including data, facsimile and e-mail services were not regulated. Packet switches however, needed a licence, while the criterion for determining the granting of licences to Wide Area Networks and the Local Area Networks was based on whether they carried voice and/or data. A licence was needed to carry voice. Paging services did not need a licence to operate, but a licence to use frequencies.

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[56] James, T. (2001) (ed.). *An Information Policy Handbook for Southern Africa. A Knowledge Base for Decision-Makrers.* IDRC. Available at http://www.dbsa.org/publications/ictpolsa/. Accessed on November 18, 2001.

In the remainder of this chapter I will document and examine various market segments that emerged following the partial liberalisation of the sector and their criteria for entry and exit. I will also scrutinise the duties and responsibilities of the telecommunications operators, as prescribed under the provisions of the 2002 *Communications Bill*.

5.7.1 Basic market segment

The fixed line market consisted of domestic and international telex and telegraph services, domestic and international private lines, public call offices, and public payphones. Licences were needed to operate these markets. *Telecom Namibia* was the dominant force in this market since its incorporation in 1992. The only private operator to be licensed, during the period covered by this study, was in the public payphone market, as we shall see below, although the State set 2004 as the deadline for the end of the monopoly in the entire basic telecommunications market segment.

5.7.2 Private network operators

The transport and power utilities, TransNamib and NamPower, together with a handful mining companies, including the joint State/De Beers-owned diamond giant, (NamDeb) ranked among the private network operators. These operators were regulated and were required to pay for the frequencies they used. It was the intention of the State to allow them to enter the formal telecommunications domain, more specifically TransNamib and Nampower, because of their sophisticated networks. The thinking within the government was that these two private operators could form the basis for the local SNO should that option be adopted. The South African transport and power companies for example, as indicated above, were accorded a 30 percent stake in the country's SNO.

Nampower had developed a well-oiled communications system over the years that stretched over thousands of kilometres across the country and linked a number of stations and sub-stations along its main power lines. Thus, Nampower's infrastructure covered almost the entire country unlike *Telecom Namibia*, which did not reach the remote areas. While the company initially used conventional copper lines, it gradually upgraded its network by systematically installing fibre-optic that carried a much higher load of information at a much higher speed. The resultant content-capacity provided by the fibre-

optic lines offered Nampower excess capacity than needed and that unutilised capacity spurred Nampower to enter the basic telecommunications service provision (Heuva, Teer-Tomaselli and Tomaselli, 2004: 111-122).[57]

Nampower had also been proactive with regard to the provision of formal public telecommunications services. The company prepared itself for the liberalisation of the fixed line market segment and set up a subsidiary, *Power Com (Pty) Limited*, to deal specifically with telecommunication matters (*Windhoek Observer*, January 12, 2002: 160.[58] When the Namibian government called for tenders for the second cellular licence in 2003, *Power Com (Pty) Limited* was among the first to submit bids (Heita, 2002).[59] It entered into a joint venture with the Norwegian *Telecom Management Partner* (TMP), retaining 51 percent of shares with the remainder owned by its Norwegian strategic partner. TMP is a subsidiary of *Telenor*, a company listed on the Oslo Stock Exchange. The Norwegian State holds 63 percent of the *TMP* shares (*New Era*, 2005: 5).[60]

5.7.3 Mobile telephone market service

As noted above, the *Namibia Communications Commission* regulated the mobile telephony market, and a licence was needed to operate the service. The first and only mobile phone operator up to 2005, the *Mobile Telecommunications Limited* (MTC) was licenced in 1995 on a 15-year contract with a monopoly period of the first five years. Established through a process of internationalisation, *MTC* was a joint venture between the *Namibia Posts and Telecom Holdings* (NPTH) with 51 percent shares and two Swedish companies *Swedfund International AB* and *Telia International AB* with 23 and 26 percent shares respectively (Karlsson and Renstrom, 1995: 39).

Despite the State's stated intention to liberalise this market after the first five years of the *MTC* monopoly, by the beginning of 2005 no other operator was licensed. While in 2003

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[57] Heuva, W. E., Teer-Tomaselli, R.E. and Tomaselli, K.G (2004). "The Political Economy of Media in Southern Africa, 1990 – 2001". In N.T Pradip and N. Zaharom (eds). *Who owns the Media. Global trends and local resistances*. London: Zed Books and Southbound.

[58] Windhoek Observer (2002). "NamPower to have a subsidiary to be called PowerCom". Saturday, January 12, 2002.

[59] Heita, D. (2002). "NamPower prepares to bid for second cellular licence". In *Namibia Economist*, Friday, August 2, 2002. Available at http://www.economist.com.na. Accessed on August 5, 2002.

[60] *New Era* (2005). "MTC offers Stake to Portuguese Firm". Monday, March 27, 2005.

the government opened tenders for the provision of a second cellular operator as indicated above, paving the way for the introduction of a duopoly, no other operator was licensed by the end of 2005. In contrast, the State in 2004 took full ownership of *MTC* by acquiring the 49 percent shares held by the Swedish partners at the value of N$ 388 million (Graig, 2004).[61] This followed the withdrawal of the Swedish companies from *MTC* due to change in their business focus, moving away from southern Africa while targeting the Baltic region and Eastern Europe. Soon after taking full control the Cabinet of the Government of the Republic of Namibia at its 15th ordinary meeting held on June 22, 2004 decided to sell 15 percent of its shares in *MTC* to the black economic empowerment groups, while 34 percent was reserved for a "technical strategic partner" (Republic of Namibia, 2004: 1).[62]

It was only in the middle of 2006 that the State sold the 34 percent shares in *MTC* to *Portugal Telecom* (PT), following a lengthy public tender process in which five companies submitted bids, notably *MTN*, *Vodacom* (both from South Africa), *Portugal Telecom*, *Mauritius Telecom* and *CellTell* (Poolman, 2006: 3).[63] The process signalled another State internationalisation strategy in which *Portugal Telecom* bought 8 500 000 ordinary shares at N$ 120 per share, amounting to a total of N$ 1, 2 billion. In addition, *Portugal Telecom* secured the position of the managing director of *MTC*, a general manager and one non-executive director to the board of the company (Kaira, 2006: 1).[64] The State felt that the strategic partnership could strengthen and consolidate the mobile telephone sector, contribute to the transfer of knowledge, information and technology and thereby support economic growth (ibid.).

After having secured a strategic partner for its mobile telephone operator, the State in the course of 2006 introduced a duolopoly in the mobile telephone market segment by

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[61] Graig, A. (2004). "Government takes full control of MTC)". In *The Namibian*, Thursday, May 27, 2004. Available at http://www.namibian.com.na/2004/may/national/0443B71066.html. Accessed on May 28, 2004.

[62] Republic of Namibia (2004). "Update on the alienation of minority shareholding in Mobile Telecommunications Limited (MTC)". In Media Release from Cabinet Chambers.

[63] Poolman, J. (2006)."Portugal Telecom bekom 34 persent aandele in MTC". In *Die Republikein*, Woendsdag, Maart 29, 2006.

[64] Kaira, C. (2006). "Portugal Telecom pays N$ 1, 2 billion for MTC stake". In *Namibia Economist*, Friday, July 28, 2006.

granting the second mobile telephone licence to *Power Com (Pty) Limited*, which as indicated above consisted the State-owned power utility, Nampower, and the Norwegian company *TMP*. It can be seen from this development that the State adopted a policy strategy of managed liberalisation in its mobile telephone market. It did not only control the process of liberalising this market, but also ensured that investment in the sector benefited the national economy.

5.7.4 Public payphone market

This market segment was a closed one, requiring a licence. It was a monopoly dominated by *Telecom Namibia* until the introduction of the first private public payphone operator, *Tele 2 Publicom*, in October 2000. The establishment of *Tele2* followed the adoption of the *Telecommunications Policy and Regulatory Framework* in 1999, which provided for the liberalisation of this market segment. A fully Namibian-owned company *Tele2*, shareholders comprised a private telecommunications interests, the *Tele 2 Communication Group* with 51 shares. The other shareholders were the Namibian Shebeens' Association, 10 percent; Okutumbatumba Hawkers Association, 10 percent; an organisation catering for the disabled people, Ehafo, with five percent; the Indigenous Business Council with five percent; Namibia Property Academy with five percent; and *Tele 2* staff members owning four percent (Diergaardt, 2000: 13).[65] This ownership structure of *Tele 2* reflected a real broad-based black economic empowerment (BEE) scheme, and it represented one of the first such ventures in the Namibian telecommunications sector catering for a broad spectrum of interests including grassroots and small and medium enterprises. At the height of its operation *Tele 2* expanded its services into neighbouring Botswana, where it set up a subsidiary to provide pay telephone services in that country.

Tele 2 Publicom operated by selling airtime from *Mobile Telecommunications Limited* (MTC). However, after two years of operations it was forced to suspend its activities due to operational difficulties. Firstly, the company could not withstand competition from *Telecom Namibia*, which was entrenched in the public payphone market and therefore,

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[65] Diergaardt, N. (2000). "A Real Competitor in the Telecom Business sets in: Tele Two Publicom goes into Action". In *New Era*, Monday, 16-18 October 2000.

Tele 2 could not dislodge the incumbent's customers. Secondly, its tariffs were expensive to the ordinary citizens, because they were measured on the mobile telephony rates, compared to those of *Telecom Namibia* based on the landline rates. Lastly, the interconnection agreement entered between *Tele 2* and *MTC* in terms of airtime reselling did not favour the former. For example, it did not provide for the provision of a bulk discount on the airtime purchased by *Tele 2* from *MTC* (Heita, 2003).[66] This resulted in fierce contestation between the two companies around the question of interconnection. To compound matters, the commission was reluctant to intervene, because it regarded the contestation as a private matter between *Tele 2* and *MTC* that needed to be resolved by them. Moreover, the 2002 *Communications Bill* was not enacted that could have compelled the regulator to enforce fair interconnection rights. The combination of these factors forced *Tele 2* into a hasty exit from the telecommunications scene. The company accumulated an estimated debt of N$ 1 million of which N$ 700 000 was owned to *MTC* for unpaid airtime, while the remainder N$ 300 000, was owed to its public relations company. By the end of 2002 the company stopped selling its phone cards to the public and its operations were suspended in February 2003.

The demise of *Tele 2* not only highlighted the challenges faced by small operators in entering the mainstream telecommunications markets, but also showed the failure of the Namibian regulatory regime. It points at the State's failure to put in place an effective regulator that can implement and maintain fair competition. In the final analysis it points at the fact that the liberalisation process of the telecommunications sector and the introduction of the competition cannot be left to the market forces, but needs effective and efficient regulation.

5.7.5 The Value-added services

Most of the value-added services were operating in a liberalised environment established under the WTO provisions (UNESCO, 2001).[67] While operating initially outside the regulatory framework, towards the end of 2002 the State initiated measures to regulate

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[66] Heita, D. (2003). "Tele2 leaves suppliers with debts of millions". In *Namibia Economist*. Friday, July 11, 2003. Available at http://www.economist.com.na/2003/11jul/07-11-01.htm. Accessed on July 14, 2003.
[67] UNESCO World Communication and Information Report, 1999-2000, Part Three, Chapter 13, pp180 - 196.

some services within the value-added service category, more particularly the Internet. To this end the State commissioned a study in 2002 to provide guidelines on the procedures and conditions to be adopted in licensing the Internet (Stork and Aochamub, 2003: 31).[68] However, despite this attempt the State did not implement the recommendations of the study nor did it make them public, and by the end of 2005 the Internet was had not been regulated.

Normally, a distinction is made between basic telecommunications services and value-added services that fall under market regulation. However, Robin Mansell (1988: 246[69] cited in Dwayne Winseck, 1998: 16) dismisses this demarcation, criticising it for being "static and arbitrary", and argues in contrast, that all the telecommunications services "add value". Nevertheless, the value-added market is usually considered to comprise the Internet, electronic mail and other online information services, both voice and data. The companies involved in this market provide a wide range of services including software, consulting services, outsourcing, networking, software development and technical support, in addition to the supply of hardware.

While the value-added services market grew significantly during the late 1990s and early 2000s, much of the investment in this sector came from South African companies. By 2002 South African companies such as *AST Namibia, Comparex Namibia, and UNISYS Namibia* controlled about 60 percent of the market share, while Namibian firms including *Schoemans Office System, ORBIT Data Systems, Omnitech* and *Pinnacle* managed to control only 30 percent. The remainder 10 percent, of the market shares were owned by European and American companies (Ministry of Information and Broadcasting, 2002: 70). Despite its phenomenal growth the value-added market experienced a decline in revenue in the early 2000s. In 2002, for example, the market recorded N$ 120 million in total revenue, a decreased of N$ 20 million compared to N$ 140 million earned in 2000. However, revenue was to pick with the increase in Internet connectivity (ibid.).

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[68] Stork, C. & Aochamub, A. (2003). "Namibia in the Information Age." *Nepru Research Report*, No. 25, 2003

[69] Mansel, R. (1988). "Telecommunications network-based services". In *Telecommunications Policy*, September 1988, 243-255.

5.7.6 The Internet

The most significant component of the value-added services was the Internet, which is generally divided into two market sub-divisions: the Internet Access Providers (IAPs) and the Internet Services Providers (ISPs). Both the IAPs and ISPs were open markets in the Namibian context and competition was allowed in line with the *Annex X* of the Uruguay Round. The State regarded the IAPs as network operators and thereby obliged them to refrain from discriminating against the ISPs in terms of speed, bandwidth and wider access to the Internet. All the Internet companies provided a variety of services to customers including the leased lines, web hosting services, dial-up connectivity, network security and e-mail access.

As elsewhere in the southern African region, the Internet in Namibia emerged as a private initiative independent from government. Launched by academics at the University of Nambia as a private non-commercial activity without external funding the first Internet project, the *Namibian Internet Development Foundation*, (*Namidef*), was an attempt to facilitate the democratisation of communication, as it was poised to enable ordinary people access the new communications resource (Lisse, 1996: 4).[70] However, *Namidef* remained restricted to a small group of academics and other professionals, including the political and economic elite, while excluding the majority working class. Barriers such as the lack of electricity, telephones, disposable income, and the high illiteracy rate in general, and computer illiteracy in particular, prevented *Namidef* to reach the broader population.

Moreover, *Namidef* could not function as a non-commercial ISP for long in the face of the escalating global commodification of the communication spaces in general and the burgeoning Internet in particular (Patelis, 2000).[71] While it initially had to charge a fee from subscribers to cover its expenses for the broadband leased from *Telecom Namibia* and *Telkom* (South Africa), *Namidef* had also to compete with the emerging foreign-

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[70] Lisse, E. (1996). Minutes for the Internet Meeting held between Namidef, Ministry of Information and Broadcasting and agencies of the UNDP in Windhoek in August 22, 1996. The author who attended this meeting together with the Minister of Information and Broadcasting has a copy of these minutes.
[71] Patelis, K. (2000). "The political economy of the Internet". In J. Curran (ed.). *Media Organisations in Society*. London: Arnold.

owned profit-oriented ISPs with colossal funds at their disposal and in an environment that was becoming highly commercialised. This development points at the adverse effect the commercially-driven telecommunications technologies had on those geared towards the realisation of the public imperative.

Among the foreign-owned ISPs that entered the Namibian market because of the liberalised Internet market ranked, *Africa Online*, owned fully by *Africa Online Holding*, *MWeb Namibia*, owned also fully by the *MIH Holdings*, *Cyberhost*, owned by *AST*, and *Uunet* owned by *WorldCom* (*Telecom Namibia*, 2002: 18).[72] The total revenue shared by these companies increased from N$ 18 million in 1998 to an estimated N$ 60 million in 2002 (ibid. 2002: 78). With the exception of *iWay*, which was publicly-owned, all the ISPs were privately owned. *UUNet* (private) and *Infinitum* (public) were the only Internet Access Providers, while the rest were ISPs. It is worth noting that the foreign companies continued to dominate the Internet market share as well. For instance, by 2002 the dial-up of the ISPs looked as follows: *Africa-on-line* 40 percent, *MWeb* 30 percent, *iWay* 20 percent, while the rest of the ISPs shared the remaining 10 percent (Ministry of Information and Broadcasting, 2002: 75).

5.8 Domain registration

A private company, the *Namibia Network Information System* (Nanic), administered the domain registration. Owned and controlled by an individual, Dr Eberhard Lisse, a medical practitioner and a founder member of *Namidef*, *Nanic* was the registrar of domain names ("dot na"), and had been the only link between local ISPs and the US-based *Internet Corporation for Assigned Names and Numbers* (ICANN), established in 1998 to administer the Internet domain name system internationally. Namibian ISPs had to register with *Nanic* and pay their annual fees for web site hosting. Already towards the end of the 1990s the ISPs demanded the creation of an independent and "non partisan" body to take over the domain registration (Gorelick, 1998).[73] This demand resulted in a

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[72] Telecom Namibia (2002). "Historical Overview: From Morse to Digital". *Telecom Commemorative Issue*: 1992 – 2002. August 1, 2002.
[73] Gorelick, N. (1998). "The Internet Industry in Namibia". A Paper delivered at the workshop on the National Information and Communications Infrastructure (NICI) Strategy for Namibia. Windhoek, 11-13 May 1998.

strained relationship between *Nanic* and the ISPs. In 2002, for example, *Nanic* shut down websites of a number of ISPs for alleged non-payment of an annual fee (*Namibia Economist*, October 4, 2002).[74] The ISPs refuted the claim and accused *Nanic* of poor services and unprofessional conduct (Oosthuizen, 2002).[75]

The arrangement in which the domain name responsibility was centralised in a single individual proved to be vulnerable, not only to the ISPs but to State security as well. This development prompted the State to support the establishment of a publicly managed body or company to take the responsibility of domain registration. It decided to intervene in order to change the situation. South Africa experienced a similar situation where domain responsibility rested in an individual. The South African government, in terms of Chapter X, Part 1 of the *Electronic Communications Transaction Act, 2002* (Act 25 of 2002), set up a Section 21 company to administer domain names (Republic of South Africa, 2002b: 52-62).[76] Despite the South African government's proactive attempt to administer the Internet registration in the public interests, most South African ISPs were initially sceptical about the government's sincerity, as they feared that the State planned to "nationalise" or "intrude into the self regulatory value-added telecommunications market" (*Mail and Guardian*, June 7 – 13, 2002: 26). In contrast, Namibian ISPs supported the idea of a public body to manage domain names registration due to the rough deal they received from *Nanic*.

In its 2002 *ICT Policy* the Namibian government proposed the creation of a State department or division or a non-profit company to be constituted as the *Namibia Domain Name Authority* (NDNA). This agency would be assigned with the responsibility to administer domain registration in line with the emerging trends in the region where States took control or placed domain name responsibilities into neutral or public-owned bodies. The agency, NDNA, in terms of the policy provision would have the responsibility to:

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[74] Namibia Economist (2002). "The war of the cyberspace". Friday, October 4, 2002. Available at http://www.economist.com.na/2002/40CL/10-04-03.html. Accessed on October 8, 2002.

[75] Oosthuizen, K. (2002). "Redes vir rompslomp met Internet". In *Die Republikein*, Donderdag, September 5, 2002. Available at http://www.republikein.com.na/content/nuus/2002/september/06_inter.php. Accessed on September 6, 2002.

[76] Republic of South Africa (2002b). *Electronic Communications and Transactions Act, 2002* (Act 25 of 2002). In *Government Gazette*, Vol. 446, No. 23708, August 2, 2002.

- regulate the registration of domain names in the country
- determine the form of registration
- determine the duration and renewal of registration
- determine the circumstances under which a registration may be granted, renewed or refused by the registration authority
- determine other matters relating to registration which may be applicable
- determine a dispute resolution policy in terms of which a dispute relating to a domain name registration may be conducted (Ministry of Information and Broadcasting, 2002: 128, 129).[77]

Despite these lofty ideals by the end of 2005 the *NDNA* was not set up and the domain registration continued to be managed by *Nanic*. Not only did this lapse come from the delay in the implementation of the 2002 *ICT Policy*, but the practicality of transferring the domain names from *Nanic* to the new body was problematic. The government needed the consent of the owner of *Nanic* to realise the smooth implementation of this process, because without his consent the entire database of the domain names could be lost. This seemed to have been the impasse to the decentralisation of domain names and the creation of a new domain name registrar. The fact that this issue was very sensitive could be seen from the government's reluctance to release the recommendations of the study it commissioned to propose the course of action to be taken with regard to the regulation/licensing of the Internet, as indicated above. The growing quest by the States to regulate the Internet has come to confront Michael Jensen's (2001: 142)[78] assertion that the Internet governance falls outside the ambit of nation-state, because it is a "self-governing entity".

5.9 Duties and responsibilities of telecom operators

The *Namibia Communications Commission Act*, 1992 (Act 4 of 1992) as amended, did not spell out the duties and responsibilities of the telecommunications operators. At the same time the regulator was not able to design the necessary regulations to regulate the sector, apart from the technical rules relating to the use of the frequency spectrum. However, the 2002 *Communications Bill* provides a set of duties and responsibilities for

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[77] See the draft Information and Communications Technology Policy for the Republic of Namibia, by the Ministry of Information and Broadcasting, 2002.

[78] Jensen, M. R. (2001). "Policies and Strategies for Accelerating Africa's Information Infrastructure Development". In Gert Nulens, Nancy Hafkin, Leo Van Audenhove and Bart Cammaerts (eds). *The digital divide in developing countries: towards an information society in Africa.* VUB Brussels University Press.

all the telecommunication operators. These duties and obligations partly seek to promote competition and to encourage operators in terms of interconnectivity between and among themselves.

The *Telecommunications Policy and Regulatory Framework*, on which the *Communication Bill* is based, provides for the interconnection of services, in order to facilitate the inter-operability of new services, including carrier pre-selection and number portability (Ministry of Information and Broadcasting, 1999: 19). For the realisation of this objective, the 2002 *Communications Bill* tasked the regulator with the responsibility of setting guidelines on interconnectivity and to mediate disputes arising from that interconnectivity. Section 50 (1) of the *Draft Communications Bill* obliges carriers to share infrastructure, while Section 51 (10) permits carriers unrestricted resale of their retail services (*Communications Bill*, 2002: 31,32). Like other operators, *Telecom Namibia* is obliged to permit "unrestricted resale" of its telecommunications services at a discounted rate to any individual requesting reselling (*Communications Bill*, 2002, Section 51 (2): 32). *Telecom Namibia* is also obliged to connect, without favour or prejudice, private network operators (ibid.). It has to provide physical collocation of equipment needed for interconnection or access to its unbundled network on "just, reasonable and non-discriminatory basis based on fair rates and terms" (*Communications Bill*, 2002, Section 48 (2) (b): 28). In fact all the telecommunication operators had to provide access to other carriers requesting services on a "just, reasonable and non-discriminatory basis" (ibid. Section 48 (2) (a): 28). The reseller of telecommunication services is not required to acquire a licence for reselling.

In a move that appeared to lay the ground for the creation of a second fixed line service provider and thereby promote competition, *Telecom Namibia* is obliged to lease its infrastructure to any other carrier or allow other carriers to install telecommunications equipment on its infrastructure. However, *Telecom Namibia* may refuse providing its infrastructure or allow the use of equipment on its infrastructure should that request impose a burden or affect the performance of its duties and obligations (*Communication Bill*, 2002 Section 51: 32). In addition, Section 46 (5) of the 2002 *Communications Bill* obliges *Telecom Namibia*'s to expand the network and services as well as to achieve and

maintain certain standards established by the regulator. Failure to do that can lead to the penalisation of the company. This clause signalled an improvement on the previous arrangement, because under the Performance Agreement *Telecom Namibia* was not sanctioned if it failed to fulfil such obligations.

It is worth noting that private and public operators in terms of the provisions of the 2002 *Communications Bill* are obliged to avail their networks to the State in war or in a State of Emergency that can be declared by the President in terms of Article 26 of the Namibian Constitution. Thus, during a State of Emergency the President may request carriers and service providers to advance information services to the State in the name of national defence and security (*Communications Bill*, 2002, Section 109: 62). This provision could pave the way for the State to request network operators to tap on conversations, in the case of mobile phones, that are suspected to have been used in the commission of crimes.

As a consequence, some countries already initiated moves to tap mobile phone conversations in suspected cases following the September 11, 2001, attack on the World Trade Centre in New York and the Pentagon in Washington in the United States of America. South Africa, for instance, introduced a legislation to provide for among others the tapping of mobile phones for the purpose of combating crime and in the interest of national security (Republic of South Africa, 2002). At the beginning of December 2005 any South African who sought to apply for a cellphone or SIM card had to provide proof of identity and a fixed address. This provision applied to the prepaid mobile telephony. Furthermore, cellphone users had to report to the police immediately when their mobile phones were lost, stolen or broken or they would alternatively face prison sentences if they did not comply. The reason given by the authority was that they needed to prevent organised crime through the use of mobile phones (*City Press*, November 13, 2005:1;[79] Honey, 2006: 16-19).[80] It is not clear, however, how effective this legislation has been, and to the author's knowledge, no regulations for non-reporting of stolen mobile phones were enacted.

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[79] *City Press* (2005). "Tough new law for cellphone users". November 13, 2005.
[80] Honey, P. (2006). "Communications surveillance: Spooks go cyber". In *Financial Mail*, April 28, 2006.

Along similar strict measures the government of Zimbabwe in 2004 introduced a "contract" to be entered between the State and the ISPs that obliges ISPs to take precautions in preventing Internet content that might be seen by the authorities to be "inconsistent" with the country's laws, to be carried on their networks. The contract would oblige ISPs to:

> Provide, without delay, all the tracing facilities of the nuisance or malicious messages or communications transported through this equipment and network, to authorised officers of ... the government of Zimbabwe, when such information is required for investigation of crimes or in the interest of national security (*ThisDay*, June 2, 2004).[81]

The above-mentioned examples indicate at attempts by some States in the SADC region to regulate the Internet and the mobile telephony. While these steps were defended on the grounds of 'national interests' such as the prevention of crime, organised or not, they tended to pose threats to the freedom of speech and democracy in the region, as these measures might infringe upon some of the basic human rights of the citizens. Thus, a balance needed to be struck between national interest and the people's basic human rights, including their freedom of thought and speech.

5.10 Summary and conclusion

The Namibian telecommunications transformation process was beset with contradictions and unfulfilled intentions. While the country adopted free-market economic principles and set out to tailor its telecommunications reform along these neo-liberal principles, its attempts in that regard fell short from realisation. Despite its ascendance to a host of multilateral agreements and treaties and despite the fact that external dynamics exerted pressure on the State to reform its telecommunications, along the prescribed neo-liberal principles, Namibia opted to introduce and implement the required changes at its own pace and according to its own interests.

Notwithstanding the failure to embrace fully the new telecommunications policy regime, as provided for by the agents of globalisation, Namibia at least introduced two policy strategies associated with the emergent global telecommunications regime, notably commercialisation and liberalisation, in its telecommunications reform. It fully

commercialised its national telecommunications operator, *Telecom Namibia*, while at the same time liberalising a number of 'fringe' market segments, more specifically the value-added services. The outcome of this strategy was the emergence of a relatively 'liberalised value-added market structure' co-existing with the highly State-owned and controlled basic and mobile telecommunication markets. Various reasons can be attributed to this development. As a vast and sparsely populated country, with a very limited telecommunications market, the State allowed the national fixed line and mobile operators to roll out infrastructure across the country, without exposing them to competition, despite the State's 'commitment' to introduce competition in these markets.

Thus, while embracing the policy of competition in principle, the State nevertheless sought to protect its mobile and basic telecommunications markets. The idea was first to enable the national monopolies to benefit from the economies of scale, by allowing them to position themselves competitively before competition was introduced. Secondly, to enable these national monopolies to roll out infrastructure before competition is introduced. The thinking was that without a developed telecommunications infrastructure the country would not attract the much needed foreign investments in both the sector and in the broader economy. Moreover, because of its limited market, coupled with undeveloped telecommunications infrastructure, investors in the sector would prefer other countries with developed infrastructure in place.

The commercialisation and liberalisation of the telecommunications sector brought the sector into the capitalist mode of production from its pre-colonial concerns with technical issues. In the post-independence dispensation, telecommunications had to contribute towards economic growth and development by networking the business sector and providing them with the latest technologies. The emphasis was to ensure shareholders satisfaction by paying dividends to the State. With emphasis on the economic imperatives, less attention was paid to the public service interests, i.e. the need to link people in a democracy, more particularly the most neglected ones in the rural and poor areas. Thus, telecommunications restructuring focused more on economic and financial issues. It tended to undercut the public services imperatives.

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[81] *ThisDay* (2004). "Zimbabwe gags the Internet", June 2, 2004.

Furthermore, the regulatory regime was not independent, because the government exerted control over the regulator, despite its ratification of international and regional instruments that required countries to have transparent and independent regulatory bodies and processes in place. The lack of an effective regulator meant that it could not fulfil its obligations. For instance, the lack of a fair monitoring interconnection agreement between operators resulted in an unfair practice against small private telecommunications service providers depended on *Telecom Namibia* and *Mobile Telecommunications Limited* (MTC) for broadband. A more concrete consequence of this omission was the demise of the only private public phones operator, *Tele 2 Publicom*, due to an unfair interconnection agreement with *MTC*. Furthermore, due to the lack of jurisdiction over *Telecom Namibia*, the regulator could not intervene in the determination of tariffs by this company, which resulted in unrealistic tariffs set by *Telecom Namibia*, a theme that will be explored in Chapters Seven and Eight.

As noted above telecommunications reform in Namibia was characterised by unfulfilled promises and deadlines set to implement policies, but these deadlines were shifted continuously. Thus, by the end of 2005 policy objectives adopted as far back as 1999 and 2002 were not implemented. Most of these policy strategies and regulatory measures were contained in the 1999 *Telecommunications Policy and Regulatory Framework* and the 2002 *Communications Bill*. Both documents were critical to the transformation and restructuring of the entire telecommunications sector along the neo-liberal principles, but were not fully implemented in the case of the former, while the latter was not enacted into law by the end of 2005. The *Telecommunications Policy and Regulatory Framework* advocated for the liberalisation of the entire telecommunications sector, including the basic and the mobile telephony and the introduction of competition. In addition, this *Policy* sought to expand the services through the introduction of the Universal Service Fund, to which all the operators had to contribute in order to roll out infrastructure and services across the country. Lastly, the State failed to enact the *Communications Bill*, which provided a number of measures to establish an independent regulator, and assigned operators in the telecommunications sector with duties, obligations and responsibilities.

PART III

TRANSFORMATION AND RESTRUCTURING OF INSTITUTIONS

CHAPTER SIX

Transforming the national broadcaster

6.1 Introduction

The reorganisation of the national broadcaster at corporation's level was constituted by a set of processes and activities that ranked from the adoption of a new vision and mission to changes in leadership/management, new staffing norms and the balancing of staff complement in terms of race, class and gender composition. It further involved programme reform, the expansion of broadcasting infrastructure and services, as well as the commercialisation of the corporation's[1] operations. These processes and activities were accompanied by conflict and tension between and among major protagonists' preferences and priorities related to the transformation process. This chapter seeks to unpack the transformation process of the national broadcaster by focusing on the above-mentioned processes and activities, starting with the priorities and preferences of the protagonists in the transformation process.

6.2 Strategies and interests

Three different boards of directors and management teams under the tutelage of the Ministry of Information and Broadcasting undertook the reorganisation of the corporation between 1990 and 2005, operating in a changing socio-economic and political environment influenced by external and internal dynamics. The mandate of the directors and managers was to transform and restructure the new corporation into a financially viable public service broadcaster that would contribute to nation building, economic development and the democratisation of a society in transition. More importantly, the new corporation had to perform its traditional roles of informing, educating and entertaining the public at the same time. However, as we shall see, these objectives enjoyed different degrees of emphasis from the various directors and managers.

An important contestation between the directors and the managers however, remained the question of commercialisation of the corporation. While management and directors agreed in principle about the process of commercialisation in order to supplement the

corporation's revenue, they differed with regard to the extent and scope of the commercialisation process. The management maintained that commercialisation should be undertaken in order to fund the activities of the corporation and not to replace the public service direction of the corporation. It insisted that broadcasting output should not be measured in terms of profits, but rather in terms of the quality and quantity of its programme output. Furthermore, the management argued that *NBC* was a public institution and the State had to continue funding its operations – with the taxpayer's money. In contrast the directors favoured a fully-fledged commercialisation of the activities of the corporation and the reduction of State subsidy.

The founding directors and management team led by Nahum Gorelick, as the director-general of the corporation, because of their preoccupation with the organisational matters did not pay the necessary attention to the commercialisation of the organisation's activities, despite acknowledging the need for advertisements and sponsorships in the national broadcaster. The question of commercialisation was therefore, to be reserved to the successive boards of directors and management teams.

The second management team headed by Daniel Tjongarero, a former Deputy Minister of Information and Broadcasting and a journalist by profession, committed itself to balance the financial viability and public service responsibility of the corporation. In order to promote the public service role of the corporation this management team sought to improve the production of local programme material. Explaining these objectives and the challenges encountered in the 1994-1995 *Annual Report* Tjongarero noted:

> Our search for balancing public broadcasting versus the dictates
> of the market place will continue unabated. So will our endeavour
> to create more local content productions, but the absence of local
> theatre, amongst others; inhibits our abilities in this respect even
> more (*NBC*, 1995: 4).[2]

In order to implement its objectives the Tjongarero management in 1995 adopted a "five-year strategic plan" of which the improvement of the corporation as a "public broadcaster" was a priority, in addition to the increase of local content in the

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[1] The concept "Corporation" in this study refers, unless otherwise specified, to the *Namibian Broadcasting Corporation* (NBC). The *NBC* is also referred as the "national broadcaster".

corporation's programming (ibid. 4). However, the objective to transform the *NBC* into a public service broadcaster gained new momentum when Ben Mulongeni, also a journalist, took over the reign of the corporation as the director general on 25 August 1997. His management became increasingly focused on the public service mandate. It maintained that the State had an obligation to fund the corporation in order to perform its mandate and thereby challenged the commercialisation of the corporation, arguing that the *NBC* was a public service and could not be transformed into a commercial broadcaster (Mulongeni, 2002).[3] This management's unbending aversion to the proposed unbridled commercialisation strategy by the incoming board of directors appointed on 15 June 2000 led to its downfall.

The third board of directors, dominated by civil servants, came on the ticket of commercialisation and introduced radical measures to restructure the *NBC*. Since its emphasis became the attainment of economic efficiency through austere financial control, it reduced the staff, cut the operations of the corporation to the basic 'core', while outsourcing the 'non-core' functions. In a memorandum to cabinet the directors accused the Mulongeni management of "non-performance", "leadership vacuum" and "lack of fiscal discipline" (Inambao, 2002).[4] The directors then appointed a new director-general and management team and adopted a 'business plan' to restructure the *NBC* towards a commercial public company.

The preceding discussion indicates the tension that accompanied the transformation process of the national broadcaster. Resulting primarily, although not exclusively, from the priorities and preferences, these tensions and conflicts enormously affected the transformation process. At this point it is important to look at the transformation process of the corporation, starting with the adoption of a vision and mission statement of the new Corporation by the first board of directors and management team.

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[2] Namibian Broadcasting Corporation (1995). *Annual Report*, 1994-1995.
[3] Mulongeni, B. (2002). "The NBC and the Future: Comments on the envisaged transformation and restructuring process". In *The Namibian*, August 16, 2002. Available at http://community.namibian.com.na/WebX?50@192.TTF6aNqnbn6^0@.3041e0a6. Accessed on August 16, 2002.

6.3 Vision and mission of the new corporation

The transformation of the *NBC* was undertaken in a very confined environment, limited by the enabling legislation, the *Namibian Broadcasting Act, 1991* (Act 9 of 1991), which did not provide for an autonomous organisation; and the constant political interference in the editorial and programme policies, due to the organisation's lack of autonomy. Despite this restrictive environment the euphoria of the first few months of independence offered the new directors and managers space in which to do their work without political interference.

Operating in a fluid political climate the directors and managers assumed that the new democratically elected government would allow them the necessary space to run the corporation 'independently' and they therefore, adopted 'progressive' editorial and programme policies. Encouraged by the liberal constitutional provisions and the *Information Policy* the first board of directors and management declared that the corporation was an "autonomous" public service in their vision document (*NBC, Programme Policy*, 1992: 3).[5] Elaborating on this stance in the 1991-1992 *Annual Report* the management noted:

> The NBC is an *autonomous* public broadcasting service with a role to inform, educate and entertain by means of radio and television programmes for the people of Namibia in order to promote national unity and development (*NBC Annual Report*, 1992: 1. My emphasis).[6]

Among the first and major internal policies formulated by the directors and managers was the *NBC Policy Code*, adopted on 27 June 1990 in which the corporation set out its editorial standards. This *Policy Code* subscribed to, among others, the following principles:

- The corporation's programme and news services will act in the best interests of the country and its people, with particular emphasis on nation building and development.

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[4] Inambao, C. (2002). "Mulongeni rapped in Cabinet memo." In *The Namibian*. Friday, June 7, 2002. Available at http://www.namibian.com.na/2002/june/news/02652A4DF7.html. Accessed on June 7, 2002.
[5] Namibian Broadcasting Corporation (1992a). *Programme Policy*.
[6] Namibian Broadcasting Corporation (1992b). *Annual Report*, 1991-1992.

- Being a parastatal organisation (partially funded by the State) and run autonomously by an independent board, the corporation endeavours to propagate and strengthen the ideals of public interest among its staff members.
- The corporation's function is to inform, entertain, and contribute to the education of the people through its radio and television programme services. These services will cover Namibian events nationally and locally – as well as African and international news.
- News reports and news commentary will be presented on a factual and balanced basis.
- The corporation will provide a forum for active and investigative journalism. Debate, critical analysis, and discussion on current affairs will facilitate the free flow of information but are free from censorship or manipulation.
- The content of information broadcast is subject to the constitution and the laws of Namibia. This content shall, at all times, remain sensitive to the values of the people and uphold the principles of the Bill of Fundamental Human Rights as enshrined in the constitution.
- The Republic of Namibia is a secular state and the corporation will, therefore, encourage tolerance and respect for all religious persuasions in terms of the Constitution. (*NBC Policy Code*, 1990a: 1[7] cited in Gorelick, 1996: 233[8]).

In order to direct the activities of programme producers the management devised a *Programme Producers' Guidelines* that embraced the notion that the "airwaves belong to people" and that the people were entitled to "hear the principal points of view on all questions of importance". These *Guidelines* upheld the principle of "free exchange of opinion" and the exercise of "editorial authority, control and responsibility for the content of all programmes broadcast on its facilities". They further encouraged producers to "strive to be objective" in their programming (*NBC*, 1991: 1).[9] Producers were also urged to prevent the airwaves from falling under the "control of any individuals or groups influential because of special position" (ibid).

Being aware of the political role played by the former *SWABC* the new management sought to avoid falling in the trap of political control. For instance, the new managers maintained that reporting had to be "responsible and professional and free from government or outside interference" (*NBC*, 1990: 1). Fearing political control, while at the same time trying to provide services to all, the new management encouraged

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[7] Namibian Broadcasting Corporation (1990). *NBC Policy Code: Programme and News Services.*
[8] Gorelick, N. (1996). "Namibia: Broadcasting and Democratization". In Marc Raboy (ed.). *Public Broadcasting for the 21st Century.* Luton" Luton University Press.
[9] Namibian Broadcasting Corporation (1991a). *Producers Guidelines.*

broadcasters to focus on the activities of the societal organisations and to report fairly on all the branches of the State. Hence the *Policy Code* urged journalists to report on the "functioning of all three branches of the government" and to provide "the broadest possible access to public organisations and associations wishing to inform and educate the public". (ibid: 1).

It is instructive to note that the above-mentioned philosophy adopted by the first board of directors and management accentuated perspectives informing public service broadcasting systems. However, the third board of directors adjusted this vision to conform to its emphasis on the revenue generating activities. Without changing the original mission statement of informing, education and entertaining "the people of Namibia in a manner which is relevant to the developmental needs of the country" the directors adjusted the vision by declaring that the objectives of the corporation was to:

> become a professional, vibrant and dynamic public service broadcaster, which is lean, mean, efficient and cost-effective in accordance with sound business principles (*Namibian Broadcasting Corporation*, 2001).[10]

The new vision was to steer the corporation in the 21st century and become the beacon of the *NBC* during its second major 'reorganisation', which commenced towards the end of the period covered by this study. With a vision and mission statement in place the task of the management was to improve the dented image of the former *SWABC*.

6.4 A new corporate image

One of the first priorities of the first board of directors and managers was to create a 'credible' organisation different from its predecessor, the *SWABC*. Seen as a 'propaganda tool' of the colonial authorities, many Namibians could not rely on the *SWABC* to provide them with accurate and objective reporting on the then prevailing political and socio-economic situation. This is the stigma attached to the *SWABC* since its establishment from 1979 and which it had to counter. Nevertheless, the *SWABC* directors and managers were aware of the "negative criticisms" levelled against the corporation

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[10] Namibian Broadcasting Corporation (2001). Vision and Mission Statement. Available at http://www.nbc.com.na/corporate/content.htm. Accessed on October 15, 2003.

and resolved to change that perception and to create what they called an "acceptable image" (*SWABC*, 1985: 5).[11]

The emphasis on credibility was understandable since this was one of the constraints faced by the national broadcaster in both the colonial and post-colonial eras. Political control and the lack of suitable programme material relevant to the national broadcaster's mandate remained challenges facing the credibility of both corporations. Acknowledging the importance of a credible public broadcaster the first director general of the *NBC* noted:

> For any broadcasting organisation to play a positive role in the political process of a nation, it needs to have credibility. Credibility can only be achieved by the electronic media through the accurate, objective and balanced presentation of news and programmes. Credibility is that key factor which provides the legitimacy for the media to play the mediating role necessary in the explaining, interpreting and analysing of policies and issues that have a bearing on the day-to-day lives of people (Gorelick, 1995: 25).[12]

It can be seen from this argument that the quest for credibility was to become an important priority for the management of the corporation. The management decided to address the new image of the corporation through public relations. In order to achieve this, the management decided to strength the public relations department. This department was placed in the office of the director general where it was expected to shape the attitudes and perceptions of the public in an attempt to build "a positive corporate image". The positive corporate image together with the production of relevant programmes was seen as an attempt to improve on its mandate. The management made this position clear in the 1991 *Annual Report*:

> The building of credibility and positive image was linked to the vital role of shaping of attitudes of both the staff and audience towards the corporation and to the promotion of the concepts of nation building, national reconciliation and affirmative action (*NBC* 1991: 16).

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[11] South West Africa Broadcasting Corporation (1985). *Annual Report 1984-1985*.
[12] Gorelick, N. (1995). "Electoral Process in Namibia – Building Confidence Through Broadcasting." Unpublished Conference Paper.

Although the *NBC* relatively improved its broader focus in terms of programming, as we shall see below, by 2005 the corporation had not succeeded in stemming political interference, which continued to undermine its credibility and image. Other factors too, including organisational conflicts and tensions coupled with the inability to produce local material and to screen quality programmes, tended to undermine its credibility. And critics of the corporation continued to see it as a 'State broadcaster' and a government mouthpiece like its predecessor.[13]

With a new vision and mission and a strategy to reconstruct the image of the former *SWABC* in place the new management proceeded to restructure the corporation, starting with the streamlining process.

6.5 Downsizing and rightsizing of the corporation

The objective of the first board of directors and management was to establish an efficient public service organisation. In order to achieve this objective the corporation had to be transformed from a "resource-led" into a "programme-led" national public service institution (*NBC Annual Report*, 1991: 1). The "top heavy" five-level management structure of the *SWABC* was trimmed down to a three-level structure (*NBC*, 1991: 1[14]; Dyvi, 1993: 68[15]). This downsizing saw the reduction of management posts from 26 to 11 (Gorelick, 1996: 233[16]). The new three-level top management structure adopted remained in place for the better part of the 1990s, until the second major 'reorganisation' of the *NBC*, initiated in 2001 and completed in October 2003. By October 2003 the three-level system was maintained, but the top management was trimmed down to eight members. In addition, the inherited bloated staff complements totalling 740 at

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[13] Much of the critic has come from the country's 'independent' press, more particularly from *The Namibian* newspaper. A perusal of these newspapers between 1990 and 2005 reveal that the press watched over the NBC the same way it played its 'watchdog' role over the government. However, this does not mean that other civil society organisations, and opposition political parties, did not criticize the corporation for being a 'mouthpiece' of the ruling party.

[14] Namibian Broadcasting Corporation (1991b). *Annual Report*, 1990-1991.

[15] Dyvi, E. B. (1993). "Radio and National Identity in Namibia: A Study of the Namibian Broadcasting Corporation." A Dissertation submitted to the Degree of Cand. Polit., Department of Media and Communication, University of Oslo, Spring 1993.

[16] Gorelick, N. (1996). "Namibia: Broadcasting and Democratisation". In Marc Raboy (ed.). *Public Broadcasting for the 21ˢᵗ Century*. Luton: Luton University Press.

independence, was reduced to 511 in 1993, and further reduced to 432 in 2003 (*NBC*, 1991: 3, 22; *The Namibia*, July 18, 2003[17]).

At face value, the objectives of downsizing and rightsizing the corporation was to cut expenditure on personnel and to channel the available funds into programmes, which was seen as the core function of broadcasting. However, the objective of this process went beyond mere economic considerations, as it addressed political issues. Another purpose of streamlining the corporation was to rid the corporation of what was seen as the propagandists of the previous State broadcaster. However, the corporation could not retrench all the former *SWABC* members due to the policy of national reconciliation. These were some of the contradictions encountered in the streamlining process of the national broadcaster. While the management had to cut on staff in order to channel funds into programmes it had to appoint new staff members and promote others to higher positions in line with its adopted affirmative action policy. More specifically, affirmative action programmes had to address the crucial issues of race, class and gender at the corporation. Ellen Dyvi (1993: 71) argues that:

> The *NBC* has, in its mission, committed itself to the policy of affirmative action during recruitment, which means favouring Namibian population groups which in the past had been disadvantaged by discriminatory laws or practices, in order to achieve a balanced workforce as far as ethnic background is concerned.

The policy of affirmative action became the vehicle through which the new management cadres, representative of the composition of the new society could be achieved. The white only management was replaced with a multiracial management team through the appointment of the 'formerly disadvantaged' to management positions. This allowed Swapo media practitioners to be appointed into the vacancies in the management positions of the *NBC*.

The policy of affirmative action further sought to address the question of gender balance, more especially in the management structure. While little success was made in this

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[17] The Namibian (2003). "N$ 55m to be budgeted for new salaries at NBC. Tuesday, July 8, 2003. Available at http://www.namibian.com.na/2003/june/national/03E05E12C4.html. Accessed on July 8, 2003.

regard, at least the foundation was laid with regard to the appointment of women in the former white Afrikaner male dominated *SWABC* leadership. In all, the corporation relatively succeeded in improving the staff composition in terms of race and class that reflected the new demography of the country in the post-independence era. By 1996 the *NBC* staff was 70 percent black and 30 percent female; with fewer women in the top leadership structure though (*NBC*, 1996: 17). However, by the end of 2004 the *NBC* claimed to have achieved "a 50/50 gender balance at executive management level" (*NBC*, 2004: 10).[18]

Despite the relative success in the race, class and gender composition the streamlining process adversely affected programme production due to the loss of skilled personnel. The reduction of staff and funds to programmes, which was viciously undertaken by the first and the third board of directors had dire consequences for the corporation. This was another contradiction that beset the corporation in its transformation process. Reflecting on these contradictions Ben Mulongeni (2002: 4-5)[19] remarked:

> The nature of our industry is also such that a programme-led public broadcaster uses (and needs) more human resources to produce the required programmes. This is true especially in that the information we have to provide in our programming is not just information for the sake of information, but for developmental and nation-building purposes. In the broadcasting industry, with such a mission, one needs more human beings than you need machines. Unlike in the other industries like car manufacturing factories, biscuit factories and others, where you may introduce robots and get rid of people, here you need human beings to do the work during production processes.

In defence of large public service broadcasting stations, which represent the opposite of the *NBC* management's rationale for streamlining, Michael Tracey (1998: 266)[20] argues that the downsizing process impacts upon "those vital but intangible commitments from which many public broadcasters, and therefore their audiences, have greatly benefited". He goes on to argue:

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[18] Namibian Broadcasting Corporation (2004). *Annual Report, 2003-2004.*

[19] Mulongeni. B. (2002). "The NBC and the Future: Comments on the envisaged transformation and restructuring process". In *The Namibian*, August 16, 2002.

[20] Tracey, M. (1998). *The Decline and Fall of Public Service Broadcasting.* Oxford: Oxford University Press.

> There is an important, but highly abstract and intangible,
> argument that successful public broadcasters tend to be 'largish',
> with sufficient creative mass to find, nurture, and give space to
> talent across a range of genres. Shrink that size too far and the
> institution becomes impoverished (ibid).

The process to make the organisation 'lean' led to a brain drain, resulting in skills vacuum in key areas of its operation. This was particularly more evident during the 2002/2003 voluntary retrenchments, which resulted in the mass exodus of personnel, many of the them skilled, who opted to leave the corporation in order to cash-in on the tax-free retrenchment packages. About 115 opted for these packages which cost the corporation close to N$ 14 million (*NBC*, 2003: 11). The move crippled the operations of the *NBC* and the directors were forced to approach some of them for re-employment. However, the reappointment of staff had its own disadvantages as the corporation noted in its 2003/2004 *Annual Report*:

> A staff shortage would have rendered the reorganisation process
> meaningless and failed in its objectives. Therefore, in a desperate
> attempt to rescue the situation, management opted for a placement
> process, which saw staff being appointed into new positions on
> the new structure with relaxed appointment criteria (*NBC*, 2004:
> 7).

Thus, in order to be able to provide services to the people a public service broadcaster needs to have the necessary skilled personnel. However, the *NBC* as has been noted continued to loose its skilled staff and was therefore not able to produce the required programmes. I will now evaluate how the new corporation faired with regard to one of its important mandates – to expand infrastructure and services to the citizens.

6.6 Universal access to broadcasting services

The expansion of infrastructure and services has a dual purpose, political and economic. For commercial broadcasters the expansion of infrastructure and services is motivated by an increase in profit, as the maximisation of customers will lead to an increased advertisement base. However, for broadcasters tailored along the public service broadcasting system, such as the *NBC*, with a mandate to expand infrastructure and services to the citizens, the expansion of infrastructure would refer a democratic function of broadcasting. This is also true in terms of historical duty of public service broadcasters

to ensure that "no-one should be disenfranchised by distance and or by accident of geography". Thus, the rationale behind the provision of nation-wide broadcasting services had not been for "maximising customers in a market, but of serving citizens in a democracy" (Tracey, 1998: 26).

Mandated to provide broadcasting services to all citizens the *NBC* had a duty to reach them, and that could only be realised through the expansion of broadcasting infrastructure across the length and breadth of the country. The mandate of the corporation as we have seen in Chapter Three was to disseminate government policies and programmes to reach the ears and eyes of the population, apart from its traditional roles of information, education and entertainment. At the same time the new government needed to create an informed population, which was essential for the healthy functioning of the fledging democracy,[21] and this could only be possible if citizens had access to the information and communications infrastructure and services.

Since the infrastructure inherited from the colonial dispensation did not reach everybody the new corporation had to roll them out. Lack of infrastructure was one of the colonial broadcasting contradictions. While the colonial authority needed to propagate its 'new dispensation', they could not at the same time reach all the people, because of the restricted broadcasting signals. At independence in 1990 only 20 percent of the country could receive television signals while radio reached about 65 percent of the population (*NBC Annual Report*, 1998 – 1999: 1).[22]

The new corporation had also mixed results. While by the end of the first decade of independence the *NBC* achieved a relative success with regard to the distribution of radio signals, the television still lagged behind in terms of its penetration in society. The following data provides the success and failures of the *NBC* in terms of universal access

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[21] The minister of Information and Broadcasting, Ben Amathila, in his familiarisation trips across the country after his appointment to this ministry in 1993 conveyed this message to the population. The author as his personnel assistant accompanied him on these trips.

[22] These figures are contradictory, especially with regard to radio coverage. For instance the first two *Annual Reports* (1990-1991 and 1992-1993) explained that radio reached 90 per cent of the country, while the 1998/1999 *Annual Report* put this coverage at 65 per cent. But a former NBC technician, Mr. U.R Storm, who knew the transmitter network very well at the time of independence, in an interview with Ellen

of the broadcasting services. According to the 2001 National Population and Housing Census, radio reached about 79, 7 percent of the population by 2001 of whom 84, 5 were in urban centres and the 76, 6 in rural areas. Television reached about 36, 5 percent Namibians, of whom 66, 4 percent were in urban areas, and 17 percent were in rural areas (National Census cited in Stork and Aochamub, 2003: 25).[23] However, a study conducted by AC Nielsen, a communications consultancy, on behalf of the *NBC* set the penetration of television in households at 39 percent and radio at 92 percent (AC Nielsen, 2001).[24] Three years later the degree of radio and television penetration into the Namibian society improved slightly, as the following statistics indicate. In 2004 about 84, 6 percent of Namibians owned and had access to radio of whom 87, 6 were in urban areas and 82, 5 percent were in rural areas. With regard to television, about 39, 4 percent owned or could access television of which 70, 4 percent were in urban areas and 18, 3 were in rural areas (National Planning Commission, 2006: 19).[25]

It must be noted however, that the principle of universal access to broadcasting services has both technical and economic attributes (Scannell, 1992: 319).[26] Apart from the availability (or the lack thereof) of broadcasting signals, target audience must have at least a disposable income to afford the necessary equipment (particularly television sets) and the related costs, such as licence fees. Television sets are not cheap to an average Namibian household, and continued to be a major expenditure to many citizens.

The slow penetration of television into Namibian social life can be ascribed to torpid improvement of the livelihood of the majority of the population, despite attempts by authorities to expand the television signal. This constraint must be linked to the performance of the economy and the distribution of resources among the citizens. The economy performed poorly during the period covered by this study as the country,

Beate Dyvi on 25 May 1992, said that 40 per cent of the population received Short Wave signals, while 60 per cent could receive FM and MW signals (see Dyvi, 1993).
[23] Stork, C. and Aochamub, A. (2003). "Namibia in the Information Age". *Nepru Research Report*, No. 25, 2003.
[24] Nielsen, A. C. (2001). *NAMPS 2001 Media Study.* Namibian Broadcasting Corporation.
[25] National Planning Commission (2006). *Namibia Household Income and Expenditure Survey 2003-2004. A Preliminary* Report. Central Bureau of Statistics.

according to United Nations reports continued to be one of the world's poor performers in terms of income disparities. The government could not achieve its four basic objectives, notably the stimulation of *economic growth, job creation, reduction of inequalities in income distribution* and *reduction of* poverty set out in the *First National* Development *Plan* (NDP1). These objectives had to be carried forward to the *Second National Development Plan* (NDP2).[27] Household incomes continued to be gloomy. By 2001 the average income per household was estimated at N$ 662 per month, with N$ 1 047 in urban areas and N$ 283 in rural areas (National Planning Commission, 2001: 69, 70).[28] This clearly indicated that the economy was a major determinant for access to public services, including television. Thus, improvement in television access should be linked to the ultimate improvement of the livelihood of the majority of the people, which in turn is directly linked to creation of more jobs and the reduction of abject poverty, and the realisation of a disposable income to many households.

Since the majority of the citizens are unable to afford television sets and the accompanying licence fees, it can be concluded that government subsidy to the corporation, of which a bigger portion of the operational budget was channelled into television programmes, benefited a small section of the population. Put in another way, the national broadcaster is funded with public money to perform a public service mandate of informing, educating and entertaining the entire population. However, only a limited section of the population enjoys these services.

The government could have done more to enable the majority living in sub-economic conditions to receive television signals. It was afforded an opportunity to accomplish this objective. The European Commission agreed, as far back as 1993, to fund the expansion of broadcasting transmitter networks, provided the Namibian government committed itself to the provision of radio and television receivers (sets) to rural community centres, schools and hospitals. In terms of Project 7ACP Nam 43: "Extension of the Transmitter

[26] Scannell, P. 1992). "Public service broadcasting and modern public life". In P. Scannel, P. Schlesinger, and Sparks, C. (eds.). *Culture and Power. A Media, Culture & Society Reader*. London: SAGE Publications.

[27] National Planning Commission (2003). *Second National Development Plan (NDP2), 2000-2005.*

[28] National Planning Commission (2002). 2001 Population and Housing Census. Preliminary Report.

Network for Radio and Television - Mission to Namibia", submitted to the European Development Fund Committee, the Namibian government had to commit itself to two issues, notably:

> That the Government of Namibia will be committed financially, through a Master Plan, to provide schools, clinics, agricultural research centres, etc. with receivers [televisions and radios]. This is to ensure that the above-mentioned objective, the social impact, will be the result of this project (Leenders, 1993).[29]

By 2005 the government had yet to respond to this challenge, which could have enabled the impoverished communities access to television and thereby decreased the disparities between the information haves and have-nots. This omission was puzzling. While the government wanted its policies and programmes to reach all the citizens, it seemed not to be prepared to provide radio and television sets to the disadvantaged people living in rural, who had been ironically the main support base of the ruling party. This paralleled the colonial contradictions, but the post-colonial government had better opportunities and resources than the colonial government, as it had access to international donors and funding institutions, including the offer just noted.

In spite of the fact that the majority of the population could not access television due to economic constraints, that did not prevent the corporation from making strides at the technical front. While initially inhibited by the cost to roll out infrastructure in a vast country with a small and dispersed population, the corporation with the assistance of the external funding acquired satellite technology to distribute broadcasting signals. It introduced signal distribution via satellite in September 1994, when the corporation installed 12 satellite-receiving stations in all the major regional centres with the assistance of the European Commission's Project 7ACP Nam 43 (*NBC*, 1995: 12).[30]

The new technology was not only to be confined to the expansion of infrastructure, but was extended to the modernisation of the facilities as well. In October 2001 the corporation spent nine million Namibia Dollars on the digitalization of its newsrooms.

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[29] Leenders, R. (1993). "Extension of the Transmitter Network for Radio and Television – Mission to Namibia". Windhoek: European Commission.
[30] Namibian Broadcasting Corporation (1995). *Annual Report*, 1994-1995.

Already in 1996 it introduced digital radio broadcasting. The long-term objective was the digitization of the entire broadcasting network in order to enable the corporation to switch to Digital Video Broadcasting and Digital Audio Broadcasting platforms (*NBC Annual Report*, 1999: 9). The digitalization of the broadcasting services started in the capital city and financial resources were needed to expand these services to the regional offices. For instance, it was only in 2005 that the Oshakati regional office, the second largest, went digital at the cost of N$ 7 000 000 million (Mvula, 2005: 7).[31] Moreover, the *NBC-TV* signal, as indicated in Chapter Four, was also distributed via satellite through the *MultiChoice Africa*'s *Digital Satellite Television* (DStv) since 1999.

If the expansion of infrastructure and services to all the citizens is one basic marker of a public service broadcaster, the other is the provision of the relevant, quality and mixed programmes to all the citizens (Scannel, 1992: 320). In the next section, I will examine programme reform, focusing particularly on the successes achieved and obstacles encountered with programming.

6.7 Programme reform

In terms of its mandate the *NBC* had to increase and expand its services not only in terms of geographical reach, but also in terms of programmes. It had to transform programmes in order to address the needs of the new society in transition as set out in the provisions of the *Namibian Broadcasting Corporation Act, 1991* (Act 9 of 1991) and the *Information Policy* (1991). In addition, the corporation's approach was to respond to this obligation within its own internal policy framework as set out in its *Programme Policy* (1992), *Policy Code* (1990) and the *Producers Guidelines* (1991). The programmes had to reflect the broader transformation process taking place in the Namibian society, following independence and be guided by the government's policies of nation building, socio-economic development and democratisation of society. Moreover, the programmes had to be relevant "within the Namibian multicultural societal context" and recognise the "cultural diversity", by promoting "unity in diversity" of the Namibian people (Gorelick, 1996: 234). However, as it will be demonstrated shortly, the corporation did not succeed in satisfying the divergent and sometimes conflicting needs and interests of a

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[31] Mvula, T. T. (2005). "NBC Shakati Goes Digital". In *New Era*, Tuesday, March 15, 2005.

multicultural and multi-lingual society. This shortcoming is inherent in the nature of public service broadcasting institutions. Michael Tracey (1998: 26, 27) points out that programmes of public service broadcasters, while trying to cater for "different tastes and interests" cannot "please all the people all the time". Nevertheless, "well-produced programmes can please a lot of the people a lot of the time, and everybody some of the time", because "serving the national diversity of a society is not the same as giving the people what they want" (ibid. 27).

However, the production of suitable programme material satisfying "everybody some of the time" was costly to produce, due to inadequate State funding and the lack of skilled personnel following staff reductions. The only feasible option to the *NBC*, like many other national/public broadcasters in sub-Saharan Africa, was the foreign material, which continued to consume a significant portion of its operational budget between 1990 and 2005, despite a growing demand for local content material. For instance the expenditure on programmes by March 1994 stood at N$ 19. 4 million, which represented about 56 percent of the total 42 percent allocated to operational costs. By 2004 programme expenditure increased to N$ 73, 7 million from the corporation's total expenditure of N$ 161, 9 million (*NBC*, 1994: 3, 19 and *NBC*, 2004: 33). Despite the allocation of these relatively significant amounts into programmes, the larger portion of these funds went into the purchasing of foreign programme material rather than to the production of local programmes. By 2001 the amount allocated to local productions was as low as N$ 600 000 per year (Similo interview, 2002)[32], while the production of local programme material in the southern African region during the same period was estimated at US $ 400 (or N$ 4 200) per minute (*Die Republikein*, October 2, 2002). Moreover, the salary bill continued to consume the larger portion of the corporations' budget, despite staff reduction. In 1994 the wage bill took 58 per cent of the budget leaving 42 per cent for operations (*NBC*, 1994: 19). In 2002 expenditure on salaries increased to 60 per cent of the total budget, leaving 40 per cent for operational costs. However, by the end of the 2003/2004 financial year the corporation managed to reduce expenses on salaries to 39 percent of the total budget, leaving 61 percent for operational purposes (*NBC*, 2004: 6).

Thus, with a shoestring budget allocated to local productions the *NBC* could not produce enough local content material or commission these to external producers. To complicate matters the corporation operated in an environment lacking domestic audio-visual industry. The embryonic Namibian audio-visual industry at the time also suffered from lack of funds. While the government's film policy was premised on both the development of the local industry and the promotion of the country as a film destination, attention was focused on the promotion of the country as film a destination, with no funds going into local productions. Despite the establishment on a "film fund" to finance local film project productions in terms of the *Namibia Film Commission Act, 2000* (Act 6 of 2000) no funds were channelled into this fund by 2002. This omission was ascribed to the lack of regulatory guidelines to direct the distribution of grants to film projects. Thus, the *Namibia Film Commission* operated on a zero budget since its establishment and was unable to fulfil most of its responsibilities, except for processing applications from foreign film companies wishing to shoot in Namibia. It was only in October 2003 that the process of formulating film regulations was mooted. In the meantime local productions by independent film makers were donor-funded and driven by their sets of expectations and requirements (Philander, 2003).[33]

Thus, a combination of the lack of local film and video industry, the lack of local quota regulation and inadequate funding contributed to a limited television local content on the screen of the *NBC*, which continued to threaten the credibility of the corporation. This 'threat' was detected as early as 1992, when the management acknowledged that:

> Strengthening and increasing local content, reflecting the needs of our audience to be seen and heard on radio and television programmes is a vital confidence-building measure that will boost staff morale and create positive reaction from listeners and viewers (NBC, 1992: 11).

The management further conceded that:

> Excessive reliance on the purchased programmes has tended to encourage foreign tastes to the detriment of national conscience

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[32] Stanley Similo interview with the author. July 25, 2002, Windhoek.

[33] Philander, F. (2003). "What Hope for Filmmakers?" In *The Namibian*, Thursday, March 20, 2003. Available at http://www.namibian.com.na/2003/march/national/03BD7E7456.html. Accessed on March 21, 2003.

and interests. As a result the perception exists that the NBC is failing to cater for change, hence the interests of the formerly disadvantaged are not catered for. It is therefore, an absolute priority for the NBC to continuously redress this situation (ibid.).

It was due to these limitations that the *NBC*, like its predecessor the *SWABC*, could not achieve an acceptable amount of local content. The *SWABC* relied heavily on South African and foreign television programme material. By 1989, a year before its transformation into the *NBC*, its local content stood at 12, 6 percent of the total television programme output. About 21, 9 percent consisted of programmes obtained from South Africa, while the remaining 65, 5 percent were foreign obtained from the Western countries of Europe and North America (*SWABC*, 1989: 18).[34] In its eagerness to redress this situation and thereby increase credibility of the corporation the new management of the *NBC* set out to achieve an unrealistic 50 percent local content within the first five years. The strategy was to increase local content by 10 percent annually during the first five years. However, this did not happen as the corporation could only record a 20 percent local content in 1997 from its total television progamme output. By end of 2002 the local content increased slightly to 35 percent (Similo interview, 2002).

6.8 News and current affairs

The news and current affairs programmes were the areas in which the new *NBC* leadership had achieved relative success in terms of refocusing on national characters, but failed in covering all the different national actors equally at the same time. Seen as 'successful audience-pullers' these programmes continued to be contested as they became the terrain in which the emerging political elite wanted their policies to be heard and their activities to be seen. Thus, while the Namibian characters on television news and current affairs programmes improved since the transition from *SWABC* to the *NBC*, attention continued to be focused on the political and economic elite.

The focus on dominant forces in society was a continuation from the previous broadcasting dispensation, and we shall briefly focus on the *SWABC* news practice in order to see the continuity from the past to the present. This will enable us to

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[34] South West Africa Broadcasting Corporation (1989). *Annual Report*, 1988-1989.

acknowledge the failure of the new *NBC* management to improve on equal representation of all societal forces in the news. The *SWABC* was unequivocal as to who should be included and excluded in news coverage and on the public representation of views. The corporation clearly stated:

> The political parties represented in the National Assembly are recognised by the *SWABC* as the parties of which cognisance must be taken. Leaders of these parties are recognised as newsmakers and they and their parties are reflected on both radio and televisions news (*SWABC*, 1986: 55).[35]

Thus, the primary definers of news, as well as the credible news sources of the *SWABC* included the Administrator General, the ministers of the interim government; leaders of the second tier authorities, pro-government traditional leaders, and public servants. Within the purview of the *SWABC*, the progressive movement including Swapo and their activities were illegitimate and threatened the prevailing social order and consensus reached between the internal parties represented in the transitional government of national unity (TGNU). Being a State broadcaster and by extension a mouthpiece of the government, *SWABC* was biased in favour of the South African administration and the TGNU in both coverage and presentation of its news and 'actuality programmes'. As Ellen Beate Dyvi (1993) notes, "only the authorities were allowed to be quoted on the *SWABC*. No event could be reported unless the authority gave a statement on it and a fact was not a fact, and an event was not an event without the blessing of the authority" (ibid).

With the transition from *SWABC* to *NBC* after independence the situation was reversed with the progressive movement, including the former liberation movement, more specifically the President and his Cabinet gaining prominence on the *NBC-TV* news and current affairs programmes. This category of newsmakers became the main 'credible' news sources and primary definers of issues and events. Ellen Dyvi (1993: 93) points in her study on the *NBC-Radio* during the early days of the *NBC*'s transformation process that the Swapo Government, the President, Swapo Party, and Government Committees

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[35] South West Africa Broadcasting Corporation (1986). *Annual Report*, 1985/1986.

received 70, 9 per cent of radio airtime. Rukee Tjingaete (1997: 90)[36] writing on television concluded that: "the information sources receiving highest [television] access are Swapo Party spokespersons, followed by official government sources, opposition spokespersons, trade unionists and feminists in that chronology." By the end of 2001 a media monitoring survey conducted by the Media Institute of Southern Africa (Misa) indicated that the government continued to enjoy the biggest portion of airtime by both *NBC-TV* and *NBC-Radio* (Misa, 2001: 22, 23).[37]

Apart from privileging the elite in its coverage the *NBC* suffered from an 'urban-biased syndrome'. Its news focus remained the capital and the central Khomas Region, thus neglecting other regions. For instance, from the local television news screened by March 1996 about 85 percent covered the capital and the central region, while only 15 percent was devoted to the smaller towns (*NBC*, 1996: 12). The 2001 *Misa* survey found that 61 percent of the *NBC* news came from the central Khomas region (Misa, 2001: 33). The report further notes that "an overwhelming preponderance of stories emanate from the Khomas region (Windhoek), with serious neglect of reporting from many other regions" (Misa, 2001: 1).

The discrepancy in geographically news coverage was in contradiction with the government's policy of the coverage and dissemination of information throughout the country, in order to bring the marginalised communities in the mainstream. Other regions, more particularly the rural areas, featured in the news when the President or Cabinet ministers visited them. The country's mainstream media, including the press, were urban-based in terms of coverage and distribution, with perhaps the State-owned biweekly *New Era* newspaper, an only exception. *New Era* was established in 1992 to bridge the rural-urban divide and remained largely the only newspaper with the largest rural circulation (Tjingaete, 1997: 48). Another discrepancy of the Namibian media was the reliance on single sources, which undermined balance in news presentation. The *NBC* was singled out of favouring the government by excessively relying on the

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[36] Tjingaete, R. (1997). "Television Access in Post-Independent Namibia: The Intersection of Class, Race and Politics." A Dissertation submitted to the Michigan University in Partial Fulfillment of the Requirements of Doctor of Philosophy, Department of Journalism, 1997.
[37] Media Institute of Southern Africa (2001). Media Monitoring Project Namibia. Pilot Phase Report.

president, ministers and government officials as its single sources. The *Misa* report further noted:

> All media, but *NBC* most of all, have an unhealthy reliance on reporting of conferences, workshops, speeches and other events. With some exemptions – for example, *The Namibian* and *Die Republikein* – constant in-depth reporting and follow-up is rare. Serious investigative reporting is unusual (Misa, 2001: 2).

In addition to the negligence by the public television to cover and represent all the regions the reception of the radio's language services, apart from the *National Radio*, were confined to the ethnic boundaries. It must be noted that the representation of a language in the mainstream national media is crucial for the survival of that language and by extension the survival of the culture of its speakers. Mike Feintuck (1999: 45 citing Thomas, 1995: 179) notes that:

> A language at given time is kept in existence by a group of people speaking to each other in that shared set of terms; and clearly in modern conditions, a language that does not have access to the media is doomed, for the media are an extension of people speaking to each other.

The marginalisation of the indigenous languages in the national broadcaster was perpetuated by the apartheid policies, which the new management had not yet reversed successfully. During the pre-independence era the language services could only be reached in 'ethnic areas', which meant that listeners had to be in their 'traditional' areas in order to receive radio news in their vernaculars (Dyvi, 1993: 69). While initiatives were made since 1999 to expand the radio language services across the country's 13 political regions, little success was achieved in this regard. However, during the 2003/2004 financial year the corporation only managed to open nine language services in the three northern and north-eastern regions (*NBC*, 2004: 16). Relative success however, was made in terms of elevating the African language services to equal prominence and status with the then mainstream Afrikaans, English and German radio services. The former English Service was transformed into the national radio services, broadcasting in English, on a 24-hour basis nation-wide, while the other services had to be joined at night, forcing people to listen to English, in order to promote this language as part of the

Corporation's mandate. In addition, television news was introduced in most of the vernaculars in 2000, while Afrikaans and German did not have television news.

6.9 Democratising the broadcasting space

Perhaps the most remarkable programme reform was the talk radio or the so-called phone-in programmes. The programmes were introduced in order to enhance the democratic culture of freedom of expression guaranteed in the Constitution of the country. David Lush and Kaitira Kandjii (1998: 68)[38] argue that:

> Radio phone-in programmes have become an institution since independence and are Namibia's constitutionally guaranteed freedom of expression at work. They have been crucial in the developments of Namibia's culture of free expression and are important mechanisms for holding those in power accountable.

Initially introduced by the *SWABC*, the phone-in programmes were confined to relay messages, notices and greetings. The objective under the pre-independence broadcasting dispensation was to boost the corporation's credibility among the listeners, and at the same time win the people over to the 'neo-colonial' arrangement headed by the TGNU. Faced with credibility questions, the *SWABC* management had to attract listeners to its activities and phone-in programmes were some of the strategies employed to promote greater listener involvement by giving them "the chance to phone the studio directly during a live transmission" (*SWABC*, 1983: 4).[39] However, in the post-independence era the phone-in programmes assumed another dimension as they came to provide a platform for national debates, promoting the discussion of political, economic, social and cultural issues, and thereby contributing to the democratisation of the airwaves (Katjatenja interview, 2001[40] and Tyson interview, 2001[41]).

Dubbed the "people's parliament", the phone-in programmes did not only allow listeners to phone-in and address crucial public issues, but obliged the political and economic elite to respond to issues raised by the callers (Katjatenja interview, 2001). As important public sphere forums the phone-in programmes enabled the broader public to debate

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[38] Lush, D. and Kandjii, K. (1998). "Namibia". In *Up in the Air: The state of broadcasting in Southern Africa*. The Panos Institute. Southern Africa

[39] South West Africa Broadcasting Corporation (1983). *Annual Report*, 1982-1983.

[40] Ephraim Katjatenja interview with the author. July 19, 2001, Windhoek.

issues of public interests and thus allowed, as Richard Hoggart (1983: 5)[42] would have argued, the "nation to speak to itself". At the same time the programmes served as a catharsis enabling ordinary people to air their grievances, while at the same time served as barometres allowing politicians to take stock of the public mood, and thereby detect issues of potential conflict before reaching a boiling point. Thus, the phone-in programmes became an important platform for public debate and as such they contributed to the revival of civil society and hence the public sphere. Commenting on the role of public broadcasting in rejuvenating the public sphere Michael Tracey (1998: 29) notes that:

> Public broadcasting's very nature is then to nurture the public sphere as a means of serving the public good. It understands that while within civil society individuals pursue their own private self-interests, it is within the public sphere that they function as citizens. It is a fundamental principle that public broadcasting must motivate the viewers as citizens possessing duties as well as rights, rather than as individual consumers possessing wallets and credit cards.

In spite of this vital democratisation role played by the phone-in programmes, politicians did not hesitate to intervene in the name of 'national interest' to force suspension of a number programmes. An important shortcoming of the programmes however, is that they were limited in their reach because of economic factors, despite the fact that they were introduced in vernacular services to overcome the limitation of English competencies. The lack of telephones and or the ability to afford extra telephone bills further limited the phone-in programmes from filtering down to the grassroots (Dyvi, 1993: 106).

Having addressed some of the changes initiated and the shortcomings experienced in the transformation process of the national broadcaster the next step is to examine the economic foundation on which this process was undertaken. It must be noted that the success achieved and shortcomings experienced must be assessed against the prevailing economic situation both at micro and macro levels, apart from the political interference

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[41] Robin Tyson interview with the author. July 18, 2001, Windhoek.
[42] Hoggart, R. (1983). "The Public Service Idea". In *British Broadcasting: Main Principles*. London: Broadcasting Research Unit.

discussed in Chapter Four. In the rest of the chapter I will thus, examine the economic constraints encountered and the strategies adopted to overcome them.

6.10 Economics of the *NBC*

The transformation process of the national broadcaster was undertaken on a very shaky economic foundation, as the corporation continued to find itself in a precarious financial situation, which was exacerbated by inadequate State funding. Despite the need to transform the corporation, the State subsidy to it decreased in real terms from 1990 to 2005, making it extremely difficult for the *NBC* to implement successfully its reform programmes. Although the State subsidy ranged from N$ 36, 7 million in 1990 (*NBC*, 1991: 34) to N$ 103, 9 million in the 2003/2004 financial year (Ministry of Finance, 2004),[43] these funds were not allocated in relation to the inflation rate. Nevertheless, the State subsidy remained the corporation's main source of income. By 2004 the State subsidy accounted for about 79 percent of the corporation's total income, while its own income was only 21 percent. In monetary terms, from a total income of N$ 132 934 247 million in 2004 an amount of N$ 103 922 999 million was the State subsidy, while the remaining N$ 29 011 248 million represented the corporation's own income derived from advertisements, licence fees, sponsorships, sundry income and rent from transmitters and properties (*NBC*, 2004: 32). Thus, very little was achieved in terms of improving the corporation's own income vis-à-vis State subsidy during the period covered by this study. In 1990 the State subsidy accounted for 76, 8 percent of the corporation's total income compared to 23, 2 percent of its own income (*NBC*, 1991: 34).

In the face of the reduced funding the corporation had to continue to expand its projects and activities in terms of its mandate. Thus, the constant reduction in State funding in relative terms reflected the difference between the economic reality of the country in transition and the political (ideological) policies of nation-building (Melber, 2000).[44] To complicate matters the directors compelled management to implement projects and activities despite the fact that much of these were not budgeted for, under the assumption that the government would increase subsidy if it saw that the corporation was

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[43] Ministry of Finance (2004). National Budget Statement: Government of the Republic of Namibia.

implementing new projects (Mulongeni, 2002).[45] One director general of the corporation summed this predicament as follows:

> One of the mistakes we have allowed during the years since independence is the fact that we have been expanding the magnitude of operations and services, without increasing the budget required to fund these services and projects. During these years the *NBC* has expanded its operations with the exact same subsidy which has in fact been declining if one considers the rate of inflation and other economic factors (ibid. 4).

The implementation of unbudgeted projects together with the misappropriation of funds resulted in a budget deficit that soared from N$ 4, 7 million in the 1994/1995 financial year to N$ 75 million in the 2005/2006 fiscal year. To compound matters the corporation was beset with a spate of mismanagement of resources, which started fairly early in its transformation process. In its 1992/1993 *Annual Report* the corporation reported the "missing" of compact discs "worth more than N$ 60 000" (*NBC*, 1993: 29). This was followed by a spate of misuse of assets ranging from vehicles, credit cards and funds perpetuated by staff, including the management cadres. The mismanagement of the resources was so severe in the middle of the transformation process, forcing one of the director generals to issue a strong warning to the perpetrators. Addressing the top and middle-managers of the corporation, Daniel Tjongarero (1996: 4, 5)[46] reminded them that:

> The properties of the *NBC* are national assets paid for with tax payer's money. They are thus to be treated with respect and with the aim of preserving them for as long as possible for generations to come. Yet, we do not seem to care if one thinks of the reports that reach our offices about damages to the *NBC* property...Colleagues, I am sure we can all bear testimony to thousands of dollars wasted in negligence, carelessness and destruction ... Somehow we need new ethics about the management of *NBC* property; the alternative is to introduce punitive (financial) measures.

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[44] Melber, H. (2000). "The Politics of Nation-Building: A Theoretical Introduction". In Melber (ed.). *Namibia: A Decade of Independence*. Windhoek: Nation Press.
[45] Mulongeni, B. (2002). "The NBC and the Future: Comments on the envisaged transformation and restructuring process". In *The Namibian*, Friday, August 16, 2002.

Despite this warning the mismanagement of resources continued unabated and resulted in colossal financial losses, which prompted one of the chairmen of the corporation to acknowledge that:

> It is true that the *NBC* is experiencing financial difficulties. As a result, it is very hard at this stage to cater for all the financial needs of our Corporation, especially those of the employees. As a result of the financial constraints, we are battling to replace obsolete equipment, and we are failing to produce good programmes for television (Kaumbi, 2001).[47]

Due to the persistent misuse of resources in September 2001 the directors were forced to appoint an internal auditor to clamp down on the mismanagement of properties and resources (Kaumbi, 2001). A chartered accountant company, BDO Namibia, was commissioned to assess the magnitude of financial mismanagement at the corporation followed by the appointment of an internal auditor, who left the corporation soon after his appointment. In its report BDO Namibia noted that the internal audit functions at the corporation were "non-existent" leaving funds and assets "vulnerable to abuse and neglect". The company added that:

> It appears that Management has failed in achieving a business environment free of misconduct and fraud, and together with the Directors, has not implemented internal controls or enforced controls that are in place. As a result the Directors should take responsibility for this negative variance on the budget [which was not budgeted for at all]. (BDO Namibia Chartered Accountants cited in Inambao, 2002).[48]

Similar conclusions were contained in the Auditor General's Report on the financial situation of the corporation for the 2003/2004 financial year. This Report among others found that the management of the corporation lacked control over its debts, stock and assets across the country. The accounting practices were not followed and while the corporation had four different bank accounts, its finance department did know of their existence. Moreover, the audit found out that the corporation did not have an accurate

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[46] Tjongarero, D. (1996). "An Address by the Director General of the NBC, Dan. J. K. Tjongarero on the occasion of the Top and Middle Management cadre Workshop." Windhoek: Country Club Hotel, 22-23 February 1996.

[47] Kaumbi, U. (2001). "A Statement for the NBC Media Statement." July 19, 2001.

[48] Inambao, C. (2002). "Audit report damns NBC". In *The Namibian*. Wednesday, June 5, 2002. Available at http://www.namibian.com.na/2002/june/news/0264E926C4.html. Accessed on June 6, 2002.

record of what it was owed by the advertisers and rental for its transmitters. Furthermore, the corporation did not know exactly the replacement value of its fixed assets and the amount it had received from sponsorships. While staff owed the corporation about two million Namibia Dollars, there was no documentation supporting that, and it was impossible to verify that figure. The Report concluded that the *NBC* "operated under very high risk by having virtually no control over its assets and finances" (Auditor General, 2006: 7).[49]

The first major blow to the corporations' finances came during the mid-1990. In its desperation to increase revenue the *NBC* signed a controversial agreement with the Miss Universe Beauty Pageant, held in Namibia in May 1995, for the sole broadcasting rights of the event. The corporation spent its entire Depreciation Fund, then estimated at N$ 7, 8 million for the broadcasting rights with the hope of making profits from the re-selling rights to other broadcasters.[50] However, the *NBC* could only gain a paltry amount of N$ 300 000 from the rights bought by the *South African Broadcasting Corporation (NBC,* 1996: 26).[51] The terms of the agreement restricted the *NBC*'s rights to Africa and African broadcasters did not buy from the *NBC,* as they preferred to obtain them cheaper from the Western broadcasters.

The financial situation continued to deteriorate to the extent that the corporation was unable to pay the housing subsidies and medical aid contributions of its staff. It also could not afford television live broadcast payments as well as royalties to musicians and other day-to-day operational costs (*The Namibian,* July 11, 2002).[52] At one point the Corporation could not even afford basic necessities such as tapes and had to re-use old tapes for recordings (*NBC,* 1999: 14).[53] Furthermore, the corporation was unable pay to income tax deductions of its employees to the Receiver of Revenue and by January 2005 it owed about N$ 29 million in taxes, while at the same time it had a bank overdraft of N$

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[49] Auditor General (2006). Auditor General Report on the NBC for the Financial Year ending March 2004.
[50] In terms of the provision of the NBC Act, this expenditure should be authorised by the Minister, but Management ignored this provision.
[51] Namibian Broadcasting Corporation (1996). *Annual Report,* 1995-1996.
[52] *The Namibian* (2005). "NBC cash crisis deepens, owes Receiver N$ 29m". Wednesday, August 31, 2005.
[53] Namibian Broadcasting Corporation (1999). *Annual Report,* 1998-1999.

29 million with the First National Bank (*The Namibian*, August 31, 2005: 1, 2).[54] This was not all, the corporation also could not pay its frequency fee[55] to the regulator, the *Namibia Communications Commission*, and by September 2005, it owed an amount of N$ 520 000, which represented 38, 4 percent of the regulator income of N$ 1 000 000 million for the year (Poolman, 2005: 2).[56] During the zenith of the corporation's financial crisis the English language daily newspaper was to report that:

> Cash-flow problems have directly affected *NBC* operations. The State broadcaster has in recent months been unable to buy basic items such as stationery and even toilet paper for its staff toilets. Funds to send journalists on assignments outside the station had all but run out, and Government Ministers which invited *NBC* reporters to cover their events were being asked to feed the journalists as the *NBC*'s petty cash was exhausted (*The Namibian*, August 29, 2002).[57]

Perhaps the worst act of misappropriation of funds occurred towards the end of 2005 when the new director general, Gerry Munyama, was suspended for the embezzlement of about N$ 400 000 of the NBC's Executive Account to which he was the sole signatory. He subsequently resigned from the corporation, and the police opened a charged of theft and embezzlement of funds against him. The board of directors also laid a civil case against him to recoup the misappropriated funds (Inambao, 2005a: 1, 2).[58] Further investigations into the misappropriation of these funds opened a host of dubious dealings including the erection of a security gate to the tune of N$ 4 000 000 million, and abuse of credit cards and travelling allowances (ibid: 2). The ousted director general was not alone in committing misdeeds, regarded as the worst financial and management crisis, the newly appointed board of directors, shared by a former ruling party parliamentarian and trade unionist and which include among its members an Army Colonel, were said to have

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[54] The Namibian (2005). "NBC cash crisis deepens owes Receiver N$29 m". Wednesday, August 31, 2005.
[55] This (frequency) fees is different from the licence fees. While the private broadcasters were required by law for pay annual licence and frequency fees in terms of the law, the national broadcaster (NBC) was only liable for the frequency fees and not for the licence fees. This is because the regulator did not grant NBC its broadcasting licence, but it inherited from the colonial dispensation. Thus, the *NBC* did not operate with a licence granted by the regulator, because it (*NBC*) the Namibia Communications Act did not apply to the NBC as already indicated in Chapter Four.
[56] Poolman, J. (2005). "NBC in sop oor sy lisensiege". In *Die Republikein*, Vrydag, September 23, 2005.
[57] The Namibian (2002). "NBC gets N$ 100m bail-out from government." August 29, 2002. Available at http://www.namibian.com.na/2002/august/news/02/FFF0D06.html. Accessed on August 29, 2002.
[58] Inambao, C. (2005a). "NBC Boss Suspended". In *New Era*, Wednesday, November 16, 2005.

milked out the corporation further. Having suspended the director general, the board held a host of meetings to 'investigate' further misappropriation of funds. These meetings cost the cash-strapped corporation about N$ 13 000 in allowance for a single board meeting, excluding meals and refreshments enjoyed by the board (Inambao, 2005b: 4).[59] In addition, two of the board members served on the Audit Committee, set up to audit the books of the corporation for which each received N$ 3 500 per sitting (ibid).

While the financial crisis remained the major constraint hampering the transformation of the *NBC* into a financially viable public service broadcaster there were other external factors that contributed to the financial crisis of the corporation, such as the changing economic environment, which I will turn to briefly here below.

The dwindling State subsidy was a result of a combination of the government's priorities and the impact of neo-liberalism. During the first few years of independence the government sought to "correct social deficits" that required the government to spend increasing amounts of its resources on the provision of education and health services. Emerging from apartheid totalitarianism, the new government was faced with social deficits, including housing shortage, unemployment, poverty, illiteracy, inadequate education and health services, which were its priority. In order to improve these services, the government spent 40 per cent of its budget on education and health services every year for the first 10 years of independence (Republic of Namibia, 2000: 2, 8).[60] Broadcasting, while seen as an essential service, weighed less in terms of government's priorities. Instead the government urged the corporation to increase its own financial revenue through advertisements and other activities. As early as 1993 the government called upon the corporation to "reduce its financial constraints" and to move towards "financial self-sufficiency" by exploiting "every opportunity to generate additional sources of income", including:

- increased advertising;
- acquisition of foreign grants to finance capital projects;
- foreign assistance with training courses; and

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[59] Inambao, C. (2005b). "Board Meetings Drain NBC Cash". In *New Era*, Wednesday, December 14, 2005.
[60] Republic of Namibia (2000). *A Decade of Peace, Democracy and Prosperity: 1990-2000*.

- international assistance with programme supplies (National Planning Commission, 1993: 231)[61].

Secondly, the transformation process of the *NBC* occurred in an era in which the public service broadcasting system came to be threatened by the neo-liberal orthodoxy, which advocates for a lean and mean government in terms of providing basic services to the citizens (McChesney and Schiller, 2003: 5).[62] The dominance of neo-liberalism during the 1990s came to threaten the welfare system, resulting in the reduction of State funding to social services, which also impacted on Namibia. While the country had not been targeted by International Financial Institutions to reduce its funding on social services, it received occasional 'warnings' from the World Bank and the IMF to decrease its public spending priorities. At the beginning of 2002 the IMF cautioned the government against the high wage expenditure in the public service and its continuance to subsidise State-owned enterprises (SOEs). It also urged the government to strengthen the performance of public enterprises and to encourage faster private sector growth (Moyo, 2002: 8).[63] Thus, in order to be seen to reduce social funding the broadcasting sector was an easier option to cut funding than the education and health services, which might have led to the government's unpopularity among the electorates.

As noted above, the transformation process of the corporation took place against reduced State funding. This was the general trend in sub-Saharan Africa and many national broadcasters were forced to commercialise their activities. The dilemma faced by the southern African States was succinctly captured by Aida Opoku-Mensah (1998: 5).[64]

> Having theoretically relinquished direct control of the formerly state-run broadcasters, governments are cutting their subsidies to these corporations and forcing them to survive in increasingly crowded commercial marketplaces. Burdened with inherited

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[61] National Planning Commission (1993). *Transitional National development Plan*, 1991-1992 to 1993-1994.

[62] McChesney, R. W. and Schiller, D. (2003). "The Political Economy of International Communications. Foundations for the Emerging Global Debate about Media Ownership and Regulation". Technology, Business and Society Programme Paper 11, October 2003. United Nations Research Institute for Social Development.

[63] Moyo, T. (2002). "IMF sounds the alarm on performance of Namibia's budget". In *Business Report*, Tuesday, May 7, 2002.

[64] Opoku-Mensah, A. (1998). "Broadcasting in Southern Africa: An Overview". In A. Opoku-Mensah (ed.). *Up in the Air? The state of broadcasting in Southern Africa*. Lusaka: Panos Southern Africa.

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bureaucracies, often out-dated technology, and a costly public service mission, these public broadcasters tend to find themselves caught between the conflicting demands of commercial necessity and political obligation.

The global trend was also characterised by the commercialisation of the public service broadcasting system and the reduction in State funding. This coincided with the liberalisation of the broadcasting sector, which led to fierce competition for advertisements and audience from the new private broadcasters. Most national broadcasters in the sub-Saharan African region adopted commercial strategies (entertainment and advertisement) in order to balance operational budget in the face of dwindling State funding (Bourgault, 1995).[65]

Despite the virulent financial situation the *NBC* had to continue producing public service programmes, because of its mandate as noted above, which was generally unattractive to advertisers and could therefore, not generate sufficient returns in terms of advertisements to compensate for the expenses incurred in their production. In addition, the rapid changes in technology also necessitated the constant updating of equipment, the acquisition of new technologies, as we have seen above, which resulted in increased spending. However, these technologies have uncertain and delayed returns (Richeri, 2004: 183).[66] Moreover, the foreign programmes on which many public service broadcasters were relying on became expensive due to increased demand following the liberalisation of the broadcasting sector and the subsequent emergency of more broadcasters in many parts of the developing world, all wanting broadcasting programme material. This led to the escalation in costs of programme material globally.

The change from monopoly to competitive markets following the liberalisation of the sector in 1992 had a profound effect on the costs of the *NBC*. The corporation had to share the limited advertisement revenue with the new operators, which had previously been its monopoly.

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[65] Bourgault, L. M. (1995). *Mass Media in Sub-Saharan Africa.* Indiana: Indiana University Press.
[66] Richeri, G. (2004). "Broadcasting and the Market: The Case of Public Television". In A. Calabrese and C. Sparks (eds). *Toward a Political Economy of Culture: Capitalism and Communication in the Twenty-First Century.* Lanham. Rowman & Littlefield Publishers, Inc.

6.11 NBC's response to its deficient financial situation

The process of commercialisation was attractive to the State-owned public broadcasting organisations in the region, including Namibia, that were plagued by political interference in their internal operations. In addition to an increased revenue base the *NBC* also sought to become autonomous, and financially independent. There was consensus among broadcasters that in order to be autonomous, the national broadcasters had to generate their own funds. Thus, a commercial option, it was argued, would enable broadcasting organisations to generate their own revenue and become less dependent on State funding, resulting arguable in a measure of 'independence' from political control (Barker, 2001).[67]

Moreover, the *NBC* had to increase its commercial-type activities in order to remain in business. It adopted strategies to augment its revenue base in order to fund its operations. The strategy was to mobilise advertisements and sponsorships and to improve on the collection of licence fees. Advertisements started with the *SWABC*, also as a means to augment revenue (*SWABC*, 1979: 11)[68]. The *NBC* continued with advertisements and in addition introduced programme sponsorships. In order to retain its advertisement market and audience base in the face of competition, the corporation repositioned itself in order to be competitive. It adopted an "aggressive marketing strategy" to "entrench" itself as a "successful marketing and advertisement medium" (*NBC*, 1994: 5)[69]. In its 1993/1994 *Annual Report* the corporation notes that it "upped the marketing of its products and services", adding that:

> the *NBC* realised that its success in generating own income would
> depend to large extent on its ability to promote the Corporation as
> a viable advertising channel, while having to cater for a national
> audience where commercial gain is not only the criteria (ibid. 5).

In order to reach a broader category of advertisers the corporation established a Marketing Support Unit within the marketing department to assist new and smaller advertisers without access to production facilities, and who could not afford advertising

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[67] Barker, J. M. (2001). "Is No Policy A Policy Goal?" In K. Tomaselli & H. Dunn (eds.). *Media, Democracy and Renewal in Southern Africa.* Colorado Springs: International Academic Publishers.
[68] South West Africa Broadcasting Corporation (1979). *Annual Report,* 1978 – 1979.
[69] Namibian Broadcasting Corporation (1994). *Annual Report, 1993-1994.*

agencies (*NBC Annual Report*, 1996: 23). This Unit devised a system of "affordable non-formal advertising", called the "client-oriented below-the-line advertising opportunity", whereby smaller advertisers where provided access to television (*NBC Annual Report*, 1994: 5). By March 2004 the Marketing Department recorded an income of N$ 17, 3 million from advertisements, a fair increase from the amount of N$ 5 million in 1990 (*NBC*, 1991: 34; *NBC*, 2004: 32). Income from television licences also increased from N$ 2, 9 million in 1991 to N$ 9, 6 million in 2004, while income from sponsorships jumped from a mere N$ 937 195 in 1991 to a staggering amount of N$ 2, 5 million by 1999 (*NBC*, 1999: 28). However, sponsorships decreased very sharply to a mere N$ 189 412 in 2004 (*NBC*, 2004: 32).

The libersalisation of the airwaves benefited the corporation in terms of leasing out its transmitters to private broadcasters for signal distribution. By 1994 the revenue reaped from transmitters amounted to N$ 152 862, but soared to N$ 1, 2 million during the 2004 financial year (*NBC*, 2004: 32). The *NBC* had a monopoly in signal distribution, because it inherited the State national transmission network.

By 2000 the Corporation again restructured its departments and divisions, a process that placed emphasis on divisions responsible for revenue generation, notably the advertisements and marketing function. The marketing department was "strengthened and placed strategically within the corporation", in order to generate revenue through commercial-type activities such as airtime sales, sponsorships and other broadcast related enterprises, like music shows, programme sales, branded products and memorabilia (*NBC*, 2001). By 2001 the corporation noted that it had "a strong commercial intent as signified by the activities and high profile positioning of the marketing department within the Corporation" (*NBC*, 2001).

Much of the *NBC*'s advertisement revenue came from the South African companies that remained the largest advertisers on *NBC* (Nandjaa interview, 2002).[70] This was the position since the days of *SWABC* and continued unabated in the post-independence era. For instance, as early as 1993, 69 percent of the total N$ 7. 6 million advertisement

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[70] Theodora Nandjaa interview with the author. July 18, 2002.

revenue generated by the Corporation during the 1993/1994 fiscal year came from South African companies (*NBC*, 1994: 5). However, in the following year local advertisements increased slightly to 48 percent of the total advertisement revenue. Due to their dominance in the Namibian advertisement market, the South African companies and their Namibian subsidiaries were the main target of the *NBC*'s market drive. *NBC* officials did not only travel to South Africa to present their market research results, but the Corporation operated a sales and marketing office in Johannesburg, established by the *SWABC* in the mid-1980s.

However, the commercialisation strategy was not a straightforward issue, because of the nature of the public service broadcasters, as Nahum Gorelick (1996: 240) acknowledged:

> In short, commercial competition is forcing the *NBC* to look into more commercial ventures and into commercialising some of its own broadcasting in order to generate funding. However, as a public broadcaster, it cannot start targeting audiences for commercial gain, but could find a reasonable balance between its role as educator and informer for all Namibians and its needs for financially profitable ventures at specific audiences.

The changes sketched by Nahum Gorelick above confronted most of the national/public broadcasters in the developing countries, in the aftermath of the massive transformation processes following the ascendance of neo-liberal media policies. To many small national broadcasting operators, such as the *NBC*, the process of commercialisation was almost brutal as it adversely affected the shaky grounds on which their transformation processes were based.

Reorganisation of the corporation

Perhaps the most major development with regard to the transformation and restructuring of the *NBC* was its 'reorganisation' of 2002-2003, which saw fundamental changes to the corporation's organisational and operational structures. Starting in March 2002 with strategic planning workshops, the exercise culminated in the approval by Cabinet in August the same year of a "Business Plan" that was destined to guide the reorganisation of the corporation. However, the implementation of this major restructuring process

could only be achieved at the beginning of 2003 with the appointment of the new director general, Gerry Munyama (*NBC*, 2003: 11).[71]

Towards the end of 2002 the directors of the corporation commissioned a private company, Executive Management Services (EMS), to assist in the reorganisation of the *NBC* for an amount of N$ 22 600 (*The Namibian*, July 3, 2002). The EMS had to analyse the organisation's structure and to develop job descriptions and performance contracts for its management and staff. It recommended the reduction of staff complement to a maximum of 359 personnel; the phasing out of part-time and freelancers; and the outsourcing of 'non-core' functions of the corporation. Among the 'non-core' functions earmarked for outsourcing included the payment function, building maintenance, cleaning, maintenance of gardens and grounds and the collection of television licence fees (Executive Management Services, 2002: 14-16).[72] Interestingly the EMS also recommended the 'outsourcing' of the Sales Section of the Marketing Department, including the Johannesburg Marketing Office. Instead, the consulting company proposed the appointment of a Business Manager to "co-ordinate the sales function and to work closely with agents" in Namibia and South Africa (ibid: 16).

In terms of this reorganisation, the corporation cut its salary bill to less than 40 per cent of the total budget expenditure. It needed to introduce a second television channel; a breakfast show and extend broadcasting hours during weekends; it needed to introduce a San dialect on radio; improve and expand indigenous television news bulletins. More importantly, the corporation decided to increase local content to 80 percent within the first three years after the implementation of the 'reorganisation' plan (Inambao, 2002).[73]

Perhaps the most striking recommendation from the consulting company that had a major impact on the *NBC* as a national broadcaster related to "commissioning option" of programmes other than the "core in-house productions", such as parliamentary reporting, education, music, religion, sport and children's programmes. The rationale behind this

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[71] Namibian Broadcasting Corporation (2003). *Annual* Report, 2002-2003.
[72] Executive Management Services (2002). "Functional Analysis: Namibian Broadcasting Corporation." A Report Commissioned by NBC.

recommendation was, arguably, to enable the corporation to "control expenses within its financial capacity and the number of employees required" (Executive Management Services, 2002: 9). To this effect the consulting company recommended the scrapping of the Domestic Programmes Section, and suggested the transfer of its functions to the Commissioning Section to be established in the Programme Department (ibid: 10). It was clear from the recommendations that the emphasis shifted from the production of own material to commissioning, which translated into the 'outsourcing' of an important function of the corporation – the production of local material. Thus, the reorganisation of the *NBC* separated the function of programme production from programme dissemination. Thus, the corporation was left mainly with the dissemination, a situation which Michael Tracey (1998: 266)[74] refers to as the metamorphosis from a "broadcaster-producer" into a "broadcaster-publisher". Outsourcing of programme production tend to "relieve" public service broadcasting stations from programme production and transfer this responsibility to independent (private/commercial) producers (Van Cuilenburg and Slaa, 1993: 158).[75]

The outsourcing of programmes to outside producers had serious implications in terms of funding and expertise. Firstly, funds used for internal productions of programmes then moved out of the corporation. Secondly, the important function of skill production was no longer nurtured within the corporation, as the *NBC* then relied on external skills and talent. Nevertheless, the corporation was said to benefit from co-productions with external producers, despite the fact that co-productions were limited due to budgetary constraints.

In line with the recommendations by EMS to outsource programme production the *NBC* in October 2003 signed a N$ 20 million a year, five-year programme contract with a local Black Economic Empowerment company, *Rock Enterprises*, which formed a partnership with a South African company *RP Productions* and a Dutch company *Endemol* to

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[73] Inambao, C. (2002). "NBC Plan ready to go to Cabinet". In *The Namibian*. August 13, 2002. Available at http://www.namibian.com.na/2002/august/news/027A811BD3.html. Accessed on August 14, 2002.

[74] Tracey, M. (1998). *The Decline and Fall of Public Service Broadcasting*. Oxford: Oxford University Press.

[75] Van Cuilenburg, J. and Slaa. (1993). "From Media Policy towards a National Communication Policy: Broadening the Scope". In *European Journal of Communication*, Vol. 8, No. 2, June 1993

provide local content material. Had it not been stopped, this contract could have landed the corporation with a bill exceeding N$ 100 million in production and other related costs. For instance, apart from the production costs to *Rock Enterprises*, the corporation had other expenses related to the upgrading of its editing and studio facilities to accommodate the new local content productions (Inambao, 2005c: 1, 2).[76] However, less than a year into the contract the corporation was forced to cancel it, after paying N$ 10, 5 million to *Rock Enterprises*, while the actual productions done by the company amounted only to N$ 4, 4 million. The corporation thus paid an extra N$ 6, 1 million (ibid). A committee set up by the directors to review the agreement suggested that the external producers "had not delivered better or particularly special programmes that could not be produced in-house" (Amupadhi, 2004).[77] However, despite its claims of dissatisfaction with the programme quality the real reason for the cancellation of the contract was, according to *The Namibian* newspaper, its "financial woes" (ibid).

Despite the adoption of the reorganisation of the corporation into commercial entity, the *NBC* could not improve its financial position, and the *Rock Enterprises* deal added to its financial distress than solving it. By the end of the period covered by this study the financial situation of the corporation was so severe to the extent that the *NBC* was forced to negate on its mandate. It once again set out to implement "cost-cutting measures in order to reduce unnecessary spending". Some of these measures introduced by the board of directors included the cutting down on telephone calls and travelling expenses. Telephone costs had to be reduced by 40 percent while teleconferencing was totally banned (Inambao, 2005d: 4).[78] If these measures hampered the operation of the corporation the reduction or cutting of programmes was a more serious negation of its mandate. At the beginning of 2006 the board of directors instructed the managers to stop television broadcasting "around the clock", in order to save on its expenses. In terms of this directive the *NBC* had to broadcast from six in the morning to twelve midnight

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[76] Inambao, C. (2005c). "NBC Fleeced in Programme Deal". In *New Era*, Thursday, November 22, 2005.
[77] Amupadhi, T. (2004). "NBC finances severely strained". In *The Namibian*. Tuesday, July 27, 2004. Available at http://www.namibian.com.na/2004/July/national/045754 1F3E.html. Accessed on July 27, 2004.
[78] Inambao, C. (2005d). "NBC Introduces Cost-Cutting Measures". In *New Era*, Thursday, December 15, 2005.

(Isaacs, 2006: 1, 2).[79] As this was not enough the corporation went ahead to close one of its regional offices, because of "under-utilisation", while scaling down the activities at another coastal town office and put on hold the establishment of a planned new regional office (ibid). This was not all. The corporation went ahead and revived its 2003 decision to disinvest some of its fixed properties. In this regard it decided to sell its radio broadcasting building to a Black Economic Empowerment company, Endelela Development Corporation, together with 13 empty plots to the tune of N$ 34 million. In addition, it sold another empty plot of about 15 241 square metres for an amount of N$ 1, 6 million, while it also called tenders for the selling of two of its blocks of flats (Poolman, 2005: 3).[80] This development explains the adverse financial situation in which the Corporation operated during its transformation process. In spite all the measures introduced to remedy the situation, no success was achieved.

6.13 Adoption of a 'business plan'

The failure to overcome financial difficulties shifted the transformation process into a different stage, although this shift was a direct outcome of the aggressive commercial strategy. Generally, financial constraints forced the public service broadcasters into the adoption of "business policies" in order to increase their revenue bases (Richeri, 2004; 183, 184). Thus, by the end of 2002 the *NBC* was forced to adopt a business strategy. The adoption of this business strategy by the corporation should be understood within the government's policy on state-owned enterprises (SOEs), which was informed by its neo-liberal economic policies. The government inherited and also created a number of SOEs, which performed different economic functions and activities in the national economy. Its initial approach to the parastatals was to commercialise them in order to turn them into financially viable entities, while performing important socio-economic functions at the same time. By the end of 1997 most of the SOEs, with few exceptions, were making huge financial losses, and had become a 'burden' to the State Treasury, as they could not financially sustain themselves, apart from providing employment and services. In a Cabinet memorandum an inter-ministerial committee set up to review the restructuring of the government departments concluded that the funding of "unproductive parastatals" by

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[79] Isaacs, D. (2006). "NBC cuts TV Programming". In *The Namibian*, Monday, January 16, 2006.

government was "a waste of limited national resources" and suggested the privatisation of some of the SOEs, It stated that:

> Privatisation of relevant entities would support and allow market forces to enhance efficient and effective utilisation of national resources for sustainable economic growth and development. Government could also recoup some of the investment made on these assets through sale at market prices (Inter-Ministerial Committee on Government Restructuring cited in *The Namibian*, January 27, 1998: 1, 2).[81]

Despite this decision, it took the government about five years before it could adopt a policy framework on the loss-making parastatals. This decision followed recommendations by another committee, the Cabinet Committee on Parastastals appointed to address the deteriorating situation of the SOEs. Following from the recommendations by this committee the government took a decision in principle to privatise or dissolve some of the loss making SOEs. It further decided to cut the number of directors of the SOEs, including those of the *NBC*, which were trimmed from 11 to five members (Republic of Namibia, 2001).[82]

Although the *NBC* was one of the "loss-making" SOEs, it was however, classified as "service rendering" SOE with a potential to be self-funding, and was therefore given a "partially self-funding status". The partially self-funding SOEs were not candidates for "outright privatisation", but were to be exposed to partial privatisation. The report makes this clear:

> However, intermediate forms of private sector participation such as partnerships or joint ventures may be possible, often in relation to components of these institutions rather than the institutions as a whole (ibid. 27, 28).

Consequently, the *NBC* was given a "rescue plan" that constituted its reorganisation. A business plan to this effect was adopted, which set in motion the restructuring of the corporation from a statutory public corporation into a public commercial company. The

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[80] Poolman, J. (2005). "NBC-baken kry nuwe eienaar". In *Die Republikein*, Vrydag, September 23, 2005.

[81] The Namibian (1998). "Parastatals fail to perform, speedy privatisation urged". Tuesday, January 27, 1998.

[82] Republic of Namibia (2001). *Report on a Governance Policy Framework for State-Owned Enterprises in Namibia*. Commissioned by the Government of the Republic of Namibia.

objective of the business plan according to the then information and broadcasting minister was to turn the corporation "into a financially viable, highly motivated and performance-oriented institution" (Gurirab cited in Maletsky, 2002).[83] To implement the business plan the government provided the corporation with an amount of N$ 105 million on top of the N$ 103, 9 million subsidy allocated in the 2003/2004 financial year (Inambao, 2003).[84] At the same time the government considered amending the *Namibian Broadcasting Act, 1991* (Act 9 of 1991), in order to restructure the corporation into a public commercial company. This idea, according to the Deputy Minister of Information and Broadcasting was aimed at empowering the corporation to generate more revenue through business ventures and thereby lessen its financial dependence on the Government (Shihepo cited in *The Namibian*, April 29, 2003)[85].

As indicated at the beginning of this chapter the 'business plan' was contested by staff members, more particularly by the management headed by Ben Mulongeni, for it was seen that its ultimate outcome would lead to the abrogation of the corporation's public service mandate. Ben Mulongeni (2002: 3)[86] provided a different perspective contrary to the idea of the 'business plan' as envisaged by the State. He contested for instance that:

> Sustainability of the *NBC* as a business entity is not possible due to the historical commitment and obligation we have to our nation. Therefore, any business plan we may have in mind should not be called business plan in terms of commercial philosophy. Rather a business plan in terms of efficient and cost effective management of the available resources.

Despite the adoption of the business plan, which was mainly driven by the directors and government, the deposed Mulongeni management demanded that the State should continue with its responsibility to fund the corporation. Mulongeni again noted that:

> Inasmuch as the business plan is needed to incite the Public Broadcaster's employees to do their work in a business-like

[83] Maletsky, C. (2002). "Heads to roll at NBC". In *The Namibian*, Thursday, February 21, 2002. Available at http://www.namibian.com.na/2002/February/news/02458949DB.html. Accessed on March 1, 2002.
[84] Inambao, C. (2003). "NBC still needs N$ 66m". In *The Namibian*, Thursday, April 10, 2003. Available at http://www.namibian.com.na/2003/march/national/03C4B462CB.html. Accessed on April 15, 2003.
[85] Deputy Minister of Information and Broadcasting, Gabes Shihepo, in an address to the Managers of the NBC, cited by *The Namibian*, April 29, 2003.
[86] Mulongeni, B. (2002). "The NBC and the future: Comments on the envisaged transformation and restructuring process". In *The Namibian*, August 16, 2002.

manner [and with mentality to produce programmes to attract advertisements] this will not be enough to ensure financial self-sustainability without relying on the governments' obligation to the nation (ibid. 3).

The Mulongeni management maintained that the corporation should provide public services according its mandate and not be forced into profit making in monetary terms. Profit should rather be measured in the quality and quantity of the services received by the public. The basis of this argument was that the Namibian government as the sole shareholder of the national broadcaster should not expect shareholder value from the corporation in monetary terms, but in terms of the realisation of its mandate.

6.14 Summary and conclusion

The transformation of the national broadcaster as can be seen from the preceding analysis must be divided into two phases. The first phase stretched from 1990 to 1999 and the second one from 2000 to 2005. During the first phase the corporation focused increasingly, although not exclusively, on transformation into a public service broadcaster, while during the second phase it addressed its financial viability, but not neglecting the public service role. Relative successes were achieved in terms of the expansion of infrastructure and services as well as the democratisation of programmes, more particularly the radio services, but the production and screening of local content material was not successful.

The *NBC*'s dilemma during its transformation process was to provide public services with reduced State funding. While it could supplement the dwindling State subsidy with advertisements and sponsorships, the corporation was by law not allowed to become a commercial venture, despite the adoption of a 'business plan'. Attempts to transform the corporation into a commercial public service company were not successful. By the end of the period covered by this study the *NBC* had not become a financially viable public broadcaster as it had been envisaged at the beginning of the transformation process. Thus, due the perennial financial constraints the *NBC* could not also successfully impart its mandate, of contributing to nation building, socio-economic development and the provision of information, education and entertainment.

CHAPTER SEVEN

Restructuring the national telecom operator

7.1 Introduction

As could be seen from the telecommunications policy in Chapter Five the Namibian national telecommunications operator, *Telecom Namibia*, was tasked with complex responsibilities since its commercialisation in 1992. It had to promote the private sector as a catalyst for socio-economic development, while at the same time assist with the integration of the country into the global economy to facilitate economic growth and development through trade and foreign direct investment. In addition, *Telecom Namibia* was to provide basic telecommunications services to the under-serviced areas and people in order to bring them into the mainstream economy. The company therefore, had a 'dual responsibility' of providing commercial and public service imperatives at the same time. This 'dual responsibility' is not unique to *Telecom Namibia*, but a characteristic of all the national telecommunication operators, public and private, both in the developed and developing economies, during various phases of their restructuring processes. Referring to this dual responsibility, William Melody (1997: 11)[1] argues that a telecommunication operator is a "special business affected with a public interest". On the same subject, Ben Petrazzini (1997: 359)[2] notes that the telecommunication sector is a "peculiar industry", because "it is a commercial service, which is somewhat different from other services, in the sense that service-supply is not governed only by commercial, but also by social welfare concerns".

The task of this chapter is to examine how *Telecom Namibia* during its restructuring process repositioned itself in order to perform these responsibilities, given their complexities. In addition, the chapter seeks to assess the successes made and the challenges encountered in the performance of these complex tasks. It will be argued that the strategy adopted by *Telecom Namibia* to respond to its obligation provides an

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[1] Melody W. H. (1997). *Telecom Reform: Principles, Policies and Regulatory Practices*. Den Private Ingeniorfond: Technical University of Denmark.

[2] Petrazzini B. A. (1997). "Regulating Communication Services in Developing Countries". In W. H. Melody (ed.). *Telecom Reform: Principles, Policies and Regulatory Practices*. Lyngby: Technical University of Denmark.

interesting perspective for understanding telecommunications reform in 'small' developing countries of southern Africa. *Telecom Namibia*'s intention during the entire transformation and restructuring process was to entrench itself as the dominant player in both the upstream and downstream market segments of the telecommunications sector. This intention is spelt out clearly in the company's vision and mission statement to which I will turn to shortly, but a brief overview of the phases of the restructuring process of the company is in order.

7.2 An overview of the phases of the restructuring process

For an easy understanding of the restructuring exercise of *Telecom Namibia*, I have divided this process into five inter-connected phases. However, I should point out at the onset that these phases are not mutually exclusive and overlap to some an extent. In the next few paragraphs I will provide a thumbnail account of the five restructuring phases, while the components of each phase will be examined closely and outlined in-depth in the rest of the chapter.

The first phase started in 1992 with the corporatisation of the company and centred on the decentralisation of operations, and the reorganisation of the corporate governance of the company. The second phase focused on the automation of the network in towns and villages and started in 1993. It was expected to be completed by 1998. Under this phase the company set out to provide automatic telephone services in all the major settlements and rural areas (*Telecom Namibia*, 1995: 2). Furthermore, the company adopted a five-year "Telecom Master Plan" during this phase of which the objective was to implement *automation* and *digitalisation* of the telecommunications network by 2000 at the cost of N$ 1, 2 billion (*Telecom Namibia*, 1994: 14). Besides automation the company also sought to provide high quality broadband and data communication services throughout the country to the business community.

In the third phase the company set out to fast-track the complete digitalisation of the backbone network in terms of transmission and switching. This phase involved, among others, the establishment of what the company called the "digital national super-highway", branching out from the capital, Windhoek, and spreading to all the 13 political

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regions (*Telecom Namibia*, 1996: 8). The 'digital national superhighway' was the platform on which the country was to be transformed into an 'information society', which is the theme of Chapter Eight.

The fourth phase involved the adoption of the so-called "Vision 2000", which among others sought to transform the company into one of the best ten operators in the world, providing direct international voice, text and data services (*Telecom Namibia*, 1994: 12). This phase marked the start of increased competition in the telecommunications sector, due to the emergence of a host of new private value-added service providers. *Telecom Namibia* set out to tackle the emerging competition by diversifying its functions vertically and horizontally. At the same time the company sought to entrench itself as the dominant player in the emerging value-added service market segments, so as to benefit from economies of scale.

Having rolled out the necessary infrastructure and digitalized the network the next, fifth, phase was to place a number of new generation of services onto the network and thereby expand these services and activities further, vertically. The company in this regard stressed that it would "capitalise on opportunities for vertical growth by layering new services onto our networks and creating innovative ways to bundle and price them, and continue to drive the growth of our existing services" (*Telecom Namibia*, 2005: 19). In addition, *Telecom Namibia* set out to explore geographical diversification by expanding its services and activities into neighbouring countries. The need for 'geographical diversification' was necessitated by the quest to expand growth and thereby increase its revenue streams in the face of a small and declining local traditional fixed-line service market due to increased competition.

7.3 Vision of the company

The mission statement adopted at the beginning of the restructuring process in 1992 provides a glimpse on the priorities of the company. In this statement *Telecom Namibia* placed high on its restructuring agenda the desire to maintain its dominance in the telecommunications sector, the promotion of a market-oriented strategy and the emphasis on the provision of the modern telecommunications technologies. Nevertheless, the

company maintained that it was committed[3] to the provision of effective telecommunications services to customers at "competitive rates" while fulfilling its "social responsibility" (*Telecom Namibia*, 1993: 13).

While the issue of 'competitive rates' will be examined later under the section on tariffs, I will briefly attempt to debunk the myth surrounding the concept 'social responsibility' here. The concept 'social responsibility' in the mission statement refers to 'corporate social responsibility', a practice used in the corporate world whereby a business re-invests a fraction of its profit into various projects in the community - the environment in which it operates and from where it accrues its profit. This is done by sponsoring a variety of social activities. Understood in this context social responsibility is relatively a "voluntary or discretionary" (philanthropic) activity and is not compulsory or sanctioned by society (Carroll, 1996: 34[4] cited in Xulu and Steyn, 2001: 59).[5] With the consolidation of global capitalism there had been attempts to substitute 'public service interest' with 'social responsibility'. Thus, telecommunication companies set out to dilute, if not degrade, the long tradition of public service mandate of telecommunications, by equating it to 'corporate social responsibility'. This argument is supported by the findings of a 2003 study conducted in the United Kingdom by a religious charity organisation, Christian Aid, which concluded that "corporate social responsibility" was used by companies as a "public relations tool for business" (Macalister, 2004: 21).[6]

In its rush to market itself and its services to customers *Telecom Namibia* seemed to have adopted the same strategy which tended to substitute 'public service interests' with the notion of 'social responsibility'. Thus, in this context 'social responsibility' to *Telecom Namibia* involved the provision of funds to a selected charitable, sporting, social and educational activity, of which the criteria for the provision of these funds was known to the company only. What distinguishes public service mandate from corporate social

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[3] The word 'committed' from 1995 was changed to 'dedicated'.
[4] Carroll, A. B. (1996). *Business & Society: Ethics and Stakeholder Management.* Third Edition. South-Western College Publishing: Cincinnati, Ohio.
[5] Zulu, F. and Steyn, B. (2001). "Support provided by Corporate Social Responsibility Programmes for the creation of Universal Access to ICT: A Content Analysis of Corporate Websites. In *Communicatio*, Vol. 27 (1), 2001.

responsibility in terms of telecommunications service provision is that the former covers a broader constituency, emphasising on the need to provide affordable telecommunications services to all the citizens of the country, as indicated in Chapter Two. In the Namibian context, this is a constitutional (legal) obligation bestowed upon *Telecom Namibia* in terms of Article 95 of the Namibian Constitution, which compels the State through its agencies to provide public services to the all citizens; more specifically those denied these services during the previous political dispensation, as argued in Chapter One.

Following changes in the telecommunications sector emanating from new competitors, *Telecom Namibia* modified its mission statement, emphasising the shift from the expansion and modernisation of the basic telephony to the provision of value-added services. The company's focus became the provision of electronic voice, data, image and text services to the business sector despite its assurances that it was still committed to the traditional telephone needs of the residential customers. This shift could also be seen from the pronouncements of senior officials of the company. For example the first chairman of *Telecom Namibia*, Hosea Angula, indicated in the 1995-1996 *Annual Report* that the company had to develop and market "specialised services" to the corporate customers (*Telecom Namibia*, 1996: 7).

The objective of the company during the last part of the restructuring process was not only to challenge competition head-on posed by the new competitors in the sector, a process that was facilitated by the government's 1999 policy of liberalisation of the sector, but it sought to dominate the telecommunications sector, particularly the emergent value-added service market segments. As indicated above *Telecom Namibia* already during its 1993/1994 financial year hinted at the prospect of becoming one of the 10 best telecommunications companies in the world. This intention was further maintained and reinforced in the company's vision and mission statement adopted in the 2003/2004 financial year.[7] In this *Annual Report* the company stressed that its vision was "to be Namibia's most preferred, high-performance telecommunications service provider of

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[6] Macalister, T. (2004). "Social Responsibility is just a PR Tool for Business, says Report". In *The Guardian* (UK), January 21, 2004.

world-class standards" (*Telecom Namibia*, 2004: 1).[8] Its mission statement was reformulated to read as follows:

> To anticipate, understand and satisfy the telecommunications/information needs and wants of our customers. We will address these demands through the development of solutions, sales and support of quality electronic, voice, data, image and text services at competitive rates (ibid).

To further these objectives *Telecom Namibia* in 2005 introduced a new company logo. This went together with its re-branding and was accompanied by the motto: "sharing your world", as part of the company's strategic plan called the "big hairy audacious goal" BHAG-2010. Adopted during the 2003/2004 financial year the BHAG-2010 sought to achieve most of the company's strategic initiatives. Thus, the BHAG-2010 aimed at:

> Stakeholder value creation; providing solutions valued by customers; becoming the leader in key customer segments; being venerated as a leading corporate citizen; attaining operational efficiency; achieving improved quality and customer service; and having an optimal operating cost-structure (*Telecom Namibia*, 2004: 10).

In terms of the above-mentioned strategic objectives the company's management impressed upon customers that the re-branding was not a "cosmetic change", but a reflection of the company's "tangible change in service delivery" (*Telecom Namibia*, 2005: 4).[9] In line with the new branding the company implied that it was to play a vital role by enabling customers to communicate with others and thereby share information, ideas, thoughts, emotions, dreams and expectations through the company's "fast, reliable, state-of-the-art telecommunications infrastructure" (ibid). The tone of this statement hinted at the social, cultural and political (democratisation) roles of telecommunications, discussed in Chapter Five, but which were largely neglected from the restructuring process of the company. Despite this rhetoric there was little evidence on the ground, in terms of concrete activities, to suggest that the company was serious in moving in the direction of the democratisation role of telecommunications. On the contrary, *Telecom*

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[7] The same vision and mission statement were maintained in the 2004-2005 financial year.
[8] Telecom Namibia (2004). *Annual Report, 2003-2004.*
[9] *Telecom Namibia (2005). Annual Report, 2004-2005.*

Namibia continued to pursue commercial interests to the detriment of the public service interest.

In summary, it can be concluded that the company lacked a vision that addressed socio-economic, cultural and political issues and goals. Such a visionary telecommunications restructuring strategy according to Heather E. Hudson (1997: 398[10] cited in Melody, 1997) could have focused on among others the principles of accessibility, equity, connectivity and flexibility. In contrast the company's vision was presented in terms of pretentious aims set to achieve global standards, while failing to meet the basic telecommunications needs of the poor. Linked to the vision were the "values" of the company listed as: "integrity, customer satisfaction, accountability, safety and productivity", but adjusted towards the end of the period covered by this study to encompass other values such as care, commitment, empowerment, teamwork and mutual respect (*Telecom Namibia*, 1993: 13; *Telecom Namibia*, 2005: ii).

7.4 Reforming corporate governance

In this section I will examine how *Telecom Namibia* endeavoured to orient itself into corporate culture. For *Telecom Namibia* to restructure itself into a commercial venture it first had to orient itself within corporate culture and organise itself accordingly, in terms of its operations and work ethics. Furthermore, it had to streamline itself from a State bureaucracy into a commercialised, profit driven company. Its forerunner, the *Department of Posts and Telecommunications* (DOPAT) was large and bureaucratic while its management style was conservative (Karlsson and Renstrom, 1995: 34).[11] The new management therefore, set out to decentralise the company's structure and operations, by adopting flexible business units with relative autonomy and decision making powers on a number of issues. It set up regional offices, each run by a regional manager and providing commercial, customer and construction services (Dierks, 2001).[12]

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[10] Hudson, H.E. (1997). "Converging Technologies and Changing Realities: Toward universal Access to Telecom in the Developing World". In W.H. Melody (ed.). *Telecom Reform: Principles, Policies and Regulatory Practices*. Langby: Centre for Tele-Information: Technical university of Denmark.
[11] Karlson, R. and Restroom, L. (1995). "Cellular Phones in Namibia: A Case Study of an Internationalisation process." Unpublished MA Thesis. Mid Sweden University.
[12] Dierks, K. (2001). Namibia's Telecommunications – Link to Africa. Available at http://www.namibweb.com/namtel.htm. Accessed on June 23, 2003.

The objective was to ensure efficient administration, effective customer care and the growth of services. *DOPAT* in contrast was divided into two divisions for operational purposes, notably the engineering and the postal and management services. The Engineering division known as the Directorate of Engineering and Technical Services was responsible for all the technical services such as installation, maintenance and repair of services, while the Postal and Management Services, called the Directorate of Commercial and Support Services, was charged with policy formulation and implementation in the department. The latter division also dealt with all the administrative functions, including personnel and finance (*Department of Post and Telecommunications*, 1990 7)[13]. Since the main thrust of its operation was technology, *DOPAT* tended to neglect customer care and market-related issues (Karlsson and Renstrom, 1995: 34).

Having inherited civil servants from *DOPAT*, the new company had to nurture them into competent workers, schooled in corporate work ethics befitting a business-oriented and profit-driven company. Furthermore, *Telecom Namibia* had to improve the remuneration packages and other incentives of the staff in order to attract and retain skilled and highly qualified staff, including competent and skilled Information Technology personnel available in the country and beyond. However, despite the improved packages the company offered to attract and retain skilled personnel, it continued to experience a "shortage of engineers, technicians, communication technology experts and other qualified and skilled staff" (National Planning Commission, 2002: 505).[14] In addition, *Telecom Namibia* and its subsidiaries *iWay* and *Infinitum*, continued to loose their skilled personnel to the private sector (*Namibia Economist*, December 5, 2003).[15]

The process of commercialisation removed the company from direct political control and placed it within the confines of commercial logic where it was expected to undertake its activities in line with business principles and expected to compete in the marketplace. This development provided the directors and managers with relative autonomy in terms

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[13] Department of Post and Telecommunications (1990). *Annual Report, 1989-1990.*
[14] National Planning Commission (2003). *Second National Development Plan (NDP2). 2000-2005.*
[15] Namibia Economist (2003). "Telecom skilled staff lured by high paying private sector". Available at http://www.com.na/2003/5dec/LRO5_12.html. Accessed on December 9, 2003.

of restructuring the company along corporate principles. The management became accountable to the directors and no longer to the politicians, while the directors were insulated from the day-to-day operations of the company. The arrangement further provided management with a relative financial autonomy. For instance, management could now undertake loans from financial institutions (national and foreign) to finance its projects, which was not the case when the company was a government department under direct political control.

Like the *Namibia Broadcasting Corporation*, *Telecom Namibia* had to implement affirmative action to address the question of class and gender more specifically at the top management in terms of appointment and remuneration. The implementation of affirmative action paved the way for the appointment of the 'formerly disadvantaged' section of the population to top management positions of the company, as the case was with *NBC*. When *Telecom Namibia* launched its Affirmative Action Plan on 1st September 2000 about 46 percent of its workforce was from the previously disadvantaged groups (PDGs), of which the majority were unskilled and semi-skilled. Only four percent of the PDGs were in senior management, with one percent in top management. Women comprised 38 percent of the total staff compliment then. However, the company fast-tracked the placement of the PDGs in higher positions in subsequent years and by the end of 2005 about 89 percent on new external recruitment came from the ranks of the PDGs, with 27 percent of them being female. Furthermore, 92 percent of all internal promotions during the same period were from the PDGs of whom 28 percent were women (*Telecom Namibia*, 2005: 37).[16] This is how the company attempted to address the question of class and gender of its staff complement.

While paying attention to the improvement of staff profile through affirmative action programmes *Telecom Namibia*, like the national broadcaster, had to be efficient and profitable. Efficiency and profitability are linked to the concern of productivity which, in telecommunications, more often than not, is measured in terms of the number of employees per customers, in addition to other variables. It must be remembered that the workforce inherited from the previous *DOPAT* was huge to the extent that the new

company had little hope to become 'productive', because of the considerable chunk of expenditure consumed by salaries and wages. By the end of the period covered by this study labour consumed 60 percent of the total operational costs, which the company said had "reached unmanageable levels" because it was "above the norm applicable within the telecommunications industry" (ibid. 39). Thus, in pursuit of transforming itself into a profitable business undertaking *Telecom Namibia* had to dispose a number of jobs over the years in order to reduce labour costs. For instance, in the course of the first 13 years of the restructuring process roughly 1 107 jobs were lost, reducing the number of employees from 2 350 in 1992 to 1 243 at the end of 2005 (*Telecom Namibia*, 2002: 1;[17] *The Namibian*, 2005: 5).[18] It is interesting to note that in its desperation to reduce labour costs the company resorted to all sorts of measures, some of them hailed as "voluntary retrenchments". For example, during the 2003/2004 financial year *Telecom Namibia* adopted such a "voluntary retrenchment" process carried out under a project called "Optimal Employment Levels" and aimed at rightsizing the company in order to enhance efficiency and productivity. The project was to be completed during the 2004/2005 fiscal year (*Telecom Namibia*, 2004: 33).

Another reason for the retrenchments which also related to the question of productivity was the question of automation. In an increasingly changing labour process characterised by rapid innovations in technology some job categories became redundant because of automation and the company had to replace human labour with machines. This can be seen from arguments advanced by the company during the 2005 labour lay offs. For example, *Telecom Namibia* claimed that the aim of the voluntary retrenchments "was not only to reduce [the] number of employees, but also to provide scope for the re-alignment of skills to the fast-changing technology". The company went on to say that its "employees did not match the requirements of the rapidly changing telecommunications industry", while its labour costs were skyrocketing (*Telecom Namibia*, 2005: 39).

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[16] Telecom Namibia (2005). *Annual Report, 2004-2005.*
[17] Telecom Namibia. (2002). "Historical Overview: From Morse to Digital". *Telecom Commemorative Issue: 1992 – 2002*, 1 August 2002.
[18] The Namibian (2005). "Telecom Namibia lays off 163 workers". Wednesday, September 21, 2005.

As could be seen from the above-mentioned figures the number of employees retrenched from the company over the years was very significant, if one takes into account the fact that the Namibian economy could not create considerable employment opportunities during the corresponding time (Sheefeni, Himavindu and Sherbourne, 2003).[19] This development was in contrast with claims that job losses resulting from telecommunications restructuring fuelled by the liberalisation of the sector were to be compensated by the fact that the sector would grow and open up more job opportunities (Petrazzini, 1997: 359). This was not the case in Namibia, due to two reasons. Firstly, the fixed-line telecommunications market segment was not liberalised during the period covered by this study, and thus competition was not introduced to expand the fixed-line telecommunications market segment. Secondly, since most of the job losses at the company occurred in the unskilled and semi-skilled labour categories, the rentrenchees could not be accommodated in the technologically driven value-added market segments that emerged following the liberalisation of some of the telecommunications markets.

The downsizing and rightsizing of the company through the staff reduction exercises, voluntary or otherwise, also touched on the management cadres, although only a small percentage of them was affected compared to the ordinary manual labourers. Nevertheless, *Telecom Namibia* reduced its managers significantly by 2001 (Augetto, 2001).[20] A year earlier (in 2000) the company's line Ministry (of Works, Transport and Communication), reduced the number of directors to five in line with a Cabinet decision to streamline the boards of all the parastatals (Amupadhi, 2000).[21] This was done, partially to cut costs and to reposition the company in the face of increased competition posed by the emergent independent value-added service providers, and also in order to reposition the company competitively for the impending liberalisation of the fixed-line telecommunications market segment planned for 2004.

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[19] Sheefeni, P., Humavindu, J. and Sherbournet, R. (2003). "Less than 30 000 jobs in ten years? Employment trends in Namibia since 1991". *Briefing Paper* No. 24, October 2003. Institute for Public Policy Research

[20] Augetto, G. (2001). "Rebalancing of Management for a streamlined Telecom". In *Namibia Economist*, July 12, 2001

[21] Amupadhi T. (2000). "NamPost, Telecom boards told to quit". In *The Namibian*, July 20, 2000

The preceding discussion has indicated that the process of commercialisation of *Telecom Namibia* triggered job losses. As argued above, attempts to restructure the company into a profitable business-oriented venture as well as to re-align itself along the changing technology resulted in the reduction of the labour force. In the next section I will examine how the company set out to expand and modernise its facilities and services during the process of its restructuring.

7.5 Expansion of services

While Namibia inherited a relatively well functioning telecommunications infrastructure with a teledensity of four (4) lines per 100 citizens, considered 'high' according to African standards during the 1990s, the distribution of telecommunications services was lopsided, reflecting the broader Namibian colonial economy inherited at independence. Briefly, the post-independence Swapo government inherited a "stagnating and distorted free market economy" that was skewed in income and wealth distribution (Curry and Stoneman, 1993: 41).[22] The economy reflected classical colonial characteristics, heavily dependent on "extractive industry". Moreover, Namibia was a South African "captive market", as at independence it imported about 75 percent of its basic necessities from South Africa, while exporting about 16 percent of its commodities to South Africa (National Planning Commission, 1995: 24).[23] Most of Namibia's primary products were exported, because the manufacturing sector was underdeveloped, and could only generate a mere five per cent of the Gross Domestic Product (GDP) by the time of independence in 1990 (Curry and Stoneman, 1993: 42). This was partly because of the colonial policy of dumping products in the colony. In addition, Namibia's foreign exports were combined with those of South Africa to boost the foreign exchange reserves of the latter (Republic of Namibia, 1993: 3).[24] In its *White Paper* on national and sectoral policies, titled *Working for a Better Namibia*, the government described the inherited economy as,

> disastrous in output per capita trends; highly skewed and dis-
> integrated in structure; radically inegalitarian as to distribution;

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[22] Curry, S. and Stoneman, C. (1993). "Problems of Industrial Development and Market Integration in Namibia". In *Journal of Southern Africa Studies*, Vol. 19, No. 1, March 1993.

[23] National Planning Commission (1995). *First National Development Plan* (NPD1), Volume 1: 1995-1996 to 1999-2000.

[24] Republic of Namibia (1993). *Working for a Better Namibia. Sectoral Development Programmes*. Review of 1991-1993 and the Plans for the Future.

characterised by fiscal imbalance; characterised by a grossly mismanaged public sector; indicative of the lack of confidence by the private sector; and vulnerable to a diverse range of exogenous shocks (ibid. 1, 2).

Despite this gloomy picture, the economy produced a relatively 'high' GDP compared to other sub-Saharan countries, and had a relatively well developed infrastructure, including the broadcasting and telecommunication infrastructure. However, the deployment of infrastructure was based on the apartheid policy of discrimination and exclusion of the majority of the citizens from the mainstream economic and communications facilities and services. The GDP was misleading, because it concealed one of the most skewed income distributions in the world. The relatively high per capita income of about US$ 1 000 at independence in 1990, derived mainly from primary products such as diamonds, uranium and marine resources, was enjoyed by a very small percentage of the population. A small minority (white) of the population enjoyed an affluent standard of living while the majority (black) lived under very poor conditions, because of the former's unrestricted access to wealth (Curry and Stoneman, 1993: 42). By the time of independence, it was estimated that five percent of the population commanded about 70 percent of the country's wealth, while 55 percent of the population enjoyed only three percent of the country's GDP (National Planning Commission, 1991: 27). This indicated the extreme inequalities of opportunities and wealth that the new government inherited.

However, despite its attempts the Swapo government did not succeed in redressing the gross income disparities in the population during the first fifteen years of its rule. The State's leading financial institution, the Bank of Namibia, for instance in its 2005 *Annual Report* noted that while the level of per capita income in the country remained the highest amongst in sub-Saharan Africa, income inequality in Namibia remained the highest in the world (Bank of Namibia, 2005: 9).[25] This observation was corroborated by a number of studies and reports from reputable institutions among them the United Nations Development Programme and the World Bank.

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[25] Bank of Namibia (2005). *Annual Report*, 2005.

As argued in Chapter Five and also pointed out above, the telecommunications service provision was characterised by urban/rural divide and epitomised by unequal distribution of infrastructure and services. Developed facilities were to be found in urban areas, particularly in the formerly white suburbs and the Central Business Districts, while the most populous communal areas and townships were neglected in terms of facilities and services (*Telecom Namibia*, 1993;[26] Duggal, 1989[27]). For example, the telephone teledensity of the most populous northern and north-eastern parts of the country (Owamboland, Kavango and Caprivi) where more than 50 percent of the population lived had less than 0,3 telephones per 100 people (National Planning Commission, 1993:161).[28]

Also despite the emergence and consolidation of black middle-class in the 1970s and 1980s that resulted in an exponential demand for residential telephone services, the colonial administration could not respond to their need for telephones. The reasons can be attributed to a number of factors, one being the colonial government's desire to control information. In their study of the former Soviet Union Dizard and Svensrud (1987)[29] conclude that autocratic States deny people access to the means of communication because of the need to control information in these societies. The colonial government, as well feared the political implications of unrestricted access to telephones by the colonised people who at the same time were engaged in the struggle for political freedom. The number of oppressive security and media related legislation discussed in Chapter Three is a testimony to the South African colonial authority's desire to control the flow of information in its colony.

Apart from political impediments, demography was another barrier in the expansion of infrastructure and services across the length and breadth of the country. For the reader who is not familiar with the country, Namibia is a vast southern African country with an

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[26] Telecom Namibia (1993). *Annual Report, 1992-1993.*

[27] Duggal, K. (1989) (ed.) *Transport and Communications in Namibia: Some Policy Considerations.* Lusaka: United Nations Institute for Namibia.

[28] National Planning Commission. (1993). *Transitional National Development Plan: 1991-1992 to 1993-1994.*

[29] Dizard, W. & Svensrud, S. B. (1987). *Gorbachev's information revolution – controlling Glassnot in a new electronic era.* Boulder Co: Westview Center for Strategic and International Studies.

area of about 825 418 square kilometres and a population of about 1.8 million (National Planning Commission, 2002).[30] The vastness of the country and the small, but scattered population of 1.7 persons per square kilometres have made communication difficult, if not costly. Aggravating the problem of demography was the fact that most of the recipients of 'social services', the more than 60 per cent of the population, could not compensate the company's expenditure invested in the infrastructure, because they lived under the breadline and therefore lacked disposable income to spend on telecommunications services (National Planning Commission, 2002: 505).[31] In order to overcome the constrains of demography and other impediments *Telecom Namibia* adopted a strategy of 'cross subsidisation' whereby it sought to provide profitable commercial services to the business community, and to reinvest profits from these undertakings into the universal services. However, very little materialised from the objective of reinvesting profits into the universal services as the company's main focus during the 1992 – 2005 period was to develop a modern, digitized 'national super-highway', more than just connecting the vast rural, neglected areas. This did not mean, however, that the company did not attempt to connect the poor and rural areas of the country. On the contrary *Telecom Namibia* provided a number of public pay phones in various parts of the neglected areas. However, their penetration in society remained dismal as only 2, 4 percent per 1 000 people could access them by the end of the period covered by this study (*Telecom Namibia*, 2005: 10).

Thus, despite making an effort to roll out infrastructure and services across the country *Telecom Namibia* did not succeed in providing services to the poor and rural dwellers satisfactorily. If the performance of the company is to be assessed on the basis of teledensity, i.e. the number of telephones per 100 people, it will be seen that *Telecom Namibia* performed remarkably. For instance, it will be seen that the company improved the country's telephone penetration considerably by installing new 50 649 telephone lines, increasing this from 66 749 in 1993 to 136 197 towards the end of 2005, and thereby improved the teledensity from 4, 0 percent in 1992 to 6, 9 percent per 100 inhabitants in 2005 (*Telecom Namibia*, 2005: 10). However, despite what could be seen

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[30] National Planning Commission (2002). *2001 Population and Housing Census.* Preliminary Report.

as a phenomenal growth in teledensity, the latter practice does not provide a true reflection in terms of the equitable telephone distribution across the country, and their penetration into households. Also teledensity does not provide information about common distributional biases, especially rural/urban and class biases (Urey, 1995: 58).[32] This shortcoming is distinctly presented by Emmanuel Forestier, Jeremy Grace and Charles Kenny (2002: 627)[33] who note that:

> National teledensity is not the best variable for measuring the poors' access to telecommunications. It is a measure of the number of telephones per capita, not the level of access to telephones. Telephone access is highly concentrated amongst the rich and urban populations. This is an important point to bear in mind when interpreting regression results.

Thus, in many cases, telephones were fairly accessible in the wealthy sections of the urban centres, while access in poor urban and rural areas was limited. The national census provides a different picture with regard to telephone penetration into households. According to the 2001 Population and Housing Census only 38, 6 percent of the 346 455 Namibian households had access to a telephone[34], which represented a slight improvement when compared to the 1993/1994 period when only 22 percent of the 244 827 households had access to telephones. About 63, 6 percent out of the total 38, 6 percent households with access to telephones, in 2001, were in the urban areas while 22, 3 percent (of the 63, 6 percent) were in the rural and peri-urban areas. In the 1993/1994 period, 46 percent of the 22 percent households with telephones were in the urban areas while only eight percent of the total households in the rural areas, had access to telephones (National Planning Commission, 1994 and 2001). By 2004 the penetration of telephones into the Namibian households declined as can be seen from Table 7 A in Appendix B. For instance, only 33, 5 percent of the households in 2004 owned a telephone, of which 60, 4 percent were in urban areas and 15, 2 percent in the rural areas.

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[31] National Planning Commission (2003). *Second National Development Plan: 2000-2005.*

[32] Urey, G. (1995). "Telecommunications and Global Capitalism". In B. Mody, M. Bauer and J.D. Straubhaar (eds.). *Telecommunications Politics: Ownership and Control of the Information Highway in Developing Countries.* New Jersey: Lawrence Erlbaum Associates Publishers.

[33] Forestier, E., Grace, J. and Kenny, C. (2002). "Can information and communication technologies be pro-poor?" *Telecommunications Policy.* Volume 26, Issue 11, December 2002, Pages 623-646.

[34] Telephones here refer to the fixed or basic telephony, and do not include other forms of telephones such as the mobile phones.

Moreover, 47, 1 percent of the households in rural areas did not have access to telephones, despite the fact that the majority of the Namibians live in rural areas as can be seen from the Table 7A. There were 221 115 households in rural areas compared to 150 514 households in urban areas in 2004.

The preceding discussion shows that while relative success was made in terms of universal service, the company did very little to achieve universal access. Moreover, the company's efforts were marked by a rural/residential versus commercial/business orientation in terms of infrastructure it built and the kind of services it offered. Already in 1996 the management acknowledged that little was done in terms of providing basic telephony to the majority of the population (*Telecom Namibia*, 1996: 9).[35] This acknowledgement by *Telecom Namibia* was echoed by the Central Bank of Namibia in its 2002 *Annual Report*. While acknowledging that some communities were connected to the national telecommunications network, the Bank noted that many parts of the country were left unconnected - an omission which it ascribed to "a lack of financial resources" by the company (Bank of Namibia, 2002: 24).[36]

Apart from attempts to expand the network *Telecom Namibia* had to establish its own international gateway and thereby reduced its dependence on South Africa. Like the broader economy, the Namibian telecommunications system at independence was integrated into that of South Africa, as the latter provided the international gateway to Namibia. As indicated in Chapter Five one of the 1983 recommendations from the study by the International Telecommunications Union was for post-independent Namibia to establish its own international gateway. Thus, in September 1995 *Telecom Namibia* set up an INTELSAT 'Standard A' Satellite Earth Station and an International Switching Centre in Windhoek at the cost of N$ 20 million to link the country to the rest of the continent and the world. In addition, the company linked up to the *Pan African Telecommunications Network* (PANAFTEL) through the establishment of microwave link to Botswana along the Trans-Kalahari Highway. This was a project started soon after independence to facilitate the inter-regional transports and communications

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[35] Telecom Namibia (1996). *Annual Report*, 1995-1996.
[36] Bank of Namibia (2002). *Annual Report*, 2002.

integration in the Southern African Development Community region (National Planning Commission, 1993: 161).

Furthermore, during the 2004/2005 financial year *Telecom Namibia* commissioned a new International Switching Centre, in addition to the Standard A Satellite Earth Station, with a Network Element Manager enabling the company to operate two international gateways. Since the second international gateway was of the new generation equipment, it could not therefore only strengthen the trunk capabilities of *Telecom Namibia* and *Mobile Telecommunications Limited* (MTC), but could also be incorporated into the future IPT networks (*Telecom Namibia*, 2005: 35). The establishment of the international gateways expanded the company's direct dialling facilities with international destinations to 242 by end of 2005 from 79 at the time of independence of the country in 1990 (*Telecom Namibia*, 2005: 32).

The need for the establishment of an own international gateway was not only necessitated by political and security reasons, but by economic factors as well. Namibia spent a significant amount of its income on routing international traffic through South Africa since independence. For instance, in 1996 *Telecom Namibia* spent 12 percent of its total expenditure in routing international traffic through South Africa (*Telecom Namibia* 1996: 6). This was not unique to Namibia as most African countries routed their international calls through their former colonial masters or other Western nations. In 2002 African countries reportedly spent an estimated US $ 300 million (N$ 3.1 billion) annually in routing fees paid to Western nations (*Sunday Times, Business Times*, May 19: 2002).[37] On the flip side, African countries did not only pay a fortune in telecommunications interconnection to the Western countries, but the Western telecommunications operators underpaid their African counterparts by close to a third of the US $4 billion annual fees for interconnection, because African telecommunications operators did not have the means of checking the invoicing. Since international calls were expensive many of those calls were incoming from many parts of the world to Africa, which meant that the

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[37] Many African telecommunications operators when routing calls to their neighbouring countries have to channel these calls through a European country, and this makes calls expensive because countries have to pay European telecommunication operators for channelling these calls.

international operators had to refund African operators for crossing their networks (*ITWeb*, November 21, 2003).[38]

Apart from rolling out infrastructure the company was also duty-bound to modernise is network through automation and digitalisation. In the section below I will examine how and why *Telecom Namibia* embarked upon the process of modernization and digitalization of its network.

7.6 Acquisition of new technologies and services

Another significant feature of the telecommunications reform in Namibia was the attempts by *Telecom Namibia* to deploy the latest telecommunications technologies. A brief review of Namibia's telecommunications history reveals that the country had been always proactive to changes in the telecommunications sector at different stages of its development. As early as 1929 Namibia ranked among the first in Africa to introduce the automatic telephone system, installed by Siemens. Again in 1986 Namibia adopted the automatic switching system by acquiring the Elektronisches Wahlsysteem (EWSD) equipment (*National Planning Commission*, 1993: 156,157; *Telecom Namibia*, 2002: 3).[39]

In 1995 the company introduced the Integrated Service Digital Network (ISDN) in order to modernise its network and, thereby, provide sophisticated services to corporate customers, as well as to facilitate an international platform for modern services needed by business. The ISDN service allows for the simultaneous provision of a combination of voice, data, and visual in one single line and thereby minimising the use of lines that provide separate voice and data. While the company made the ISDN service available to the residential customers in 1998, by 2005 the functioning of the ISDN line was still problematic due to the lack of a policy strategy on how this service should be expanded throughout society (Heuva, 2005: 49).[40] Nevertheless, the demand for the ISDN line

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[38] ITEweb (2003). "African Telecom Operators 'Underpaid by $1 billion". In *Misa Telecommunications Updates*, November 2003.
[39] Telecom Namibia (2002). Celebrating Achievements. In *Telecom Commemorative issue*, 1992 – 2002.
[40] Heuva, W. E. (2005). "Is Namibia building an Information Society?" In *Namibia Review*, Vol. 13, No. 1, May-June 2005.

continued to grow and during the 2004/2005 financial year it increased by 19 percent according to the company (*Telecom Namibia*, 2005: 29).

The introduction of the Very Small Aperture Terminal Satellite System (VSAT) in June 2000 that facilitated and expedited the connection of the far-flung areas was another proactive move by the company. By 2004 *Telecom Namibia* could already serve 64 VSAT lines throughout the country including 30 small settlements and some of the neglected villages of Tsumkwe, Gam and Epupa.[41] The PanAmSat provided the satellite bandwidth for the VSAT service and the company could by 2004 offer a total of 426 lines (*Telecom Namibia*, 2000: 16[42]; *Telecom Namibia*, 2004: 27). The VSAT was not limited to the provision of voice services to the remote areas in the country only, but could also provide both voice and Internet products to them through the DialAway system. Moreover, this (DialAway) system also used to serve foreign clients in a number of African countries, including *Telecom Namibia*'s strategic partner in Angola *Mundo Startel* (*Telecom Namibia*, 2004: 27).

In order to facilitate a higher and flexible bandwidth application *Telecom Namibia* in 2000 introduced Internet Protocol (IP) on its fiber network. The IP telephony is a voice carried over the Internet protocol. Albertus Aochamub, Daniël Motinga and Christoph Stork (2002: 1)[43] drawing from Charles Sarraf (2001)[44] define an IP telephone as "a telephone that transports voice over a packet-switched network instead of over a circuit-switched connection". The intention was to extend Internet connectivity to the IP backbone and thereby establish a "national information highway", which could provide

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[41] These remote towns and villages are far and were much neglected in terms of basic facilities, more specifically during the colonial era. Tsumkwe is a small settlement (village) of the San population, established during the colonial times, and had served as recruiting ground for the former South African Defence Force in its fight against the liberation movement. Game is a new settlement established by the Swapo government to resettle the Baherero (the Herero-speaking Namibians who were forced to flee to Botswana during the German genocide perpetrated against them) on their return to Namibia after independence. Epupa is a far remote settlement at the Kunene River bordering Angola, and inhabited by the Ovahimba tribe, who resisted the government's plan to build a dam at the Epupa Falls for the generation of electricity.

[42] *Telecom Namibia* (2000). *Annual Report*, 1999/2000.

[43] Aochamub, A., Motinga D. and Stork C. (2002). "Economic Development Potential through IP Telephony in Namibia". *Discussion Paper* No. 2002/84. World Institute for Development Economics Research (WIDER).

"fair access and quality services" to the entire population including the rural areas (*Telecom Namibia*, 2000: 16). By the end of 2005 the company placed massive investment in the expansion of the IP network in order to meet customer demands and in the process reached over 36mb/s in international bandwidth (to and from Namibia) and more than 16 Mb/s bandwidth for local consumption. To facilitate easy access to the IP for its customers the company towards the end of 2005 also decreased its lease tariffs for the IP band width by 20 percent (*Telecom Namibia*, 2005: 31, 32).

In 2004 *Telecom Namibia* introduced the Always On Internet Protocol (AOIP) to limited areas covering initially the northern towns of Ondangwa and Oshakati, apart from the capital city, Windhoek. The company further planned to expand the roll-out of this service to other areas as well. *Telecom Namibia* provided the AOIP service to all the Internet Service Providers (ISPs), who in turn had to resell it to their customers. Its subsidiary, *Infinitum* had the responsibility to ensure that all the ISPs received the AOIP service. The introduction of this wireless Internet service did not however coincide with the reductions of Internet connectivity charges, because the service was to be provided between the customer and the company's base station, and not between *Telecom Namibia* and its access providers to the international gateway, a point where the overall Internet pricing is normally determined (Kaira, 2005: 19).[45]

Telecom Namibia also ventured into the wireless broadband services. In April 2004 the company commissioned the Wireless Local Area Network (WLAN) to serve the *SchoolNet* project with a stable connectivity and performance (*Telecom Namibia*, 2004: 29). This Project provided Internet connectivity to all schools country-wide and will be discussed in Chapter Eight. Also at the beginning of 2005 *Telecom Namibia* established a satellite link through *Gateway Communications*, a private company, to expand its international telecommunications network. Through this link, *Telecom Namibia* could be able to access national operators in the West, such as the *British Telecom* in the United Kingdom, *Deutsche Telekom* in Germany and *AT & T* in the United States of America.

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[44] Sarraf, C. (2001). "IP Telephony: Technical Issues". Document Number IPTel-9-E. Available at www.itu.org. Accessed on August 21, 2003.
[45] Kaira, C. (2005). "Telecom steps into wireless technology". In *Namibia Economist*, Friday, July 15 – Thursday, July 21, 2005.

While the new satellite connection enabled private operators using *Telecom Namibia*'s gateway unlimited access to international telecommunications traffic across the world, the service could not immediately benefit the Namibian public (residential and business) in terms of reduced tariffs, because it was initially restricted to incoming calls to Namibia from international operators. However, by the end of 2005, the company was working on a possibility to introduce outgoing calls through the same satellite link (De Bruin, 2005: 4).[46]

While most of the above-mentioned new technologies were deployed by the end of 2005, for the immediate future the company planned to embark on some other activities. Firstly, *Telecom Namibia* planned to upgrade its Internet Protocol (IP) to the level of Multi-Protocol Label Switching (MPLS) network which could be able to support current and future services. The company also sought to implement the Asymmetrical Digital Subscriber Line (ADSL) to support its broadband and, lastly it set out to use the metropolitan Ethernet as high-speed local area network (LAN) technology (*Telecom Namibia*, 2005: 31). It hoped to tap into a wider market at lower costs and thereby compete with its opponents in the sector through the introduction of these 'new' technologies. At the same time the company wanted its customers to access and use protocols of their choice through the MPLS network, among them the Asynchronous Transfer Mode, Digital Subscriber Line, Ethernet and Frame relay (ibid. 32). Again this shows the importance the company bestowed on the business sector.

Line digitization, as indicated at the beginning if this chapter, was another important component of the network modernisation and by 2000 the company managed to achieve a complete (100 percent) digitized backbone. It must be noted that the company's desire to acquire and deploy new telecommunications technologies was partly necessitated by the local and foreign business's demands for newer and cheaper services and equipment. It is true that apart from local capital, foreign investors demand cheaper, efficient and state-of-the-art telecommunications systems in countries in which they want to invest in. The

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[46] De Bruin, E. (2005). "Telecom Namibia sluit ooreenkoms om satellietverbindings uit te brei". In *Die Republikein*, Woensdag, Maart 2, 2005.

observation by Erenst Wilson III and Kelvin Wong (2003: 157)[47] in this regard is worth noting here:

> One of the first questions a potential investor asks of Africa and other governments around the world is whether the country has a modern and effective telecommunications system. Telecommunication systems have become requirement for attracting direct foreign investment.

Thus, well-functioning, state-of-the-art and less costly telecommunication systems have the potential to improve a nation's level of competitiveness in terms of foreign direct investment. *Telecom Namibia* set out to expand and modernise its facilities and services in order to satisfy its shareholder's (State) demands for competitiveness. In this regard the company acquired new technologies in order to be relevant in a highly competitive environment. Access to the latest technologies made the company a valuable asset to the country, in an environment where countries were competing for foreign direct investment, such as southern Africa. It must be remembered that Namibia was in competition with other SADC countries for foreign direct investment, and the telecommunications sector was one of its instruments to improve its level of competitiveness.

Moreover, the business sector required high quality, low-cost telecommunications and specialised services apart from basic telephony to compete in world markets and expand their markets (McDowell, 1996, 117).[48] Apart from local and foreign capital governments have been demanding new technologies and lower tariffs as well, in order for them to improve their own internal efficiency (Straubhaar, 1995: 14).[49] Namibia, for instance, when it decided to establish its own Intranet in order to improve inter-governmental communication in the second part of the 1990s it found *Telecom Namibia* wanting and had to commission an American company, *Global One*, to implement the project.

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[47] Wilson III, E. J. and Wong, K. (2003). "African information revolution: a balance sheet". In *Telecommunications Policy*, Volume 27, Issue 1-2, February-March 2003, 155-177.

[48] McDowell, S. D. (1996). "International Services Liberalisation and Indian Telecommunications Policy". In E. A. Comor (ed.) (1996). *The Global Political Economy of Communication*. London: MacMillan Press Ltd.

[49] Straubhaar, J. D. (1995). "From PTT to Private: Liberalization and Privatization in Eastern Europe and the Third World". In B. Mody, M. Bauer and J.D. Straubhaar (eds.). *Telecommunications Politics:*

Telecom Namibia at that time did not have much expertise in Internet and the company "couldn't cost-justify the project" (Petty, 1997: 1).[50]

The processes of network expansion, automation and digitalisation were both facilitated and at the same time constrained by the availability of financial resources. It is thus appropriate at this point to examine the financial foundation, or the lack thereof, on which the broader transformation and restructuring of *Telecom Namibia* was conducted. This will enable the reader to understand the successes and shortcomings of transformation and restructuring process of the company.

7.7 Economics of the company

Thus, in this section I will briefly examine the financial position of *Telecom Namibia* during the first 13 years of its restructuring. Before doing this, let us first look briefly at the financial position of *Telecom Namibia*'s predecessor the *Department of Post and Telecommunications* (DOPAT). The latter company operated in a very precarious financial environment. Its total telecommunications revenue[51] for the 1979/1980 financial year (at the time of its de-linking from the *South African Posts and Telecommunications* parastatal) was N$15 769 401 compared to N$ 2 114 244 for the Postal Services and the N$ 226 750 for the Savings Bank. During the 1989/1990 financial year *DOPAT*'s total revenue was as follows: Telecommunications N$ 114 786 609, Postal Services N$ 10 888 045 and Savings Bank N$ 15 615 392 (*Department of Post and Telecommunications*, 1990)[52].

What must be understood is that *DOPAT*'s budget, both operational and capital, came directly from Treasury in the form of State subsidy. At the same time *DOPAT* was required to plough back its profits into State coffers, which were used to fund various

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Ownership and Control of the Information Highway in Developing Countries. New Jersey: Lawrence Erlbaum Associates Publishers.

[50] Petty, M. (1997). "Namibia goes on line. A government Intranet is the first of its kind in Africa". In Global Telephony (Primedia Business Magazine 6, Media Inc.). September 1997.

[51] The Telecommunications revenue comprised income from telephone, telegraph and private radio services.

[52] The income pattern demonstrates that the telecommunications was the most successful component among the three of divisions of the DOPT and explains why telecommunications subsidised the postal services.

activities of the government that needed State subsidy. More specifically, a portion of income from the telecommunications services was used to subsidise the poorly performing postal services. This was a feature of telecommunications in developing countries. Governments in the developing countries during the early phases of decolonisation tended to use telecommunications revenue for other operations and did not reinvest profit into the expansion of infrastructure and services (Saunders, et al, 1983[53] cited in Straubhaar, 1995: 7). However, after the commercialisation of the company and its subsequent reorientation towards a business venture *Telecom Namibia* could then invest its profits into the expansion and modernisation of the network.

Operating as a commercial venture since its commercialisation in 1992, *Telecom Namibia*'s turnover increased significantly (see Appendix B, Table 7 B), soaring from N$ 225, 203 million in 1993 to N$ 1, 055 billion in 2005 (*Telecom Namibia*, 2004: 3; *Telecom Namibia*, 2005: 17). Already in 2005 its total fixed assets stood at N$ 797 281 million, up from N$ 98 552 million in 1993. However, the return on the assets was falling, decreasing from 37, 3 percent in 1993 to 10, 8 percent in 2005 (ibid). The reason for the falling rate in profit from the fixed assets was due to the fact that its assets grew much faster than the increase in profits, a development attributed to the company's huge investment in network expansion and modernisation (Motinga, 2003: 4).[54] While the expansion of the network on the one hand led to the falling rate of profit, on the other hand it provided a significant economic spin-off, notably the increase in revenue per line, which grew from N$ 3 373 in 1993 to N$ 6 500 in 2001 (ibid. 5).

As noted above *Telecom Namibia* had invested heavily in infrastructure development since its commercialisation in 1992. In monetary terms that investment increased from N$ 26 442 million in 1993 to N$ 126 244 million in 2005, amounting to a total of N$ 1 991 232 billion invested in infrastructure development from 1993 to 2005 (*Telecom Namibia*, 2003: 3; *Telecom Namibia*, 2005: 17). What contributed to this huge investment in infrastructure deployment was partly due to the fact that the company was exempted

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[53] Saunders, R., Wellenius, B., and Warford, J. (1983). *Telecommunications and Economic Development.* Baltimore: Johns Hopkins University Press.

[54] Motinga, D. (2003). "Liberalising the Telecommunications Sector inn Namibia: Better Regulation is the Key". In *IPPR Briefing Paper*, No. 25, November 2003.

from paying dividends to its shareholder (the State) during its formative years. It was only in 1997 that *Telecom Namibia* paid its first dividend, an amount of eight million Namibia dollars (*Telecom Namibia*, 1997: 6) followed by N$ 3.5 million in 2001 (*Namibia Economist*, September 30, 2001)[55] and a further N$ 16 941 000 million in 2005 (Gaomas, 2005: 3).[56] During the 2004/2005 financial year *Telecom Namibia*'s sister companies, *NamPost* paid two million Namibia Dollars, while the *Mobile Telecommunications Limited* (MTC) paid a hefty N$ 80 million to the State (ibid). Thus, *Telecom Namibia* with the exception of its sister company, *MTC*, and the power utility, *Nampower*, were ones of the most profitable State-Owned Enterprises. The company's contribution to the GDP increased from 1, 5 percent in 1993 to 5, 5 percent in 2004 (National Planning Commission, 2005: 11).[57]

Despite its relatively healthy economic/financial position the company by the end of the 1990s and early 2000s came to face severe economic difficulties. A number of factors contributed to this unpleasant financial situation. For instance, the company's 1999/2000 *Annual Report* listed the impact of the "good rains" in 2000, which it said affected its underground cables and forced the company to upgrade them. This in turn resulted in unforeseeable expenditure. Linked to the damaged cables was the theft of telephone copper wires, which reached its climax in 2000 and further complicated the financial predicament of the company (*Telecom Namibia*, 2000: 10).

Another notable contribution to the financial predicament of the company was the depreciation of the South Africa Rand to which the Namibia Dollar is pegged on par. The depreciation of the currency and the subsequent increase in interest rates placed a financial burden on the company and led to increased operational expenditure (*Telecom Namibia*, 2001: 14). It should be borne in mind that the company had to fund all its network development from its own resources, including loans from local and international financial institutions.

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[55] Namibia Economist (2001). "NamPost Telecom Holding pays dividends to government", Friday, September 30, 2001. Available at http://www.economist.com.na/210901/story6.htm. Accessed on September 30, 2001.

[56] Gaomas, S. (2005). "Government receives hefty dividend". In *New Era*, Friday, March 31, 2006.

[57] National Planning Commission (2005). National Accounts 1995 – 2004. August 2005, Central Bureau of Statistics.

The above-mentioned factors affected investment in the network development significantly, which could already be felt in 1999. While the company invested N$ 271 millions in infrastructure development in 1998, it could only invest N$ 128 million the following year (1999). In the 1998/1999 *Annual Report* the company says that it had to cancel or defer to the following years a significant number of projects planned for the year due to financial difficulties (*Telecom Namibia*, 1999: 4).[58] Ironically, despite these difficulties the company managed to record half a billion Namibia Dollars mark in revenue for the first time since its establishment. It recorded a turnover of N$ 588 018 9 million in 1999 as can be seen from Table 7 B. However, much of what was left after taxation from that revenue had to cover unforeseeable expenditure and the impact of the depreciation of the currency, as indicated above.

In addition, and due to the fact that *Telecom Namibia* had to fund its capital projects from its own resources and through loans, its long-term financial liabilities continued to grow from N$ 62 489 000 million in 1993 to N$ 169 706 000 million in 2005 (*Telecom Namibia*, 2004: 3; *Telecom Namibia*, 2005: 7). These long-term loans were undertaken to develop and modernise the telecommunications infrastructure as noted above and by 2005 the company had a debt of N$ 80 030 million owed to the European Investment Bank and another amount of N$ 89 676 million to leading local commercial banks in the country (*Telecom Namibia*, 2005: 56-58).

However, the biggest challenge to the company since its commercialisation was competition in its traditional voice services which made a sizeable dent on its revenue base. The emergence of competition was the result of a combination of factors, which counted among others the new entrants in the telecommunications sector more particularly from 2000 onwards, and the ramification of the latest telecommunications technologies, such as the Internet Protocol (IP). Thus, in 2005 *Telecom Namibia* experienced yet another 'bad' year in terms of revenue. For instance, in his review on the performance on the company in the 2004/2005 *Annual Report*, the chairman, Titus Haimbili, says that the year was "tough" for them, since they experienced "slugging business growth resulting from tough voice market conditions" (*Telecom Namibia*, 2005:

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[58] Telecom Namibia (1999). *Annual Report, 1998-1999.*

14). In the next section I will outline the impact of this competition and the company's response to it.

7.8 Impact of competition

The adoption of the *Telecommunications Policy and Regulatory Framework* in 1999, as indicated in Chapter Five, was a watershed in the restructuring of *Telecom Namibia*, since the State policy shifted from commercialisation to liberalisation and privatisation of the fixed line telecommunications market segment. There was until then no discussion of privatisation in this sector before the adoption of this policy. Nevertheless, the government knew that privatisation was to be the next step following the commercialisation process. Aware that soon its unrestricted exclusivity was going to end and that competitors might to be invited to compete with it, *Telecom Namibia* initially sought to thwart the government's attempt at the introduction of competition in the fixed-line market. Management and directors came out against the idea of competition and lobbied the government against it. They argued that the company had an important obligation to provide 'social services' and to expand the network to the marginalised areas and people. They therefore felt that its monopoly in the fixed-line market segment should be expanded if not maintained (Pienaar, 2002).[59]

The company further argued that it had been providing rural communities with services at reasonable rates, despite the huge investment it made to cover the vast distances with scarce population density in many cases. A senior official made the position of the company very clear when he argued that:

> This [provision of services to the rural communities at 'reasonable rates'] unfortunately is only possible through cross-subsidization, which again is *only* possible if the national operator remains the only national operator. As soon as competition is introduced without stringent performance agreements pertaining to provision of rural telecommunications services, the absence of monopoly will have a detrimental effect on the development of

[59] Pienaar, E. (2002). "Telecom skop teen medediging". In *Die Republikein*, Junie 18, 2002. Available at http://www.republikein.com.na/content/nuus/2002/june/19_telecom.php. Accessed on June 19, 2002.

rural telecommunications services and thereby overall rural development (Oberprieler, 1998: 2).[60]

The above-mentioned reasoning is drawn from perspectives that conceptualise public telecommunications operators as "natural monopolies", where competition is regarded as "unsustainable", because of the "economy of scale" and the need for national operators to provide for a "systems-wide cross-subsidy to ensure universal service and systems integrity" (Winseck, 1998: 8).[61] In this conceptualisation a single national operator is seen to serve the "public interest", because it is regarded as cheaper and economical, as it can eliminate duplication in network expansion. The natural monopoly proponents maintain that competition is unfair because private competitors will prefer the most profitable areas through "cream-skimming", a process which will arguably prevent the national operators (natural monopolies) to tap revenue in these profitable areas in order to subsidise unprofitable areas (ibid. 9).

However, the traditional notion of the effectiveness of monopoly markets to provide social services has been increasingly questioned (Petrazzini, 1995: 357). Johannes M. Bauer (1995: 262)[62] maintains that the available data does not reveal a clear pattern between the degree of deregulation, liberalisation or privatisation, and the performance of the telecommunications industry. He further notes that when "traditional aggregate indicators, such as telephone penetration rates or tariff levels" are used, efficient national telecommunications systems will be found in both centralised (state) as well as in market-oriented contexts.

The quest to liberalise and privatise telecommunications market segments was necessitated further by the need to fulfil multilateral obligations, as we have seen in Chapter Five. In terms of its obligations to the instruments of the World Trade Organisation, Namibia had to introduce competition in its fixed-line telecommunications

[60] Oberprieler, H. (1998). "Telecom infrastructure strategy and policy in Namibia". A Paper presented at the National Information and Communications Infrastructure (NICI) strategy for Namibia, 11-13 May 1998.
[61] Winseck, D. (1998). *Reconvergence: A Political Economy of Telecommunications in Canada*. New Jersey: Hampton Press, Inc.

market segment by 2004. As the government was adamant to continue with the liberalisation of the basic service despite its appeals against the move, *Telecom Namibia* set out to reposition itself for the impending competition. Firstly, it started to diversify its services by entering the value-added market, including the Internet. Secondly, and due to the limitation of the local market, it entered into 'strategic partnerships' with other operators in order to explore markets outside the borders of the country, as we shall see below.

Thus, in the face of competition coupled with the imminent liberalisation of the fixed-line market segment *Telecom Namibia* had no option but to diversify its operations. Already, during the 1999/2000 fiscal year the company started to reposition itself in order to "exploit new revenue and profit streams to stay competitive with the new market entrants" (*Telecom Namibia*, 2000: 3). In this regard it resolved to expedite the acquisition of new telecommunications technologies so that it could entrench itself in the provision of the value-added services, as noted earlier. To achieve this objective the company resorted to what Harry Trebing (1995" 317)[63] referred to as "deep-pocket diversification", to ensure that it was not foreclosed from the emerging telecommunications markets. The diversification of activities also provides companies "a hedge" that would enable them to eliminate miscalculations in future market growth, while at the same time reduce the risk and uncertainty in their production (ibid.).

By integrating itself vertically, *Telecom Namibia* set up an Internet Service Provider (ISP), *iWay* (Angula, 2000: 10),[64] in November 2000 and an Internet Access Provider (IAP), *Infinitum*, in March 2001. Established with the funding of the United Nations Development Programme (UNDP) *iWay* was to ensure a nation-wide Internet connectivity, including the rural areas and thereby improve and enhance Internet access

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[62] Bauer, J. M. (1995). "Alternatives to Private ownership". In B. Mody, J.M. Bauer & J.D. Straubhaar (eds.) *Telecommunications Politics: Ownership and Control of the Information Highway in Developing Countries*. Mahwah, New Jersey: Lawrence Erlbaum Associates, Publishers.

[63] Trebing, H. M. (1995). "Privatisation and the Public Interest: Is Reconciliation Through Regulation Possible?" In B. Mody, J.M. Bauer & J.D. Straubhaar (eds.) *Telecommunications Politics: Ownership and Control of the Information Highway in Developing Countries*. Mahwah, New Jersey: Lawrence Erlbaum Associates, Publishers.

[64] Angula, C. (2000). "New ISP shows Namibia the iWay". In *The Namibian*, Thursday, November 30, 2000.

in Namibia. The project was part of the broader UNDP initiative aimed at promoting Internet connectivity in Africa. Launched in 1996 in Namibia the objective, apart from ensuring a nation-wide Internet connectivity, was to enhance human resources capacity; provide access to all members of society including the State, business, civil society and academic institutions.

In terms of this agreement *Telecom Namibia* was appointed as the custodian of the national Internet gateway and associated backbone facilities to be developed under the project (Jakobsen, 1999: 6).[65] *Telecom Namibia* had to manage the gateway to ensure Internet connectivity on a non-discriminatory basis and at a reasonable price. However, *Telecom Namibia* turned *iWay* into a commercial venture, which not only sought to compete with the independent ISPs, but to capture this market segment. Attempts to capture this market were done through the provision of a variety of services including web-site hosting services, domain registrations, e-mail services, web design and security management (*Telecom Namibia*, 2000: 16).

By the end of the period covered by this study *iWay* offered a variety of products such as the *iLink* – a dial-up Internet service; *iSite* – a web hosting; *iMake* – a web –design; *iDeal* - for large and small business to connect them to Internet at a fast speed and *iStay On* – an Internet Protocol (IP) service providing customers with a 24-hour, seven days a week wireless link with a Committed Information Rate of 8kb/s and a burst data rate of up to 64kb/s. *Infinitum*, in contrast, served as the country's IP bandwidth provider, enabling customers with access to a resilient IP backbone infrastructure. It further provided bandwidth to the independent ISPs such as *iAfrica, Namibnet, Mweb* and *UUNET* (*Telecom Namibia*, 2005: 30).

The above-mentioned examples indicate how *Telecom Namibia* attempted to dominate both the upstream and downstream telecommunications markets, a development that agitated independent ISPs. The latter saw this as unfair competition, particularly since *Telecom Namibia* diverted funds from a grant by the United Nations Development

Programme (UNDP) meant originally to develop non-profit Internet backbone for the whole country, to establish commercial outfits, notably *iWay* and *Infinitum* to compete with them. Furthermore, many saw this as a breach of an agreement, which at the same time placed *Telecom Namibia* in a privileged position vis-à-vis the independent ISPs (Kaira, 2001).[66] The former Deputy Minister of Works, Transport and Communication, Klaus Dierks, who was instrumental in the telecommunications restructuring during its initial stages, tended to support these claims. He argued for instance that *Telecom Namibia* "highjacked" the UNDP project and funds meant for connecting remote and under-serviced areas, to set its own ISP and IAP (Dierks interview, 2001).[67]

The diversification of telecommunications services had an adverse effect on the basic services. Harry Trebing (1995: 317) maintains that the disadvantage of diversification of fixed line operators into value-added services is that "efforts to redeploy resources into areas of greatest potential profit may result in the denigration of basic services". This observation was true to the Namibian national telecommunications operator. The more *Telecom Namibia* focused on the new value-added services the more it moved away from basic services. There is abundant evidence on this from the company's annual reports, policy statements and the actual activities the company engaged itself in.

Nevertheless, the diversification into value-added services by national telecommunications operators, more particularly into the mobile telephony and the Internet services was not confined to *Telecom Namibia*, but was a global phenomenon, which spread to southern Africa as well, as telecommunication operators sought to benefit from economies of scale. The following example illustrates this point. In South Africa *Telkom* acquired 50 per cent shares in *Vodacom*, by then Africa's largest cellular operator, while *Telecom Lesotho* set up a cellular operator, *Econet Ezicel Lesotho* (*Misa*,

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[65] Jakobsen, O. (1999). Keynote address on the Memorandum of Understanding signed between UNDP and the Government of Namibia in assistance from the UN to expand Information and Communication Technology in Namibia. Windhoek, September 28, 1999.

[66] Kaira, C. (2001). "ISPs lash out at state's control of cyberspace: industry says UN contract for Internet development breached." In *Namibia Economist*, Friday, November 9, 2001. Available at http://www.economist.com.na/091101/story1.htm. Accessed on November 13, 2001.

[67] Dr Klaus Dierks interview with the author. July 11, 2001.

April 2002).[68] The *Tanzanian Telecommunications Company Limited* (TTCL) invested in cellular company, *Celtel*, (ibid). In addition, national telecommunication operators in the southern African region also established ISPs. *Malawi Telecommunication Limited* operated the *Malawinet*, *Botswana Telecommunications Corporation* owned *Bosnet*, while *Telkom* (South Africa) operated *SAIX*. This shows how national telecommunications operators diversified their activities from the basic into the value-added telecommunications market segments.

The move by the national fixed-line operators to diversify into the value-added services was encouraged by the phenomenal growth of the mobile telephone users on the continent. The mobile telephony at the beginning of the 21st century grew at an annual rate of 35 per cent, compared to the 25 per cent growth rate of the fixed line service during the same time (*Sunday Times Business Times*, November 4, 2001: 23).[69] By the end of 2001 the mobile phones leapt to a total of 30 million users in Africa from just 2 million in 1997 (Shapshak, 2002: 33),[70] while the basic telephony increased from 9, 2 million lines in 1991 to 20 million lines or from 1, 4 to 2, 5 lines per 1000 people in 2001 (*Sunday Times, Business Times*, November 4, 2001: 19).[71] It is also interesting to note that about 90 per cent of all mobile phones in Africa have been on the prepaid system (ibid.).

Apart from diversifying its operations into the value-added markets *Telecom Namibia* adopted a strategy of 'geographical diversification', whereby it expanded its business operations into neighbouring countries through 'joint ventures' with other operators. In 2002 *Telecom Namibia* entered into a 'strategic partnership' with the *Premier Contract Agency, Umkhonto weSizwe Veterans Association* and *Gateway Communications* to form the *Communitel* consortium, each with 25 per cent shares, and applied for the 25-year contract South African Second Network Operator (SNO) in the middle of 2003. However, *CommuniTel* subsequently was awarded 13 percent shares in the South African SNO in 2005. *Telecom Namibia*'s shareholding in the South Africa SNO was expected

[68] Media Institute of Southern Africa (2002). *Telecommunication Update*, April 2002
[69] Sunday Times Business Times (2001). "Rosy future for telecoms in Africa". Sunday November 4, 2001.
[70] Shapshak, D (2002). "Unwiring Africa" In *Mail and Guardian*, March 1 to 7, 2002.
[71] Sunday Times Business Times (2001). "African growth is a phone call away". November 4, 2001.

to enable the company to access a bigger telecommunications market, and at the same time provide it with access to the SAT-3 submarine optic fibre cable to Europe. Namibia, unlike some of its neighbours, did not join the SAT-3 cable venture, because it argued that its international traffic running through its network was small and could not justify this venture, despite the fact that the country needed large bandwidth (*Telecom Namibia*, 2000: 17). What was however, overlooked was the fact that the cable connection provided less expensive connectivity that could have been used for Internet access by many Namibians, including schools and by the lower income groups and individuals.

In 2004 *Telecom Namibia* expanded its operations into Angola by entering the Angolan fixed line market in a strategic partnership with a local company, *Mundo Startel*. *Telecom Namibia* acquired 44 percent shares in this partnership, investing up to US $ 15 million (N$ 105 million) in this venture, while the balance of shares were owned by its partner *Mundo Startel* (*Telecom Namibia*, 2004: 7). In terms of that joint venture agreement signed with the Angolan National Agency for Private Investment (ANIP) and *Telecom Namibia* and its partner, *Mundo Startel*, *Telecom Namibia* had to build the physical infrastructure and start providing telecommunications products and services as from the middle of 2006. Amongst its other obligations was the provision of training to the locals employed by the joint company (Gaomas, 2005: 2).[72]

Apart form the imminent competition in the voice telephony another threat came from the emerging wireless networks which compelled *Telecom Namibia* to hasten its resolve to enter into value-added markets. Already the value-added services made inroads into the fixed line revenue base and by 2000 the company faced fierce competition in the long-distance markets from private telecommunications operators, more specifically in the international calls from the callback facilities. Further competition was encountered in the Customer Premise Equipment (CPE) and data services, which already in 1997 led to the decrease of about 19, 5 percent in the sales of CPE due to competition (*Telecom Namibia*, 1997: 41).

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[72] Gaomas, S. (2005). "Telecom Namibia Spreads its Wings". In *New Era*, Tuesday, July 26, 2005.

The Internet and the electronic mail (e-mail) services were other market segments that came to intrude in *Telecom Namibia*'s international traffic revenue. The gradual increase in the Internet usage coupled with the population's improved access to the mobile telephony following the introduction of pre-paid (Tango) services in 2000 had an adverse effect on *Telecom Namibia*'s monopoly in the fixed line voice service. Another challenge on *Telecom Namibia*'s voice service resulted from what the company called "illegal breakout"[73] from the use of Voice over the Internet Protocol (VoIP) and the least call routing. At least twice during the period covered by this study foreign nationals resident in Namibia were arrested for using *Telecom Namibia*'s network to make 'illegal' calls to their respective countries of origin. At the beginning of 2006 five foreign nationals were caught red-handed using VoIP technology, which the company claimed had cost about N$ 2 million in loss of revenue over a period of about seven months (*Insight Namibia*, June 2006: 3).[74] These practices in addition to the above-mentioned competition led to a significant reduction of traffic on *Telecom Namibia*'s national network (*Telecom Namibia*, 2005: 32).

By the end of the period covered by the study (2005) competition from the new operators in the value-added services (mobile and the Internet) was so severe that it adversely affected revenue streams of the company. For instance, the revenue from *Telecom Namibia*'s local calls, which together with national calls provided the bulk of its call revenue as it will be indicated below, dropped significantly, contributing only a mere 23 percent of the total call revenue, while national calls also dropped by four percent, contributing just 31 percent to call revenue (*Telecom Namibia*, 2005: 29). Ironically, this drop in revenue came soon after the company reported a relative growth in both the local and national calls revenue in the previous financial year (2003/2004).

In order to fend off competition posed by the new independent Internet Services Providers (ISPs) and from its sister company the *Mobile Telecommunications Limited* (MTC) and thereby to retain its customers, more specifically those in the fixed-line

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[73] The reference to "illegal" is based on the legal provision which prohibit any other entity to operate basic telephony apart from Telecom Namibia, as set out in Chapter II, Section 2 (2) of the *Posts and Telecommunications Act, 1992* (Act 19 of 1992).
[74] Insight Namibia (2006). "The VoIP asteroid is coming". June 2006.

market segment, *Telecom Namibia* introduced various value-added services on the prepaid platform at the beginning of the 2000s. These included services such as CallMaker, Reminder Service, Wake-Up Call Service, Flexi Call and TeleMail. In addition, the company set out to expand its prepaid distribution network in order to have a larger footprint in the country. To achieve this, *Telecom Namibia* introduced an electronic virtual voucher, including a N$ 10 voucher for the poor to access the prepaid services. Moreover, the company acquired and deployed some of the 3G technologies such as the Code Division Multiple Access (CDMA) which offers fixed wireless voice and data services. Furthermore, the company launched the Least Cost Routing (LCR) system which offered cheaper fixed-to-cell calls to the PABX system used mostly by the business sector (*Telecom Namibia*, 2005:29, 30). *Telecom Namibia* also adopted lower rates for the business sector enabling them to make fixed to mobile calls from their PABXs systems (*Telecom Namibia*, 2005: 32).

As another way of countering competition that resulted in reduced revenue more especially its fixed-line voice markets, *Telecom Namibia* sought to expedite the development of its IP platform. In this context the company paid more attention to the data and wireless broadband services, which it argued was its future priority area. The company argued:

> The future of telecommunications is shaped by the convergence of voice and data. Customers are demanding cheaper but more reliable products. In fact, customers want more than just connectivity. With voice revenue declining, Telecom Namibia is repositioning its business towards data. Moving forward, the objective is to create a converged IP-based network to support the various aspects of future customer demand (*Telecom Namibia*, 2005: 32).

In spite of its new found preoccupation with the text, data and broadband services the company promised that it would not neglect the traditional voice services, and that it would still bring basic services "closer to potential customers by offering affordable product variations" (*Telecom Namibia*, 2000: 3). Even at the point when competition was so severe to the extent that it forced a decline in the company's traditional voice service, the Managing Director, Frans Ndoroma, maintained that there was still a huge

demand for voice service in the country. However, he added that the company would aggressively pursue new opportunities by expanding into the new technologies "moving into new markets and areas, and offering new solutions that can literally change the way our customers do business" (Ndoroma cited in the *Telecom Namibia*, 2005: 17).[75]

7.9 Politics and economics of tariffs

The role performed by *Telecom Namibia* as a catalyst for business development and its contribution to the integration of the country into global economy was 'concealed' in the company's tariff policy. This is evident in the way the company favoured the business sector and investors in its tariffs policy. With the lack of competition in the fixed-line telephone market, and shielded from regulation, *Telecom Namibia* retained its monopoly in this market segment. This was a major weakness in the Namibian telecommunications regulatory process and also as the result of the failure to implement the 1999 policy and regulatory framework. More specifically, the absence of regulatory prescriptions on tariffs allowed the management of the company greater flexibility in terms of setting tariffs, which led to monopolistic and predatory practices in telephone charges. Thus, tariff increases were not linked to performance, but determined by a variety of costs incurred by the company and the inflation rate experienced at any given time in the country. This contention was corroborated by the company's Corporate Communications Manager, Ferdinand Tjombe, through his acknowledgement that increases in telephone charges was an "on-going process", determined by costs incurred by the company and by the need to keep the company competitive (Tjombe cited in *The Namibian*, 2005:5).[76] The adverse consequence of unregulated tariff regime was the exorbitant telephone charges which not only affected the economy, but also hindered social communication among Namibians.

Despite warnings against the potential negative impact of high tariffs on the economy by the business sector and civil society, *Telecom Namibia* persistently continued to justify its tariffs by claiming that its charges were reasonable and compared well to those of its peers in the neighbouring countries. The country's dominant economic policy think-tank,

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[75] Ndoroma, F. (2005). "Managing Director's Report". In *Telecom Namibia. Annual Report*, 2004-2005.
[76] *The Namibian* (2005). "Telecom says its tariffs are 'favourable'". Friday, August 19, 2005.

the Namibia Economic Policy Research Unit (Nepru), on a number of occasions pointed out that telecommunications costs were increasing disproportionably to the rise of disposable income of the citizens (Stork, 2005: 47).[77] Nevertheless, *Telecom Namibia*'s charges continued to accelerate between 1992 and 2005, while the regulator, *Namibia Communications Commission*, watched this development helplessly, because it did not have authority to intervene. In contrast, the commission continued to monitor and approve the tariffs of *Telecom Namibia*'s sister company, the *Mobile Telecommunications limited* (MTC) which pointed to the contradiction in the Namibian telecommunications regulatory regime as already indicated.

The following figures illustrate the extent of tariff hikes. It was estimated that between 1994 and 2002, the real cost of the basic telephony calls increased, on average, by 66 per cent for local calls and by 18 per cent for calls made to destinations of less than 100 kilometres, while calls to South Africa increased by 13 per cent (Motinga, 2002: 6).[78] Again because of their regulation the mobile telephone tariffs remained unchanged during the corresponding time. The first major tariff adjustment in the mobile telephony occurred on 2 October 2002, following the government's announcement of its intention to introduce a duolopoly in the mobile telephone market segment. *MTC* increased its call charges by six per cent in efforts to reposition itself for the imminent competition. This was its first increase in charges since its establishment in 1995 (*Die Republikein*, October 16, 2002).[79]

Telecom Namibia's strategy was to reduce international charges while increasing local call rates. Arguing that local calls were not only cheaper but subsidised by the international calls, the company continued to rebalance its tariffs. The rebalancing of tariffs started during the early phases of its restructuring process, when the company set out to reduce significantly telephone charges to the country's major trading partners, notably the United Kingdom, Germany and the United States of America. The reduction

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[77] Stork, C. (2005). Namibia E-Access and Usage Index Survey, 2004. Nepru Research Report No. 35.

[78] Motinga, D. (2003). "Liberalising the telecommunications Sector in Namibia: Better regulation is the Key". In *IPPR Briefing Paper* No. 25, November 2003.

[79] Die Republikein (2002). "MTC to hike up rates", October 16, 2002. Available at http://www.republikein.com.na. Accessed on October 16, 2002.

of tariffs was defended by the claim that these countries "carried the highest volume in international traffic" (*Telecom Namibia*, 1996: 14). Moreover *Telecom Namibia* claimed that the local calls contributed a mere 17 per cent of the total revenue (Brand, 2001: 12).[80] It is of course difficult to establish the accuracy of these figures. Nevertheless, claims to the contrary abounded. For instance, an assessment of the revenue of the company by economists, including a former senior manager of the company who, until 2002 was the manager of *iWay*, pointed out that by 2002 the company received 43 per cent of its revenue from local (national) and 40 per cent from international calls, while the remaining 17 per cent came from mobile phone calls (Aochamub, Motinga and Stork, 2002[81] cited in Motinga, 2003: 5).[82] It is thus, difficult to determine whether the local calls contributed more revenue than the international calls, as well as to establish which one of the two destinations carried more traffic than the other. However, there seemed to have been contradictions in the company's own assertion that calls to the United States of America and Western Europe carried the most international traffic. In its 2004/2005 *Annual Report, Telecom Namibia* reported that calls to African countries, including South Africa, represented about 94 percent of its international traffic (*Telecom Namibia*, 2005: 32).

Moreover, the company's contention that international calls subsidised local calls was open to contestation. For instance, commentators such as Dwayne Winseck, have advanced counter arguments. Basing his argument on the proposition that telecommunications networks are built with heavy volume users in mind, Dwayne Winseck (1998: 14) maintains that residential customers subsidise business, and not the other way around. The assumption here is that residential customers are the ones who make more local calls, while the corporate customers, due to business transactions across the globe tend to make more international calls than the residential customers. Thus, when residential customers use these networks, they pay for "gold-plated" networks designed for capacity volume they do not use. This position is supported by Robert

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[80] Brand, E. (2001). "Local calls were just too cheap – Telecom". In *The Namibian*, Friday, June 28, 2001.
[81] Aochamub, A., Motinga D. and Stork C. (2002). "Economic Development Potential through IP Telephony in Namibia". Discussion Paper No. 2002/84. World Institute for Development Economics Research (WIDER).

McChesney and Dan Schiller (2003: 21)[83] who argue that telephone call rates are rebalanced to favour business users (above all, those making international calls) over low-volume residential callers. Thus, residential customers in fact pay more, because they pay for capacity they do not use and it is in this context that they subsidise the business.

Tariffs rebalancing between the local and international calls have had a negative effect on local tariffs, because the increase in local tariffs placed the basic telephony out of reach of the majority of the Namibians. The high telephone tariffs were identified as one of the barriers to the telephone penetration in the Namibian society and could, therefore, be seen as a hindrance to the development of the information society (Gillwald and Esselaar, 2005: 28, 29).[84] Particularly, the increase in telephone tariffs led to an increase in Internet access costs, which slowed down the penetration of the Internet in the Namibian society, causing the slow progress towards the country's arrival at the information society, as it will be argued in Chapter Eight.

Ironically, towards the end of 2005 *Telecom Namibia* placed a moratorium on tariff hikes. The company promised to suspend increases of tariffs for the 2005/2006 financial year, apart from costs related to call bearing, until October 2006 in order to help create "an enabling environment for economic growth" (*Telecom Namibia* cited *The Namibian*, 2005: 11).[85] This argument supports the assumption that tariff hikes are detrimental to economic growth. Moreover, the reason advanced by *Telecom Namibia* as to why it placed the moratorium is a clear indication that the company was aware of the impact of its high telephone charges on the economy.

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[82] Motinga, D. (2003). "Liberalising the telecommunications Sector in Namibia: Better regulation is the Key". In *IPPR Briefing Paper* No. 25, November 2003.

[83] McChesney, R.W. and Schiller, D. (2003). "The Political Economy of International Communications: Foundations for the Emerging Global Debate about Media Ownership and Regulation". *Technology, Business and Society Program Paper*, No. 11, October 2003. United Nations Research Institute for Social Development (UNRISD).

[84] Gillwald, A. and Esselaar, S. (2005). "Chapter 2: A comparative analysis of ICT access and usage in 10 African Countries". In A. Gillwald (ed.). *Towards an African E-Index: Household and individual ICT Access and Usage across 10 African Countries.* Johannesburg: LINK Centre: Wits University.

[85] The Namibian (2005). "No Telecom tariff increases". Monday, September 5, 2005.

Apart from the moratorium *Telecom Namibia* from the 1st July 2005 adopted a set of new reduced international tariffs to a number of destinations. As usual these reductions were effected to benefit the private sector. To illustrate this point the company reduced all tariffs to international destinations by 14 percent. Namibia's international trading partners that benefited from the general 14 percent tariff reduction included Germany, Netherlands, Sweden, Switzerland, United Kingdom and the United States of America - all of them major trading partners of the country. In addition, telephone calls to Angola, which became a lucrative business destination for the Namibian corporate sector after the end of the Angolan civil war, were reduced by 25 percent for peak hours and 15 percent for off peak hours. Mobile phone calls to South Africa, which still remained Namibia's main trading partner on the African continent, were reduced by three percent during peak hours and six percent off peak hours. Off peak tariffs for mobile to fixed-line calls to South Africa were reduced by 10 percent (*Telecom Namibia*, 2005: 10).[86]

As I indicated at the beginning of this section, *Telecom Namibia*'s tariff reduction was an important incentive to local and foreign investors. With a small private sector and the need to boost foreign direct investment, the option available to *Telecom Namibia* was to shift as much cost burden in the fixed-line telephony as possible to the local customers, while at the same time providing a leeway to the business sector as incentive for investment. In order to be competitive in the long distance market while at the same time maintaining its customers, the company had to reduce its tariffs in this market segment. Moreover, as in other parts of the world, *Telecom Namibia* experienced regional competition in business and investment. Generally, when such pressure is exerted on national telecommunication operators, the reaction has always been to modernise infrastructure, improve the standard of services and reduce tariffs so that these could conform to the global standards and practices. Thus, competition for foreign direct investment in this sector together with 'peer pressure' from its liberalising neighbours forced *Telecom Namibia* to rebalance its charges in favour of international callers.

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[86] Telecom Namibia (2005). Media Release: "Talk much more for even less". In *The Namibian*, Wednesday, September 21, 2005.

In summary, the tariff policy of the company had two functions: economic development of the country through the promotion of the private sector and the encouragement of foreign investment on the one hand and the survival of the company on the other hand.

7.10 Tension and conflict emanating from Telecom reform

The frequent and sometimes unjustifiable increase in tariffs at times, placed the company on collision course with customers and other telecommunication operators with interconnection agreements with it. Complaints did not only come from private operators, but from *Telecom Namibia*'s sister company, *MTC*, which at one point led to an intense dispute between the two sister companies. Writing in *The Namibian* newspaper journalist Tabby Moyo at that time noted:

> A war of words has erupted between the heads of Telecom Namibia and Mobile Telecommunication Limited (MTC) after the MTC accused Telecom of negatively affecting its financial position by increasing local call tariffs.
> MTC Managing Director Bertil Guve said in a statement on Monday that Telecom's increase in local calls had a negative effect on its financial position via the interconnection agreement between the two companies (Moyo, 2000: 17).[87]

Apart from complaints emanating from *MTC*, *Telecom Namibia* was heavily criticised by diverse groups in society, including civil society organisations. Trade unions, academics, organised consumer groups and other non-State entities condemned the company for what was seen as unrealistic service charges. Parliamentarians supported these groups, especially the ruling party's backbenchers, some of whom were co-opted leaders of the labour movement. It must be kept in mind that not all parliamentarians favoured the business option of the company.

Stakeholders were concerned about the pace at which *Telecom Namibia* was rolling out telecommunications infrastructure in the formerly neglected areas. Moreover, these groups feared that *Telecom Namibia's* concentration on the acquisition of the new technologies, including the value-added services, would draw interests and resources away from the delivery of services to where they were needed most - the rural and disadvantaged areas. Furthermore, *Telecom Namibia* was seen as being 'insensitive' to

the needs of the poor and rural majority of the people. At one point the *Namibia Economist* newspaper reported that:

> During their debate on the additional budget on transport and communication, some National Council members alleged that Telecom Namibia is abusing the monopoly it enjoys in the country's telecommunications industry. The parliamentarians charged that the telecommunications utility is more business oriented instead of providing affordable services to the poor majority (*Namibia Economist*, December 21, 2001: 4).[88]

This was the position adopted by the anti-commercialisation lobby within the State, which included 'social service' government ministries such as Health, Education, Information and Broadcasting. Civil society also took this stance. The desire by supporters of this position was to have *Telecom Namibia* provide 'social services' at 'affordable' rates. The second President of the country since independence, Hifikepunye Pohamba, tended to support this approach as could be seen from his pronouncements in this regard. At one point Pohamba urged *Telecom Namibia* to "seriously" consider issues of "reliability and affordability" in service provision. He further pointed out that telecommunications had both "social and economic dimensions", arguing that efficient service delivery by the company was not only good for the economy, but also good for the entire society (Hifikepunye Pohamba cited in *New Era*, Tuesday, May 2, 2006: 4).[89]

In contrast, government ministries of Works, Transport and Communication, Finance, Trade and Industry and the National Planning Commission favoured the business-oriented strategy of the company, maintaining that *Telecom Namibia* should contribute to economic growth and development and thus a business direction was the best possible way in achieving this objective.[90] The latter ministries and agencies of the State were

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[87] Moyo, T. (2000). "Telecom and MTC trade verbal blows". In *The Namibian*, August 17, 2000.

[88] Namibia Economist (2002). "Mberirua defends Telecom against National Council". Friday, December 21, 2002.

[89] Pohamba, H. (2006). "Let's Not Lag Behind." In *New Era*, Tuesday, May 2, 2006.

[90] This information is derived from the author's own experience during his stint as a Personal Assistant (PA) to the Minister of Information and Broadcasting from 1993 to 1997. As a PA the author had to attend the weekly Cabinet meetings in order to draft the Cabinet Media Briefings presented by the Minister as the government spokesperson. Thus, the information here is reconstructed from debates in the Cabinet Chambers regarding the role and responsibility of *Telecom Namibia*. Moreover, these debates re-surfaced in both Houses of Parliament, more particularly during the presentations of the *Telecom Namibia*'s annual reports by the line ministry of this company.

supported by the business sector. The business sector, went a step further demanding fast, reliable, efficient and cheap telecommunications services, as indicated above. However, since they had been the principal users of long distance and international calls, they demanded the reduction in tariffs, the speedy liberalisation of the basic telephone services and the introduction of competition in the basic telecommunications market segment, which they argued, would lead to reduced telephone charges as well as to increased efficiency in service provision (Duddy, 1999: 1, 2).[91]

7.11 Summary and conclusion

The Namibian telecommunication reforms highlight the challenges and contradictions that face small developing countries in transforming and restructuring their telecommunications. The biggest challenge faced with the restructuring of the Namibian national telecommunications operator, was the obligation to provide profitable commercial services to the business community and foreign investors and thereby serve as an important catalyst for economic development and the integration of the country into the global economy. The other challenge was to provide non-profitable "social services" to the majority of the population, and thereby serve as an important democratic function. These divergent, if not conflicting, obligations occupied the company during its entire restructuring process from 1992 to 2005.

Responding to these challenges, *Telecom Namibia* set out to transform itself into an efficient and profitable business venture and to re-deploy its profits to the funding of the non-profitable basic services. It, thus, adopted a strategy of 'cross-subsidisation' as a solution to this contradictory obligation. In order to maximise profits the company sought to focus on the high priced business services as a source of cross-subsidy. Two reasons can be discerned from this strategy: firstly the business customers were the most profitable and served as the company's largest source of income. Secondly, the company needed to offer the latest technologies if it wanted to be relevant and competitive in the increasingly competitive environment. However, the pursuit of profit increasingly became an end in itself and no longer a means to achieve 'universal service'.

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[91] Duddy, J-M. (1999). "Telecommunications Policy: Stakeholders demand swift action". In *Die Republikein* (The Market Place) Thursday, May 27, 1999.

Moreover, the company set out to diversify its activities, due to competition and the possibility of the liberalisation of the fixed line telecommunications market segment, by entering profitable value-added markets, and its goal shifted from competing in these markets to capturing them. The focus on business network users and investors as well as the concentration on the profitable value-added telecommunications market segment tended to undermine the social priorities, and by extension the public service responsibility of the company. Tariffs were rebalanced in favour of the business sector and potential investors, while placing a burden on the residential users.

Nevertheless, it cannot be denied that *Telecom Namibia* expanded telecommunications access significantly when compared to the pre-independence era. However, the networking of the country was contradictory as the political economy to which *Telecom Namibia* itself was wired (McChesney and Schiller, 2003: 20). Moreover, the drive to implement the new technology overtook the goal or objective of providing basic telecommunications services. The result was the widening of the gap between the telecommunication haves and have-nots in the country, with many people still on the waiting list to be connected to the basic fixed line telephony by 2005, while some others became impatient and migrated to the mobile telephony.

PART IV

NEW INFORMATION AND COMMUNICATION TECHNOLOGIES

CHAPTER EIGHT

Towards a national information highway

8.1 Introduction

The previous chapter examined the restructuring process of *Telecom Namibia* and how this company attempted to establish a national information highway, which could have formed a platform on which the information society was to be constructed. This chapter builds on the previous one by examining the diffusion of the information and communication technologies (ICTs) in the Namibian society, 15 years after the independence of the country. It will assess Namibia's e-readiness with regard to e-government, e-commerce and e-education in order to establish the foundation Namibia had laid towards its transformation into a knowledge-based society.

Namibia enthusiastically embraced the discourse of information society because of the presumed cornucopia of opportunities it would offer and the benefits which the country could derive from it. The concept 'information society' refers to a society or an economy that makes the best possible use of the ICTs for its information and economic needs and priorities (Information Society Commission, 2001).[1] The successful construction of an information society depends on an *enabling environment* comprising a number of elements including a competitive socio-economic environment, adherence to the rule of law, the maintenance of the relevant policy and regulatory framework (WSIS, 2003a: 5).[2] In addition, for the effective implementation of an information society of all types, it is imperative for a country to have the necessary technical and institutional infrastructure in place to support the new technologies (Mansell, 2004: 4).[3] These variables form part of a country's e-strategies and some have already been discussed in the previous chapters.

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[1] Information Society Commission (2001). What is the Information Society? Available at http://www.isc.ie/about_us. Accessed on November 1, 2001.

[2] World Summit on Information Society (2003). *Declaration of Principles*. Document WSIS-03/GENEVA/Doc/4-E.

[3] Mansell, R. (2004). "Regulation and Electronic Commerce in Developing Countries". A Draft (Second Draft 3 January 2004) Chapter prepared as a contribution to W.H. Melody and A. Mahan (eds). *Stimulating Investment in Network Development: The Role of Regulation.*

8.2 Rationale for Information Society

Inspired and promoted by the proponents of the technological deterministic vision, such as Nicholas Negroponte (1995),[4] the information society promised developing countries to 'leap-frog' the industrial stage and to land into the post-modernist, post-Fordist and post-industrial society, if these countries embraced the new information economy. In the dominant neo-liberalism parlance the information society will offer

> developing countries with opportunities not only to leapfrog the entire stages of development in setting up their own information infrastructure and applications, but also to accelerate development in all spheres of the African economic and social activity (United Nations Economic Commission for Africa, 1996a cited in Nulens et al, 2001: 21).[5]

As a precondition for technological leap-frogging the industrialisation process, developing countries had to adapt to the changed global order. In line with this new global order developing countries were advised to open up their markets, 'deregulate' their telecommunication sectors and introduce competition (Nulens and Van Audenhove, 1999).[6] Thus, telecommunications commercialisation, liberalisation and privatisation became the prerequisites for the expansion of the new ICTs. These strategies arguably would allow more service providers to enter the markets, which could then create an abundance of services, accompanied by the reduction of costs emanating from competition. The commodification of the telecommunications sector would further inject capital, new technology and appropriate managerial skills needed to expand and modernise telecommunications networks and to manage them efficiently and professionally. Ernest Wilson III and Kelvin Wong (2003: 167)[7] succinctly capture this neo-liberal dominant discourse when they argue that:

> These policy shifts are mutually reinforcing. Increasingly, competition reduces state ownership and control. Less state control encourages possible entry by foreign investors, provides

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[4] Negropont, N. (1995). *Being Digital*. Hodder & Stoughton, Rydalmere.

[5] Nulens, G., Hafkin, N., Van Audenhove, L. and Cammaerts, B. (2001). *The digital divide in developing countries: towards an information society in Africa*. Brussels. VUB Brussels University Press.

[6] Nulens G. and Van Audenhove L. (1999). "The African information society: an analysis of the information and communication technology policy of the World Bank, ITU and ECA". In *Communicatio*, 25 (1 and 2), (28 – 41).

[7] Wilson III, E.J. and Wong, K. (2003). "African information revolution: a balance sheet". In *Telecommunications Policy*, Volume 27, Issues 1-2, February-March 2003, Pages 155-177.

more competition, drives prices down and service quality up, and increases diffusion. The rationale is straightforward: without competition, de-monopolisation, foreign actor participation, and private ownership there is simply not enough financing, technical expertise, human resources, and an interested consumer base to support diffusion.

Following from this perspective, it is argued that the countries that reform the fastest and get the best technologies for their population quickly and cheaply will arguably advance more rapidly, while those that do not would be left behind (ibid, 167). The shortcoming of this assumption is the notion that all countries will need the same type of technologies at the same time, despite the different levels of each nation's development. What is being over-looked is the fact that different societies will need different types of ICTs at different levels of their development. Thus, there cannot be a universal form of information society, but different versions thereof, depending on the needs and priorities of each society. As William Melody notes, each society tends to acquire and use the ICTs and services that meet its particular needs (Melody, 1997: 490).[8]

Encouraged by the presumed prospects of reaping economic and social benefits from the ICT and the promise of 'leapfrogging' the stages of development into information age coupled with the 'fear' of being left behind by the new technological revolution, Namibia like most other developing countries, decided to embrace the information society. A high ranking Namibian government official explained why the country should embrace the information society.

> The information superhighways are already established in many parts of the world. If Namibia, and Africa as a whole, does not take steps to embrace the new technological developments promptly, the technology and information gap, in access to information will increase disparities between developing and industrialised nations. We cannot afford this! (Amathila, 1998).[9]

Apart from the fear of lagging behind in the technological development there was optimism on the part of the Namibian government that embracing the information society

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[8] Melody, W. H. (1997). *Telecom Reform. Principles, Policies and Regulatory Practices*. Lynby: Den Private Ingeniorfond, Technical University of Denmark

[9] Amathila, B. (1998). "Opening Statement at the Workshop on a National Information and Communication Infrastructure for Namibia." Conference Centre, Safari Hotel, Windhoek, May 11, 1998.

would lead to the eradication of a number of developmental problems facing the country. Placing this assumption within the broader African context another Namibian government official argued that:

> Building Africa's information society will help the continent to accelerate its development plans, stimulate growth and provide new opportunities in education, trade, healthcare, employment creation and food security, and help African countries to leapfrog stages of development and raise their standards of living (Shihepo cited in *The Namibian*, Thursday, September 26, 2002).

This idyllic vision of the ICTs presupposes that the acquisition and use of these technologies will lead to poverty reduction and the realisation of economic growth and development. In addition, the ICTs would provide communities access to tele-education, tele-medicine and e-agriculture and e-commerce ensuring that rural communities have access to expert opinions on education, medicine, agriculture, commerce and any other subject at the press of a button (James, 2001: 7).[10]

In addition to the above-mentioned presumed opportunities the information society was seen further as the mechanism to eliminate the gap between the information rich and information poor or the so-called 'digital divide'. This would be realised through the provision of and the equitable access to and use of the new ICTs and thereby enable everyone to participate equally in the activities of his/her society. The technological push or technological determinism which promoted the acquisition of the ICTs maintained that the provision of these technologies country-wide would "bridge the digital divide and ensure that everyone had the opportunity to benefit from them" (Wills, 2001: 198[11] cited in Murdoch and Golding, 2004: 254).[12] It is along this line of argument that the first Foreign Minister of Namibia, Theo-Ben Gurirab, argued that an information society would provide a channel for debate and problem solving that would result in a win-win

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[10] James, T. (2001) (ed.). *An Information Policy Handbook for Southern Africa. A Knowledge Base for Decision-Makrers*. IDRC Available at http://www.dbsa.org/publications/ictpolsa/ Accessed on November 18, 2001.

[11] Wills, M. (2001). "Forward: PAT 15: Information Technology". In *National Strategy for Neighbourhood Renewal: Policy Action Team Audit*, 197-198. Report by the Social Exclusion Unit. London: Cabinet Office.

[12] Murdock, G. and Golding, P. (2004). "Dismantling the Digital Divide. Rethinking the Dynamics of Participation and Exclusion". In A. Calabrese and C. Sparks (eds.). *Towards a Political Economy of*

outcome. "Not competition and conflict, but rather dialogue and collaboration in the national interest" (Gurirab, 2002: iii).[13] He further called on the government to play an active role in ensuring that the people are empowered with ICTs as a step towards the elimination of poverty, illiteracy and ignorance.

The technological utopian views expressed by the Namibian political leaders underscored the zest with which they embraced the information society; and did not leave room for rational consideration of the national needs, because attention was placed on the presumed benefits. Notwithstanding these uncritical views, there were sober voices within the government, arguing that too much attention was focused on what the ICTs could offer and not on what national problems and national developmental questions the ICTs should address (Hamutenya, 1998: 4).[14] One such critic, Nangula Hamutenya, maintained that the country's perception on the acquisition and use of the ICTs was "strongly technology driven" and added that there was a lack of a well-thought out strategy of how to integrate the ICTs into national development programmes and how they should be harnessed properly as tools of achieving national goals. She instead suggested that:

> Consideration should not be based on what technology can offer, but
> rather on the problems experienced. ICTs should then be employed
> only as a solution to identified problems. This would avoid the problem
> of 'technology push' and 'vendor driven change' (ibid).

Namibia was not the only country to adopt what was seen as a "technological deterministic vision", where access to technology was regarded as the best possible route to social and economic development - an assumption that, arguably, ignored important factors such as human and institutional capacities (Nulens et al, 2001: 25).[15] Technology, in terms of this position was accorded a determining position, pushing other

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Culture. Capitalism and Communication in the Twenty-First Century. New York: Rowman & Littlefield Publishers, Inc.

[13] Gurirab, T.B (2002). "Introductory Remarks." A Speech prepared for the tabling of the Draft ICT Policy in Parliament.

[14] Hamutenya, N. N. (1998). "Information and Communications Technology in Government Perspective in Namibia". A Paper presented the Workshop on National Information and Communication Infrastructure (NICI) Strategy for Namibia. Windhoek, May 11-13, 1998.

[15] Nulens G., Hafkin N., Van Audenhove L. and Cammaerts B. (eds.). (2001). *The Digital Divide in Developing Countries: Towards and Information Society in Africa.* Brussels: VUB Brussels University Press.

factors to the margin. However, it is not technology alone that determines the course of development, but, other externalities as well (Riaz, 1997: 560).[16] For instance, Van Audenhove et al (2001: 26)[17] note that human and institutional capacities are of prime importance for the development and use of ICTs and their content. It is in this context that Aida Opoku-Mensah (2001: 178)[18] calls for the focus on people, organisations and processes rather than solely on technologies. Increasingly, there was a shift from the discourse of 'information society', which was seen as predominately technological, towards a more cultural and social interpretation as denoted by the concept of knowledge-based society. This shift as indicated by Jan Servaes and Nico Carpentier (2006)[19] explains the emphasis away from ICTs as drivers of change to a perspective where the ICTs are regarded as tools that might provide new potential for combining the information embedded in ICT systems with the creative potential and knowledge embodied in people.

Notwithstanding the obsession with the somewhat political and technological deterministic view of the ICTs, Namibian leaders were not oblivious of the above-mentioned paradigm shift with regard to the perception of the information society. For instance, the country's long-term development plan, *Vision 2030*, of which the primary objective is to transform Namibia into an industrialised nation by 2030, adopts a broad vision of ICTs. It seeks to use ICTs to achieve social and economic development, arguing for instance that they (ICTs) will be "applied throughout all the sectors of the economy and society to *serve developmental goals*" (Office of the President, 2004: 31. Emphasis added.).[20] This indicates the shift in government's thinking from seeing the

[16] Riaz, A. (1997). "The role of telecommunications in economic growth: proposal for an alternative framework of analysis". In *Media, Culture & Society*, Volume 19, Pages 557-583. London: Sage Publications.

[17] Van Audenhove L., Burgelman, J. C., Nulens, G. and Cammaerts, B. (2001). "Telecommunications and Information Society Policy in Africa: The Dominant Scenario Reassessed". In G. Nulens, N. Hafkin, L. Van Audenhove & B. Cammaerts (eds). *The Digital Divide in Developing Countries: Towards an Information Society in Africa*. Brussels: VUB Brussels University Press.

[18] Opoku-Mensah, A. (2001). "Democratising Access throughout the Information Society". In G. Nulens, N. Hafkin, L. Van Audenhove & B. Cammaerts (eds). *The Digital Divide in Developing Countries: Towards an Information Society in Africa*. Brussels: VUB Brussels University Press.

[19] Servaes, J. and Carpentier, N. (eds.) (2006). *Towards a Sustainable Information Society: Deconstructing WSIS.* European Consortium for Communication Research (ECCR).

[20] Office of the President (2004). *Namibia Vision 2030: Policy Framework for Long-term National Development.* Windhoek: Government of the Republic of Namibia.

ICTs as cause of development towards seeing them as tools that could be used to achieve developmental goals.

The next section examines the genesis of the African Information Society Initiative (AISI) and its impact on Namibia's attempts to transform itself into an information society.

8.3 The Genesis of the African Information Society Initiative

The United Nations Economic Commission for Africa (ECA) has been the driving force behind the transformation of African countries into information societies. While African Ministers of Economic Planning and Development in their May 1996 resolution entitled "Building Africa's Information Highway" resolved to prepare Africa to meet technological challenges, it was the ECA which adopted the African Information Society Initiative (AISI), designed to transform African societies into information societies by 2010. In terms of its vision the AISI document maintains that:

> Africa should build, by year 2010, an information society in which every man, woman, child, village, public, and private sector office has secure access to information and knowledge through the use of computers and the communication media (Karima Bounemra and Ben Soltane, 2001: 57).[21]

The AISI started at national level and each country was tasked to develop its own National Information and Communication Infrastructure (NICI), reflecting respective national information and communication needs and priorities. Having embraced the AISI recommendations, Namibia arranged two workshops in 1998 and 1999 on the National Information and Communication Initiative (NICI). The workshops recommended to government the establishment of (a) an institutional framework, (b) human resource development in the IT sector, (c) infostrucutre development, and (d) technological resources (infrastructure), as a pre-condition for the transformation of Namibia into an information society (Ministry of Information and Broadcasting, 2002a:19).[22] Another

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[21] Bounemra, K. and Soltane, B. (2001). "Globalisation and the Information Age: Role of the African Information Society Initiative". In G. Nulens et al (eds.). *The digital divide in developing countries: towards an information society in Africa.* Brussels: VUB Brussels University Press.

[22] Ministry of Information and Broadcasting (2002a). *Information and Telecommunications Technology Policy for the Republic of Namibia.*

important outcome of these workshops was the establishment of the National Resource Network Group (NRNG) to coordinate the ICT sector in the country. The NRNG further commissioned a local private Information Technology company, *Schoeman Namibia*, to formulate the information and communication technology (ICT) policy for the country, which the government subsequently endorsed in 2002 (Deetlefs interview, 2002).

The *ICT Policy* provides a framework for the development of Namibia's information and communication infrastructure, its human resources development and the legal requirements that would enable the country to transform itself into an information society. Entrusted with an objective to facilitate the construction of an information society the *ICT Policy* focuses on the:

- enhancement of rural access to information;
- growth and stabilisation of the ICT professional community;
- facilitation of excellent ICT public education, especially in schools;
- fostering of e-commerce, e-business and e-government;
- strengthening of the existing ICT infrastructure; and
- growth of the ICT industry (Stork and Aochamub, 2003: 30, 31).[23]

The rest of this chapter seeks to provide a glimpse on the major challenges confronting Namibia in the development of an information society. It examines the status of the ICT in terms of infrastructure, applications and skills and thereby highlights the achievements and drawbacks encountered in the country's progress towards an information society.

8.4 Infrastructure and services

Given that the telecommunications sector provides the electronic communication infrastructure on which to construct the information society, any attempt to arrive at the information society must be examined against the performance of this sector in any given society (Melody, 1997: 1). In addition to telecommunication networks, other equally important elements are the hard- and software, because without them connected to networks, there is no possibility of accessing interactive applications, whether broadband or narrowband (Nulens et al, 2001: 36). I will examine progress made in this regard below.

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[23] Stork, C. and Aochamub, A. (2003). Namibia in the Information Age. *Nepru Research Report*, No. 25. Windhoek: Nepru.

The expansion of the telecommunications infrastructure in order to provide affordable services to all citizens is the primary foundation on which to construct the information society. It is in this regard that the national telecommunications operator, *Telecom Namibia*, made considerable efforts to establish the necessary infrastructure and to acquire the much needed technology, as could be seen from Chapter Seven. In summary, 13 years after its commercialisation *Telecom Namibia* made significant strides in terms of network expansion, modernisation and digitalization. The company succeeded in establishing a relatively modern backbone and switching infrastructure among the best in Africa. It also managed to expand the network to most of the major urban centres formerly neglected during the colonial time. However, service provision was biased towards large business organisations and the high income groups and the company could not, therefore, successfully connect the majority of the disadvantaged and poor people in the rural areas of the country.

While in some parts of the rural areas *Telecom Namibia* and *Tele 2 Publicom* provided public telephone connections in the form of coin and card phones, the larger part of the rural areas remained unconnected as the public phones could reach only a mere 2,4 percent of the population by 2005 (*Telecom Namibia*, 2005: 10). The result was an imbalance in network development with ICT infrastructure concentrated in urban centres, while leaving the rural areas deprived of these technologies (Hamutenya, 1998: 3).

Notwithstanding the imbalance in network roll out a number of new services such as tele-conferencing, toll-free, managed data network services and teledata were offered to the business sector, while the residential customers received a variety of value-added services such as call forwarding, itemised billing, telemail and free voicemail service. *Telecom Namibia*'s sister company, the *Mobile Telecommunications Limited* (MTC) provided services such as voicemail, fax, data and short message services (SMS), in addition to the mobile telephone services to its customers.

Moreover, the diffusion of mobile telephony was spectacular. Since its establishment in 1995, *MTC* experienced a meteoric growth, and by 2002 its teledensity surpassed that of the fixed line telephony, recording a penetration rate of 6.97 percent compared to 6.4

percent of the fixed-line telephony during the corresponding time. Towards the end of 2003 *MTC* out-performed *Telecom Namibia* in terms of the number of customers, as its subscriber base stood at 200 000, while those of *Telecom Namibia* were estimated at 120 000 (Stork and Aochamub, 2003: 83). By 2005 *MTC*'s customers increased by 42 percent to 403 000, representing a 20 percent penetration of mobile telephony into the Namibian population (*Namibia Post and Telecommunications Holdings Limited*, 2005: 2).[24] The company during the corresponding period expanded its infrastructure to reach about 88 percent of the total area of the country. While initially seen as a luxury item, with the passing of time, mobile phones became a necessity to many Namibians. Moreover, the introduction of the pre-paid service called "Tango" in 2000 repositioned the cellular telephone as a mainstream service, and no longer a substitute for the fixed-line telephony. Tango brought telephony within the reach of the working class; a development that led to the emergence of what Mawaki Chango (2004)[25] calls a "communication society", as opposed to an information society.

However, the exorbitant costs of telecommunications services remained a barrier to the diffusion of both the fixed and the mobile telephony in Namibian society, and could therefore be seen as a hindrance to the development of an information society. Seen from Chapter 7, the telephone costs in Namibia rose sharply and rapidly soon after the commercialisation of *Telecom Namibia*. In addition, the high telephone bills increased the cost of accessing the Internet, which on its own became an obstacle to the spread of this medium in the country and thus, led to its slow penetration in society as it will be shown below.

In spite of the fact that an information society cannot be built solely on basic telephony, in the context of developing countries such as Namibia the basic telephone services remained the prime requirement to bring the majority of marginalised people into the mainstream economy. However, as indicated in Chapter Five, the fixed line telecommunications market segment was not liberalised and thus, new operators could not be licensed in order to bring competition to this market and thereby reduce the costs

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[24] Namibia Post and Telecommunications Holdings Limited (2005) *Annual Report, 2004-2005*.
[25] Chango, M. (2004). "Creating an Information Culture". In *City Press*, August 2004.

of services. Likewise, the Universal Service Fund provided for in the 1999 telecommunications policy and to which all the telecommunications service providers could have contributed for the purpose of rolling out of infrastructure, was not established, as already indicated in Chapter Five.

While the *ICT Policy* recognised an all-embracing and development-oriented information society embodied in the establishment of Multipurpose Community Centres (MPCCs), only a handful of these centres were established by the end of 2005, most of them private initiatives and not established by the State. The MPCCs as envisaged in the *ICT Policy* were meant to address the vital question of participation in the information age by providing a basket of telecommunications services to all the people.

Although the government tasked the Ministry of Information and Broadcasting to set up such centres in all the 13 political regions of the country, by 2005 very little was achieved in that regard. By the end of 2005 the Ministry of Information and Broadcasting had a budget of nine million Namibia dollars earmarked for the establishment of MPCCs in the different parts of the country, but did not set up a single MPCC due to a lack of an implementation strategy. Thus, despite the government's rhetoric of bringing technology to the people, very little came out from the proposed MPCCs that were hailed as an important initiative to provide telecommunications services to the majority of the Namibian people. This omission failed the majority of the people the government planned to connect to the new ICTs.

The rate of computer diffusion in society is another variable of measuring progress towards the construction of an information society, the theme I will outline below.

8.5 The diffusion of computers in Namibian society

The penetration of computers in society is measured in terms of the number of computers available to the citizens of the country, which is indicated in terms of PC-density or personal computers per 100 persons. Africa in general has a low level of computerisation, which can be ascribed to the high cost of equipment relative to the low levels of economic development and the lack of skills to make effective use of computers (Jensen,

2001: 134).[26] By 2002 the PC-density of Namibia stood at 7.2 percent of the population, with 18. 2 percent in the urban centre, while rural areas accounted for a mere two per cent (Stork and Aochamub, 2003: 25). However, only 4.6 percent of Namibian households had workable computers or laptops in 2004, while only 3.9 percent Namibians had e-mail addresses (Stork, 2005: 16, 38).[27] The low diffusion of computers in the Namibian society points to the fact that much is needed to be done to reduce the digital divide.

The diffusion of computers in the different sectors of the Namibian society did not provide a sense of optimism either. The public service, for instance, with a staff complement of about 80 000 employees in 2002 had only 5 000 computers, representing a PC-penetration of 6.3 percent. From this number of computers available to the public servants only 40 percent of them were connected to the Internet, while 70 percent were located in the capital city, leaving 30 percent to be shared by civil servants for the rest of the country (Ministry of Information and Broadcasting, 2002: 82). The private sector performed slightly better compared to the public service in terms of providing its employees with access to computers. The PC-density in the manufacturing sector with 1 700 employees by 2002 stood at 23.5, while the mining and quarrying sector with 14 300 employees had a PC-density of 26.6 percent. The finance and tourism sectors were said to have a relatively higher number of computers per employee than all the sectors, registering 80 and 70 percent computer penetration respectively (Aochamub, Motinga and Stork, 2002: 17).[28]

It needs to be pointed out however, that these statistics do not necessarily reflect the true picture of PC diffusion in the different economic sectors, and should be treated with caution. While some of these sectors, particularly the private sector, presented a relatively high PC penetration it had to be remembered that computers were available to certain categories of employees, i.e. white-collar workers, while other categories, such as the

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[26] Jensen, M. R. (2001). "Policies and Strategies for Accelerating Africa's Information Infrastructure Development". In G. Nulens, N. Hafkin, L. Van Audenhove and B. Cammaerts (eds). *The digital divide in developing countries: towards an information society in Africa*. VUB Brussels University Press.
[27] Stork, C. (2005). Namibia E-Access & Usage Index Survey 2004. Nepru Research Report N0. 35. Windhoek: Nepru

manual workers, were excluded, because of computer illiteracy or due to the fact that they did not need them in their daily activities. For instance, management usually enjoyed flexible ICT use, while lower categories of workers in some companies were prohibited from using the PCs and Internet for purposes other than work-related, a practice that arguably had contributed to unequal distribution of computer experience in the workplace and thereby led to the exclusion of the working class from the ICTs (Murdock and Golding, 2004: 252).

Like other developing countries Namibia faced the challenge of developing and improving the citizens' literacy rate, including computer literacy. Many developing countries focused on the acquisition of the new ICTs, while doing very little about their largely computer illiterate population. As Graham Murdock and Peter Golding (2004: 252) argue the provision of infrastructure and services "intersect with the complex symbolic resources required to exercise full command over the meaning and knowledge-producing potentials offered by the Internet". Among these symbolic resources are the competencies and literacy of the citizens for whom the ICTs are meant.

There is a realisation that the improvement of the population's computer literacy must not be confined to schools only, but needs to be realised in the households and the workplace, where skills development is also crucial. It is only then that the proposed new technologies will permeate the Namibian society. The majority of the Namibian citizens for whom the State sought to provide with new ICTs were not competent in the use of the new technologies. This predicament was highlighted by the former Minister of Information and Broadcasting who argued that:

> It will serve little purpose if we have the necessary infrastructure in place, but our population lacks the knowledge to use technology at their disposal. The advantages of e-commerce, tele-medicine, tele-education and other applications will be of no use to Namibia if our nation remains computer illiterate (Amathila, 1999: 2).[29]

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[28] Aochamub A., Motinga D. and Stork C. (2002). Economic Development Potential through IP Technology in Namibia. Discussion Paper, No. 2002/84. World Institute for Development Economic Research (WIDER).
[29] Amathila, B. (1999). "Opening Statement at the Follow-up NICI Workshop." Windhoek, 28 September 1999.

It is in this context that a need is felt to stimulate change in the habits of the end users and to develop their skills in order for them to benefit from the new communication technologies (Melody, 1997: 496). The need to develop computer skills to benefit end-users at the household level was felt across Africa as well as in other developing countries and thus, became an important determinant for policymakers' options in terms of the development of particular services. As Burgelman, et al (2004: 282)[30] notes, countries in transition to democracy are eager to achieve the status of knowledge-based economies, but are at the same time confronted by three sets of challenges, notably the poor income of the citizens, the low levels of education of the populations and low ICT know-how and they therefore, have to adopt a holistic approach to address these issues at all levels of society focusing on all categories of their populations.

Access to the ICTs is more than a question of the availability of infrastructure and services, as just noted. The question of relevant ICT content is one of the challenges faced by many developing countries. Content development relevant to the citizens as Aida Opoku-Mensah (2001: 180) correctly observes, is at the heart of the complex issue of language and culture with regard to democratising access to the information society and is an area that needs urgent attention if all the citizens are to become stakeholders. Generally, when the question of universal service/access is raised, attention is given normally to physical access or infrastructure, rather than to the dispositional access or the content transmitted through the infrastructure (Verhoest, 2000: 607).[31] The World Summit on Information Society debated the issue of local content extensively and in order to draw the world's attention to this void, the WSIS in its 2003 *Declaration of Principles*, urged nation-States to:

> Promote the production of and accessibility to all content – educational,
> scientific, cultural or recreational – in diverse languages and formats.
> The development of local content suited to domestic or regional needs
> will encourage social and economic development, and will stimulate

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[30] Burgelman, J. C., Gourova, E. and Bogdanowicz, M. (2004). "Building Information Society in EU Candidate Countries". In A. Calabrese and C. Sparks (eds.). *Towards a Political Economy of Culture. Capitalism and Communication in the Twenty-First Century.* New York: Rowman & Littlefield Publishers, Inc.

[31] Verhoest, P. (2000). "The myth of universal service: hermeneutic considerations and political recommendations". In *Media, Culture and Society.* Volume 22, 595-610. London: SAGE Publications.

participation of all stakeholders, including people in rural, remote and marginal areas (World Summit on Information Society, 2003a: 7).[32]

After having adopted the relevant policies and deployed the necessary infrastructure, Namibia, like other nations in transition, was confronted with the challenge of developing e-content for its ICTs, relevant to the citizens. The available content was in English with marginal domestic e-content and/or e-content in vernaculars. Nevertheless, the media made a very significant contribution to local or domestic e-content needed. A number of newspapers launched electronic (on-line) versions, which expanded their distribution markets beyond the borders of the country, and thereby enabled Namibians in the Diaspora to be informed of national events and issues.

Despite this improvement, most of the newspapers' e-content was also not available in local languages. In contrast, the electronic media, notably radio, provided important domestic e-content. The public radio, more particularly the National Service broadcast in English, could be accessed on the Internet, while the public television was carried on the *DStv*, which enabled it to be accessed across the country and beyond; the only barrier being the limited access to the *DStv* service by the majority of the population due to economic factors. Linked to the diffusion of computers in society was the Internet, a medium that had become an import means of communication, but had failed to penetrate the Namibian society.

8.6 Internet-density

Despite the fact that the Internet emerged in a liberalised environment and the State did not interfere in its operation as indicated in Chapter Five, its phenomenal growth did not correspond to its diffusion in the Namibian society. In 2004 only 1, 66 percent of the Namibia households had working Internet connection, all them in urban areas (Stork, 2004: 16). By the end of 2005 Namibia's 'Internet density' stood at 3, 7 per cent, or a total of 75 000 Internet users in the country (Internet World Stats, 2005: 2).[33] Like most of the Namibian media with the exception of radio, the Internet remained confined to the

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[32] World Summit on Information Society (2003a). "Declaration and Principles: Building the Information Society: A Global challenge in the new Millennium". *World Summit on the Information Society. Document: WSIS-03/GENEVA/DOC/4-E, 12 December 2003*. Geneva: UN.
[33] Internet World Stats (2005). Internet usage Statistics for Africa: Namibia. December 31, 2005.

urban, upper income, literate users, because of costs related to computers, telephones and electricity. This was exacerbated by the general low literacy, including computer illiteracy, of the majority of the Namibian population (Gorelick, 1998: 2).[34] Thus, its diffusion beyond the capital and major towns remained dismal. Generally, the main users of the Internet remained business organisations, parastatals, educational institutions, government and private individuals. For instance, by the end of 2002 about 89 percent of Namibian companies used the Internet for various activities, while about 39, 5 percent of them had their own websites (Stork and Aochamub, 2003: 57).

By the end of the 1990s there was an upsurge in the privately-owned Internet Cafés, most of them confined to the capital and major towns with a few exceptions in the rural areas. Although the establishment of Cyber Cafés was a positive development and promised the expansion of ICT facilities, their low penetration into the rural and poor areas was another drawback. Undertaken primarily on a commercial basis with no incentives to invest in the unprofitable poor and rural areas, the result was that non-profitable areas were marginalised. Some Internet Cafés were initiatives undertaken by local independent entrepreneurs, while a handful were established with the financial assistance of foreign organisations. The USAID for instance committed itself to fund small and medium enterprises, soon after the adoption of the *ICT Policy* in 2002, offering IT access to communities with computer hardware, office equipment and bandwidth capacity under its project called "SMEs Compete". In October 2003 the USAID agency commissioned *UUNET*, which was both an Internet Service Provider and an Internet Access Provider at the same time, to provide bandwidth to these business centres (*Namibia Economist*, February 20, 2004).[35]

Apart from the Cyber Cafés, the operations of the country's Internet Service Providers (ISPs) were also confined to urban centres with no connectivity whatsoever, in the

[34] Gorelick, N. (1998). "The Internet Industry in Namibia". A Paper delivered at the workshop on the National Information and Communications Infrastructure (NICI) Strategy for Namibia. Windhoek, 11-13 May 1998.
[35] Namibia Economist (2004). "ICT development gets support". Friday, February 20, 2004. Available at http://www.economist.com.na. Accessed on February 20, 2004.

villages and rural settlements (Stork, 2004).[36] Even the State-owned ISP, *iWay*, operated by *Telecom Namibia*, was restricted to the urban centres. This omission was in contradiction of the original agreement entered between the government and the United Nations Development Programme, which obliged *iWay* to be a non-profit venture catering for the provision of non-commercial Internet services country-wide, as indicated in Chapter Seven. Furthermore, *iWay* needed to accord special priority to the education sector, in terms of the agreement, in order to ensure that all students had access to the Internet. Very little came from that initiative, apart from the fact that *Telecom Namibia*, of which *iWay* is a subsidiary, had assisted Internet connectivity to schools through financial and material support to *SchoolNet Namibia* as it will be explained below.

8.7 Human resource development

Although one ought to acknowledge Namibia's relative improvement in the roll out of the information communication infrastructure between 1990 and 2005, there was a major shortage of skilled and experienced information technology personnel in the country. This is not a phenomenon unique to Namibia, as most developing countries, particularly those in sub-Saharan Africa, had experienced such a deficit. For instance, Michael Jensen (2001: 148) notes that IT human resource development has been a major problem experienced in Africa, because of a lack of a pool of expertise in the ICTs at all levels, from policy making down to the use, which has been a contributing factor to the limited deployment of infrastructure and the high price of access. It is along this line of argument that Aida Opoku-Mensah (2001: 178) maintains that the adoption of ICTs and its utilisation in Africa is constrained by the limited human resource capacity in addition to the lack of ICT policies and the low ICT literacy.

While the post-independent Namibian government addressed the issue of human resource development (HRD) very early in its formative years, very little success was achieved in this regard. Soon after independence the government set up a Directorate in the Office of the Prime Minister to coordinate IT activities within the public sector. This was followed by the establishment of the Public Service Committee on Information Technology, also in

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[36] Stork, C. (2004). Namibia E-Access & Usage Index Survey 2004. Nepru Research Report NO. 35. Windhoek: Nepru

the Office of the Prime Minister. The objective of the Committee was to "coordinate the acquisition and use of computer resources in the government, and to create an environment where government offices, ministries and agencies could exploit the benefits of Information Technology to the fullest" (Republic of Namibia, 1993b: 16).[37] This Committee drafted the first-ever policy on IT, which included the following objectives in relation to training:

- To introduce Information and Technology Education at junior secondary school level, for the purpose of both preparing future IT experts as well as preparing a future workforce in the information age.
- To identify secondary school teachers who can be trained in computer education in order to implement the IT curriculum.
- To ensure, as far as possible, that every junior secondary school acquires at least one computer. This may be impossible for rural schools due to lack of funds and electricity. However, the curriculum should be designed such that a great part can be taught without necessarily having "hands on" experience. This would at least be a step forward.
- To encourage the university and the polytechnic to develop degree and diploma courses relevant to the public service needs.
- To establish a system of short courses, and co-operative education, vocational and part-time in-service-training courses that will enable individuals in computer profession to improve and gradually attain various levels of competence while at work.
- To commit the government to train a specific number of candidates every year (Public Service Committee on Information Technology, 1993a: 17).[38]

Some of the above-mentioned objectives were realised in various degrees, particularly with regard to the last three objectives. However, very little was achieved with regard to the first three objectives, dealing with the introduction of computer training at junior secondary schools; provision of computers to schools and teacher training in computer education, by the end of the period covered by this study. I will return to this issue below under "IT in Education". Thus, despite the country's early attempts to address the training of Namibians in IT as set out in the government's *IT Policy*, the shortage of skilled IT personnel continued to persist and remained one of the major constraints experienced in the IT sector during the period covered by this study.

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[37] Republic of Namibia (1993b). Information Technology Policy for the Public Service, Volume II, October 1993. Public Service Committee on Information Technology
[38] Republic of Namibia (1993a). Information Technology Policy for the Public Service, Volume I, June 1993.

To add insult to injury the handful skilled personnel, estimated at about 500 people, representing about 1.5 percent in 2002 were not fairly distributed across all sectors of society (Ministry of Information and Broadcasting, 2002: 92). Skilled IT personnel were more concentrated in the private sector rather than in the public sector, due to better remuneration and other incentives offered by the private sector. However, State-owned enterprises such as *Telecom Namibia*, *Nampost*, *Nampower*, and *Namwater* competed fairly well with the private sector for skilled IT personnel and, combined, they were able to attract the best skilled IT personnel in the country. These pulling factors led to a high rate of staff turnover in the ICT industry, marked by the movement of skilled IT personnel from the public sector to the private sector and State-owned enterprises. Apart from staff turnover there was a migration of IT personnel from Namibia to other countries with better opportunities. It is estimated that between 1999 and 2001 about 13 per cent of the IT personnel left Namibia for better offers in South Africa, Europe and the United States of America (Ministry of Information and Broadcasting, 2002: 93).

The migration of skilled personnel in various professions from the developing to developed worlds is a reality that has resulted in the brain drain in the important sectors of the developing world. This phenomenon can also the understood within broader perspectives that underpin the international division of labour, more particularly with regard to the concentration of skills in the developed countries with better economic opportunities (Jensen, 2001: 149).[39] Even the regional economic power, South Africa, with a relatively fairly developed ICT infrastructure and services compared to its SADC neighbours, has suffered from an acute shortage of skilled IT personnel. The Human Science Research Council, for example, indicated as early as 2000 that there was a "chronic shortage of highly skilled human resource in various segments of the [IT] market", which it ascribed to the "brain drain" (South African Department of Communication, 2000: iii[40] cited in Cogburn, 2003: 146).[41]

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[39] For a detail account on the new international division of labour (NIDL) in the "Information Age", See G. Sussman and J. A. Lent (1998) (eds.). *Global Productions: Labour in the Making of the 'Information Society.* New Jersey: Hampton Press Inc.

[40] South African Department of Communication (2000). *Green paper on electronic commerce for South Africa.* Pretoria: South African Department of Communication.

To stem the tide of ICT brain drain Namibia was forced to consider easing immigration requirements for skilled foreigners in order to encourage IT skilled people to come to the country. Furthermore, the government was urged to reduce or cancel import duties on ICT goods and services, particularly Internet-related products such as routers, switches, hubs and servers in order to make ICT easily accessible to many (Aochamub, Motinga and Stork, 2002: 20).

8.8 Investment in the ICT sector

The commitment to the establishment of an information society also has to be measured in terms of the willingness of various sectors to invest in the acquisition and use of new communications technologies. That commitment can be quantified in monetary terms as to how much each sector is prepared to invest in the necessary hardware, software and the development of skilled IT personnel. The preparedness of the State in investing in the ICT sector is an important barometer to measure the country's seriousness with the establishment of the information society. In the past the Namibian State budgeted for the acquisition of hardware and software as well as for training in the ICTs, although funds were relatively limited compared to the allocation of funds in other sectors.

It must be remembered that the ICT sector competes with other crucial sectors, such as health and education, for limited resources. Notwithstanding this limitation the State allocated funds to the IT sector for the acquisition of hardware and software as well as for training in the ICTs. For instance in 1998/1999 the State allocated an amount of N$30 million to IT, of which a bigger portion was spent on the Y2K problem. In 2000 an amount of N$14.9 million was set aside for IT, while in 2001 a further N$30 million was budgeted for the sector. However, in the next three rolling budget for the years 2002, 2003 and 2004, the State set aside a total of N$90 million or N$30 million per year to the IT sector (Ministry of Information and Broadcasting, 2002a: 64). These amounts are obviously small if one takes into account the cost of hardware, software and computer related training courses. The limited figure was attributed to the limitations of the economy. This shortcoming is a major problem facing developing countries, because

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[41] Cogburn, D. L. (2003). "Governing global information and communication policy: emergent regime formation and the impact on Africa". In *Telecommunications Policy*, Volume 27, Issues 1-2, February-

much of the resources are spent on social services, specifically education and health, and very little on IT despite, governments' rhetoric of transforming their countries into information societies.

The private sector did not perform any better in terms of investment in the ICTs. For instance, by 2002, the manufacturing sector had an annual budget of N$5 million for IT usage, while the mining and quarrying sector had a budget of N$82 million (Ministry of Information and Broadcasting, 2002: 85). Data on how other segments of the private sector as well as the State-owned enterprises had invested in the ICTs were not available by the end of this study.

Having examined the expansion of infrastructure and the diffusion of ICT services as well as assessing the human capital and investment in the ICT sector, I will now assess how some of the most important sectors of society performed in terms of the acquisition and use of the new ICTs, starting with the educational sector.

8.9 ICT in the educational sector

Education can be singled out as the most important sector if sustainable computer literacy and the penetration of the ICTs in society are to be achieved. It is the key to preparing each and every sector and class for employment of ICTs, since it is only by establishing and developing a critical mass of people that a participatory approach to the information society can emerge (Opoku-Mensah, 2001: 182). Moreover, education plays an important role in the construction of an information society, because an information society is seen as a 'learning society'. The *ICT Policy* recognises the need for the Internet in study, research and communication and further emphasises the need to train teachers and learners in computer literacy in order to contribute to the development of a knowledge-rich society. Notwithstanding these ideals the education sector has been slow to respond to the challenges of an information society, in terms of adopting concrete strategies to achieve these objectives, except for policy initiatives.

Generally, the country did very little in terms of promoting computer education and by 2005 only a handful of schools offered ICT-related courses, while most did not have computers or Internet connectivity. This shortcoming was experienced despite the recognition by the international community that "young people are the future workforce and leading creators and early adopters of ICT", who should be "empowered as learners, developers, contributors, entrepreneurs and decision-makers" (World Summit on Information Society, 2003a: 2). In 1995 the Ministry of Basic Education through its agency, the National Institute for Educational Development (NIED), designed the *Policy on Information Technology in Education*, which recognised the need for IT training in schools. The *Policy* set both short term and long term goals for computer education in schools. The short-term goals were to impart computer literacy and to expose learners, students and teachers to IT technology. The emphasis was on the introduction of ICT-related subjects in schools. On the long-term basis the policy sought to connect all the secondary schools to the Internet and to ensure that all learners completing secondary schools were computer literate. Internet connectivity was to be established at all schools by 2005, while various ICT projects were to be initiated in all the schools. The ultimate objective was to produce an adequate number of ICT professionals in the country, in order to realise the State's broader objectives as set out in its first *IT Policy*.

Again, by the end of 2005 these objectives were not realised, and the Education Ministry was compelled to adopt yet another policy strategy, the *IT Policy in Education* of 2005. In both conception and strategy this new policy did not differ from the previous ICT policies as its aim, like the previous State policies, was to develop: "ICT literate citizens" and to "produce people capable of working and participating in the new economies and societies arising from ICT and related development" (Ministry of Education, 2005: 4).[42] Perhaps the only significant difference was a change in focus away from emphasis on the predominantly technological oriented information society towards an emphasis on the more social and cultural oriented "knowledge-based society" (Servaes and Carpentier, 2006).

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[42] Ministry of Education (2005). *ICT Policy for Education.*

Notwithstanding the shortcomings and drawbacks discussed above, IT-education took place in very few schools and at a very limited degree by the end of 2005. Most of the few schools that offered IT-related courses were those based in the capital and in major towns. Popular courses offered included Basic Information Science, Computer Literacy, Computer Practice and Computer Studies as part of the Cambridge curriculum. The University of Namibia and the Polytechnic of Namibia offered Diploma and Degree programmes in IT, while a host of private institutions were conducting computer 'short courses', as well.

The paradox is that while Namibia had one of the best telecommunications and electricity infrastructure in the region, most Namibian schools did not have telephones and electricity. This neglect could be seen further from the meagre N$50 the State contributed towards the schools' telephone bills, while the same State was the sole owner of a relatively profitable national telephone monopoly, *Telecom Namibia* (Stork and Aochamub, 2003: 49). For total Internet connectivity to all the schools, the State needed to provide more telephone lines as well as hardware and software, while the schools could finance the operational and maintenance costs from their own resources.

By the end of 2005 only a handful of schools in Namibia had computers. These lucky ones received computers from the private sector as donations, when these companies had to restock their computer hardware. Thus, most of these computers were outdated. The schools themselves could not afford buying new PCs, while the State had priorities other than providing schools with computers. Almost 15 years after the independence of the country less than 300 of the about 1 545 schools had ICT facilities, while a mere 130 000 out of a total of 600 000 learners in Namibian schools were connected to the Internet (Office of the Prime Minister, 2005: 20[43]; Stork and Aochamub, 2003: 49).

In its attempt to provide schools with computers the Namibian government accepted an offer from Microsoft to acquire about 4 000 old computers, which were to be shipped into the country, repaired, updated and distributed to schools across the country *(New Era,*

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[43] Office of the Prime Minister (2005). *The Government of Namibia goes Digital: e-Governance inn Namibia.* Windhoek: John Meinert Printing.

June 9, 2005: 1).[44] Also during the second round of the World Summit on Information Society held in Tunis in 2005, Namibia, along with Botswana, South Africa, Brazil and China, became the first countries earmarked to benefit from the US$100 Laptops developed by the Massachusetts Institute of Technology under the Nicholas Negroponte (*New Era*, November 21, 2005: 3).[45] While this promise did not materialise by the end of the period covered by the present study, there were nevertheless perceptions that the said laptops could contribute enormously to efforts being made by the *SchoolNet* project.

Efforts to improve Internet connectivity at schools were encouraged and supported by the *SchoolNet* Project launched as a non-profit organisation with initial funding from the Swedish International Development Co-operation Agency (Sida), while a host of other institutions, including *Telecom Namibia*, contributed enormously to its operations. Sida's financial contribution to *SchoolNet* from 2001 to the end of 2005 was estimated at an amount of N$23 million (*Die Republikein*, September 5, 2005: 11).[46] *Telecom Namibia*'s assistance to *SchoolNet* came in many forms, including software, hardware, network provision and financial. As indicated in Chapter Seven *Telecom Namibia* in 2004 commissioned the Wireless Local Area Network (WLAN) which enabled *SchoolNet* to connect a number of schools across the country to the *World Wide Web*, more particularly the most neglected ones in the far northern part of Namibia. This was in addition to the already reduced costs the company had offered *SchoolNet* to provide Internet connectivity to schools.

Furthermore, *Telecom Namibia* donated computer equipment (hardware) and software directly to schools and to *SchoolNet* for further distribution. However, its most significant contribution to *SchoolNet* was the N$31 million pledge to the *XNet* Development Alliance Trust. Established in 2004, the objective of the Trust was to accelerate Internet connectivity in education, health and other development sectors of the country to facilitate the development and integration of ICTs in Namibia. As a founding partner of the Trust, *Telecom Namibia* committed itself to sustain activities of *SchoolNet* by providing connectivity to schools through landline-based and wireless solutions and

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[44] New Era (2005). "Computer Repair Base Launched". Thursday, June 9, 2005.
[45] New Era (2005). "US$100 Laptop Launched at the Info Summit". Monday, November 21, 2005.

by continuing to offer discounted access rates to all schools participating in the *SchoolNet* Project (*Telecom Namibia*, 2005: 24).

The *SchoolNet* Project sought to train learners in computer usage and technology. With funding from donors *SchoolNet* was able to cover costs related to telephones, electricity, and the installations of solar power systems at schools lacking electricity. The private sector contributed computers, which were refurbished into servers and workstations by the participants in the project. The learners were the main driving force behind the dissemination of computer skills. As volunteers, the learners were given on-the-job-training (Ellis, 2001).[47] The objective was to connect all the Namibian schools to the Internet by 2005. However, the barriers to these ideals were the lack of electricity and telephone connections at many of the schools.

In addition to efforts by *SchoolNet*, the United States Agency for International Development (USAID) at the beginning of 2001 launched a project, *LearnLink*, comprising a computer centre based at the National Institute for Education Development (NIED) to assist the Ministry of Education in the use of IT and the training of IT professionals and thereby enabled teachers and learners to acquire IT skills. The project through the website facilitated online learning among teachers and learners (Angula, 2001).[48]

The Internet connectivity to schools received a further boost when *Microsoft Namibia* in July 2003 pledged to sponsor schools throughout the country with computer hard- and software in order to enable them to link to the 'information age' (Sasman, 2003).[49] In addition, the United States' National Democratic Institute for International Affairs (NDI), which was supporting the Namibian Parliament with a number of ICT related projects, also established a project called *Civic Information and Communications Technology* at

[46] Die Republikein (2005). "Sida gives N$ 8 million towards education". September 5, 2005.

[47] Ellis, H. (2001). "SchoolNet Namibia widens its reach". In *The Namibian*, May 21, 2001. Available at http://www.namibian.com.na/2001/May/news/01F052D286.html. Accessed on May 21, 2001.

[48] Angula, O. (2001). "Satellite receivers link Bushmen to the outside world". In *Namibia Economist*, Friday, May 18, 2001. Available at http://www.economist.com.na/170501/story3.html. Accessed on May 21, 2001.

[49] Sasman, C. (2003), "Microsoft Namibia links schools to Computer Age". In *New Era*, July 25, 2003. Available at http://www.newera.com.na/page.php?id=13. Accessed on July 25, 2003.

Namibian schools, which helped learners to research aspects related to civic education, particularly local government, and to share their findings with their counterparts in the rest of the world, using the *World Wide Web* (ibid.).

The University of Namibia and the Polytechnic of Namibia, together with the distance education institution, NAMCOL, the National Institute for Education Development (NIED) and the Ministry of Education, with the financial backing of the European Union in 2000 launched the *Namibian Open Learning Network* (NolNet) with the financial backing of the EU (James, 2001).[50] The *NolNet* Project sought to use the joint ICT resources and facilities of these organisations to create an e-learning environment in the distance education mode. Towards the end of 2005 about 36 000 Namibians were studying through the open and distance learning mode with *NolNet*'s partner organisations (Kakololo, 2005: 6).[51]

In addition to the above-mentioned efforts the State in 2005 launched the National ICT Skills Scheme (NISS) aimed at widening ICTs skills among the youth in Namibia. Targeting mainly, but not exclusively, unemployed youth the NISS set out to assist the youth to acquire basic ICT skills and thus enabling them to find employment or set up their own Small and Medium Enterprises (SMEs) in the burgeoning ICT sector. Funded by the Social Security Development Fund of the State's Social Security Commission, the scheme set out to train about 300 unemployed youth annually until five percent of them had acquired some form of recognised ICT qualifications. The number of unemployed youth according to the 1997 Labour Force Survey on which the scheme was designed was estimated at between 30 and 60 percent of the total 200 000 unemployed Namibians in the 15-20 age bracket (Ministry of Education, 2005: iii and 3).[52]

Participants were to be trained to acquire internationally certified qualifications, specifically the following: (a) the International Computer Drivers Licence (ICDL), which

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[50] James, T. (2001) (ed.). *An Information Policy Handbook for Southern Africa. A Knowledge Base for Decision-Makers.* IDRC. Available at http://www.dbsa.org/publications/ictpolsa/. Accessed on November 18, 2001.

[51] Kakololo, E. (2005). "Distance Learning can Reach All". In *New Era*, Wednesday, August 31, 2005.

provides basic ICT skills; (b) The A+ that gives ICT technicians hardware and software skills: and (c) The Java programmer Certificate that provides advanced programming skills (ibid. iii).

8.10 Electronic government

Proponents of e-government view it as an important catalyst for the improvement of the citizens' access to government's information and services. Since participation in the e-government in the digital age relates to the concept of citizenship, the lack of participation will prevent citizens from engaging in the activities of their government. Furthermore, the ICTs could expedite the citizens' access to adequate and reliable government information and thereby promote equitable and affordable participation in the government's decision-making process (Opoku-Mensah, 2001: 173). Hence the electronic government is said to enhance participatory democracy. As Graham Murdock (1999: 8)[53] maintains participation relates to the concept of citizenship, which defines the people's right to participate fully in social life. Mark Warschauer (2003: 28[54] cited in Murdock and Golding, 2004: 245) makes this point clear when he notes that as more forms of communication, social networking, political debate and decision making gravitate to online media, those without access to the technology would be shut out of opportunities to practice their full citizenship. "To be disconnected is to be disenfranchised", he emphasises (ibid). Thus, as tools of governance the ICTs could facilitate access to government information, access to government services and thereby enhance the citizens' participation in the governance process (Opoku-Mensah, 2001:172).[55]

Furthermore, the ICTs are said to provide citizens with opportunities to participate in the activities of their government, because ICTs on which e-government is based are less

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[52] Ministry of Education (2005). "Towards empowering youth with internationally recognised ICT qualifications". A Project on the National Information and Communications Technology Skills Scheme. Windhoek: Republic of Namibia.

[53] Murdock, G. (1999). "Rights and Representations: Public Discourse and Cultural Citizenship". In Jostein Gripsrud (ed.). *Television and Common Knowledge*, 7-17. London: Routledge.

[54] Warschauer, M. (2003). *Technology and Social Inclusions: Rethinking the Digital Divide*. Cambridge: MIT Press.

expensive and more powerful. It is further assumed that ICTs can bring greater access to information and knowledge, and can bring new participants into the political arena (Wilson III and Wong, 2003: 157). Namibia, like its SADC neighbours, turned to the ICTs to support and transform the internal workings of its government. It ventured into e-governance in order to improve its interaction with the citizens. Namibia's e-government was constructed on four main activities, notably:

(a) e-administration: the administrative and inter-governmental processes;

(b) e-service: the provision of public services to the citizens electronically;

(c) e-democracy: the participation of people in the activities of the government by using the ICTs; and

(d) e-governance: the coordination of co-operative relationships among public, private and civil society with the assistance of the ICTs (Stork and Aochamub, 2003: 36).

While the number of government offices, ministries and departments set up connections to *Namidef* from the mid-1990s, the Ministry of Information and Broadcasting in 1997 commissioned a French company, *Cablevision*, to develop a government website, *Namibia Online*. However, due to the high cost involved, the ministry took over the responsibility of maintaining the site (Office of the Prime Minister, 2000: 107).[56] Following from these developments the government launched its own website, www.grnnet.gov.na operated by the Office of the Prime Minister, which is accessible to all citizens and interested persons and institutions anywhere in the world.

The Namibian government also attempted to establish its own intranet and commissioned a United States-based company, *Global One* to install it. The goal of the Intranet was to link all the government ministries, offices and agencies together to facilitate the electronic mail exchange among them. This exercise thus could enable ministries to share documents and the transfer of files. Two firewalls were to be installed in order to

[55] Opoku-Mensah, A. (2001). "Democratising Access throughout the Information Society". In G. Nulens, N. Hafkin, L. Van Audenhove & B. Cammaerts (eds). *The Digital Divide in Developing Countries: Towards an Information Society in Africa*. Brussels: VUB Brussels University Press.
[56] Office of the Prime Minister (2000). *Namibia: A Decade of Peace, Democracy and Prosperity: 1990 – 2000*. Windhoek: Government of the Republic of Namibia.

protect the Intranet from unwanted public access (Petty, 1997).[57] Despite the acquisition of state-of-the-art computer hard- and software, by the end of 2005 the Intranet was not in place due to operational problems.

While the executive branch of the State was proactive and made early efforts to introduce e-governance, the legislature was slow to adopt ICTs. It was only in 2000 that concerted efforts were made by Parliament to introduce ICT and this was also only possible with external assistance from international organisations. Assisted by the United States of America-based National Democracy Institute (NDI), Parliament in 2001 launched an Internet-based Information Management System (IMS), consisting of four divisions: (a) the public website, which serves as a depository of parliamentary information such as Bills, Acts, committee reports and minutes that can be assessed by the public; (b) the public discussion forum, which allows the public to discuss matters of public interest with the parliamentarians; (c) the member Intranet that linked members of Parliament among themselves and staff and; (d) the Intranet that enabled administrative support staff to provide back-up support to parliamentarians (Stork and Aochamub, 2003: 43, 44).

Parliament in April 2003 launched a "constituency outreach" programme, to assist citizens to easily access information on Namibian legislation and the legislative process. Attached to this programme was a mobile training unit that expanded these services to the far-flung areas not connected to the Internet, and thereby exposed people to civic education. Parliament furthermore set up a computer laboratory accessible to parliamentarians and the public to ensure Namibians, both lawmakers and the public have access to public documents and information (Basson, 2003).[58]

Since the Namibian government set in motion the decentralisation process of its functions to regional and local authorities, it decided to employ the new ICTs to strengthen its efforts in this regard. The ICTs could arguably help the people in the regions to break the years of isolation and thereby participate in activities of their government at the regional

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[57] Petty M. (1997). "Namibia goes on-line: A government Intranet is the first of its kind in Africa". In *Global Telephony* (*Primedia Business Magazine 6 Media Inc.*)

[58] Basson, D. (2003). "Parliament at the fore-front of e-Government". In *New Era*, July 25, 2003. Available at http://www.newera.com.na/page.php?id=8. Accessed on July 25, 2003.

and local levels, since these 'governments' were closest to them. In this regard the Ministry of Regional, Local Government and Housing and Rural Development, which was tasked with the process of decentralisation, in partnership with the NDI and the Universities of Namibia and Tampere (Finland) in 2002 established a project called CABLE aimed at the strengthening the decentralisation process through the implementation of a number of e-government projects (Stork and Aochamub, 2003: 45).

8.11 Local Government

Local authorities (municipalities), with the exception of the Windhoek City Council were very slow in embracing the ICTs. The poor e-preparedness of the local authorities was highlighted in a study conducted by Bernard David and Vonk Tjalling (2003) on the e-readiness of local governments in southern Africa, which reflected the general trend in the sub-continent. With regard to Namibia these researchers concluded that the majority of local government offices did not have fax lines, while where computer connectivity existed it was unstable and used mainly for administrative purposes such as report writing, financial presentations and access to and use of data bases. Other shortcomings that inhibited the ICT penetration at local government level was the high access costs, lack of maintenance as well as the lack of computer literacy among staff and the public (David and Tjalling, 2003. 15, 16).[59]

In contrast, the Windhoek City Council had fully incorporated the ICTs in most of its activities because of its better financial resources compared to the rest of the municipalities. Being the capital and the major industrial centre of the country the City of Windhoek had to be promoted in terms of provision of services to the business sector and to this effect it enjoyed support from the government and its agencies, including *Telecom Namibia*. The latter company invested heavily in the City of Windhoek in terms of network and the provision of services including the latest state-of-the-art technologies. This is understandable because most of the profitable customers, the business sector and multinational companies are based in the capital.

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[59] Bernard, D. and Vonk, T. (2003). "Information and Communications Technologies in African Local Governments". In *EDITOSHA*: ICLEIE European Secretariat GmbH, Freiburg, Germany

Telecom Namibia in 1999 allocated N$18 million for cable expansion in the capital to facilitate a speedy provision of telecommunication services, and a further N$2 million for fibre optic (Namibia On Line, 1999).[60] At the beginning of 2003 the same company commissioned a French company, *Alcatel*, to develop a broadband wireless service for the City, at the cost of N$26 million (*The Namibian*, April 10, 2003).[61] This service would help business customers to connect their computers to the Internet at high speed without the use of a telephone line. *Telecom Namibia* was the first company in the southern African region to introduce this service.

On its own the City Council acquired various new technologies to facilitate speedy service delivery to its customers, as well as providing technological solutions to its operations. Generally, the City Council used ICT for its services and its employees had access to computers with Internet connectivity. It deployed the Virtual Private Network (VPN) to provide mobile solutions to its customers and to enable them pay their accounts on-line and thereby avoid long queues at counters. Arguably, this decreased administrative costs and increased efficiency in customer service provision. Furthermore, the City Council's mobile staff working outside could dial into the VPN line to access the necessary information from the head office (*Die Republikein*, August 29, 2001: 9).[62]

Having assessed e-education and the country's e-governance programmes, I will now proceed to examine how the private sector have attempted to place their transactions on-line in order to benefit from the emerging information-based economy.

8.12 Electronic commerce

By 2002 Namibia had designed the necessary policies and developed the needed infrastructure to support its electronic commerce, but lacked the appropriate legislation and regulations. It still needed to enact the necessary e-commerce-related legislation to

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[60] Republic of Namibia (1999). "The Information Technology Landscape in Namibia". In *Namibia On Line*. Available at http://www.american.edu/carmel/ja9985a/gov.htm. Accessed on June 12, 2002.
[61] The Namibian (2003). "Telecom Namibia gears up for wireless communications". Thursday, April 10, 2003. Available at http://www.namibian.com.na/2003/march/marketplace/03C49A80D0.html. Accessed on April 25, 2003.

facilitate electronic contracts, make provision for electronic money including e-cheques, e-payments, and the prevention of electronic economic crime. It still had to ratify the United Nations Commissions on Trade Law's (UNCITRAL) Model Law for electronic commerce, adopted in 1996 to guide developing countries in the development of their respective national e-commerce policies and regulatory instruments. The consultants who drafted the *ICT Policy* pointed out this shortcoming in their assessment of the country's e-readiness in terms of e-commerce.

> Namibia is well positioned to take strong advantage of the opportunities afforded by the new information and communication technologies and the massive potential of globalisation in the Information Age. Namibia, in contrast with most developing countries, has a well-developed telecommunications infrastructure upon which to build. Over the last few years the country has also carried out several policy actions designed to exploit ICT for social and economic growth (Ministry of Foreign Affairs, Information and Broadcasting, 2002: 119).[63]

Aware of the above-mentioned shortcomings drafters of the *ICT Policy* called for the need to amend the financial sector legislation. For instance, the major banks in Namibia were operating under the South African banking legislation, partly because they were owned by the South African banks and also because of the lack of local banking legislation and regulation. Moreover, Namibia needed to amend its legal instruments that dealt with trade and the business (sector) such as security, privacy, law of contract and the intellectual property laws in order to harmonise them with the UNCITRAL Model Law for Electronic Commerce as a pre-condition for the promotion of e-commerce. It was only in 2005 that a Working Committee was set up to prepare Namibia's Electronic Transactions and Communication legal instruments and, by the end of the year a draft was produced which needed to be submitted to Cabinet for consideration (Katswara, 2005: 17).[64]

The lack of proper legal and regulatory framework had not, however, prevented a number of businesses from using ICTs and by 2002 many had shifted to on-line transactions. Most Namibian companies had used the Internet for a number of on-line activities

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[62] Die Republikein (Market Place) (2001). "Virtual private network ensures better security: UUNet Namibia clinches Windhoek City Council Deal". Wednesday, August 29, 2001.

[63] The observation was made in the first draft of the ICT Policy by the consultants.

including banking, financial services and market monitoring. Furthermore, the Internet was used for shopping, communication with clients, branches and headquarters, reports and marketing (Stork and Aochamub, 2003: 59). As early as 2002 all the local major commercial banks and other financial institutions were offering online banking facilities to their customers, including Internet banking. According to the Namibia Economic Research Unit's (Nepru)[65] IT Usage Index of 2002 about 15.54 percent of Namibian companies were using the Internet to buy goods and services, while 12.15 percent of them were using the Internet to sell goods and services (Nepru, 2002: 12).[66]

8.13 Summary and conclusion

This chapter has examined efforts made by Namibia to transform itself into an information society. As it has been argued, the Namibian political leadership initially embraced a technological deterministic approach to information and communication technologies (ICTs). It was argued then that the new ICTs should be acquired and used because they would provide an abundance of opportunities for the country, including the possibility to leap-frog the process of development. Moreover, there was a concern that the country would be left behind by the new technological development, if it did not embrace the new ICTs. The attention of most Namibian political leaders was focused on what these technologies would offer and the benefits to be accrued from them, but not necessarily on national problems and the particular developmental issues the new ICTs had to address. However, this technological deterministic approach seemed to have faded and was replaced by a more cultural and societal interpretation of the information society as embodied in the knowledge-based society. A good example of this shift in Namibia is exemplified in the country's long-term development plan, the *Vision 2030*, adopted in 2004 as well the in the new *Information Technology Policy in Education* adopted in 2005. Both these policies heralded a paradigm shift from perceiving the ICTs as enablers of development towards seeing them as tools to be used to enhance the development objectives of the country.

[64] Katswara, T. (2005). "Namibia's Electronic Bill on track". In *The Namibian*, November 14, 2005.
[65] The Namibian Economic Policy Research Unit (Nepru) in 2002 introduced the IT Usage Index (or ITU Index) in its annual assessment of the performance of the business sector. Companies are assessed in terms of the number of computers they have, how many computers per company are connected to the Internet as well as the number of companies that sell and buy goods and services through the Internet.

As it has been argued in this chapter, Namibia established the necessary enabling environment for the construction of an information society. It adopted some of the necessary policies and relatively rolled out the essential infrastructure through its telecommunications sector. However, the penetration of the new ICTs in society, such as computers and the Internet, remained dismal. A number of reasons can be attributed to this development. Firstly, few resources, including financial resources were availed to the IT sector and this undermined efforts to diffuse ICTs in the nation. It must be remembered however, that the need to deploy ICTs in order to reduce the 'digital divide' was a goal that competed with many other priorities, such as the quest to provide 'basic services' like education and health facilities and services to all the citizens. Thus, the deployment of ICTs was not the first item on the government's priority list despite the politicians' rhetoric of embracing the information society.

Linked to the State's low budget for ICTs was the economic situation of the beneficiaries. Many Namibian households were poor and lacked disposable income to spend on items such as computers and Internet connectivity. In addition, other barriers such as low literacy in general, and computer literacy in particular; the lack of electricity in many of the households, served as barriers to the penetration of the ICTs in society. The exorbitant cost of telecommunications services was another barrier, as many households could not afford Internet connectivity. In summary it could be concluded that the successful implementation of the information society was linked to the structure and performance of the national economy and the living standards of the citizens (Wilson III and Wong, 2003: 160). Thus, the economic position of the country and its citizens, continued to determine, in the first instance, the penetration of the ICTs in society.

The failure to implement policies already adopted was another a major drawback of the Namibian government. As noted earlier, Namibia adopted well-meaning ICT policies, but failed to realise these policy goals, due to a lack of implementation strategies, apart from the lack of resources, both human and material. To illustrate this point, the Ministry of Information and Broadcasting towards the end of the 2005-2006 financial year had to return nine million Namibia dollars to the State Treasury, because it did not have

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[66]Namibia Economic Policy Research Unit (2002). Namibia Business Climate Survey, Vol. 2, No. 2.

strategies in place to deploy Multi-Purpose Community Centres across the country. The adoption of very ambitious policies with no consideration for the available resources was another shortcoming in the realisation of the information society. Examples in this regard were the first the *IT Policy*, discussed in this chapter, adopted by the Public Service Committee on Information Technology as well as the 1995 *IT Policy in Education* that were abandoned without the realisation of any of its objectives.

In addition, Namibia failed to produce an adequate number of IT skilled personnel during the first 15 years of independence, while the limited number of personnel trained opted to leave the public sector, where they were most needed, in search of green pastures. This was because the public sector failed to look adequately after the welfare of its IT personnel. Notwithstanding the above-mentioned shortcomings and drawbacks Namibia managed to lay the foundation for the construction of an information society during the first fifteen years of its independence, but much still needed to be done by 2005.

PART V

CONCLUSION

Chapter Nine

Conclusion

9.1 Introduction

The subject matter of this study is the political economy of the Namibian communications sector reform, while the processes of transformation and restructuring of the national broadcaster and the telecommunications operator is the object of analysis. The study had three objectives. The first objective was to examine policies and regulatory practices adopted to transform and restructure the communications (broadcasting and telecommunications) sector. The aim was to interrogate the rationale for such policies and regulations and to assess factors that influenced their adoption.

The second objective was to confront the reform process at a micro (company) level in order to establish how the national broadcaster and telecommunications operator were transformed and restructured to respond to their new mandates in the post-colonial dispensation. The third and last objective was to evaluate the progress made with regard to the conversion of the country into an 'information society' by examining the diffusion of the new information and communication technologies (ICTs) in the Namibian society between 1990 and 2005. The aim of this chapter is to conclude this work by providing a summary of the main findings and arguments raised in the study.

9.2 The context of the transformation process

I argued in this study that the process of globalisation ignited the transformation of societies and their institutions. Nation-states, across the world, including Namibia, set out to transform their institutions, such as communication systems to align them to the emerging global reality. This reality, as indicated, was symbolised by the neo-liberal orthodoxy which reinforced the adoption of free market principles of production and accumulation across the globe. At the superstructural level the orthodoxy encouraged a liberal political system, tailored on the 'minimalist' or 'thin' democratic model. It is this reality which provided the 'structured world' that influenced and directed the transformation of societies and their institutions.

Having achieved political emancipation in the midst of the collapse of the Stalinist Project at the end of the Cold War, Namibia set out to reconstruct a new society from the ashes of a destructive apartheid colonial system. The initial rationale for the country's broader transition process was based on the principles of nation-building and democratisation. However, and as I pointed out earlier, the Namibian transition process took place in a broader context of globalisation, which was guided by the needs of global capitalism that tended to move in an opposite direction to the imperatives of nation-building and democratisation. This contradiction beset the Namibian transition process and impacted on the character of the communication policies and regulatory practices as the country embarked on the process of transforming its communications sector.

These contradictions were not unique to Namibia, but were experienced by many developing countries in their attempts to transform their societies and institutions in the era of globalisation. Thus, Namibia's attempts at nation-building in the aftermath of the destructive apartheid colonialism resembled other developing countries' transition from one party autocratic States to the multi-party political system.

9.3 The role of the communications sector in the transition process

I argued that post-independent Namibia placed the communications sector at the centre of its transition in order to reflect and promote this process. This is in line with the notion that this sector reflects and promotes social change simultaneously (McChesney, 2000; [1] Teer-Tomaselli and Tomaselli, 2001[2]). Chapters Three and Five show how the State strategically placed the broadcasting and telecommunications institutions in prominent positions to contribute to the socio-economic and political development of the country. The fact that these institutions were among the first candidates for transformation is indicative of their vital roles in the transition period. They had to contribute to the broader reconstruction and transformation of the Namibian society.

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[1] McChesney, R.W. (2000). "The political economy of communication and the future of the field". In *Media, Culture and Society*. Vol.22, 109-116. London: SAGE Publications.
[2] Teer-Tomaselli, R. and Tomaselli, K. (2001). "Transformation, Nation-Building and the South African Media, 1993-199". In K. Tomaselli and H. Dunn (eds.) *Media, Democracy and Renewal in Southern Africa*. Colorado Springs: International Academic Publishers.

In Chapter Three, I demonstrated that the broadcasting sector had to perform developmental roles, apart from its traditional responsibilities. It was expected to do more than just inform, educate and entertain citizens. It had to propagate the government's policies and programmes of national development, national identity, unity and the democratisation of the new society. The propagation of these policies and programmes was a sensitive issue to government and any challenge to it was viewed as a threat to 'national interests'. The promotion and protection of the 'national interest' led to direct and indirect political interference in the operations of the national broadcaster, which did not only undermine its transformation into a credible public broadcaster, but also impacted negatively on the broader democratisation process of society. This development led to fierce contestation between the government and civil society and points at the power relationships in society over communication resources. It is interesting to note that this fierce contestation about the national broadcaster did not emanate from its commercialisation, but mainly from its politicisation. Thus, apart from the strategy of commercialisation, political control had impacted also negatively on the democratisation of the national broadcaster.

In contrast, the telecommunications sector was assigned the critical role of contributing to economic growth and development of the country, by promoting and networking the local and national capital, while integrating them into global capitalist networks. This sector had to provide capital (business) with effective and efficient services, including the latest and specialised services and products, for it to be competitive in a globalised world economy. In addition, the sector had the mandate to provide public service to the under-serviced poor areas and communities. This is in line with the notion that the sector is a commercial service in which service supply is governed by both commercial and social welfare imperatives (Melody, 1997;[3] Petrazzini, 1997[4]). As argued in Chapter Seven, the failure to balance these contradictory objectives by the incumbent, *Telecom Namibia*, resulted in strained relationships between the company and stakeholders. Moreover, this

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[3] Melody W. H. (1997). *Telecom Reform: Principles, Policies and Regulatory Practices*. Den Private Ingeniorfond: Technical University of Denmark.
[4] Petrazzini B. A. (1997). "Regulating Communication Services in Developing Countries". In W. H. Melody (ed.). *Telecom Reform: Principles, Policies and Regulatory Practices*. Lyngby: Technical University of Denmark.

contestation boiled into intra-State antagonism, experienced between the pro- and anti-commodification fractions of the State. This situation attests to arguments by Nicos Poulantzas (1978)[5] and Bob Jessop (1982)[6] that the State is an "institutionalised class relations" with divergent class interests that provide for inter- and inner-class conflict.

9.4 Policy and regulatory practices

I have argued that the State adopted policies and regulations to determine the roles and responsibilities of the communications sector, which were grounded in the neo-liberal political economic system that the country embraced at independence. The communications sector reform was based primarily, although not exclusively, on two policy strategies of commercialisation and liberalisation. Commercialisation in the telecommunications sector was straightforward. It sought to introduce competition in the sector, while restructuring *Telecom Namibia* into a business-oriented company, but with contradictory objectives: a relatively stronger objective to promote economic development and the integration of the country into global capitalism, and a relatively lesser assertive role of providing public service. In contrast, commercialisation in the broadcasting sector was not straightforward. While the State introduced competition in the sector, it did not restructure the national broadcaster, the *Namibian Broadcasting Corporation* (NBC), into a commercially-oriented company, although the State encouraged the *NBC* to engage in commercial activities in order to augment its revenue base and thereby ease its burden on the national Treasury. The reason for this strategy was two-fold: firstly, the State was under pressure from the agents of globalisation (e.g. World Bank, International Monetary Fund, World Trade Organisation) to reduce its public funding. Secondly, the State used funding as a form of control to keep the *NBC* in a perpetual dependent relationship in order to serve its objectives.

In addition, the State in its 1991 *Information Policy* upheld various liberal democratic media rights and freedoms, including the freedom of expression, free flow of information and the right to know, which as argued in Chapter Two are central to the democratic

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[5] Poulantzas, N. (1978). *State, Power and Socialism*. London: New Left Books.
[6] Jessop, B. (1982). *The capitalist state: Marxist theories and methods*. New York: New York University Press.

expectation and are realised through the media and communications sector. However, as pointed out in the study, the recognition of these rights and freedoms did not mean that they were automatically enforced. In fact, the State did very little to enact the necessary legal and regulatory instruments to enforce these policy objectives. Moreover, the State did not repeal some of the restrictive apartheid laws from the statues; instead it enacted similar restrictive legislation at the same time. It can be argued that the restrictive legislation of the past dispensation enabled the State to realise its objectives and hence its reluctance to repeal them.

As stated earlier, the State initially did not provide for public participation in the broadcasting policy formulation. This omission was partly due to the 'minimalist' political system adopted by the State, which was based on representative democracy and partially, due to the need to secure political hegemony. This omission led to the exclusion of citizens from participating fully in the policy making processes. As demonstrated in the study, participation in policy-making processes by citizens is central to the democratisation process of the communications sector and by extension the democratisation of the broader society. However, the State ignored this important precept of democracy and thereby undermined the wishes of civil society.

Chapter Three shows that despite the liberalisation of the broadcasting sector, the State did very little to promote media diversity in terms of promoting grassroots communication outlets and thus, failed to empower the ordinary citizens to become producers, disseminators and consumers of their own information and communication products. Instead the citizens were fed with top-down information infused with the hegemonic ideologies of the government.

Another significant outcome of the policy of liberalisation, as noted in Chapter Four is that it brought broadcasting into the sphere of economy (Garnham, 1900).[7] The emergence of a variety of broadcasting operators introduced competition in the sector, which led to the quest for audience maximisation in order to maximise profit. This

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[7] Garnham, N. (1990) *Capitalism and Communication: Global Culture and the Economics of Information.* London: Sage Publications.

development attest to the role the media assumed as a "central area of profit making in modern capitalist societies" (McChesney and Schiller, 2003).[8] The resulting competition emanating from the liberalisation of the sector had adverse effects on the revenue base of the national broadcaster and telecommunications operator as demonstrated in Chapters Six and Seven.

Nevertheless, the policy of liberalisation achieved a number of objectives in the sector. Significant among these was the creation of a mixed form of ownership in the broadcasting and telecommunication sectors. In broadcasting, the policy of liberalisation opened the sector to private operators both commercial and community. This was a remarkable development that contributed to the plurality of broadcasting stations. It must be pointed out that private broadcasting was prohibited in colonial Namibia, as only the State-owned and controlled *South West African Broadcasting Corporation* was permitted. Despite the opening up of the airwaves through the policy of liberalisation, the public or State media remained dominant in terms of reach and resources. While the dominance of the public sector media system seemed to correspond to the model advocated by Robert W. McChesney (1997b: 66),[9] it nevertheless had major shortcomings, as it remained a State-controlled although not necessarily a business-controlled entity.

The dominance of the State in the broadcasting sector was further characterised by the government's control of the national broadcaster and the ruling party's dominance of the commercial broadcasting markets. This dominance had negative implications for the communications sector reform. Firstly, it undermined 'effective communication', because it promoted what Mike Feintuck (1999: 44)[10] called the "monopoly of ownership and homogeneity of products". Secondly, the dominance of the commercial markets by the ruling party had the potential to contribute to consumerism and de-politicisation in society, while political control of the national broadcaster by the government had the

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[8] McChesney, R. W. and Schiller, D. (2003). The Political Economy of International Communications: Foundations for the Emerging Global Debate about Media Ownership and Regulation. Technology, Business and Society Programme Paper Number 11, October 2003. United Nations Research Institute for Social Development.
[9] McChesney, R. W. (1997b). "Corporate Media and the Threat to Democracy". *The Open Media Pamphlet Series*.
[10] Feintuck, M. (1999). *Media Regulation, Public Interests and the Law*. Edinburgh: Edinburgh University Press.

likelihood of political and ideological indoctrination. In practical terms, the ruling party gained financially from its dominance in the commercial broadcasting market, while as the government it benefited politically and ideologically from its control of the national broadcaster by having its interests served. This example demonstrates how the Namibian authority, both the government and the ruling party, came to appropriate broadcasting as a political/ideological and commercial apparatus at the same time.

In the telecommunications sector, a relatively liberalised value-added market structure emerged and, for a considerable length of time, co-existed with the State-owned and controlled fixed-line and mobile telecommunication markets. However, as in the broadcasting sector the State remained dominant in both the upstream and downstream telecommunication markets. The State restricted liberalisation to the value-added market segments, leaving the fixed-line and the mobile telephony markets untouched for the entire period covered by the present study, despite its stated objective of liberalising all the telecommunications market segments. This strategy can be understood in terms of Linda Weiss's (1999)[11] notion of "managed openness" aimed at controlling the impact of globalisation at the local level. Through this strategy the State sought to protect its fixed-line and mobile telecommunication markets by delaying their exposure to competition. The reason was to enable *Telecom Namibia* and *Mobile Telecommunications Limited* (MTC) to fast-track infrastructure roll-out and to position themselves competitively first before competition was introduced. Thus, for the first 15 years of independence, from 1990 to 2005 these market segments remained monopolies with virtually no competition. This development has shown how a State, despite its size can manage and exercise control, at the national level, over the process of globalisation. This further indicates that despite embracing the process of globalisation, States can exercise national control over the reforms of their communication sectors. This control is exercised in the name of national interest that may not coincide with the exigencies of the "globalitarian ideology" (Miege, 2004: 91).[12]

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[11] Weiss, L. (1999). Managed Openness: Beyond Neoliberal Globalisation". In *New Left Review*, No. 238, November/December 1999.
[12] Miege, B. (2004). "Capitalism and Communication: A New Era of Society or the Accentuation of Long-Term Tendencies?" In A. Calabrese and C. Sparks (eds.). *Towards a Political Economy of Culture:*

Nonetheless, due to a combination of factors, including pressure from the local capital and partly due to the State's pledge to multinational agreements, the government was compelled to liberalise and to partially privatise its mobile telephone market in 2006, leaving only the fixed-line telecommunications market segment still a State monopoly beyond this period.

Like policies, the regulatory practices were grounded in the neo-liberal orthodoxy which informed the broader transformation process of the country. The State designed relatively 'progressive' rules and institutional mechanisms to guide the communications sector reform however; it continued to dominate the procedures. While it established a regulator, the *Namibian Communications Commission*, to regulate the relationship between the communications sector, the public, the market-place and the political sphere (Hamelink, 1999)[13], the State remained the de-facto regulator of the sector. The reason for doing this, as the study has indicated, was the State's need to promote the 'national interest'.

To ensure its dominance in the sector, the State firstly removed the commission's jurisdiction from both the national broadcaster and the national telecommunications operator. These two institutions were placed under the State's direct control, reporting directly to their line government ministries. While the commission had the responsibility of regulating the private communication operators, it remained captured by the State in terms of accountability. Thus, the regulator was not only dependent, but functioned as an appendage of the State. The commissioners were appointed by the government and reported to it rather than to the public, whose interests they were supposed to safeguard. Moreover, the commission was understaffed. It lacked skilled personnel, while it received funding directly from the State. This situation left the regulatory process weak and the commission dysfunctional. Similar defective regulatory bodies do not only undermine the

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Capitalism and Communication in the Twenty-First Century. New York: Rowman $ Littlefield Publishers, Inc.
[13] Hamelink, C. J. (1999). *Preserving media independence: regulatory frameworks*. Paris: UNESCO Publishing.

development of the sector, according to Nikhil Sinha (1997: 287)[14], but erode investor's confidence, because they (defective regulatory bodies) permit the operators to weaken the regulatory process through monopolistic and predatory practices. This was true of the Namibian regulatory process.

The State applied the same controlling strategies to the public communication institutions, the *NBC* and *Telecom Namibia*, as the study has shown. But less political control was applied to *Telecom Namibia*, than to *NBC* because the former was seen as an economic sector. However, the *NBC* suffered enormously under political control, because it was regarded as a political and ideological instrument. The study did not only underline the scale of political interference, but it went deeper to reveal the originality of this political interference and control. It located the origin of interference and control in the old colonial legal and regulatory mechanisms. The government retained the colonial broadcasting legislation under a new name and thereby maintained the old political regulatory practices used by the apartheid colonial government to control the national broadcaster. This arrangement was not by default, but by design and aimed at the promotion of the interests of the State in the sector. This development upholds the notion that the State is an actor with survival and consolidation needs and interests of its own (Mody, 1995).[15]

In terms of the legal and regulatory regimes the government appointed directors to oversee the *NBC* and *Telecom Namibia*. As it was illustrated in Chapter Four, the government appointed directors sympathetic to its cause, who either belonged to the ruling party or were its fervent supporters. This was to ensure that the board members responded positively to the policy objectives of the State and was indicative of how the government repositioned itself positively to ensure that its policies and programmes were served by those in charge of the corporation. This arrangement corresponds to Rianne

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[14] Sinha, N. (1997). "Regulatory Reform: An Institutional Perspective". In W. H. Melody (ed.). *Telecom Reform: Principles, Policies and Regulatory Practices*. Lyngby: Technical University of Denmark.
[15] Mody, B. (1995). "The Changing Role of the State". In B. Mody, J. M. Bauer, J. D. Straubhaar (eds). *Telecommunications Politics: Ownership and Control on the Information Highway in Developing Countries*. New Jersey: Lawrence Erlbaum Associates Publishers.

Mahon's (1980)[16] thesis of "unequal representation", because the interests of other stakeholders, notably the business and civil society were not represented by State-appointed directors. The same control mechanisms applied to the regulator, as the commissioners were appointed by the State to represent and promote its interests.

The analysis above demonstrates how the State exercised power over the communications sector reform process. This is displayed by the way the State controlled the directors of the public communication institutions and the regulator. As indicated earlier, the State also controlled the policy making process and further managed to exercise control over the process of globalisation as demonstrated by the way the State controlled the liberalisation of its fixed-line and mobile telecommunication markets. Thus, the study places power at the centre of the communications transformation process. It further supports the notion that power is not widely dispersed equally among the stakeholders in the communications sector, but that it is a scare resource available to the powerful institutions of society, such as the State (Mosco, 1996: 257, 258).[17] Moreover, the study supports arguments that a State, whatever its size, does not completely succumb to the forces of globalisation, but manages this process at the national level in order to realise its needs and interests.

9.5 Universal and affordable services

The study also examined the restructuring process of *NBC* and *Telecom Namibia* at micro (institution/company) level in order to elucidate the scope and depth of their transformation process. As could be seen from Chapters Six and Seven this restructuring process embodied the practical implementation of the State's objectives with regard to the communications sector reform, and was indicative of the direction in which the State wanted to steer the *NBC* and *Telecom Namibia*. As indicated, the State wanted these public institutions to become financially viable in performing their mandates. Therefore,

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[16] Mahon, R. (1980). "Regulatory Agencies: Captive Agents or Hegemonic Apparatuses". In J. Paul Grayson (ed.). *Class, State, Ideology and Change*. Toronto: Holt, Rinehart, and Winston.

[17] Mosco, V. (1996) *The Political Economy of Communication: Rethinking and Renewal*. Cromwell Press, Ltd.

they had to be streamlined in such a way that they could be effective and efficient in discharging these mandates.

Apart from adopting new visions and mission statements to guide their mandates the *NBC* and *Telecom Namibia* were downsized and rightsized. They were forced to cut 'unnecessary costs', including labour costs, in order to channel the available funds into operations. They therefore, out-sourced their 'non-core' functions, while maintaining what was seen as 'core' functions. The emphasis here was placed on the achievement of goals by performing tasks as 'inexpensively as possible'. Furthermore, these institutions tried to balance their staff compliments in terms of gender, race and class, while implementing 'affirmative action' programmes to ensure that the 'formerly disadvantaged' section of the population were represented in critical positions of the management structures. The *NBC* and *Telecom Namibia* achieved relative successes in this regard.

However, the overall downsizing and rightsizing, as the study has shown, had negative consequences on the mandates of these public communication organisations. The *NBC* for instance, despite streamlining its operations through the process of downsizing and rightsizing, like *Telecom Namibia*, did not succeed in becoming financially viable. As a result, it adopted a 'business plan' and reorganised itself several times in order to improve its financial viability, which involved activities such as the outsourcing of core functions, like programme production. It also sold its assets, but as indicated in the study, these did not lead to financial viability.

It should not be forgotten that attempts by the *NBC* to engage in commercial activities was not motivated by profit, but to augment its revenue base in order to perform its mandate successfully. This argument corresponds to the assertions by Gillian Doyle (2002a: 5)[18] and Giuseppe Richeri (2004: 186)[19] that even when public service broadcasters compete for revenue from commercial sources, their primary goal remains

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[18] Doyle, G. (2002a). *Understanding Media Economics*. London: Sage Publications.
[19] Richeri, G. (2004). "Broadcasting and the Market. The Case of Public Television". In A. Calabrese and C. Sparks (eds.). *Toward a Political Economy of Culture. Capitalism and Communication in the Twenty-First Century*. New York: Rowman & Littlefield Publishers, Inc.

to provide a universal public service and not to make profit. However, in its attempts to improve financial viability, the *NBC* appeared to compromise its public service mandate, which was the reason for becoming financial viable in the first place.

In contrast, *Telecom Namibia* was 'restructured' on business principles and therefore assumed a corporate culture. It had to compete in the marketplace like other commercial entities. However, due its contradictory responsibility of providing both profitable and non-profitable services, the company sought to cross-subsidise its public service mandate with the revenue from its most profitable section of business. However, it failed to balance these contradictory obligations, as it could not manage to provide profitable services while successfully discharging its non-profitable mandate, at the same time. Fierce competition in some of its traditional markets, coupled with declining residential customers due to their migration to the mobile telephony, affected its revenue base. The company's reaction to this development was to diversify its operations into value-added services as well as into new geographical areas. This development reflects the strategy embraced by major companies in their attempt to overcome the "falling rate of profit" (Ake, 1981),[20] as one of the characteristics of the "capitalist crisis" (Tandon, 2000).[21] While this strategy had the potential to improve *Telecom Namibia*'s revenue streams, it nevertheless, tended to distract the company's attention from its other mandate, the provision of universal and affordable basic service to the marginalised groups. This rendered its democratisation role virtually unattainable.

As indicated in the study, the State was obliged in terms of Article 95 of the Constitution to provide universal and affordable basic services to the citizens. I have argued that the State made some strides in the provision of communication services. The State significantly expanded, modernised and digitalised the communications infrastructure. It further rolled out various new and specialised services on the telecommunications network. However, despite all these efforts the penetration of services into society, with the exception of radio broadcasting, remained dismal and that, delayed the transformation

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[20] Ake, C. (1981). *A Political Economy of Africa*. London: Longman.
[21] Tandon, Y. (2000). "Globalisation and Africa's Options". In Nabudere, D. W. (ed.) *Globalisation and the Post-Colonial African State*. Harare: Print Source (Pty). Ltd.

of the country into an 'information society'. There were various reasons that contributed to this. Firstly, the State failed to roll-out Multi-Purpose Community Centres that could have provided the disadvantaged communities with public access points that could have availed them with a basket of services, including the new information and communication technologies.

Secondly, the State negated on the establishment of the Universal Service Fund, which could have contributed immensely to the roll-out of infrastructure and services. Lastly, and most importantly, the question of affordability of services remained a major obstacle, as most services were costly and thus, out of reach of the majority of the people. *Telecom Namibia*'s tariffs as indicated in the study were biased favouring the business sector to the detriment of the residential users. This can be attributed to the deficiencies in the regulatory process which was exacerbated by the power vested in *Telecom Namibia* by law to determine its own tariffs with little control by the regulator.

Furthermore, the study argued that the high tariffs had an adverse impact on the democratisation of society, because the citizens could not afford basic telecommunication services, while the new ICTs rolled out on the telecommunications network could not penetrate the grassroots of society as expected. Thus, in a situation where attention was concentrated on the creation of the 'national information superhighway', those without access to the new ICTs remained marginalised, while the gap between the information have and have-nots continued to widen (Warschauer, 2003).[22] The implication is that the marginalised people could not only continue to be excluded from the mainstream economy, but also from the new ICTs that were gradually rolled out in the cyberspace.

While the State performed relatively better in the provision of broadcasting services to society, as indicated in the study, some shortcomings were experienced in this sector, which related to the affordability of television sets and licences by ordinary Namibians. The study argued that State subsidies to the national broadcaster partly discriminated against the poor, because the biggest chunk of State subsidy to the *NBC* was channelled

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[22] Warschauer, M. (2003). *Technology and Social Inclusions: Rethinking the Digital Divide*. Cambridge: MIT Press.

into television programmes, which could not be watched by the majority of the population, because the penetration of television into society remained dismal.

9.6 Implications of the findings: the primacy of material conditions

As can be seen from the findings above, the Namibian communications sector reform process had successes and shortcomings. Moreover, the process experienced challenges and contradictions, which cannot only be attributed to tensions between opposing theoretical perspectives that offer divergent policy objectives and regulatory approaches, but can also be located in the daily concrete engagement with practical realities brought about by the changed global political and economic realities.

Most importantly, the findings accentuate the primacy of material conditions, more particularly the economic factors as the cause of the poor penetration of broadcasting and telecommunication services into the Namibian society. It contends that the State did not do enough to uplift the living conditions of the majority of the people in order for them to access the communication services it attempted to provide. Thus, the economic position of the country and its citizens continued to determine, in the first instance, the penetration and accessibility of the communication services in post-colonial Namibia. The adoption of the neo-liberal policy and regulatory practices therefore, reinforced the skewed distribution of resources, including the communication resources in the Namibian society, and thereby rendered the State's goal of equitable distribution of these resources elusive. It is therefore, important that policy and regulatory strategies aimed at the communications sector reform should take into consideration the broader economic transformation of the country for them to have an impact at all levels of society.

Appendix A

Table 4 A: Broadcasting Market Structure

Station	Type/Orientation	Ownership	Language
NBC Radio Service	Non-Profit/Public/National	State/Public	English, Afrikaans, German, Ojtiherero, Oshiwambo, Lozi, Gciruku, Setswana, Damara/Nama, !AH Radio (San dialects)
Radio 99	Commercial	Private	English
Radio Wave	Commercial	Private (Sister of Radio Kudu)	English
Radio Kudu	Commercial	Private (Sister of Radio Wave)	Afrikaans
Radio Energy	Commercial	Private	English/Oshiwambo
Radio Omulunga	Commercial	Private	Oshiwambo
Radio Ecclesia	Non-Profit/ Religious	Private (Catholic Church)	English
UNAM Campus Radio	Non-Profit/Students' Radio	Private (University of Namibia)	English
Channel Seven	Non-Profit/ Religious	Private (Media for Christ)	Afrikaans/English
Katutura Community Radio (KCR)	Non-Profit/ Community	Private	English
Ohangwena Community Radio	Non-Profit/ Community	State/Public (Regional Government)	English/Oshiwambo
Erongo Community Radio	Non-Profit/ Community	Private	English
Cosmos	Commercial	Private	English/Afrikaans
Trinity Broadcasting Radio	Non-Profit/ Religious	Private	English/Afrikaans
Windhoek-Paris FM	Commercial	Public/Private	English/French
NBC Television Service	Non-Profit/Public/National	State/Public	English
Multi-Choice Namibia	Commercial	Private	English/Afrikaans
DEStv	Commercial	Private	English
One Africa TV	Commercial	Private	English
Reho-TV	Community	Private	Afrikaans

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Appendix B

Table 7 A: Penetration of Telephones into Namibian Households

Number of Households	Owns/Access/ No Access	Penetration in percentage
Urban 150 514	Owns Access No Access	60, 4 26, 7 12, 8
Rural 221 115	Owns Access No Access	15, 2 37, 7 47, 1
Namibia 371 629	Owns Access No Access	33, 5 33, 3 33, 2

Adopted from the Preliminary Report of the Namibia Household Income and Expenditure Survey, 2003/2004 (National Planning Commission, 2006: 19).

Appendix B

Table 7 B: Financial performance of the first 13 years since the commercialisation of Telecom Namibia.

	1993	1994	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004	2005
	NS '000	NS '000	NS '000	NS '000	NS '000	NS '000	NS '000	NS '000	NS '000	NS '000	NS '000	NS '000	NS '000
Turnover	225, 203	219, 468	270, 000	330, 589	373, 386	454, 449	588, 018	652, 396	764, 220	896, 284	981, 048	1,020, 439	1,055,275
Operating profit	63, 605	53, 412	36, 951	71, 696	82, 312	85, 677	127, 750	99, 846	97, 405	125,298	148, 654	185, 952	138, 213
Profit/Loss after taxation	36, 763	34, 512	26, 549	43, 826	35, 854	- 202	41, 105	35, 335	26, 608	47, 465	69, 851	121, 011	86, 448
Accumulated retained profit	36, 763	71, 275	89, 824	125, 650	153, 504	153, 302	186, 407	221, 742	240, 350	264, 064	325, 915	434, 926	473, 762
Fixed assets	98, 552	143, 672	270, 787	415, 376	589, 683	778, 960	781, 564	879, 702	924, 738	860, 130	828, 297	824, 427	797, 281
Long-term liabilities	62, 489	62, 489	54, 877	118, 485	216, 749	347, 190	367, 679	357, 433	372, 900	406, 568	382, 330	237, 692	169, 706
Equity	99, 252	133, 764	214, 802	257, 761	303, 810	307, 832	340, 937	376, 272	394, 880	418, 594	480, 445	589, 456	628, 292
Capital projects	26, 442	69, 604	158, 087	177, 976	223, 332	271, 205	127, 871	249, 982	202, 115	94, 804	130, 905	132, 665	126, 244
Equity to debt ratio	1,59	2, 14	3, 91	2, 18	1, 40	0,89	0, 93	1, 05	1, 06	1, 03	1, 26	2, 48	0, 98
Return of fixed assets	37, 30 %	24, 02 %	9, 80 %	10, 55%	6, 08 %	-0, 03 %	5, 26 %	4, 02 %	2, 88 %	5, 52 %	8, 43 %	14, 68 %	10, 84 %

Adopted from Telecom Annual Reports, 2003/2004 and 2004/2005.

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