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Universal Access at Crossroads: A political economy of the digital migration policies in South Africa

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This dissertation was submitted to the Faculty of Humanities, University of Witwatersrand, Johannesburg, in fulfilment of the degree of Master of Arts in Media Studies

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Declaration

I **Jabulani Nkuna** of student number 0407585W confirms that this dissertation contains my own, original ideas and work. Those ideas or work that is not my own have been cited using the acceptable referencing techniques. I am also aware that plagiarism is punishable in terms of Copyright Act (Act 98 of 1979).

Name: _____

Signature: _____

Date: _____

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List of Acronyms

ABT = Amadeke Bluefin Technologies

ASGISA = Accelerated Shared Growth Initiative of South Africa

BDM = Broadcast Digital Migration

BRICS = Brazil, Russia, India, China and South Africa

CDA = Critical Discourse Analysis

COMSA = Communication Students Association

CPA = Critical Policy Analysis

CPE = Critical Political Economy

DCGH = Digital Content Generations Hubs

DoC = Department of Communications

DBMWG = Digital Broadcasting Migration Working Group

DTT = Digital Terrestrial Television

DVB-T2 = Digital Video Broadcasting – Terrestrial (Second Generations)

EU = European Union

FCC = Federal Communications Commissions

HDTV = High Definition Television

ICASA = Independent Communications Regulatory of South Africa

ICT = Information and Communication Technologies

ISDB-T = Integrated Services Digital Broadcasting – Terrestrial

ITU = International Telecoms Union

MII = Ministry of Information Industry (China)

OVHD = Open View HD

RRC06 = Regional Radiocommunication Conference of 2006

SAARF = South African Advertising Research Foundation

SADIBA = South African Digital Broadcasting Associations

SARFT = State Administration of Radio Film and Television of China

SMME = Small, Micro and Medium Enterprises

SOS Coalition = Save Our SABC Coalition

STB = Set Top Box

UNESCO = United Nation Educational, Scientific and Cultural Organisation

USAASA = Universal Service Access Agency of South Africa

Abstract

The objective of this study was to investigate how economic and political power relations between organisations involved in the digital migration influence the control of the policy process. Therefore, the research investigated whether the policies of digital migration are driven by profit motives or the need to accelerate universal access for television. The research applied the theoretical approach of critical political economy of the media, the Marxist ideology, global governance theories, and policy network theories in order to generate critical and analytical judgement for the research problem. In terms of methodology, the study applied qualitative research methodology by using a combination of document analysis and participant observation. In order to understand the political and economic context of digital migration policies, an analysis of documents such as policies, policy submissions; parliamentary briefings and press reports was conducted. The researcher also conducted participant observation in various seminars and public hearings.

The findings reveals that digital migration in South Africa was pushed by international forces which seek to benefit in terms of trading digital content and electronic equipment. It is not surprising that digital migration policy making in South African context is dominated by economic players with profit motives. Broadcasters, manufacturers and other actors who have a significant interest on digital migration are influencing policies which will benefit them financially thus ignoring universal access goals. The relationship between government and other stakeholders is a stable one as powerful economic players maintain a close relationship in order to influence policies. It appears that it will be very difficult for government to attain universal access of television while powerful economic players have major say whenever new policies are made.

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1. CHAPTER ONE: INTRODUCTION

1.1 Introduction

The South African government has announced that the country's public TV operators will be broadcasting on a digital signal by 2015. Digital broadcasting is considered as a milestone development since the advent of television (Kruger, 2008:1). It has the ability to provide quality sound and better picture, multi-video, interactivity and also High Definition Television (HDTV). There are several advantages linked with digital broadcasting; however, the process of migrating to digital broadcasting is set to be complicated because of time constraints, costs and the logistics involved. It is also not clear who is set to benefit from digital migration given the desire shown by different political and economic interests. The interplay between political and economic interest was investigated and the extent to which this will affect the fulfilment of universal access.

1.2 Research Problem

In a globalised environment, digital technological developments often take place within the context of informational capitalism which has some serious repercussions for policy making that is based on public interest. The state as the regulator often finds itself tied to the needs of local and global capital that is always expanding in search of markets for its digital technologies. As such, Chakravartty and Sarikakis (2006) argue that in the age of neoliberal globalisation and the global information society, the power of state in policy making is diminishing because of increasing market pressures. Governments are increasingly aligning their media policy to the economic interests of corporate forces in a bid to protect foreign investment, taxable revenues and the generation of employment (Chakravartty and Sarikakis 2006:6). As Murdock and Golding (2005:69) put it, economic formations in most capitalist societies are increasingly playing a more significant role in organising communication.

Albornoz and Leiva (2012:303) argue that technological development threatens the traditional model of policy making and the profit margins for the current economic players. With this in mind, the study investigates the complex political and economic

factors which influence digital migration policy in South Africa. It investigates whether the policy of digital migration is driven by the need for profit making by some players or by the need to expand the infrastructure to augment universal television access. There are fears that new media policies are driven by commercialisation and liberalizations of telecommunications sector in the 21st century (Murdock and Golding, 2009:118). In most instances, the media policies which are driven by profit-oriented institutions often come into conflict with social, cultural and political goals of policy (Ó Siochrú and Girard, 2002). Universal access of television is at risk in places where the policy making is based on liberal economic principle.

This study investigates whether the digital migration policies will accelerate universal access of television by bringing previously marginalised people with access to television or it will perpetuate their exclusion. Television is one of the crucial mass media tool to disseminate important information; however, the marginal population in South Africa lack access to television. As De Lanerolle (2012: 6) reports, 22% of South Africans lack access to television. Digital divide of television is often caused by lack of signal in marginal areas. In 2012, the reach for *SABC* 1 was 91, 2%, *SABC* 2 was 92, 5% and the *SABC* 3 was 82, 1% of population (*SABC* 2013: 10). This translates that between 8% - 18% of the population is excluded from *SABC* TV because their geographical areas fall within the shadow area of *Sentech* coverage.

Some people who have necessary means to access television might also feel excluded if large portion of content on television does not reflect their local languages and cultures. Berger (2013: 138) argues that there is a scarcity of local content in most television programming in Africa. Community and local programming is unsustainable because local content programming is very expensive in South Africa. It is not surprising that a large portion of television content consumed in South Africa is foreign and presented in English. The less educated people might feel excluded by the content presented in English only. This digital divide which is essentially about the inequality in access to information is caused by the underlying economic and political factors which are later revealed on this study.

The questions of digital divide have been raised concerning the lack of access to digital communications technologies since the world is going digital. South Africa is

not immune to digital divide as many people are excluded from accessing digital media. According to De Lanerolle (2012: 6), 66% of South African households do not have access to internet. Digital divide is still prevalent because the price of new technologies is too prohibitive to the large segment of society and these products are only reserved for small elite (Fuchs and Horak, 2008:23).

The concerns about digital divide have been raised for the long awaited digital migration project since the consumers will be expected to purchase a set-top box (STBs) decoder to allow them to access digital TV. The price of STBs is anticipated to be around R700 (approximately US$70). It is estimated that 5 million South Africans will not be able to afford this price considering the level of poverty and inequality in this country (BDM Policy, 2008). In an environment where commercialisation is dominant, there are fears that profit-oriented manufacturers might inflate the price of set-top boxes in order to maximise profits thus excluding the destitute. This exclusion will normally increase the number of people who belong to the information poor society.

Nevertheless, the Broadcast Digital Migration (BDM) policy 2008 as amended in 2012 indicates that government is willing to subsidize five million set-top boxes to enable poor households to continue receiving television signal in digital era. It is not clear where the funds will be channelled from given the massive burden by government in providing basic services. According to the dualistic technophobia theory, third world people consider technology as unimportant because more people are in need of food, water, clothing, shelter, electricity and a chance for education (Fuchs and Horak, 2008:28). There are large numbers of people in the country who do not have access to basic services like water, sanitation, electricity and housing (Census 2011). De Lanerolle (2012: 6) also concurs that 11% households are without electricity. It will be difficult to attain universal access of television if there is still a portion of population without access to electricity.

The subsidy scheme will be able to subsidize poor households that could not afford to pay approximately R700 for the STBs with 70% toward the cost of STB. *Universal Services Access Agency of South Africa* (*USAASA*) is the government agency which will be responsible for administering the subsidy scheme. However, it is not clear

how the subsidy scheme will be administered given the mammoth task in identifying poor television household who qualify and the logistics of distributing these STBs around the country will be massive. The government is excellent in proposing policies that favour universal access, but the effort to implement is always lacking due to lack of capacity, lack of funds and mismanagement of resources.

The multi-billion rand tender for STBs is also the battleground for different economic players looking to make profits. There are fears that economic players who have interest in profit making might form cartels between each other or those trusted with power in order to benefit more from government. Different tenders for housing, roads and other services in South Africa have not lived up to their expectation due to the greedy suppliers who were concerned about profit making. It will be extremely difficult for government to meet the universal access of television or to bridge digital divide while the cloud of corruption or private cartels is still hanging around without proper policing. The study will explore various economic and political factors that will act as a hindrance in the provision of universal access.

1.3 Research Questions

1.3.1 Who are the players involved in digital migration policies in terms of ownership, control and funding of the process?

1.3.2 What is the nature of relationship between the state and commercial actors in terms of power to influence the direction of policy?

1.3.3 To what extent does the digital migration policy enhance or undermine universal access of television?

1.4 The Context of South African Broadcasting Sector

The television broadcast sector in South Africa consists of two platforms, namely, analogue terrestrial and digital satellite. The analogue terrestrial platform which is about to undergo some serious transition to digital is a universal access service which caters around 60% of the population of low income groups. The digital transition in South Africa will be complicated by large number of people who rely on analogue terrestrial platform. Those who rely on the analogue terrestrial are able to access free-to-air television which includes SABC[1], e.tv[2] and the community television[3] in their respective areas. *M-Net*[4] is also available on the analogue terrestrial platform but on a subscription basis.

The later platform, digital satellite, will not be affected by digital migration as the platform is already in digital. This means that around 40% of the upper and middle class households will not be affected by digital transition. Digital satellite has been for a long time characterised as subscription television until the recent arrival of free satellite television which includes *Open View HD (OVHD[5])* and *Sentech Free-Vision[6]*. The migration via satellite platform will also be accelerated by the availability of free satellite and low cost packages from *DSTV[7]* and *TopTV*/*StarSat[8]*.

1.5 Literature Review and Theoretical Framework

The study investigates how economic and political power relations between organisations involved in digital migration influence the policy process. The study further examines how the political economy of the digital migration process will impact universal access. Therefore, the study will review literature from different scholars within the parameters of the research problem. The topic that will be covered under in the literature review includes the comparison between digital and

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[1] *SABC* is the South African public broadcaster with an obligation of universal access.
[2] *E.tv* is South African commercial broadcaster which is available on a free-to-air bases.
[3] Community Television includes *Soweto TV, Bay TV, Cape TV, Tshwane TV* and *One KZN.*
[4] *M-Net* is subscription channel which broadcast on analogue terrestrial.
[5] *OVHD* is the newly launched free satellite platform owned by Platco Digital, the sister company of e.tv.
[6] Freevision is also free satellite platform owned by Sentech. Sentech is the national carrier for terrestrial television signals.
[7] *DSTV*, a sister company of *M-NET*, is a pay television on satellite platform.
[8] StarSat was previously known as TopTV is also a pay satellite platform.

analogue television, how the broadcasting policies emerged in South Africa, the challenges and opportunities for digital migration by looking at the works from various scholars. The purpose is to demonstrate the gaps in literature and the contribution to be made by this dissertation to the body of knowledge.

The theoretical framework chapter will explore various theories that will help in generating critical and analytical judgement to the research problem. The theoretical approach of critical political economy, global governance theories and policy network theories will be explored in this study. The various theorist and authors will be considered in the theoretical framework chapter to give their perspectives concerning to the above-mentioned problems. The chapter will also explain how the study will contribute to the general theory in an African context.

1.6 Methodology

As stated earlier, the study will examine how digital migration policies in South Africa aim to deal with the question of universal access at the hands of various economic goals. Therefore, the study carried out document analysis of the Digital Migration Regulation from *Independent Communications Regulatory of South Africa* (*ICASA)* and the Broadcast Digital Migration (BDM) Policies from *Department of Communications (DoC)*. The two policy documents were analysed because they provide some crucial information such as the background, issues of funding, accessibility, ownership and power dynamics. The researcher also analysed various other document which plays the role in the creation of policies. Such document includes policy submissions, briefings to communication portfolio committee in parliament, and press reports were analysed.

The range of press reports were analysed to investigate the balance of power between several stakeholders. The press which plays the role of watchdog of state or any stakeholder abuse of power is a crucial player in digital migration. The press is also the place of contestation as different stakeholders voiced their dissatisfaction about unfair policy, mismanagement of funds and abuse of power.

In addition, the researcher also conducted participant observation of various event of digital migration such as seminars, conferences and ICASA public hearings. The research attended this event in order to understand some of the policy dynamics that he was not aware of. Different participant from different institutions such as *DoC, USAASA, ICASA, SABC, Sentech, e.tv*, *M-Net,* and interest groups were observed during this event.

The selected time frame for the collection of data was the year 2011 to 2013 because this was the period when South Africa was considered to be at an advanced stage of implementing DTT. This was also a good timing because important policies were readily available to the public. These include the Broadcast Digital Migration Regulation from *ICASA* which was released in early 2010 as well as the Digital Migration Policies from *DoC* which was released in 2008.

1.7 Findings and Discussions

The findings chapter outlines the results emanating from document analysis and participant observation. The findings revealed as to what are the main drivers of digital migration by analysing the documents such as policies, policy submissions, parliament briefings, press reports and the notes taken during participant observation. The control and ownership of digital migration was also discussed within the chapter. The findings also go on to discuss the relationship between the state and stakeholders who are involved in digital migration policy making. The chapter concluded by discussing as to how different political and economic stakeholders that are involved in digital migration enable or hinder universal access.

The discussion chapter discusses and interprets the findings in relation to various theoretical framework and literature. The global governance theory was discussed in relation to the influence of global players in pushing digital migration policies in South Africa. The sovereignty of nation-states in implementing policies was also discussed. The critical political economy theory was used in determining the influences of political and economic interest in policy making. In addition, the policy network theory was used to explore the way in which policies making involve diverse networks. The discussion chapter also revisits all the chapters in order to determine the relationship

between the research problem, literature and theory, methods and findings. This is done to evaluate whether the research questions were answered effectively or not.

1.8 Conclusions

The chapter began by outlining the basic background and the importance of digital migration in South Africa. The research problem also identified some of the issues that are worth to be investigated through research of this nature. The motivation for conducting the research and the three research questions that the research will attempt to answer were provided in this chapter. Lastly, the chapter also provided a preview of the literature review, theoretical framework, the methods, findings and discussion.

2. CHAPTER TWO: LITERATURE REVIEW

2.1 Introduction

This chapter begins by discussing and comparing analogue and digital television platform. It is revealed that digital television has more advantage than analogue television because of its capability to provide clear sound and voice, multi-channel features, interactivity and its convergence ability. However, digital television in South Africa will come at huge cost which can be calculated against these benefits. The challenges and opportunities that South African consumers and other stakeholders will experience due to digital migration will be the main area of contestation in this chapter. The chapter also reviews the government ownership of the policy making processes by revisiting the processes of making broadcasting policies in South Africa. It is worth noting that there is a political willingness in creating a universal access to television in the digital era; however, the lack of manpower or finances to fulfil the process is always a hindrance.

This chapter also reviews the ownership and control of digital migration policies by global forces of power. The main drivers of digital migration were revealed as the study reviewed four influential countries in four biggest continents. The countries reviewed are as follows: United States, United Kingdom, China and Brazil.[9] Lastly, the study will explore the concept of universal access from a global context in order to identify some of the universal access issues around the globe.

2.2 Analogue versus Digital Television

Kruger (2008:1) describes digital television as a milestone development in broadcasting since the advent of colour television. Digital television is also regarded as a significant technological advancement because it has an ability to provide quality pictures and sound, multiple video programming, and HDTV. Duncan (2012a) indicates that the digital migration process will be much beneficial to the consumers because this will lead to more channels with high picture quality. However, migrating

[9]These countries were selected from the four biggest continents which include: Europe, North America, Asia and South America. Purposive sampling was used to select one of the biggest or the most influential country from each of the four continents.

from digital to analogue will benefit some individuals and stakeholders, but some will be disadvantaged along the way (Albornoz and Leiva, 2012:303). For instance, the consumers who are mostly poor will be required to fork out R700 to purchase the STBs in order to access digital television.

What also distinguishes digital television from the current analogue television is the amount of information that digital television can deliver and the flexibility that broadcasters have to manipulate the form in which the information is presented to the viewer (Sandberg, 1999: 8). In addition, Mosco (2008:107) characterises digital communication as an 'information superhighway' because this allows the consumers to have instant and general access to all forms of data whereas analogue is characterised by low quality pictures and poor sound in some areas.

The reason for migrating from analogue to digital TV is necessitated by the fact that analogue requires a lot of bandwidth frequency to transmit one channel. According to Armstrong and Collins (2004:3), "digital systems encode (and decode) signals in a manner whereby inputs, whether sound or video, are converted into (and from) a single stream of zeros (0) and ones (1), or "ons" and "offs," in the electrical current". Since digital signals require less power to transmit, therefore digital transmission allows approximately six – to – ten digital channels to be squeezed into any single spectrum which normally accommodate one analogue channel (Cave, 2002:162). The freed up frequency can also be used for variety of communication functions including the provision of broadband function and other additional functions (Duncan, 2012a).

Digital television will also have the potential for multi-platform or multi-channels. The availability of more channels will mean that more content will be broadcast to the information poor society. According to Armstrong and Collins (2010: 15), one of the multi-channel characteristics is the possibility to "allow viewers to choose among multiple language tracks or multiple subtitling options for a single programme, including services for persons with disabilities." Curran (2003: 248) argues that in the digital world, the public will just pull what it wants from the media instead of the media industries pushing their content toward the public. However, it is not clear where the content will come from given the scarcity of local content in South Africa.

Curran (2003: 248) further indicates that “media consumption is becoming customised according to individual taste and the monolithic empires of mass media are dissolving into an army of cottage industries, making absolute industrial-age cross ownership laws”. Mark Poster (in Curran 2003: 248) defined the new digital media as “the second media age in which monopoly is being replaced by choice, the distinction between senders and receivers is coming to an end, and the ruled are being transformed into the rulers.” This implies that the audience could no longer be regarded as passive receivers of information, but active receivers who can shape whatever content they receive.

There are many more benefits that digital communication will provide to TV viewing public and one such benefit is interactivity. Digital TV, according to Flew (2003:19), is highly interactive because it gives the user a degree of choice to access of information and control in the outcome of using that information. The users of digital TV play an active role by interacting in charts, polls or comments on an immediate basis. In contrast, the users of current analogue television are very passive because analogue TV does not cater for immediate participation between content producers and the audience. Kushiari (2003) indicates that in the era of digital television, it is easy to request additional information about the television programme. The set top box has the ability to keep track of your favourite programmes, to provide TV guide and to provide the summary of movie which is currently playing (Minnie, 2003). Other interactive services which are available within a press of button includes supplementary services such as weather, traffic flow, e-government services, sports updates and even stock prices (Fontaine and Pogorel, 2006: 70; Webber and Evans, 2002: 438).

Another most important feature of digital television is convergence. According to Fontaine and Pogorel (2006: 55), convergence can be defined as the coming together of previously distinct services such as the provision of internet, radio, text services and video in one medium. In the age of convergence, the STBs will be similar to a stripped down PC, since it will allow users to store, browse and process a number of TV based services (Galperin, 2002:6-7). In addition, there is an opportunity for broadband and broadcast to converge in this digital epoch (Berger,

2010: 27 – 28). This implies that STBs will be designed with SIM-Card capacity in order to allow viewers to access internet via TV screen. Another advantage of convergence is the fact that radio services can be delivered via digital television platform (ibid: 37). This means that most radio services which are restricted to certain regions due to lack of frequency will now be accessible nationwide via DTT platform. With analogue TV, the possibilities of convergence are very limited since television was designed for viewing only (sender to receiver model).

It is clear that digital television has better features and characteristics such as multi-channels, interactive TV, convergence, and HDTV. However, the successful implementation of digital television will require a multitude of factors to come into play and costly resources should be spent on this process. Unlike other technological transformations which are evolutionary, the transition to digital television is a more revolutionary process which requires a complete retooling of the existing video production and distribution infrastructure, studio cameras and transmission towers (Galperin, 2004:3). For instance, content providers will be required to produce suitable digital programming, delivery of digital signals by broadcast channels, and the widespread purchase of STBs by consumers (Kruger, 2008:1). With the possibility that conventional ads can be skipped through a click of remote button, the digital broadcasting will also require current free-to-air broadcasters such as *SABC* and *e.tv* to find other revenue streams which will compensate the current ones.

2.3 Political Ownership of Broadcast Policies

2.3.1 Historical review of political ownership of broadcast policies

Historically, broadcasting policies in South Africa were arranged in a manner which was aimed at fulfilling the objectives of apartheid government and to protect Afrikaners identity. According to Steenveld and Strelitz (1994:38), there was a delay in the introduction of television due to debates in South Africa that television might have negative political effects on the apartheid government. These debates resulted in the establishment of the Meyer Commission of Inquiry in December 1969 (Steenveld and Strelitz, 1994: 38). The *Meyer Commission* of Inquiry consisted of

12-men with the task of investigating matters relating to political effects of television. Meyer Commission concluded in 1971 that “South Africa must have its own television service in order to nurture and strengthen its own spiritual roots, to foster respect and love for its spiritual heritage and to respect and protect the South African way of life, as it has developed here in its historical context” (ibid: 39). This assertion is in line with the political economy perspective that political factors often use their powers to influence technological changes within a given context.

The *National Party* viewed television as a threat to party political ideology because of its power in transmitting cultural images from the westernised world. The *National Party’s* stance is linked to an argument by Beaumont Schoeman (in Dawson: 2001:119) who argued that television “doesn’t respect differences, it breaks and loosens up cultures, it sweeps aside borders and eats away the values of communities.” This view led the apartheid government to intensify their media policies in order to strengthen their ideology. These actions demonstrate the extent to which broadcast policies of the past were used to promote apartheid ideology and the Afrikaner identity.

In 1994, apartheid came to an end and new policies were negotiated under the auspices of the Convention for Democratic South Africa (*CODESA*). The parliament established the *Independent Broadcasting Authority* (IBA) which is called *ICASA* today to regulate broadcasting in public interest (Lloyd et al. 2010:33). Therefore, the IBA launched triple inquiry to investigate broadcasting policy in the public interest. As a result, the three tier system of broadcasting which included public, commercial and community was adopted in 1996 (ibid). Leading to the introduction of digital migration policies, several other policies which served as the foundation to Broadcast Digital Migration Policies were introduced. This includes the ICASA Act (Formerly *IBA Act*), Broadcast Act of 1999 and the *Electronic Communications Act* of 2005.

2.3.3 Political ownership of digital migration

According to Duncan (2012a), “the process which started in 2005, has been state-led as the state assumed responsibility for securing public interest objectives on behalf of the citizenry”. However, there are several challenges which led to delays. According to Berger (2010: 34), the other delays in digital migration launch could be attributed to *ICASA* which delayed a frequency plan. *ICASA* which is widely considered as toothless has also found itself contradicting *DoC* policy on digital migration by proposing a revised switch-off date of 30 March 2012 (Armstrong and Collins, 2010:3). Duncan (2012a) argues that “delays work to the incumbent broadcasters’ advantage, giving them breathing space to lock down content deals that may create near-insurmountable barriers to entry for new broadcasters in future.” The same situation is evident in satellite television platform where a delay to introduce competition to *Multichoice* has allowed them to create barriers for new entrants.

Berger (2010: 76) has also noted that there is a policy vacuum when it comes to the issues of STBs. Lloyd et al. (2009:29) indicates that more than 5 million people will not be able to afford the proposed R700 for set-top-boxes. Government policy indicates that the poor will be subsidized with 70% to purchase STBs through the universal access fund (BDM Policy, 2008). However, government has up to so far budgeted only six percent toward the subsidies for STBs (Duncan, 2012a). Therefore, it is not clear where the rest of the state subsidy would come from given the massive amount of money set aside for other priorities such as education, health, housing and other basic services (Armstrong and Collins, 2004:8). Therefore, the country’s push for universal access will be undermined by more fundamental access issues such as water, electricity and housing (ibid).

On the other side, government will also be required to carry costly consumer awareness campaign in order to educate the consumers about the real benefits of migrating from analogue to digital television. Duncan (2012a) indicates that by the time government introduces consumer awareness programme, “the decisions that really matter will already have been sewn up by the experts, ready to be imposed on

the helpless citizenry." At the end of the day, the consumers who are in the dark at the moment will be forced to pay for the STBs which they did not ask for.

However, it is not clear whether government will be able to carry all the cost involved since the treasury has refused to grant sufficient funds needed to complete the process (Berger 2010:47; Duncan 2012b). A shortcoming to broadcasters is that digital broadcasting is likely going to pose a huge financial strain because of the high cost of equipment, dual illumination and also cost of programming on a multichannel platform (SADIBA, 2002:26). Duncan (2012a) indicates that "the digital migration process is running into trouble, partly because Treasury has refused to grant sufficient funds needed to complete the process." According to Armstrong and Collins (2010:12), "the *SABC* is calling on the state to provide additional core funding to its programming, but the treasury is unlikely to be forthcoming given the huge financial bailout it has recently had to provide to the public broadcaster." This time around it is not clear where the money to assist the SABC, USAASA and ICASA will come from given the other priorities that require immediate attention from government.

2.4 Economic Ownership of Digital Migration

It is understood that the key driver of digital migration in developed countries is economic in nature (Berger 2010:46). As a result, there is also a fear that "policy-making on digital migration is notoriously susceptible to industry capture, which can lead to a process driven by producer rather than user interest" (Duncan, 2012a). This clearly indicates that digital migration in third world countries will be undermined by the corporate interest who wants use every available opportunity to exploit the new digital markets. According to Berger (2010:46), broadcasters want the bigger share of markets through 'greater usage of TV airwaves spectrum'. Current broadcasters are scrambling for more channels in order to grow their market shares and reach. The dangers of industry capture in digital migration policies is the fact that powerful media conglomerates will find themselves preventing new players from entering into market in order to control most of the airwaves (Duncan, 2012a).

2.4.1 Current ownership of South African television

This section will discuss the different platforms of broadcasting in the post-apartheid South Africa in order to see where the ownership of the media lies. The two dominant platforms in South Africa are analogue terrestrial and digital satellite platform. The section will identify different players involved in each platform; give subscription figures and also their funding models. The amount of people who will be affected by the looming digital migration will also be identified.

Analogue Terrestrial Platform

The analogue terrestrial is available as free – to – air and subscription (*M-Net*). Free-to-air television refers to the services which are accessible to anyone with a television set within the country. According to BDM Policy (Paragraph 2.1.3), the free-to-air platform is available to approximately 7.5 million household and it carries all three *SABC* channels, *e.tv* and some community television in metropolitan areas such as *Soweto TV, Tshwane TV, Cape Town TV, One KZN* and *Bay TV*. The *SABC* is a public broadcaster in paper but their funding model does not resemble that of the public broadcaster. The SABC indicates that it derives its revenue from 80% of advertising, 18% license fees, and as little as 2% from government. The lack of funding from government is threatening the SABC chances of survival in a digital age.

E.tv, which was launched in 1998, is the first private free-to-air television in South Africa. According to *SADIBA* (2002:4), *e.tv* business model is along commercial principles and is largely dependent on advertising and sponsorship revenue. *E.tv* does not rely on licensing fees since it is a commercial TV station which does not have public service broadcasting obligation. The free-to-air broadcaster, *e.tv* has been facing some dilemmas with regard to generating enough revenue to sustain its programming (Armstrong and Collins, 2010:12). The *e.tv* and *SABC* which relies heavily on advertising revenue are likely to be affected by the move from analogue to digital as the audience will be shared among various channels.

M-Net, which was formed in 1986, is the first subscription television in South Africa (Lloyd et al. 2010:32). *NASPERS* is the parent company of *M-Net* and

MultiChoice/DSTV. *M-Net* broadcast on analogue/terrestrial platform on a subscription basis and is also available on *DSTV*. Since the advent of *DSTV*, it seems like *MultiChoice* has been encouraging most of its *M-Net* analogue/terrestrial subscribers to migrate to *DSTV* which gives them an array of channels. Nevertheless, 83,307 people are still using old *M-Net* analogue decoders (SAARF 2012). This 83,307 *M-Net* subscribers are also due to migrate from analogue terrestrial subscription to digital terrestrial subscription when digital migration commences.

Digital Satellite Platform

In 1995, *MultiChoice* launched the first digital satellite pay-television in South Africa known as *DSTV*. Catering for upper and middle class viewers, *DSTV* delivers 96 TV channels and 33 audio channels via satellite (*MultiChoice*, 2011). *DSTV* derives their revenue from user subscription and significant advertising. *DSTV* offers variety of packages such as *DSTV Premium*, *DSTV Compact*, *DSTV Select*, *DSTV Lite and DSTV Easyview*. *DSTV* is a significant player in South African TV market because they have over 4,7 million household subscribers in a country with 12 million televisions household (*Naspers*, 2013).

Multichoice/DSTV held a monopoly on Pay-TV platform for the past 25 years. In a bid to introduce competition, *ICASA* issued four licenses in the year 2007 to *Telkom Media*, *On-Digital Media*, *Walking on Water* and *e-sat*. Competition is considered to be unhealthy since it increases pluralism which means more choices for consumers. Media pluralism, according to Doyle (2002:11), refers to the number of different and independent voices present in the media. Of the four licences awarded, it is only *On-Digital Media (TopTV[10])* which successfully launched in 2010 with a strategy to offer pay television to low income groups. Due to *DSTV* dominance, *TopTV* has struggled to attract subscribers as its subscription was estimated to be 205,977 which is a very little as compared to over four millions DSTV subscribers (SAARF, 2012).

[10] *TopTV* was bought the Chinese Star Satellite. Today it is known as *StarSat*.

According to Armstrong and Collins (2010:5), “the affordability of digital satellite pay-TV has improved greatly in recent years in South Africa with the lowest-cost from *TopTV* and *MultiChoice/DSTV*.” The introduction of the cheapest package, *DSTV Easyview* which cost R29 per month is likely to make the DSTV services more affordable in poor communities. *DSTV* and *TopTV* also carry *SABC*, *e.tv*, and some community channels via digital satellite platform. This enables over four million South African household who have subscribed to satellite to access *SABC* channels with clear pictures, and better audio. However, there is approximately 7 – 8 million household who relies on free – air – television as they could not afford digital satellite subscription (Census, 2012: 99). The 7 – 8 million household who are on analogue terrestrial are ones who will be affected by digital migration. Government estimates that 5 million poor household will not be able to afford the STBs (BDM Policy 2008 Section 2.1.3).

2.5 Drivers of Digital Migration around the World

This section reviews the drivers of digital migration in four countries selected around the globe. The key drivers of policy making are reviewed from the following four countries from four different continents outside Africa; United States (North America), United Kingdom (Europe), China (Asia) and Brazil (South America). The selected countries are considered as regional powers within their respective continent.

2.5.1 United States (US)

The US was selected because it is considered as a global powerhouse in the issues of digital communication. However, digital migration was never as easy as anticipated because there were some dilemmas in the direction of policy. In 1996, the *Federal Communications Commission (FCC)* set aside 31 December 2006 as a target date for completing the transition from analogue to digital TV (Kwerel and Levy, 2006:26). Digital transition in the world’s powerhouse was characterised by tensions from diverse political, economic and cultural groupings (Paredes, 2002). Paredes (2002:4) points out that the US transition to digital TV was delayed due to political manoeuvring, economic disincentives, cultural resistance and the

September 11 terror attacks. As a result, most of the broadcasters in the US failed to have their signal on air by May 2002 deadline.

Broadcasters failed to co-operate because the *FCC* policies were imposing predetermined policy model to deal with various interests (ibid). As a result, the US then adopted market orientated policies in order to address various stakeholder groupings (ibid: 6). According to Galperin (2002:11), the US transition was marked by the deliberate effort to protect the interests of particular private entities such as the incumbent broadcasters. The US DTT policies promoted anti-competitive behaviour as the new entrants broadcasters were prevented from seizing the opportunities provided by digitization (ibid). Most of the US communication conglomerates with significant footprint all over the world seized the opportunity provided by digitization to maintain their global footprints. As a result, the US government has failed to meet its universal access target because the policy making in the hands of the market ignored the provision for universal access.

The criterion from the US legislation of 1997 was that analogue signal will only be switched-off if more than 85% of the population have access to digital TV (FCC 2007). According to Kwerel and Levy (2002:32), "only about 3.3% of the US television households as of the end of 2004 either had an integrated TV receiver or a set-top box capable of receiving digital TV signals and converting them to analogue." Parades (2002:6) also indicate that the US migration was delayed on several occasions because the consumers did not see the incentive of migrating to digital TV. The consumer uptake was also very slow due to lack of information about the real benefit of digital TV to consumers. In one of survey conducted in the US – 83% of the respondents were somewhat not aware about digital migration (GAO, 2005:5).

In addition, the price of digital TV sets was five times higher than that of analogue (Paredes, 2002:6). Some low income household in the US were still consuming analogue broadcast because they were too poor to afford equipment for migration (Armstrong and Collins, 2010:5). In a bid to bridge divide, the legislation also undertook to subsidise poor households toward the cost of purchasing the set-top boxes (Kwerel and Levy, 2006:34). Parades (2002:7) also indicates that the other causes of delays could be attributed to the failure by manufacturers to incorporate

digital turners in analogue TV sets, the lack of high definition programming, and the refusal by operators to carry both digital and analogue signal simultaneously. As a result, the switch off date for analogue was postponed from 31 December 2006 to 17 February 2009.

The US only managed to switch-over its terrestrial signal to digital by 12 June 2009. Digital migration in the US was a complicated process, even though the US was only obliged to migrate roughly 12% of the television household which relied on terrestrial television (Lennett et al. 2011). It is estimated that 88% of the US television households were not affected by digital switch-off because they were already receiving television via satellite, cable and internet protocol TV (Lennett et al. 2011). The cable platform which is the most popular television platform has been offering both analogue and digital transmission since the early 1990s and approximately 17% are still receiving analogue television via cable transmission (Lennett et al. 2011). In South Africa, where 70% of television household relies on analogue terrestrial, the digital switch-off will be a huge task.

2.5.2 United Kingdom (UK)

The UK was reviewed because this is considered as a leading country when it comes to digital television in Europe and around the globe. According to Berger (2010: 20), the digital transition in Europe was highly driven by frequency interference between countries. By the end of 2007, the UK had the highest uptake of digital television in Europe as more than 76% of the UK homes were already receiving digital TV (Syfret, 2008:8). The success of the UK transition to digital television can be attributed to the *BBC* extensive public campaigns to inform all the stakeholders about the benefit of the transition (GAO, 2005:9).

In addition, studies were also conducted to measure the experience of consumers concerning to digital TV transition (GAO, 2005:9). However, the studies found that DTT penetration among *BBC* Freeview (terrestrial analogue TV) household was very slow. Despite extensive public campaigns from *BBC*, many terrestrial free-to-air viewers were confused about DTT. Iosifidis (2005:65) argues that “converting those households required more efforts, particularly towards raising consumer awareness

campaign and knowledge about the likely benefits of digital TV." This is because most of the people who relied on Freeview were late adopters, traditionalist, fear of debt, lowest socioeconomic status and are suspicious of new products (Rogers, 1983).

According to Iosifidis (2011:3), digital TV policies in the UK "are largely determined by the markets, political contexts and supra-national influences, notably European Union (EU) audio-visual policy which puts pressure on member states to speed up digital switchover." The media policies of the EU are now decided at the supranational level with an attempt to transform the EU region to into a large scale economy (Sarikakis, 2002: 79). As Herman and McChesney (2001: 110) put it, "the EU, commissioned to establish a single European market, and has been in the forefront of the efforts to deregulate and privatize or what is termed 'liberalize,' the telecommunication and information industries, and to make a continental, rather than a national business empires a norm." As Berger (2010: 20) stated, the supranational influence of the EU can also be seen in the *International Telecoms Union* (ITU) where they have massive representation. The decision that countries around the world should migrate by 2015 was agitated by the interest of European sector seeking to benefit from sales of electronic equipment worldwide (Berger, 2010: 20).

The supranational influence of the EU has also led to massive harmonisation of laws and deregulation in an attempt to allow free trade and to maintain Europe's global competitiveness (Sarikakis 2002: 80). According to Sarikakis (2002: 83), "the communication policy focus shifted from a primary concern for information freedom for the citizen to participate in the political system, into freedom of the consumer to make market choices." However, the European Parliament made provision to protect cultural diversity through maintaining the system of public service broadcasting (PSBs). This meant that the policies were created to ensure that the PSBs were not subjected to commercialisation and other market forces which threaten local cultures and minority languages. As a result, the proponents of the free market "have attacked the PSBs for being subsidized by the state and therefore an obstacle to the functioning of free competition among companies with equal rights" (Sarikakis, 2003: 84).

Digital television in the UK was welcomed by cable and satellite operators with a desire for massive investments (Cave, 2006:107). Consequently, broadcasters in the UK also came to the rescue of government in order to make migration successful. Iosifidis (2005:62) indicates that *BSkyB* subscription television also played a role in making digital TV more affordable by offering free STBs to its subscribers from 1998 – 2001. *BBC* and its stakeholders in the UK also formed a non-profit company which was called *Digital UK (formerly known as Switchco)* which played a role in digital uptake (Cave, 2006:115). The UK digital switch-off was done in a phased approach in different regions from 2010 – 2012.

2.5.3 China

China is the member of *BRICS* which is an association of emerging economies such as Brazil, Russia, India, China and South Africa. Digital migration in China has been hampered by differing political and economic interest attached to it. China, which is fastest growing economy in the world, began with the process of digital migration in 2002 (Feng et al. 2009:334). By the end of 2005 the uptake for DTT was only 1% which was very low as compared to the world average of 13% (Fend et al. 2009:335). Yong et al. (2012: 43) argue that digital transition has been patchy and the uptake was behind schedule. The government of China is planning to shutdown analogue transmission from 2015 and to discontinue analogue completely by 2020 (Yong et al. 2012: 7).

The Deputy Minister of the *State Administration of Radio Film and Television* of China (*SARFT*) identified four factors that hinders the development of digital TV in China, these included (1) 'tradition of viewers' (2) 'immature technologies' (3) 'disputes over economic interest' and (4) 'social institutions under transitions.'

Administrative infighting between different organs of Chinese government is also cited as one of the hindrances in China digital TV penetration. According to Feng et al. (2009:336), the supervision in terms of communications policy making in China is divided into three parts. Firstly, the *Central Propaganda Department* is the decision maker in terms of content; secondly, *SARFT* is responsible for overseeing broadcasting; thirdly, the *Ministry of Information Industry* (*MII*) is responsible for

regulating telecommunication and postal services. Convergence of technologies has led to both *SARFT* and *MII* to dispute about which is the legitimate organ of state to supervise digital television project. Both *SARFT* and *MII* are currently claiming the authority over digital migration project (Feng et al. 2009:336). This interplay between *SARFT* and *MII* is also underpinned by different economic interests who are attempting to further their profit-oriented goals and objectives (Feng et al. 2009:338).

2.5.4 Brazil

Brazil is also a member of *BRICS* which is grappling with digital migration. According to Albornoz and Leiva (2012: 302-303), Brazil which is considered as one of the rising power in the world of technology and economy is seen challenging the dominance of the US and Europe. This challenge was evident when Brazil opted for the Japanese standard of broadcasting (ISDB-T). Brazil is seen using its regional influence to negotiate for the adoption of its technological inventions in South America, Africa and the *BRICS*.

It is very crucial to review the political economy of digital migration in Brazil because it is considered as the developing country at a similar pace with South Africa. Approximately 90% of Brazilian population (53 million television households) relied on terrestrial (free-to-air TV) for news, current affairs and other national programmes (De Holanda et al. 2008:20). Galperin (2006:46) indicates that digital TV in Brazil was given a national priority in the national agenda. For Brazil, DTT was considered as the valuable means to bridge digital divide (De Holanda et al. 2008:20). In one of Brazilian consumer surveys conducted by CPqD (2004), the most important attributes for DTT were image quality, multichannel, sound quality, citizen information, programme recording and government communication. However, the huge gaps of inequality between the rich and the poor were seen as complicating the transition to DTT in Brazil.

According to the *Farncombe Consulting Group* report (2010), the higher price of STBs and digital receivers appears to be hampering Brazil efforts to migrate from analogue to digital TV (Farncombe Consulting Group, 2010:3). The intake of digital broadcasting services in Brazil is somewhat unsatisfactory due to high cost of

Japanese ISDB-T STBs. Due to market forces, the price of STB in Brazil is considered to be around R1840 (US$ 180) and the demand for such STBs are considered very low (Farncombe, 2010:14). Three years since the launch of digital television, only two percent of the 53 million Brazilian television households have migrated from analogue to digital (Farncombe, 2010:13).

2.6 Universal Access Issues in a Digital Age

The issue relating to unfair distribution of information is the most pressing political issue in the information society (Feather, 1998). Murdock and Golding (2006:129) argue that there has been a political concern in the UK emanating from the huge gaps of inequality that are likely to feature in the distribution of digital technologies. Attempts by political actors to deal with this issue were noticeable in the earlier 2000s in the two World Summits on the Information Society (Yu, 2006:244). The creation of the *Digital Solidarity Fund Task Force* and also the drafting the Financial Mechanisms for Meeting the Challenges of ICT for Development were some of the indications that there was willingness to solve the issue of information inequality.

However, world governments in their policy making efforts are now faced with the challenges of different policy directions (Yu, 2006:244). The policy consultation process is often dealt a major blow by different recommendations from researchers, business, and other interest groups. Yu (2006:244) further indicates that "disagreement also exists among different theoretical perspectives or point of views with some recommending larger market roles and some recommending greater government intervention." As a consequence, it is often very difficult for the government to form an effective government policy which will address differing political and economic perspectives.

In most capitalist societies, there is a growing tendency toward marketisation policies. Murdock and Golding (2009:118) define marketisation policies as "all those policy interventions designed to increase the freedom of action of private corporations and to institute corporate goals and organizational procedures as the yardsticks against which the performance of all forms of cultural enterprise are judged." The trend of marketisation also drives the price of the communication

products up; this is therefore going to see the majority of people who are poor excluded in the information society (ibid). The extent to which other people are excluded from information society can be considered as the violation of article 19 of *Universal Declaration of Human Rights* which says everyone has the right to receive information from the media without any frontiers (United Nations, 1948).

2.6.1 Rogers diffusion model of innovation

In the digital age, it is very important to apply Rogers' diffusion theory of innovation to measure universal access penetration. Rogers's diffusion of innovation theory is the model which is used to measure take up of digital services in the field of communication (Rogers, 1983). The diffusion of innovation model indicates the amount of time it will take for the population to adopt the newer communication technologies. The table below gives categories of an adopter, the percentage of users per annum, the number of years it takes to adopt and the personal characteristics of adopters (Rogers 1985 in Webber and Evans 2002: 439).

Rogers Diffusion Model of Innovation (Rogers 1983)

Phase	**Categories of Adopter**	**User per annum (%)**	**Personal characteristics**
1st phase	Innovators	2.5%	o Venturesome, higher educated, use multiple information sources o Eager to try new ideas and products o Have higher incomes o Better educated than non-innovators o Much more reliant on group norms
2nd phase	Early adopters	13.5%	o Leaders in social setting, slightly above average education o Oriented to the local community o Tend to be opinion leaders o Collect more information o Evaluate more brands than early adopters
3rd phase	Early majority	34%	o Deliberate, many informal social contacts o Rely on friends, neighbours and opinion leaders for information and norms

			o Adopt because most of their friends have already done so o For them, adoption is the result of pressure to conform
4th phase	Late majority	34%	o Sceptical, below average social status o Are older than the others o Tend to be below average in income and education o Do not rely on the norms of the group o Independent because they are tradition-bound
5th phase	Laggards	16%	o Fear of debt, neighbours, traditionalist and friends are information sources o Have the lowest socioeconomic status o Are suspicious of new products o Alienated from an advancing society

2.7 Conclusion

In concluding, this chapter indicated that digital television has some of the most important features than analogue; however, there are still some fundamental issues of accessibility which are likely to hamper the progress of digital TV roll-out. The chapter also explored some of the major players in the process of digital migration in South Africa and also identified some key challenges which are likely to interrupt the progress. Furthermore, the chapter revisited some of the global drivers of digital migration by reviewing digital migration in four influential countries. In addition, the chapter also identified that the cause of digital divide around the world can be attributed to the market interest and the failure of state to promote public interest. In relation to the contextualisation of a research problem, the next chapter will discuss the theory of critical political economy, the Marxist theory, the global governance theories and policy network theory.

3. CHAPTER THREE: THEORETICAL FRAMEWORK

3.1 Introduction

This chapter discusses in detail the theory of critical political economy and the extent to which this theory can be applied in the policy research. This chapter considers various works from the authors who played a key role in explaining the concept of critical political economy such as Desmond Hesmondhalgh, Graham Murdock, Peter Golding, Robert McChesney and others. This chapter also draws the link between global political economy and the theory of political economy which concerns itself about the practice of capitalist ownership in policy making. With this background, the chapter also discusses the role of policy networks in the outcome of policy. Furthermore, the chapter also critiques policy transfer in a global sphere which is driven by certain political and economic agenda. Finally, the chapter will discuss how universal access principles can be defended through different theoretical intervention.

3.2 Critical Political Economy Theory

The theoretical approach to best explain mass media ownership and control processes of digital migration is critical political economy (CPE) theory. This approach is very crucial in the study of policies since it is regarded as the most important tool of explaining how media ownership and structures work. This approach is applicable in the context of this study as the research problem seeks to investigate how economic and political power relations between organisations involved in the digital migration influences the control of policy process. In essence, the theory is very useful in determining how power is distributed, exchanged, or exercised in the making of digital migration policies.

CPE is concerned about an increasing role of private ownership in political decision making (Hesmondhalgh, 2007:33). In addition, “CPE approaches to culture are so heavily critical of the media and cultural corporations and their allies in government” (ibid: 33). According to Graham (2007), political economy of media is “the study of how power is produced, distributed, exchanged and exercised (the political) and how

values of all kinds are produced, distributed, exchanged and consumed (the economic)."

Murdock and Golding (2005:60) describe CPE as follows:

- It is *holistic* in the sense that it views the economic, political, social and cultural life as interrelated to the economy. The line between the political and economic power has become so intertwined to such as an extent that media moguls use their power to decide political ends (Street 2001:130).
- It is *historical* because it is concerned about long-term changes in the role of industry players.
- It is "centrally concerned about the balance between the capitalist enterprise and public intervention."
- It "goes beyond technical issues of efficiency to engage with the moral questions of justice, equity and the public good."

The key concern for critical political economic approach is the impact of economic dynamics on the range and diversity of public cultural expressions and its availability to different social groups (Golding and Murdock, 2000:73). Totale (2003) argues that political economy "examines how different economic structures of the media influence the content of the media." Modern media companies view themselves as businesses, sites of investment and sources of employment (Cottle, 2003:3). According to Cottle (2003:3), the basic difference between media industries and normal business is that "the media companies characteristically produce and supply commodities and content that are essentially symbolic in nature and these symbols enter into life of society." The economic players who are involved in the business of cultural production make and circulate products that have an influence on our understanding about the world (Hesmondhalgh, 2007:3).

3.2.1. Relationship between the state and media market

The relationship between the state and the market is not always a clear cut because the two can often be linked in contradictory ways. This relationship also varies from one state to another. In some governments, the relationship is interdependent. According to Curran (2000: 123), the media relies on the state for business friendly

policies, whilst the state relies on the media for favourable coverage. Wasko (2004: 320) argues that the media in the US relies on the state for policies that will ensure their economic viability. Consequently, political actors are now involved in decision making that can benefit the profitability of media business empires (Curran, 2000: 123). As such, this looks like a corrupt relationship as the media may be tempted to give government a positive coverage in return of favourable policies.

However, the classical liberal theorist views the state as most dangerous entity because of its perceived power to monopolise the processes of policy making (Curran, 2000: 122). The case of the classical liberal can be true to some governments that are undemocratic. In this analysis, the media often becomes the subject of restrictive laws and regulations, threats of freedom of expression and that of nationalisation (Curran, 2000: 125).

3.2.2 Political economy in the digital age

The study of political economy recognises the fact that new digital media will bring along a variety of media product and services that promote access to the media. However, the key concern for critical political economy of new media is about the structures and the process of power embedded with the digital technology (Mansell, 2004:4). According to Mosco (2008: 54), digital media brings along a number of platforms that will open new possibilities that will turn the audience into saleable commodities. The process by which new media is used for capital gains by corporate owners is called ‘digital capitalism’ which is likely to retain the dominance of rich nations and reinforce the gap of inequality between the rich and the poor (Mosco, 2008: 54).

The key focus for political economy is how the scarce resources are allocated within the society and the consequences for human actions. The unequal distribution of power and resources in digital media contributes to a deeply rooted inequality thus giving rise to digital divide (Mansell, 2004: 3). Digital divide refers to the “huge gap in access, usage, and content opening between the wealthy countries and the poorest countries, between urban areas and rural areas” (Ó Siochrú et al. 2002). In the age of new media, only people who have financial means can afford to have a computer,

network and the skills to use such technology. Curran (2003: 260) argues that “the 6% of the net users in the world are recruited primarily from the affluent; they consume content generated mainly by the rich centres of the world; and they communicate usually in a language that most of the world do not understand.” This entails that the ‘information rich’ will be able to interact on the issues involving their political and social rights and the ‘information poor’ society will be left out (Straughbar et al. 2009:43).

As Curran (2002:55) contends, digital capitalism will give rise to the new centres of power. These centres of power will also challenge the government authority and undermine regulation. The internet is the prime example to illustrate the extent to which government regulatory authority is challenged. It is understood that since the birth of cultural industries, the long traditions of public regulations have been dismantled in favour of self-regulation (Hesmondhalgh, 2007:1). It is very important to investigate the impact that political and economic factors will have on digitisation because several studies suggest that digital media has become more market driven to the extent which the public service role of media has been side-lined (Mano, 2005:52).

New digital media presents big challenges for both national and international policies. According to Mosco (2008: 55), digital capitalism creates a serious challenge for national government as their roles are now comparable to that of a spectator. This is with exception to the US because every decision concerning new media, privatisation, liberalisation and commercialization in a global sphere are shaped there (Ó Siochrú et al. 2002). According to Curran (2003: 260), “these advantages help to create privileged centres of online communication.” The US also holds monopoly when it comes to content production because vast amount of the digital content is produced there. Most of media conglomerates which account for a high proportion of content production are already operating from the US.

On the other side, the introduction of digital media is also seen as a challenge to capitalist owners who are driven by the need to make profit. According to Mosco (2008: 55), “the widespread availability of information and communication technology makes it difficult for capitalism to preserve the legal regime of private property that

historically limited flows of communication and information." Digital technologies are seen as challenging the ideas of traditional methods of production and consumption of the media text. Since digital television enables consumers to interact with the senders of text, to pause live television, to listen to radio channels, to access limited internet – this has serious impact on the market share of producers and distributors of text. The current regulatory mechanism thus needs to be completely overhauled in order to address all the challenges brought by digital media (Ó Siochrú et al. 2002). However, the regulators often find it difficult to catch-up with new technological developments that are happening at an alarming rate.

3.3 Marxism Theories

Another area of concern for the critical political economy is that "ownership and control by wealthy and powerful ultimately lead to the circulation of texts that serve the interest of the wealthy and powerful owners" (Hesmondhalgh, 2007:34). Marxist perspective can best explain the extent to which economic ownership serves the interest of the elite at the expense of the poor. The Marxist approach has influenced several social thinkers in the 19th century. The following statement can be applied in the ownership and control of digital media:

> "The class which has the means of material production at its disposal has control at the same time over the means of mental production... Insofar as they rule as a class and determine the extent and compass of an epoch, they do this in its whole range, hence among other (they) also regulate the production and distribution of the ideas of their age: thus their ideas are the ruling ideas of the epoch" (Marx and Engels in Murdock 1995: 126).

The Marxist perspective which is open to more than one interpretation is also applicable to South African context whereby the cultural industry is controlled by the few elite individuals. Straughbar et al. (2009:42) argue that the dominant group in a society dictates on what the public should view, read or hear in the media as these groups own large corporations. In this view, the dominant group creates the ideas favouring their continued domination – this includes the consensus that it is normal to have inequalities (Straughbar et al. 2009:42).

The Marxism approach views the media as one ideological arena in which the capitalist society exercises its dominance in the classless society (Curran, 2002:108). Furthermore, the media is also responsible for relaying the ideas which are consonant with the interest of the dominant class in which opposition ideas are side-lined (ibid). Marx also predicted that “the owners of the news communications companies were members of the general capitalist class and they used their control over cultural production to ensure that the dominant image and representations supported the existing social arrangements” (Murdock, 1995: 126).

3.3.1 Liberal pluralism

However, the Marxist ideology was challenged by liberal pluralism for not taking into account the human agency. The liberal pluralism views society as a complex of competing groups and interests (Gurevitch et al. 1982). This view sees the media organisations as institutions that are autonomous from the state, political parties and media owners. The relationship between media institution and their audience is seen as voluntarily on equal terms. The audience is also seen as responsible for manipulating the media product since they have a right to ‘conform, accommodate, challenge or reject’ (Gurevitch et al. 1982: 1). This theory is very essential in analysing the role of society in a digital converged environment where the audience is no longer just the receivers but the contributors in the making of messages.

3.3.2 Economic determinism

On the other side, economism sees the economic base of society as determining everything in the superstructure (Chandler, 2000). According to economism view, 'the contents of the media and the meanings carried by their messages are... primarily determined by the economic base of the organizations in which they are produced' (Curran et al. 1982: 18). This is to say, the commercial media organisations are determined by the demand and supply when producing content for mass consumption. Contrary to this view, Curran (2000: 129) argues that “consumers are reactive rather than proactive” in the sense that they are bound to

view or read what is offered to them without choice. Consumer influence in the media has been constrained by media oligopoly.

As the Marxist perspective puts it, “the desire of the capitalist class is to take-over and controls as much industries as possible” (Murdock, 1995: 127). The tendency by the capitalist owners to make profit has led to the process of media oligopoly or concentrated media ownership. Concentration, according to Picard (1998:61), refers to “the degree of market control enjoyed by the largest firms in an industry.” Albaran et al. (2003:41) argues that “mergers, take-overs, acquisitions and alliances that make strong media groups even more powerful to continue to dominate the activities of the media companies.” The strong argument in favour of concentration according to McChesney (2003:30) is that “firms must become larger and diversified in order to reduce risk and enhance profit making abilities and they must never allow to be outlawed by competitors.” Contrary to the view of economism, there will be lack of choices if the market is dominated by the few individuals.

While concentration is good for foreign investment, its presence will have a strong impact on diversity and pluralism. According to Bilir (2005:11-12), the “concentrated media gives the media owner a potential power to influence public opinion in his favour and preventing counter view from reaching the public”. Furthermore, concentration of media ownership will result in a lack of differing voices in the media and also lack of separate and autonomous suppliers of the communication product in the media market (Doyle, 2002:11). Doyle (2003:13) maintains that “in whatever form they take, media concentration implies that the supply of media is dominated by few rather than many independent owners.” Therefore, the threat of media market concentration is that higher level of market domination creates a barrier for new players to enter the market.

3.4 Political Economy of Media Policies

Critical political economy theories are more concerned about the extent to which major corporations always have a major say in media policies and regulations (Hesmondhalgh, 2005:162). According to McChesney (2004: 3), these major corporations use their dominance status to defend their interest and they use

propaganda to defend their privilege role in a society. In policy making, these corporations are very powerful to such an extent that they can use their powerful policy network to lobby government to adopt their favourable policies. McChesney (2004:7) contends that the economic forces have taken control of both media entities and the policy making processes. In other countries like the US, the big corporate often resorts to corrupt relationship with policy makers in an attempt to determine policy direction (ibid: 5).

Economic owners also use the power of mass media to downplay the policies which they think are not favourable to them (Straubhaar et al. 2009:34). According to Straubhaar et al. (2009:34), the media has the power to convince the public to accept the hegemony of ideas that keep the owners at the top of society. The influential groups and powerful individuals influence the direction of policy groups during the process of bargaining within the polity (Papathanassoupoulus and Negrine, 2010:13). The problem with the economic ownership involvement in policy making is that they will influence decisions which will have serious setbacks to cultural systems and universal access (McChesney, 2004:7). There is lack of participation from the public and as a result, they are not fully represented by the decisions taken by the economic players with their political allies.

In a globalised world, the role of the state in enforcing media policies is decreasing due to this market pressures (Chakravartty and Sarikakis, 2006:7). Modern day states are more concerned about the protection of foreign investments, exports, taxable revenues and generation of employment than the wellbeing of the citizens within the particular country (ibid, p7). The study in Europe by Murdock and Golding (2009:120) indicates that the regional block for Europe has called for the less regulation in a bid to promote its market activity. This is seen as the strategy to keep the European Market within its competitive market; however, this might have a serious setback on cultures.

3.5 Global Governance Theory

The theory of global governance is also useful in this research because of the globalisation phenomenon. The dominance of global structures in policy making

comes with positive and negative spin-offs. The theory of globalisation is very crucial for this research as it problematises the ownership and control processes of policy making in a global context. In a digital converged environment, the role of states in making policies has been challenged. The section also takes into account the sovereignty of states in making policies and the influence of global factors. Various theoretical approaches of global governance theories are discussed in relation to the current research problem.

Global governance theory emerged during the end of the cold war when all the barriers to international trade and governance were eliminated (Hewson and Sinclair, 1999: 4). According to Ó Siochrú et al. (2002: 16), the importance of global governance was to enable mutual beneficial interaction and to avoid destructive warfare between countries. Therefore, international governance was created “to fulfil services that are of mutual benefit, such as setting standards or coordinating radio frequency use” (Ó Siochrú et al 2002: 21). There are objectives which can be better achieved through co-operations and agreement between more countries than an individual country. For example, the issue of interference in frequency between neighbouring countries was virtually impossible to solve without global governance.

There is a diminishing state power in policy making due to the fact that crucial policy decisions are now taken at a global arena. Today, the sovereignty of the small and marginalised states is threatened due to global power shift. Globalisation has weakened nation-state border in favour of one unified state or international regulatory body. Globalisation fosters the deep integration between states and the need for collective management (Steans, 2002:93). Therefore, the phenomenon of globalisation is seen as a hindrance to marginalised nation-state ability to make its own policies. While globalisation poses challenges to media policy-making, the sovereignty of nation-states cannot be underestimated. The sovereignty of nation-state is also evident even in the EU region where regional integration is very advanced. This makes the interplay between global, regional and domestic factors in policy making far more complex than one can imagine.

The United Nations which is at the centre of globalisation is surrounded by global conglomerates who seek to influence the direction of international public policy (Held

and McGrew, 2002:1). The ITU is one of the United Nations specialised agency created to deal exclusively with the communication and telecommunication programmes. The main objective of the ITU is “to provide a forum in which its members can cooperate for rational use of telecommunication” including the adoption of policies to deal with telecommunication issues in the global information economy and society (ITU, 2011). However, the US and its western counterparts are seen using the *ITU* and other *UN* institutions to advance their economic and political agendas.

In the 1980s, for instance, the US, Britain and Singapore threatened to abandon the *ITU* if it refused to allow competition, privatisation and greater role for WTO in communication and information services (Winseck, 2002: 20). As a result of these threats, the ITU bowed to the pressure by considering free trade in communications under the neoliberal principles as advocated by the WTO. According to Ó Siochrú et al. (2002: 56), the WTO is now considered the single most powerful players in the global governance of media and telecommunications. The attempts by the developing countries to push for *New World Information and Communication Order* were also thwarted because the west did not support such establishment.

The *ITU* and all UN partnering institutions are governed by neoliberal market policies. According to McChesney (2004: 7), neoliberalism refers “to the set of national and international policies that call for business domination of all social affairs with minimal countervailing force.” Neoliberal policies are therefore driven by the notion that the market is capable of delivering on society’s needs (Steans, 2002:95). However, the policies tend to turn a blind eye to the unequal distribution of resources and the citizens are no longer defined as citizens, but as consumers. Because of neoliberalism policies, media concentrations, commercialisation of the media, emergence of global media conglomerates and also the suppression of effective regulations are very common in the communications sector (Ó Siochrú, 2005:207).

Chakravartty and Sarikakis (2006:7) argue that the sovereignty of the nations is threatened by the transnational corporations which also undermine local democratic accountability. The extent to which global structures such as *ITU* and *WTO* dictates what happens on the national level threatens the social, political and cultural roles of

the media within their sovereign country (Ó Siochrú et al. 2002). In this kind of situation, the global companies which are mostly from the US are spreading their operations throughout the world like a wildfire (McChesney, 2004: 8). These global conglomerates define local citizens as consumers through demand and supply mechanism. Furthermore, global corporate media respect no culture or tradition if it stands in the way of profits (ibid: 15). Bagdikian cited in Baker (2006:54) also asserts that democracy would be much better was it not for the fact that 25,000 media outlets are controlled by 5 huge major conglomerates in the US. In this situation, better democracy would be attained if these 25,000 media outlets were controlled by rather diverse media owners who are autonomous (ibid).

Murdock (1995: 120) argues that "the communication industries are increasingly dominated by conglomerates with significant stakes in a range of major media markets giving them an unprecedented degree of potential control over the range and direction of cultural production." Global conglomerates such as *Time Warner* and *America Online* are using their political power to determine the media order (Street, 2001: 124). These global corporations wield so much power to such an extent that they can make politicians look small in their presence. Furthermore, they attack regulations that threaten them and also give considerable amount of media space to politicians who support their ideology.

3.6 Policy Network Theories

The policy network theory will be more useful in this study since this theory consists of different conceptual frameworks that are applicable in policy analysis. The most crucial discussion for policy network theory is the extent to which it suggests the involvement of other institutions such as interest groups, civil societies and non-governmental organisations in policy making processes. This is seen as the shift from policy making that is dominated by government and market players. The policy network theory is based on the premise that large numbers of strong networks are capable of changing the policy positions so that it serve the best interests of everyone. Therefore, policy network theory appears to be the most useful theory in policy research. This theory proposes for the shift of power from influential political and economic factors to the network influence.

According to Adam and Kriesi (2007: 129), “the policy network is a more recent policy dynamic which was strongly influenced by inter-organisation theory.” The policy network theory came into existence since “the state contributes a special type of force of policy domain as they have access to particular resources; their decisions are binding in society and are backed by the legitimate use of force” (Adam and Kriesi, 2007: 134). The other factor that led to rise of policy network theory includes the ineffectiveness of the government in coordination, implementation, incomplete attainment of legally prescribed goals and struggle over authority.

It is mentioned in Simeon (1976: 549) that politicians operate in a framework that is limited by the public administration mandates arising from ruling political parties. As a result of bureaucracy and administration, some policy designs struggles to balance their benefits to different social grouping and individuals (Ingram et al. 2007:94). The theoretical premise of the policy network theory is that different private and public actors are dependent on each other to achieve their goals. As a result, the policy networks involve actors such as political parties, interest groups and non-governmental organisation or social movement organisations (Adam and Kriesi, 2007:134).

Policy network is the new form of governance which encompasses the great scope of sectoralisation, decentralisation, fragmentation, and increasing importance of informational and transnationalisation of policy making (Adam and Kriesi, 2007: 131–132). Since the emergence of networks approach, political actors are no longer the most influential policy makers in the process of policy formation and implementation (Adam and Kriesi, 2007: 132). As such, there is blurring of lines between the role public and private actors in the process of policy making. In weak government without resources and expertise, the process of policy making has been sourced to various networks and the state is only responsible for overseeing the process (Adam and Kriesi, 2007: 132). The network theory believes that the plurality of networks will also increase the plurality of choices and options for an adequate solution to the problem (Adam and Kriesi, 2007: 133).

Adam and Kriesi (2007: 103) have identified several contradicting approaches to policy making proposed by different actors in policy network theories. The first approach proposes the distinct, new governing structure which will resist government steering. This network will serve the coordination and organizing function between the private and public actors that are involved in joint negotiating and problem solving. While the second approach to policy network does constitute the new governing structure; however, it proposes to apply the theory generically through various interaction between public and private entities.

Policy network theories have been threatened by globalisation. Development over the past decades has led to the formation of “a system of multilevel government that encompasses a variety of authoritative institutions at supranational, regional and sub-national” (Adam and Kriesi, 2007: 137). Due to globalisation and dominance of multinational factors in policy making, the policy network theories are extremely finding it difficult to analyse policy at the national context (Adam and Kriesi, 2007: 137). With this in mind, one will need to take into consideration the international networks that play a role in policy making in order to locate the policy network (Adam and Kriesi, 2007: 137). As discussed in the previous section, the influence of global actors in communication policy making cannot be ignored due to globalisation.

The EU, for instance, is seen promoting harmonisation of policies between states through a number of initiatives such as economic incentives, voting rights structural funds and cohesion funds (Stone, 2004:553). On the other side, institutions such as the *WTO* also transfer their policies to their member states through lobbying, donors and aid. Dolowitz and Marsh (2000:6) also takes into consideration the power of communications systems which makes the transfer of ideas and knowledge as one of major drivers of policy transfers. The global institutions such as the *ITU*, *International Monetary Fund* and the EU make use of powerful communication tool like the internet to make their preferred policy agendas available to the policy-makers in individual countries. Through these measures, the less powerful states which rely on aid and donors have no choice than to succumb to international network. As a result, the capacity of nation state to frame their own agendas is decreasing due to harmonisation (Dolowitz and Marsh, 2000:6).

The political economy theorists are more concerned about the structural transfer of policy which is driven by industrialised and westernised countries (Stone, 2004:547). This transfer is driven by the agenda to force countries to adopt similar economic and social organisation. Nevertheless, Dolowitz and Marsh (2000: 17) acknowledge that not all policy transfer tends to be successful. A specific policy that made a success in one country cannot by default make a similar success in another country. This entails that borrowed policies are vulnerable to both success and failures when applied in different contexts.

Dolowitz and Marsh (2000: 17) identify three causes of policy failures. First, uninformed transfer is the extent to which the borrowing country lacks sufficient knowledge to implement the transferred policy. Secondly, incomplete transfer is the extent by which crucial element of which made the policies to successful in other countries were not followed. Thirdly, inappropriate transfer refers to the extent by which differences in terms of economic, political or social were not considered before the policy was implemented. In the local context, Berger (2011: 38) has argued that the best policy for one society may not be best for another society. Therefore, different factors need to be taken into consideration before replicating best practices from one context into another context.

While policy transfers at an international sphere are happening at an alarming rate, the nation-state still maintains its sovereignty. Therefore, the application of policy network theories at national level cannot be dismissed. Even in the European Union (EU), where all the states are harmonising their audio-visual policies, the differences in policies continue to prevail between countries. In Africa where the co-operation at regional level is not at an advanced level like the EU, the policy network will be quite applicable in the context of South African digital migration policies.

3.8 Public Interest Theories

The main objective of policies and regulations to be put in place is to defend public interest and cultures (Papathanassopoulos and Negrine, 2010:7). Media policies are often contested because of their potential limits to public interest or abuse of power by the state (Van Cuilenberg and McQuail, 2003:183). However, there is some

ambiguity surrounding the definition of public interest which normally leads to contestation by different actors when media policies are created. In pursuit of public interest, the policies should be equipped to address three main objectives of policies which are *political welfare, social welfare, and economic welfare* (Van Cuilenberg and McQuail, 2003:185).

Firstly, the policy criteria of *political welfare* objective are normally democracy, freedom of communication and universal accessibility. Political welfare criteria is the most important determinant of public interest as it ensures that there is participation in civic life and that there is adequate access to information and ideas (Van Cuilenberg and McQuail, 2003:185). According to Feintuck (1999:199), "the fundamental, democratic principle that justifies or legitimates media regulation is the objective of ensuring that a diverse, high-quality range of media are available to all citizens in the interest of avoiding social exclusion." The political welfare objective is very crucial since it deals with universal access obligation.

The second policy objective, *social welfare*, on the other side is crucial since it will lead to social and cultural benefits. Such benefits will come in the form of quality news, entertainment, and local content. According to Van Cuilenberg and McQuail (2003:185), the policy criteria of social welfare should also strive to regulate the media companies from broadcasting information which can be harmful and offensive to the public. UNESCO's special gathering has also given special exemption of culture in all global trade deals (McChesney, 2004: 10). However, the supporters of neoliberalism argues that nation-state have more to gain if they removed all cultural trade barriers.

The last policy objective as indicated in Van Cuilenberg and McQuail (2003:185) is economic welfare. The goal of economic welfare is to ensure that media becomes an "integral part of the economy and also forms an important and elaborate market in its own right" (Van Cuilenberg and McQuail, 2003:185).

Policies and regulations are crucial in sustaining diversity, cultural integrity, enhancing public knowledge and also answer the questions of universal access (Ó Siochrú et al. 2002:4). The government intervenes in communications through

legislations, regulations and subsidies at national or international level. The necessary type of intervention to defend public interest is called *State-society*. Papathanassoupoulus and Negrine (2010:15) argue that the *state-society* approach "emphasises the institutional relationships – both formal and conventional – that bind the state's components together and structure its relations with society".

However, media policies in the digital age are unable to achieve public interest goals as they are mostly determined by supply and demand mechanisms (Van Cuilenberg and McQuail, 2003: 200). As a result, the public interest is being redefined by some to include economic and consumerist values and the current policy places less emphasis on social equality. The political wish to provide communication to large proportion of the population is not done for the purpose of social equality, but for motives such as the maximisation of revenues (ibid). However, Van Cuilenberg and McQuail (2003:200) argue that "the concepts of digital divide ... still figure in the background discourse to policy, but practice police in this respect mainly seeks to maximize opportunity for consumers to have access to new media." Therefore, the main goal of media policy which is to ensure free and equal access media which disseminates information and communication needs to society is becoming hard to achieve (Van Cuilenberg and McQuail, 2003:205).

According to Totale (2003), the best way to organise media which will protect the core value of a society is to place controls which ensures that public opinion is not being served by free market (Totale, 2003). Public intervention in communications is very important as the free market only serves the interest of the wealthy ownership and their allies in government (Hesmondhalgh, 2007). Ó Siochrú et al. (2002:3) state that it is very important for the media product to be regulated because the media product cannot be decided by the supply and demand like any product. The basic difference between the media industries and normal business according to Cottle (2003:3) is that "the media companies characteristically produce and supply commodities and content that is essentially symbolic in nature and these symbols enter into life of society."

According to Papathanassoupoulus and Negrine (2010:13), the extent to which government is an "autonomous and active actor, formulating independent

preferences and objectives that cannot be reduced to an aggregate of private preferences or the interest of dominant class" is characterised as *state centric* approach. This approach argues that the best way to distribute resources and to answer human needs is for government to enforce policies and regulations (Hesmondhalgh, 2000:106). This assertion differs from free market system which calls for business domination and less intervention from government.

3.10 Conclusion

In concluding, the chapter argues that critical political economy is concerned about the increasing role of private ownership in the business of making policy. This chapter also uses the Marxist political economy theory to explain the extent to which wealthy and powerful owners of the media are deciding policy on behalf of the government. It further argues that global organisations linked to the UN also hinder the state's ability to make its own policies by means of neoliberalism policies. The ability of state in making policies is also undermined by the escalation of new digital media which contribute to deeply rooted inequalities. Therefore, the critical political approach also calls for public intervention by means of policies and regulations which will defend the interest of the public.

4. CHAPTER FOUR: METHODOLOGY

4.1 Introduction

The research employs qualitative methodologies in the form of document analysis and content analysis in order to uncover the nature of digital migration policy. The chapter justifies the extent to which qualitative methodological design was used in this study. The fact that triangulation, the combination of methodological design, was applied is also be justified. In terms of the data collection methods used, the chapter will discuss document analysis and content analysis. The chapter discusses the steps involved in both methods, the process of selecting document to be analysed and the challenges and opportunities associated with both data collection method. Furthermore, the chapter also discusses the data interpretation methods such as critical policy analysis and critical discourse analysis. The chapter concludes by outlining the limitations for this study.

4.2 Research Design

4.2.1 Qualitative research

According to Denzin and Lincoln (2003: 3-4), qualitative research is a field of enquiry which cuts across disciplines, traditions and different subjects. There is no clear definition of qualitative research as it involves a set of interpretive actions that "transform the world into a series of representation which includes field notes, interviews, conversation, photographs, recordings and memo's" (Denzin and Lincoln 2003: 3-4). A qualitative research study attempts to make sense of the world by studying phenomena in their natural settings in order to have an interpretive approach to the world (ibid 4 -5).

It is the premise of this study to investigate how political and economic power relations involved in digital migration policy seek to influence the policy process. Therefore, qualitative methodology is deemed as relevant for the study of this nature since the best way of tackling a research problem entails analysing digital migration policy documents, content analysis of various press reports and also participant

observation. Unlike quantitative research which involves analysing numerical data, qualitative research interprets the text emanating from policy document, press reports or notes taken during participant observation. Qualitative methodology is very crucial in media policy study since it applies an array of research methods such as interviewing, survey, case studies and document analysis (Haas and Springer 1998). Qualitative research applies a variety of interpretive actions in an attempt to get a better understanding of the subject at hand (Denzin and Lincoln 2003: 5). The extent to which more than one interpretive practice is used in one study is referred to as triangulation which is fully discussed in the next section.

4.2.2 Triangulation

The study employs a combination of methodologies in order to have an in-depth understanding of the subject. According to Denzin (1978:291), “the combination of methodologies in the study of the same phenomenon” is referred to as triangulation. Denzin and Lincoln (2003: 8) argue that the combination of methodologies in one study “is best understood as a strategy that adds rigour, breadth, complexity, richness and depth to any inquiry. Nevertheless, Richardson (cited in Denzin and Lincoln 2003: 8) argues that triangulation is the strategy for the writer who wants to tell the story from different points of view in which readers are encouraged to explore competing visions of the context. In the context of this study, triangulation was applied in order to add depth to discursive principles, multiple viewpoints and also add depth to the subject.

As a result, the research complies with validity if two or more research methods are in agreement with each other. Furthermore, triangulation could also “capture a more complete, holistic and contextual portrayal of the unit under study” (Jick, 1979: 603). However, triangulation cannot be solely used as a tool for validation, but a supplement tool to test the validity of the study (Denzin and Lincoln 2003: 8). The study applied triangulation in the sense that it will provide a good contextual analysis of digital migration policies.

4.3 Methods of Data Collection

4.3.1 Document analysis

In order to uncover all the policy implications, document analysis was employed. According to Altheide (1996:2), document analysis is a "research methodology for locating, identifying, retrieving and analysing documents for their relevance, significance and meaning". Document can be described as a form of material aspect such as books, pieces of paper or electronic communications (Bertrand and Hughes, 2005:132). In addition, Bertrand and Hughes (2005:132) indicate that it is important to use documents written from outside institution in order to determine the policy making approach. Therefore, the study analyses policy documents, submissions, workshop discussions, and also parliamentary briefings. In doing so, the study revealed which parties are actively involved in the policy making process and also their influence. The relationship between interest parties such as broadcasters, government, consumers, and manufactures was also revealed in the study. In addition, policy analysis also helped in identifying funding models of digital migration project and to locate debates about the new channels allocation.

Policies

As indicated in the introduction of this study, the researcher analysed official policy documents such as the *DoC* Broadcast Digital Migration (BDM) policy of 2008 as amended in 2012 and the *ICASA* Digital Broadcast Migration regulation of 2012 in order to establish the policy dynamics. According to Van Cuilenberg and McQuail (2003:182), policy refers to "conscious projects for achieving some goal, together with the proposed means and time for achieving them". Similarly, Hall and McGinty (2004) define policy as a "set of explanations and intentions, to the realisation of intentions" (in Papathanassopoulos and Negrine 2010: 4).

Media policies are very important because they "set out the state's role in bringing its preferred media-scape into being" and media regulation is "the instrument through which the state supervises, controls, or curtails the activities of the non-state actors in accordance with policy" (Abramson, 2001: 301-302). Media policies are given

special attention by governments because the policies have power to determine what information is to be disseminated and also determines who accesses this information (Ó Siochrú and Girard, 2002).

Policies submission from different stakeholders

The study also analysed written submissions which were submitted to ICASA and parliament in order to determine the political economy of digital migration policy. Written submissions and parliament presentations from different stakeholders such as *DoC*, *e.tv, SABC, M-Net, ICASA*, *Sentech, USAASA* and other stakeholders were also analysed.

The researcher was interested in finding out from *DoC* as to who are the main stakeholders involved in policy making and their interest at hand. The BDM policy and the transcripts from the parliamentary briefings held by the *DoC* were analysed as the department plays a crucial role in policy making. It is government responsibility to ensure that policies fulfil the goals of universal access of television. For that reason, the *Universal Service and Access Agency of South Africa* (*USAASA)* was established as stipulated by the *Telecommunications Act* of 1996 to promote universal service and access to communications technologies for all South Africans. The parliament briefings from *USAASA* were also analysed to see their role with regards to digital migration policies.

ICASA is also an important player in digital migration policy because its role is to regulate communications, broadcasting and postal services sector in the public interest. *ICASA*'s key responsibility is to create regulations such as Digital Migration Regulations to regulate the broadcasters and the frequency allocation. Therefore, it was a privilege to analyse the Digital Migration Regulations, range of submissions from key stakeholders, and their briefing to parliaments in order to find out who are the main actors in policy making and the implication of *ICASA* policy to universal access.

It was very important to consider submissions from broadcasters in order to reveal whether digital migration policies addressed their concerns or not. These

submissions and parliamentary briefings also investigated the role that broadcasters have played in shaping the digital migration policies. By analysing written submissions and parliamentary briefings, the researcher was able to locate as to who are the powerful actors in policy making. In addition, the researcher also investigated the involvement of members of public in policy making by attending policy hearings to observe whether or not the forums were inclusive to public members or which players have more weight in policy making (see 4.3.2. Participant observation).

Analysis of press report

The study also analysed a range of press reports which were extracted from range of sources including *Techcentral Online*, *MyBroadband, IT Web, Business Day, Mail and Guardian and The Independent Online (see appendix)*. Since there is a plethora of articles related to the research problem, purposive sampling was used to select articles that are most relevant. According to Babbie (1992) sampling affords the social scientist the capability of describing a larger portion based on only a selected portion. In this case, sampling has advantages of cost savings, speed, and more in-depth information, less total error, reliability, efficiency and greater security. (Wrenn et al, 2007:176). However, the result for the sample that is representative, regardless of its size, cannot always be generalized (Wimmer & Dominick, 1991). Purposive sampling means that the researcher can select the articles on the basis that they contain relevant information (Bornman, 2009:447). As a result, the articles were selected on the basis that they hold considerable knowledge in the context of this subject.

The articles selected from the sources mentioned above were analysed using critical discourse analysis. These articles were very useful in interpreting and understanding the major issues concerning the digital migration project in South Africa. The list of all articles that were analysed will be attached in Appendix A - K.

4.3.2 Participant observation

The researcher also attended a number of workshops and the ICASA public hearing where he observed the presentation and discussions as it unfolded. The researcher allowed the discussion to flow without interfering whilst taking note through pen and paper. Participant observation is fundamental in policy research because some aspects of policy processes were difficult to interpret without further discussions. In addition, participant observation is also necessary when research subject involves members who are not from the same group as they will now offer different angle of the event. Participant observation also offered the researcher an opportunity to interact with individuals from different stakeholders such as *DoC*, *ICASA*, *SABC*, e.tv, *M-Net*, and *Sentech*.

The purpose of participant observation in this study was to have an in-depth understanding on digital migration funding models, the issues of regulations, digital divide issues and to determine the cost and benefits of digital migration. Participant observation which involved different policy stakeholders in the DTT project were very useful since they helped to reveal different policy dynamics which are difficult to observe from outside. In this regard, the important purpose of participant observation was to seek inner feelings or greater details from different stakeholders in an attempt to answer the research questions that have been raised in this study. Furthermore, the participant observation also helped to broaden the knowledge and awareness level of the researcher in the subject of DTT. However, this method of participant observations is perspective in nature as it does not give the whole truth. As a result, the additional methodology of document analysis was used to supplement participant observations.

The researcher attended the following events in order to observe different stakeholder who were taking part. The programmes for this event are listed in appendix L – O.

- Seminar: The Survival tactics for broadcasting in the digital age, Hosted by Support Public Broadcasting Coalition, the Institute for Advancement of Journalism (IAJ) and the Freedom of Expression Institute (FXI) - 6th October 2011. 10h00 and 12am.

- Seminar: Regulating Broadcasting in the digital age, Hosted by SOS Support Public Broadcasting and Institute for Advancement of Journalism – 24 February 2012.
- 12th Annual COMSA Conference titled: Mapping the Digitization of Communication. UNISA – 03 August 2012.
- ICASA public consultation on the Draft Digital Terrestrial Regulations, Hosted by ICASA at Sandton. 22 – 23 August 2012.

4.4 Data Interpretation Methods

4.4.1 Critical policy analysis

The critical policy analysis (CPA) is an important method for analysing discourse of how political and economic power relations involved in making of digital migration policy influence the control of the policy process. According to Hansen et al. (1998:67), "policy analysis seeks to examine the way in which policies in the field of communication are generated ... as well as their repercussions or implications for the field of communication as a whole." Policy consists of coherent set of statements which often carries contradictory message that can even spark a debate amongst different stakeholder (ibid: 67 – 68). Policy analysis model is very crucial in the study of media research as it involves measuring the achievement of policy goals and objectives (Haas and Springer 1998:20). As a result, CPA was applied in order to assist in determining whether desired outcome for the policy will be attained or what needs to be done in order to realize those goals (Haas and Springer 1998:21).

According to Taylor (2006: 25), CPA draws some of its analysis from the Foucault theory of critical discourse analysis which is fully discussed in the next section. The Foucault theory of critical discourse can be used to analyse policy discourse as this theory is of the view that policies are as a result of ideologies and power relations within societies. According to Van Dijk (1998a: 109 – 110), CPA may be used to analyse how power relationship within the society manifest within the communication policies. Therefore, critical discourse analysis is a useful theory to analyse power relations that are involved in the digital migration policies.

According to Fairclough (1995: 36), critical analysis of policy considers the “nature of the market in which the mass media is operating within and their relationship with the state” as an important aspect in analysing the political economy of the media. In this sense, the commercialisation of policy making should be investigated within the context of its ideological, material, economic and semiotic structure (Fairclough et al. 2011: 359). In some instances, the policy analysis is normally used in analysing media discourse concerning the issues of access to the media (universal access), the economics of the media, and the politics of the media. In the section below, we explore how the critical analysis should be applied in this study.

In this research, the CPA will be deployed in analysing discourses about universal access to digital television. Van Dijk (1999: 10) considers media policy as an important resource to sustain the cultural and social life. However, the elites have taken this privilege by using their economic and political influence to sustain restriction to the public discourse. There is unequal access to the media as “media output is very much under professional and institutional control and in general it only benefits those who already have other forms of economic, political or cultural who enjoys the best access to the media” (Fairclough 1995: 40). Moreover, Fairclough (1995: 40) also argues that there are so many people who do not have access to the media because of the power relations involved in the making of policies. As such, these individuals who are left out by these policies cannot contribute in the mass democracy.

This study will also apply CPA to examine the economics of digital migration policies. Discourses about the economics of mass media requires special attention since “the economics of an institutions is an important determinant of its practices and its texts” (Fairclough 1995: 40). The mass media institutions are also open to issue of commercial pressure since they have that purpose of delivering the audience to advertisers (ibid). As a result of this market pressures, the media firms also adopt the concentrated media ownership in an attempt to become larger and beat their competitors. The impact of media concentration is very severe as the “media organisations are structured to ensure that the dominant voices are those of the political and social establishment, and in the constraints on access to the media”

(Fairclough 1995). Therefore, the conglomerate media have a considerable power to decide the policy of the day.

In the light of the above description of CPA, the study investigated the political economy of digital migration policies and their implications for universal access. The policy documents analysed were collected from the online resources or university database which has the vast amount of resources. Due to the fact that policies have wider implications to different stakeholders, additional documents such as policy submission to parliament, news reports, seminar discussions were analysed within the context of CPA in order to determine the wider impact of policies. All the documents analysed are those that were available in the public domain and were easy to source.

4.4.2 Critical discourse analysis

This study employs Critical Discourse Analysis (CDA) to analyse, participant observation transcripts from participant observation, institutional documents and also press reports. According to Priest (2010:223), discourse analysis is a "method for looking at argumentation and dialogue in a systematic way ... this idea is similar to rhetorical analysis and some scholars use the terms interchangeably." CDA is a crucial method in analysing written or spoken text in order to reveal power abuse by a dominant group, inequality and digital divide (Van Dijk, 1998).

For one to understand CDA there is a need to breakdown the two terms; critical and discourse. Fairclough et al. (2011: 358) describe critical as "the use of rational thinking to question arguments or prevailing ideas." On the other side, 'discourse' is "an analytical category describing the vast array of meaning-making resources available to us" (Fairclough et al. 2011: 357). Therefore, discourse consists of situations, objects of knowledge, social interactions between people, and the relationship between people. Discourse is socially constructive in a sense that it helps to sustain the social status quo, contributes in transforming the social structures, and also gives rise to unequal distribution of power (ibid). Wodak and Ludwig (1999) also believe that discourse prevails in circumstances where power relations and ideologies are involved.

Van Dijk (1988: 2) argues that “discourse is not simply an isolated textual or dialogic structure”. As a result, discourse goes beyond focusing on text by analysing the different structures, social processes and production process of the text (van Dijk 1988: 2). In the context of this study, CDA may be used to suggest how power relations within society are reflected in the digital migration policy making (ibid 109 – 110). From a sociolinguistic point of view, CDA is not dedicated to study text only, but is also capable of describing the underlying consequences that lead to a specific disorder in the function of an institution (Wodak, 1996: 3).

Fairclough et al. (2011: 358) argue that “CDA openly and explicitly positions itself on the side of the dominated or oppressed groups and against dominating groups.” In his analysis of media discourse, Fairclough (1995: 36) was also interested in the political economy of the media. CDA theorists like Wodak and Ludwig (1999) also take into consideration that different interpretation of the same text may arise due to the background knowledge, culture and the social status of the reader. As a result, Wodak and Ludwig (1999) argue that “the right interpretation does not exist; ... Interpretations can be more or less plausible or adequate, but they cannot be true”.

Fairclough et al. (2011: 359) also point out the role in which language plays in social processes. Language as a social act continues to be used to increase power relationship within the society by marginalising people. CDA aims to deal with messages and meanings in socio-cultural or political economy context rather than isolated elements (Priest, 2010: 109). Van Dijk (1995: 66) points out to the following criteria as the requirement for critical discourse analysis:

- examining the discourse within its historical, political, and social context;
- examining the background of a conflict and its main participants;
- analysing main characters, stakeholder involved, power relations and conflicts of interest;
- identifying positive and negative opinions about Us versus Them; and
- examining all formal structure in a way that helps to (de)emphasize polarized group opinions.

In addition, CDA is also used to analyse the politics of the media because the media is a powerful ideological institution. As a powerful ideological institution, the media plays a role in reproducing social relations of domination and exploitation (Fairclough, 1995: 44). The media is an instrument of hegemony because of its role in servicing the life of the elite, the powerful and the state. Therefore, CDA will be applied in this study to critically analyse the extent to which media hegemony could be used to influence the making of digital migration policies.

4.5 Limitations

The area of new media is an area which is characterised by changes and fast paced development. Conducting a study in this environment where developments are taking place daily was a mammoth task. Many developments took place towards the submission date and it was difficult to get clarifications regarding the new policies, new deadlines, and court case implications. For instance, the main policies that were selected to be studied were reviewed by *DoC* and *ICASA* respectively. The BDM Policy of 2008 was repealed and the amended policy came into play in early 2012. Toward the submission timeline, the broadcasters were fighting about the issue of STBs encryption. As a result, the government had to intervene to pave the way forward for digital migration. During the time of submission, there were some broadcasters who were not happy with government decision and as such the process has to come into a standstill.

The other limitation worth considering was the extent to which there is lack of public participation in different sources that were analysed. In participant observation, policy submission, parliament briefings and press reports, the viewpoints from the members of the public are lacking. It appears that there is lack of knowledge about digital migration from the community members who are most affected by digital migration. The researcher also wished to attend the parliament briefings to have the first-hand experience of the parliamentary process; however, the issue of financial constraints served as a hindrance. Nevertheless, the researcher obtained the recordings from those who attended in order to get the points of discussion.

4.7 Conclusion

The chapter outlined qualitative methodological design as the selected method to carry out the objectives of this study. The process of triangulation which refers to the use of more than one methodology was also explained. Qualitative data collection methods such as document analysis and participant observation were also explained and justified. Furthermore, the chapter also discussed the following methods which were used in the interpretation of data: critical policy analysis and critical discourse analysis. Some perceived limitations which served as a hindrance for this study to achieve its desired outcomes were also discussed on this study.

5. CHAPTER FIVE: FINDINGS

5.1 Introduction

The purpose of this chapter is to outline the findings which were uncovered during the process of analysing document and participant observation. The chapter is divided into three broad sections. Firstly, the chapter presents the findings concerning the ownership and control processes of digital migration policies. This section presents the role of international community, commercial actors, technological factors and society in the digital migration policy process. The cost and benefits that each stakeholder expects from the digital migration policies are also outlined. Secondly, this chapter discusses the level of relationship between government and other stakeholders in policy making. To this end, this section illustrates by means of examples, the different types of relationship or tensions between government and its stakeholders. Finally, the chapter reveals whether or not digital migration policies will contribute to universal access and/or bridging the gap of digital divide. In doing so, the chapter divulges different kinds of policy factors which promote or hinder universal access of information.

5.2 Control of Digital Migration Policies

Even though digital migration is a government-led project; however, government is required by law to consult several stakeholders when new policies are formulated. At the inception of digital migration project in 2005, the then Minister of Communications, Ivy Matsepe-Casaburri appointed the Digital Broadcasting Migration Working Group (DBMWG) with representatives from ICASA, government, broadcasting industry, civil society, organised labour and consumer groups (DBMWG Report, 2006).

The functions of the DBMWG was “to develop recommendations and contributed toward the development of a national strategy for the migration of broadcasting system from analogue to digital” (DBMWG Report, 2006). The DBMWG delivered its report to government on the 17 November 2006. This report was later adopted as Digital Broadcast Migration Policy of 2008. With this in mind, this section discusses

the role of international community, national government, broadcasters, manufacturers and society in making digital migration policies.

5.2.1 International community

The Broadcast Digital Migration (BDM) Policy (Sec 1.1.1) indicates that the decision to migrate from analogue to digital emanated after the *Regional Radio Communication Conference* (RRC06) in September 2006 which resolved that all countries of Europe, Africa, and Middle-East should migrate from analogue to digital broadcasting by 2015. Following the ITU decision, the South African cabinet announced its plans for digital migration project in 2007. This portrays the extent to which policies are now taken at an international arena. As stated earlier, the ITU is the *UN* agency designed to look after telecommunications issues globally.

The *ITU* also indicated that it will no longer be able to protect the analogue frequency for those countries that are expected to migrate by 2015. On the other side, the *ITU* which also governs the manufacturers of analogue technologies will cease to sell the technologies related to analogue television after 2015 deadline. This means that broadcasters and signal distributors will no longer be able to import analogue parts to maintain their aging analogue technologies after 2015. This is because most transnational companies responsible for selling analogue technologies are affiliated to the *UN* and by extension the *ITU* (ITU, 2006).

In this case, it is clear that the very first pressure for South Africa to migrate from analogue to digital transmission emanates from the international community. Global governance theory can be used to describe the situation by which decisions are taken at an international arena. Nevertheless, the theory also acknowledges the nation state sovereignty in terms of policy making. The role of sovereign government in making digital migration policy will be fully discussed below.

5.2.2 National government

Although the pressure to migrate emanates from the ITU, the South African government still maintains its sovereignty at the national level. The role of South

African government is to implement policies which will drive the migration processes (Munzhelele[11], 2011). The state is the major driver for digital migration because key decisions about digital migration process are coordinated by the state. The state is also required by regulations to consult with affected stakeholder on key policy decisions regarding digital migration. As a result of the consultation with the stakeholders, the *BDM Policy* was published in the government gazette of 2008 to set the parameters of digital migration process in South Africa. The BDM policy also serves as a guideline to *ICASA* regulations on DTT.

According to the BDM policy, digital migration is set to accelerate economic growth and to assist in our development goals such as that of eradicating poverty (BDM Policy, 2008:4). Digital migration also aims to improve the lives of people by building a people-centred and inclusive information society and is largely seen as a major milestone in technological development in South Africa (BDM Policy, 2008:4).

The Broadcast Digital Migration Policy (2008) has proposed the following as benefits of digital migration:

- multiple channels prioritizing parliamentary services, education, Small, Micro and Medium Enterprises (SMMEs) and youth;
- e-government services which should be seen as a fulfilment of government's contract with our people relating to the provision of services;
- reduction of digital divide and information gaps;
- establishment of Digital Content Generation Hubs aimed at generating local content for digital broadcasting;
- provision of television in more South African languages; and
- provision of more channels and more diverse content in better picture quality.

According to BDM Policy (Sec 1.1.4), “South Africa is confronted with a wide range of developmental challenges such as the digital divide as well as building social cohesion and a common national identity, poverty eradication, and employment creation.” Therefore, government through the *BDM Policy* has identified digital

[11] Norman Munzhelele is a Chief Director: ICT Policy Research and Development at Department of Communications. He was addressing the SOS Seminar titled “Survival tactics of broadcasters in the digital age (Appendix L).

migration as an important national priority since it allows the country to overcome many challenges. Government considers access to information as an important development tool as it will enable society to participate in economic activities (Munzhelele, 2011). This will in turn contributes to *UNESCO* goal of economic growth.

Through DTT, the government also seeks to introduce e-government services aimed at delivering quality education, health and SMMEs programmes (BDM Policy sec 1.1.6). Government believes that digital broadcasting will contribute to Accelerated Shared Growth Initiative of South Africa (*ASGISA*) by means of creating opportunity for developing new skills and the creation of new jobs, and new investment opportunities (BDM Policy sec 1.1.6). According to the BDM Policy (sec 1.1.7), the "radio frequency freed-up through the digital migration process ... has the potential not only to provide new and improved broadcasting, but also to enable additional ICT services traditionally not provided in the broadcasting radio frequency band, such as mobile telephony and wireless broadband." Therefore, digital migration is seen as the vital option to accelerate digital access to information.

However, it is not clear whether the state will be able to fulfil all its objectives given the nature of policy making which is influenced by commercial interests. The free market principles which drive global institution dictate greater role of business in policy making. Despite the free market assertion which calls for greater involvement by commercial player, South African government has been heavily involved in digital migration processes. This is evident through the budget that government set-aside for USAASA, *Sentech*, *SABC*, and *ICASA.*

DTT will cost government several billions of Rands on transmission, STBs subsidies, and also policy and regulatory issues. Government is seeing spending billions in digital migration because it believes that information is crucial to the sustainability of the economy. Berger (2010: 22) indicates that there will be a huge cost that will be involved in changing production, transmission and reception. At the production level, there will be huge costs involved as broadcasters will be required to meet local content quotas for the additional channels. As a matter of policy, the government has proposed the establishment of *Digital Content Generation Hubs* (*DCGH*s) aimed at

generating local digital content (BDM Policy 2008 sec 2.5.8). Munzhelele (2011) indicates that government will ensure that there is more content and diversity of such content.

At the transmission level, *Sentech* has received R622m for the past three years (2011 – 2013) to build new broadcasting transmission infrastructure (Jones, 2011). To date, *Sentech* has achieved 80% of digital coverage nation-wide. At the reception level, the consumers are expected to purchase STBs which will convert digital content into their analogue TVs. As stated earlier, the state will spend R2, 45 billion (approximately US$245 million) in order to subsidise the 5 million poor households. For this purpose, the treasury has set aside an amount of R220 million for 2010, R180 million for 2011 and R230 million for the year 2012 to subsidise poor TV household to purchase the STBs (*DoC* 2012b). Due to delays in launching DTT the budget for 2010 – 2011 was never used.

On the other side, the *SABC* has to deliver quality content which fulfils universal access and *ICASA* has to deliver the regulatory environment which will deliver universal access of information and communication infrastructure. Digital migration will be a costly project to the state, but it is not clear whether the government will be able to deliver all its promises of universal access given the limited funding to *SABC* and *ICASA*, the mismanagement of funds at *USAASA* and also delays due to court cases.

5.2.3 Broadcasters

Broadcasters are commercial actors that play a huge role in policy making as they seek to maximise the benefits and protect their own interests. They want to benefit from multiple channels, more audience share and more ads-spend. BDM policy (sec 1.1.3) acknowledges that there are challenges and opportunities to broadcasters that are expected to migrate to digital. Government reiterates that the digital migration process is critical for the future of the local broadcasting industry as well as the South African economy as a whole (BDM Policy sec 1.1.3). As commercial entities, the broadcasters in a digital environment also seek to be profitable by retaining their audience and advertising share.

SABC

The SABC hopes to benefit from more channels that will assist the *SABC* to fulfil its public service mandate in a digital age. As a participant to the process of digital migration, the *SABC* does participate in all policy deliberations and it also invited in parliament to provide inputs. The *SABC* proposes to carry its existing channels, all its 18 radio stations and other new channels on DTT platform (*Waghorn*[12] 2011). Digital migration will enable the *SABC* to have closed captions subtitles, multiple language tracks, audio description and also interactive applications. Back in 2011, the broadcaster also proposed to have new channels on the themes of health, education, SMMEs, children, 24 hour news, and also the regional channels for both north and south to cater for different language groups (*Waghorn*, 2011). However, the funding issues seem to prevent *SABC* to launch the channels in each of the cluster mentioned above.

The *SABC* (2012a) indicates that it has put in substantial resources in anticipation of digital migration and the delay for such process will impact on its sustainability in an increasingly competitive environment. The *SABC* is also concerned about the growth of digital satellite television which is led by *DSTV*. The audience figures for the *SABC* are also dwindling due to the rise of digital satellite services. More delays in the migration process will cost the broadcaster to lose audiences to already existing satellite broadcaster such as *DSTV* (Masingo[13], 2012). Masingo (2012) indicates that it is highly impossible for the *SABC* to do a live broadcast of the most important events like the Olympics, *African Cup of Nations* and etcetera due to limited channels. If it happens that they broadcast these important events live, this is done at the expense of day-to-day programmes like soap operas and dramas.

E.tv

[12] Richard Waghorn is the Chief Technology Officer, SABC. He was addressing the SOS Seminar titled "Survival tactics of broadcasters in the digital age (Appendix L).

[13] Sipho Masingo from SABC was an invited guest at the 12th Annual COMSA Conference at UNISA (See Appendix .

E.tv, which is the only private free-to-air broadcaster, has been participating in digital migration policy making just like its counterparts. As an economic player, it is expected of the broadcaster to play a very influential role in policy making since it wants to protect its financial interest. *E.tv* (2012b) indicates that it participates in all ministerial and regulatory process including the *Digital Dzonga Council*, *ICASA* joint spectrum advisory, the DTT trials, the public awareness campaign, the development of STBs standards, and also the formulation of free – to – air user interface. *E.tv* welcomes an opportunity to broadcast in a multichannel environment but they are concerned that this will come with an additional cost to them (*E.tv* 2012b).

According to Marcel Golding of *e.tv*, "the introduction of new channels will fragment audiences, and drive down advertising rates. It is unlikely that advertising spend will increase – because it is more likely that the available spend will have to be shared across more channels. As more channels mean higher costs for broadcasters, this will have an adverse effect on incumbent broadcasters" (Lloyd, 2009:35). *E.tv* as a private player is 100% reliant on advertising revenue. Just like the *SABC*, *e.tv* is also concerned about the growth of satellite television. As such, *e.tv* wants the DTT launch to happen soon in order for them to participate in a multichannel environment which will in turn retain their audience and advertisers (*E.tv* 2012b).

M-Net

M-Net, which is part of Naspers, always have a say whenever new policies concerning their interests are made. *M-Net* indicates that they have been waiting for the migration process to happen because analogue has potential limitations to pay-TV broadcaster (*M-Net* 2012b). In terms of policy, *M-Net* was involved in policy making along with other stakeholders. *M-Net* participated in a range of policy forums such as *Digital Dzonga Advisory Committee*, *DMWG*, parliamentary forums and also *ICASA* regulatory forums. These examples illustrate the extent to which stakeholders like *M-Net* were involved in DTT policies.

5.2.4 Manufacturing industry

Local manufacturers such as *Altech*, *Divitech*, *ABT* and *NAMEC* (representative of small black manufacturers) are also seen playing a major role in digital migration since they stand to benefit from manufacturing the STBs. The manufacturers stand to benefit from the DTT project in South Africa since the BDM Policy 2008 has proposed that STBs shall be sourced from local manufacturers. According to the BDM Policy (Sec 2.5), government has decided to support the local manufacturing industry in order to enable the creation of employment for local people, to develop a world class manufacturing industry, and to stimulate economic growth. Makhaye (2012) indicated that the most important benefit of the STBs is the return path which will enable the community to access internet, e-governance services and other functionalities. Therefore, DTT is an opportunity for the local manufacturers to increase their market share and to export to the rest of Africa (Mawson, 2012).

The equipment industry also played the role in policy making because they were also represented in policy forums such as *DMWG* and the *Digital Dzonga Advisory Committee*. The role of *Digital Dzonga Advisory Committee* was to advice the minister about every aspect of digital migration. Nevertheless, the Minister of Communication decided to disband the committee citing that there was conflict of interest. It is alleged that the conflict of interest was as a result of manufacturers who supported the idea of expensive STBs so that they could benefit economically out the process. Other players like M-Net were supporting cheap STBs. Makhaye (2011) argues it *M-Net* and *Multichoice* poses threat to digital migration by calling for the cheap convertor box which will not fulfil the objective of the STB.

5.2.5 Technological factors

Technological factors are said to be one of the drivers of digital migration. South Africa is under pressure to migrate because the country has a scarcity of spectrum and there is no space to introduce more channels or services. The BDM Policy indicates that the migration of analogue signals to digital will free up the large spectrum currently occupied by analogue broadcast. The freed up spectrum will be used for a variety of services including faster and cheaper mobile broadband which will benefit the public at large. The freed spectrum will be auctioned to telecommunications player in the post migration.

On the other side, the pressure to migrate could also be attributed to the fact that technology has improved over years to the extent that it is cheaper to work on digital platforms (*M-Net* 2011). In digital platform, it will be possible to transmit more than eight channels in a space for one analogue channels (*ICASA*, 2011). According to BDM Policy (2008:6) “the key benefit of digital technologies is that they use scarce national radio frequency far more efficiently than analogue technologies.” Another advantage of digital technology is the fact that it is possible to have crystal clear pictures, clear sounds and multiple channels.

In addition, the key driver of digital migration is technological evolution as the world is moving toward a multi-channel environment. However, there is a feeling that South Africa is left behind when it comes to digital migration. According to *M-Net* (2011), the planning for digital migration was started in 2005 and nine years later the process has not yet been started in South Africa. In the meantime, countries like Botswana, Namibia, Kenya, Zambia, Nigeria, Botswana and Tanzania have launched the process of digital migration (*M-Net*, 2011). Ironically, this leaves South Africa, the powerhouse in the continent behind. The study conducted by the *UK Digital Company* indicates that digital migration in Kenya, Tanzania, Uganda and Zambia will be completed before the 2015 deadline.

M-Net (2011) indicates that delays in introducing the process of digital migration will land South Africa in a situation where the technology overtakes the country. During the initial planning process of digital migration, there were talks about introducing STBs to convert digital signal to analogue television (ibid). Mochiko (2013) indicates that whilst South Africa is stuck in the debate about STB control system other countries in the world are now adopting Integrated Digital TVs (IDTVs) which does not require STBs. Consequently, South Africa which is still stuck in the debate about STBs will then become a great dumping ground for STBs because this obsolete technology will be old by the time South Africa introduces it (*M-Net*, 2011). In the near future, consumers will also be required to upgrade their TV screens to digital in order for them to enjoy digital content.

5.2.6 Public interest issues

The BDM Policy (2008) indicates that DTT will benefit the public through the availability of multiple services, greater choices, and greater access to information. Access to information is crucial since this will allow members of the public to play a role in information society. Since DTT will make it easier for society to participate in economic activities, this entails that the members of society should be at the centre of policy making because these policies will shape how and what information they receive and send.

Nevertheless, the nature of policy making in South Africa seems to exclude the public to a larger extent. As Duncan (2012a) indicated earlier, "policy-making on digital migration is notoriously susceptible to industry capture, which can lead to a process driven by producer interests rather than user interests." During *ICASA* public hearing on DTT draft regulations in 2012, the *Right2Know*[14] *Campaign* expressed its concern about lack of public engagement when it comes to policy making. According to *Right2Know Campaign* (2012), digital migration is a complex multi-stakeholder process in which the South African public participation is very crucial. In their submission, they also complained about insufficient time which was given for written comments (*Right2Know* 2012). As a result of the limited time, civil society groups were unable to consult with their constituencies. The policy network theories support the presence of civil society groupings in policy making as this will ensure that there is public accountability in the process.

In addition, the observed *ICASA* hearings on Draft Digital Terrestrial Regulation in August 2012 was dominated by members from private sector who were fighting about who should get what or who should not get what, but no one was concerned about what ordinary members of society should get. Sarcastically, the hearings were held in Sandton which is one of the most affluent suburbs in South Africa. The same people who reside around the Sandton areas are not even affected by the digital terrestrial migration as most of them already receive digital television via *DSTV* or Internet Protocol TV. The location itself was quite prohibiting for the affected

[14] Right2Know Campaign is a civil society group which campaign for the better access to information.

community members as they have to travel very far in order to become part of this process.

Papathanassoupoulus and Negrine (2010:13) indicate that influential groups and powerful individuals influence the direction of policy groups during the process of bargaining within the policy. The phenomenon by which policy making process is populated by stakeholders with a huge commercial interest is a common practice in South Africa. For instance, ordinary members of the society were not effectively represented in the forums such as the *Digital Broadcasting Migration Working Group* and *Digital Dzonga Advisory Committee*. The earlier group played a major role in the creation of the *Broadcast Digital Migration Policy* document and the latter was responsible for advising the Minister of Communication around technical issues of digital migration. Both groups had membership derived mainly from industry stakeholders. During these forums, the private meetings were held behind closed doors to decide about digital migration at the expense of ordinary members of society.

The lack of public participation can also be attributed to the fact that public awareness campaigns on digital migration have been done on a limited scale. In another observation during the 12th Annual COMSA Conference at UNISA which was attended by communication students from various universities, a lot of students were still in the dark about the process of digital migration. Their participation was minimal and in cases where they asked question they asked simple questions which shows that they lack basic knowledge about digital migration.

The allegations of corruption at the Department of Communications can be considered as a hindrance to full scale awareness campaign. The SABC news (2014) has reported that President Jacob Zuma has requested Special Investigative Unit (SIU) to investigate a R756 million rand tender which the department of communications awarded to the advertising agency *Media Corner* without a tender process. The tender was intended for publicity around the issues of digital migration project; however, large sum of money amounting to R40 million were made to the company without proof of any work completed (SABC News, 2014). Due to this corrupt relationship, there is still lack of knowledge amongst the members of society

as to what digital migration is and how it is going to affect them. The affected members of society who are ill-informed at the moment will also be expected to pay R700 for the STBs, but they are not aware about the benefits of paying such amount for the same thing that they have been getting for free all along.

Therefore, lack of effective public campaign serve as a hindrance for ordinary members of society to participate fully in digital migration policy processes. The policy makers need to take into consideration that digital migration will stall if the members of public are not fully satisfied about cost and benefit of such processes. In the absence of effective public awareness campaign, the society is not going to participate fully in the digital migration policies as they do not even know anything about digital migration. The result from the observation of *ICASA* public hearing on DTT regulation indicates that the general members of the public were left out because the process was restricted to elites who have better means of communications.

5.3 Relationship between Government and Other Actors in Policy Making

According to the DoC (2010: 25) the DTT project is an enormous and complex project which requires the co-operation from all stakeholders to be successful. Stakeholders should put aside their competing interest and assist government which is looking after the interest of everyone (DoC 2010: 25). Support of stakeholders is required to make DTT a successful project.

5.3.1 SABC

The relationship between the state and the *SABC* is considered good as the *SABC* is a public enterprise which is perceived to be an independent body. The *SABC* Board is elected by parliament and has to report to the Minister of Communications who is the sole shareholder in the *SABC*. The major complain from *SABC* regards the lack of funding from government. Due to limited funding from government, the *SABC* has sustained itself through other funding methods such as advertising and sponsorship revenue. The *SABC* indicates that 80% of its revenue is derived from advertising, 18% from licensing fees and 2% from government (SABC, 2013).

Due to lack of funding from government, the *SABC* will likely continue depending on advertising revenue in order to sustain itself in a digital environment. The trend towards commercialisation in a digital converged environment will worsen as the digital technologies are embedded in dynamics of market power (Mansell, 2004:4). In a bid to survive the digital age, the public broadcaster which heavily relies on advertising revenue will tend to broadcast the content of commercial value in order to retain its advertisers. As a result, the public broadcaster will fail in its mandate of public service because of over reliance on advertising and sponsorship.

Digital migration will be a very costly project for the *SABC*, but it is not clear as to who will pay for such cost between the *SABC* and government. Munzhelele (2011) has indicated that government is concerned about the sustainability of the SABC which has been going through some cloud of financial strain for sometimes. The SABC (2012b) indicates that it will run into financial instability if it has to fund digital migration from its coffers. Therefore, the *SABC* has requested the treasury to come on board to assist financially because DTT will not only help the *SABC*, but it will help the whole country (*SABC* 2012b). However, it is not always guaranteed that the *SABC* will receive the requested money from government. For instance, the request for money to launch the 24hour channel in 2012 was declined by the Treasury. The Minister of Finance has indicated that *SABC* needs to take measures to stop wasteful expenditure when the country is experiencing fiscal constraints (Dodds, 2012).

The *SABC*'s request to the treasury is in contrast with the free market system which calls for privatisation with less intervention from the state (Steans, 2002:95). As indicated early, the free market proponents in Europe have called for the state to stop funding the PSBs. In one of *SABC* submissions to Parliament (2010), the *SABC* argued that an "increased competition in the market will erode *SABC*'s audience share and consequently *SABC*'s revenue base." This is seen as some of the tactics that *SABC* is employing to protect its financial interest.

5.3.2 M-NET

The relationship between government and *M-Net* is considered to be normal in the sense that government consults them whenever new policies are initiated. Since DTT is not a one man show, *M-Net* always co-operate with government through policy and regulatory forums, research, trials and international studies. The disagreement between *M-Net* and government concerns the issue of STBs. *M-Net* (2011) is of the view that there is a need for cheap convertor box for the less privileged people which will cost R350 and subsequently allow for a 100% government subsidy for poor TV household. This will enable more people to migrate quicker and in turn will allow for shorter period of dual illumination. This will also ensure that digital dividend is returned earlier to allow other communication services.

In a bid to strengthen its relationship with government, *M-Net* has found itself under scrutiny from public opinion. The controversy stems from the gift that *M-Net* presented to legislators and government officials. According to Molele, Letsoalo, and Situma of *Mail and Guardian* (2011) "several legislators and government officials have received gifts from *Multichoice*, which some in the broadcasting industry have called a conflict of interest in a bid to influence the outcome of the digital migration policy." The *Mail and Guardian* reported that the type of gifts given to government officials included 2010 World Cup tickets, accommodation, flights and others (Molele, Letsoalo, and Situma, 2011).

The officials who received such gifts included the two prominent individuals: the *Parliament Portfolio Committee on Communications* Chair, Eric Kholwane and the Deputy Minister of *Communications*, Stella Ndabeni. These officials claim that there is nothing wrong with receiving corporate gifts as they have declared all the gifts to Parliament. *MultiChoice* has also denied the allegations that it gave the gifts to officials in an attempt to influence the direction of digital migration policy. *MultiChoice* indicated that "like many South African companies, *Multichoice* hosted a range of stakeholders at the 2010 *FIFA World Cup*" (Molele, Letsoalo, and Situma 2011). This illustrates the extent to which corrupt relationship often happen between government and the private stakeholders.

5.3.3 E.TV

E.tv does participate with range of other parties in policy making through submissions and parliament hearing. However, government remains the one that takes a final decision. The area of contestation between government and e.tv relates to multiplex allocation (discussed in section 5.4) and that of conditional access. As a result of disagreement between *e.tv* and government concerning the control of conditional access of STBs, the private broadcaster took the government to court.

In October 2012, *e.tv* took the Minister of Communication to court in a bid to halt government efforts of awarding Sentech with power to handle conditional access of STBs. *E.tv* claims that there is no legal ground for the Minister to give Sentech the right to handle conditional access as the decision was made without inputs from the *SABC* and *e.tv,* and therefore such an action was unlawful (Mawson, 2012). In their affidavit, the *e.tv* argues that "the Minister's decision violated the *Electronic Communications Act* of 2005, the *Digital Migration regulations* and Section 192 of the constitution in that it interferes with the manner in which broadcasters engage in their statutory rights." *E.tv* supports the previous proposal that the suitable control vendor, a software company will be appointed by them and the *SABC* to handle the conditional access for *STB*s.

In contrast, the *DoC* claimed that the Minister was entitled to award *Sentech* with power to control conditional access of STBs since section 231 of the constitution allows the Minister to adopt the decision imposed by international agreement without ratification from local legislation. They argue that all agreements of member states of the *ITU* are agreements referred to in Section 231(3) of the constitution (McLoed, 2012). Sentech (2012) argued that the control of Conditional Access by the commercial players such as *e.tv* will have negative impact on public interest as this will give them a power to lock the STBs for personal gains. They could be in a position to frustrate entry into the market on the part of the new free – to – air licences. On the basis of this arguments put forward, the South Gauteng High Court decided in favour of e.tv.

Nevertheless, the Ministry of Communication lodged an appeal against the *South Gauteng High Court*. Due to deadline pressure, the Minister reached an out of court settlement with *e.tv* to get the migration project going. The *DoC* bowed down to *e.tv*

pressure because they had more to lose if they pursued an appeal. Firstly, the legal battle was going to delay the digital migration project and the possibility to miss the ITU deadlines for migration.

The court intervention has delayed the DTT process because government was unable to award the tender to STB manufacturers while this cloud was still hanging over its head (Mawson, 2012). This situation appeared to be a win-win situation for the incumbent broadcasters who were hoping for delays in order to position themselves against any threat from new entrants. This confirms what Duncan (2012a) warned about earlier on, that delays will work in favour of the incumbent broadcasters because this give them breathing a space to create barriers to new entrants in the market. Such delays gave a sister company of *e.tv*, *Platco Digital* to think about the launch of its own digital satellite television services in October 2013.

Platco Digital has recently launched a free Direct-to-home satellite platform with a decoder and installation cost of approximately R1600. E.tv has also launched four new channels on this platform which includes *eKasi+, eToons+*, *eAfrica* and *eMovies*. On the other side, *Sentech* has also re-branded its vivid satellite direct-to-home platform in order to stay relevant. The installation cost and a decoder for *Sentech* (*Freevision*) is expected to be around R1500. *Freevision* has also signed a contract with *SABC* to broadcast all its channels including their 24 hours news channel. All these developments that are happening in Satellite platform will render digital migration meaningless.

5.3.4 Debate between broadcasters about STBs encryption

Even though the Minister withdrew the court battle, the digital migration process has not been launched a year and half later due to the rift between *e.tv, MultiChoice* and *SABC* as to whether STBs should encrypted or not. *E.tv* supports the encryption of STBs to protect its content. *E.tv* is of the view that lack of encryption will allow *M-Net* STBs a free-ride to their channels without compensation. This they argue will give *Multichoice* an upper hand at the expense of struggling free – to – air channels (McLoed, 2013).

On the other side, *DSTV/Multichoice* and *SABC* are against the encryption. *MultiChoice* claims that *e.tv* wants encryption as they plans to launch pay-TV service using government subsidised STBs which amount to unfair competition (McLeod, 2013). The *SABC* also does not support the encryption because their services are supposed to be available for free to everyone. Recently, the *SABC* has signed a confidential agreement worth R500 million with *DSTV* with the clause preventing the *SABC* from broadcasting its channels in a platform with conditional access or encryption (Gedye, 2013). Sadly, the lack of consensus between broadcasters prevents the government from launching digital migration. The cloud of delays and confusion around the issue of STBs encryption has frustrated government which has already conceded that it will miss 2015 deadline.

The Minister also realised that the government does not have full capacity to take decision on this matter because whichever decision they take, it will be challenged by either party in court. Nevertheless, the matter was referred to government which decided to amend the section of BDM Policy. The amendment indicated that the use of conditional access should not be mandatory meaning that broadcasters have a choice whether to adopt encryption or not (McLoed 2013). Government's decision was necessitated by its plans to prevent the government subsidised boxes from being smuggled out of the country and to protect local manufactures from influx of cheap foreign STBs. The government also indicated that they will recover the costs of encryption from subscription broadcasters who might want to use their STBs (BDM Policy, Section 5.1.2.7[A]).

E.tv appears to be satisfied by the policy decision, but *MultiChoice* is viewing the government action as unlawful. *MultiChoice* is now claiming that it is unlawful for the minister to prescribe the use of STB control in South Africa. However, the Minister through his lawyers indicated that "government has the right to make policy on STB control but it cannot prescribe the supplier, the operator of the control system to be used or how it should be managed" (MyBroadband, 2013). With this looming legal threat, more delays in migrating from analogue to digital could be anticipated. According to Makhaye (2011) delays will only serve the interest of *MultiChoice*. Makhaye added that the free – to – air broadcasters have lost audience every time

MultiChoice launched a new service to target low LSM viewers. As such, DTT appears to be the only hope for the free – to – air broadcasters to reclaim their audience and advertising share (Makhaye 2011).

5.3.5 Manufacturers

There seems to be good relationship between government and manufacturers since government has undertaken a policy position to develop the local manufacturing industry by allowing only the local produced STBs to be used for DTT. This policy decision will allow national economy to grow, to allow local innovation or expertise, creation of employment and also the maximisation of revenues (STB Manufacturing Sector Strategy, 2012). However, the manufacturers are not happy about government plan to localise STBs manufacturing sector. This means that the STBs should be wholly manufactured in South Africa with South African parts and equipment's. The STB Manufacturing Sector Strategy (2012) document proposes the government – STB – manufacturing – industry partnership which will give South Africa a strong and global competitive influence thereby creating more commercial opportunities. The government also envisages the creation of more job opportunities which is an objective of the Industrial Policy Action Plan (ibid).

Nevertheless, the local manufacturers have since challenged the government strategy of creating a local STB manufacturing sector which will make South Africa to be competitive globally. The challenge in South Africa is the fact that there is no company that wholly manufacturers STBs locally without imports from foreign countries. The big three manufacturing companies in South Africa; Altech, Divitech and Reunert, are only capable of assembling the STBs with parts that are imported from foreign countries (Gedye, 2012). As indicated earlier, the manufacturers argue that the plan is poorly thought out and there is no way that South Africa will be competitive on a global market.

5.4 Universal Access of Digital Television

One of the policy goals of digital migration is to enhance access to television by making sure that television is available to everyone. According BDM Policy (Section

2.1.3) Universal Service and Access or the availability and accessibility of broadcasting services to all citizens is a key component of successful digital migration. This section will present the findings relating to whether digital television will help to enhance or undermine access to digital television. This will be done by assessing whether the STBs will be used to bridge digital divide, universal accessibility of DTT, the availability of diversity of channels and pluralism of ideas and lastly, the representation of local languages and cultures.

5.4.1 STB's to bridge digital divide

The most important goal of universal of access is to bridge digital divide through STBs which will come with multiple functionalities. The BDM Policy (2008) concedes that the STBs will be used as a tool for bridging digital divide. It is a well-known fact that poverty is associated with low access to information and knowledge, therefore, "government regards greater information and communication flows within and between communities as the important tool in the war against poverty in South Africa" (BDM Policy Section 2.1.4). Government aims to implement ICT measures in the fight against poverty and inequality.

The BDM Policy (sec 2.2.4) further illustrates that government seeks to achieve the objectives of *National Development Plan* through communication and information industry. Government also plans to create opportunities for efficient management of information to citizen through e-government. Through e-government services, the national important issues will be shown immediately on TV and the e-government services will be uploaded to give people information about government services such as home affairs, health and safety. According to *DoC* (2012a), the STBs will likely to offer similar services to those currently available to people with pay TV decoders. Such services includes on screen electronic programme guides, subtitles in different languages and parental control. The STB will also allow manufacturers to add additional features such as USB port, and the internal operating system which will allow for interactivity.

However, as stated earlier, the STBs will come at a price as the TV viewing public is required to purchase a STB for around R700 in order to convert digital signal into

their old analogue TV sets. Digital migration will not be completed if the majority of people have not yet purchased the STBs and the constitution will not support a switch-off while more people are still on analogue. Furthermore, it will be a violation of article 19 of *Universal Declaration of Human Rights* which says everyone has the right to receive information from the media without any frontiers (United Nations, 1948). As a matter of strong policy intervention, the government has proposed a STB subsidy scheme to help those who cannot afford to buy the STBs. This subsidy scheme will ensure a speedy migration from analogue to digital.

The government has appointed the *Universal Access Agency of South Africa (USAASA)* to administer the process of subsidy scheme. The government will allocate R2.45bn to *USAASA* for STBs subsidies. As indicated, the government will subsidise the public up to 70% toward the cost of STBs. If the total price of the STB is R700, for instance this means that the poor TV household will be subsidised up to R490 and they have to pay out R210 from their own pockets. However, the mismanagement of funds at *USAASA* casts some serious doubts as to whether the government will manage to achieve its universal access goals. In 2011, three senior managers were suspended for allegedly defrauding the agency (Techcentral, 2012). The agency was also in the news in 2012 for spending approximately R1400 per person for its year end function. Earlier in 2013, there was another investigation of corruption and maladministration.

On the subsidy model, *M-Net* has expressed some concerns about the subsidy model proposed by government. *M-Net* (2011) is of the view that some of the poorest people might not be able to afford the remaining 30% that they have to fork out from their pockets to purchase STBs. Even the other 6 million people who do not qualify to get a subsidy they will not be optimistic to buy the STBs if they do not see the immediate benefits of buying them. *M-Net* (2011) argues that this will in turn slow down the process of digital migration which is scheduled to be completed by 2015. *M-Net* argues that the priority for government should be to migrate more people swiftly in order to free up the analogue frequency which will be used for other additional services post-migration.

M-Net (2011) also argues that the proposed STBs have more features such as HD function which will drive the price of STBs up. With this in mind, *M-Net* therefore proposes cheap STBs (convertor box) with basic functionality to allow TV households to access digital television. An entry level STBs should be kept at its simplicity so that the poor will receive 100% subsidy and this will save government more money (*M-Net*, 2011). As indicated, the STBs that *M-Net* proposes will cost around R350 to allow government to subsidise 100% toward the price. In this instance, dual-illumination will not drag for a long time as people will be migrated as quickly as possible (*M-Net*, 2011). Those people who want the most advanced STBs with multiple functionalities such as PVR, high definition will have to pay the extra amount in order to have such STB (*M-Net*, 2011).

However, the idea of a cheap STBs (converter box) proposed by *M-Net* is not well supported by some stakeholders. Cheap STBs will not be able to perform all the functionalities such as e-government, interactivity, USB port or ADSL support (Makhaye, 2011). This option will create digital divide as the supply of STBs will be determined by the class of each citizens. Makhaye (2011) also argues that those STBs with extra features should be available to the poor who are in rural areas in order for them to access better services like *M-Net* subscribers. The gap between the rich and the poor will widen if the poor are not afforded an opportunity to receive STBs capable of delivering most basic functions.

Makhaye (2011) indicates that *M-Net* is trying to protect their market share by saying that *SABC/ETV* subscribers should use the convertor box which is inferior to what their subscribers are using. On the other side, *e.tv* also reiterates that the convertor box that *M-Net* is advocating "would not be able to offer the kind of services that *M-Net* are providing, such as quality electronic programme guides and interactive services" (*E.tv* 2011). This entails that the 'information rich' will be able to interact with the issues involving their political and social rights and the 'information poor' will be left out (Straughbar et al, 2009:43). Makhaye (2011) indicates that the type of STBs that they support will be equipped with USB port, *ADSL* port and the ability for upgrades.

5.4.2 Acceleration of universal access to television

The BDM Policy (2008: 12) reaffirms that “DTT is of fundamental importance in the emerging information society and knowledge economy, in which access to information and knowledge is regarded as a prerequisite to economic and societal development.” Furthermore, Berger (2010: 72) argues “the bulk of the TV viewing public is not likely to get DTT initially, due to signal range limitations or due to the extent of availability and cost of set-top boxes.” According to BDM Policy, digital migration does not look at accelerating access to TV as it is only looking at migrating people from analogue to digital. Furthermore, the subsidy model proposed by government aims to assist those who currently receive television to continue watching television after the analogue switch-off. Therefore, the STB Scheme of Ownership and Support mandate does not seem to take into consideration the people who have never owned television in their household.

The BDM policy does not seem to accommodate about 18% of the population who are unable to watch television due to a variety of universal access issues. Consequently, this means that 18% of the population will remain on the periphery of information society. Television is not yet a universal access item more especially in the rural parts of the country. It is only radio which has a near universal access capacity in South Africa because it is cheap. At this juncture, it looks like DTT will further alienate people who do not have television because after dual illumination period those people will be expected to buy a TV set, STBs, aerials and installation costs in order to catch up with the digital television viewing public.

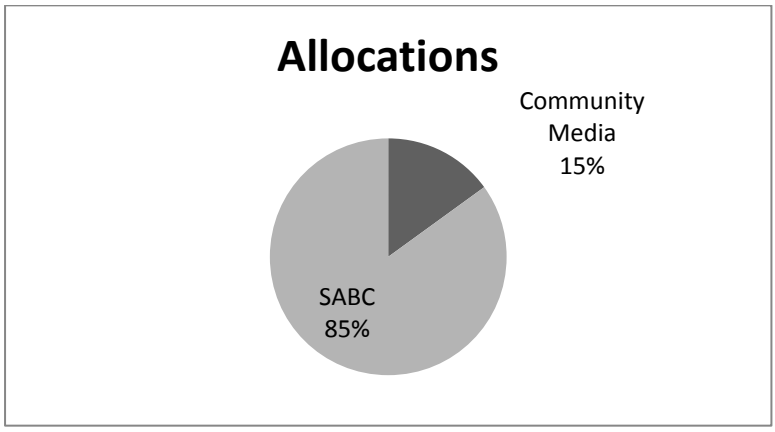
As Berger (2010: 72) puts it, other people will be excluded because the television signal cannot reach their areas. Sentech largest coverage area is 92% of the population (replicating *SABC 2* signals). *DoC* (2012b) indicates that DTT will replicate *SABC 2* coverage of 92.5% and there are some areas where it is not going to be commercially viable to provide terrestrial coverage. This means that DTT will not help around 7, 5% of the population who are unable to get *SABC 2* signal coverage. Some people will not be part of DTT because their communities do not have electricity. Therefore, it is clear that digital migration will not help in terms of universal access but it will be more choices for people who already have analogue services.

5.4.4 Diversity of channels and pluralism of ideas

One of the benefits of digital migration is the availability of more channels to the public. According to BDM Policy (Section 1.3.2), digital migration "will result in the availability of more channels, thus bringing more access to broadcasting and content diversity to the public." There is no doubt that digital transition will lead to more channels. However, multiplicity of channels does not translate to diversity of independent voices. The availability of more channels might also mean more of the same rather than diversity of voices. This section will therefore engage *ICASA's* Digital Migration Regulations to determine if digital migration will lead to diversity of channels and plurality of ideas.

The issue of channel allocation was a highly contested area during the observed public hearings concerning the Draft of Digital Migration Regulations at ICASA. Different players were seen using their influence to determine who is entitled or who is not entitled for spectrum. During *ICASA* hearings, most stakeholders voiced their frustration to *ICASA* about little frequency they have been given as compared to their counterparts. Below is an expression of how the channels were allocated across the three multiplexes.

Multiplex One (*SABC* and Community Broadcasters)



Public broadcasting

In multiplex one, the *SABC* is allocated with 85% of spectrum in order to fulfil its public service mandate. BDM Policy (Section 6.1.6) proposes that "the public broadcaster, on its own or in partnership, caters for three public regional television

channels as well as channels prioritising education, health, youth, SMMEs, interactive services, as well as parliamentary and government information and service's needs". In addition, regional television services offered by the public broadcaster will be required to provide an open window for community television services.

On its submission to *ICASA* Draft regulation on DTT, the *SABC* was concerned about its sustainability. The *SABC* went as far as proposing that the regulations should prevent new players from entering the markets during dual illumination as they would be carrying the risk of broadcasting on analogue and digital at the same time. Both *SABC* and *e.tv* argue that new players should only be introduced after dual illumination period. The *SABC* indicates that digital migration is the process meant solely for existing broadcasters who are currently on analogue to migrate to digital (*SABC,* 2012a). This is the similar argument given by incumbent broadcasters in the United States.

In the absence of new players, this translates that only few players are dictating on what the general populace should view. The situation whereby only few players propagate on what the audience of DTT should view is considered as concentration of media ownership. Concentration of media ownership is a serious threat to democracy as it normally results in lack of different voices in the media and also lack of autonomous suppliers of media products in the market (Doyle, 2002: 11). Another possible threat for concentration of media ownership is the higher level of market domination which will create a barrier to new entrants.

On the other hand, there is also a concern from private commercial radio stations about the extent to which the *SABC* is planning to carry its own radio stations on its multiplex. *PRIMEDIA* (2012) highlights that digital migration will give unfair advantage to *SABC*-owned radio stations. The most frustrating thing for *PRIMEDIA* is the extent to which they have to first apply for the licence to broadcast on DTT platform, while the *SABC* owned radio station will by default feature on DTT from the onset. Furthermore, *PRIMEDIA* claims that this practice will give *SABC* owned radio stations more exposure than the other radio stations. Therefore, their request was for *ICASA* to recognise the other existing commercial radio stations by giving them a

level playing field with that of the *SABC*. Kagiso (2012) also claims that introducing new commercial radio stations from the inception of DTT will also encourage the uptake of STBs.

On the other side, *Right2Know* (2012) is also concerned about the disappearing lines between public broadcasting and public commercial broadcasting. As a result, Right2Know calls for "reallocation of *SABC*'s commercial spectrum to its public non-commercial mandate, and providing sufficient spectrum to community broadcasters, which means that at least 50% of spectrum is reserved for non-commercial use." Furthermore, *Right2know* (2012) suggests that the authority should eliminate the split between public broadcasting and commercial services of the *SABC* services.

Community television

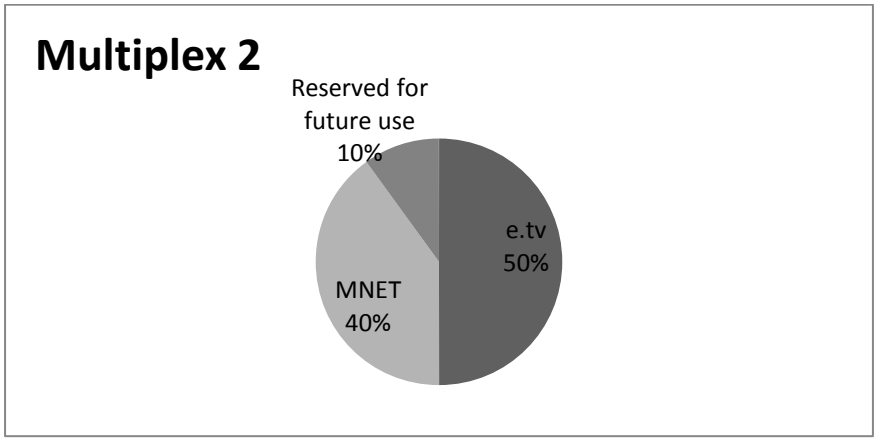
According to Berger (2004:2), "there is a need for more media with independent owners to greater the chances of a variety of perspectives occurring." A pluralist view calls for the control of the media in the hands of autonomous individuals who allow the media professional to practice their profession independently at all times (Chandler, 2000:1). In the Draft DTT regulations, the community television media were allocated with 10% of multiplex one. The little allocation for community was challenged by civil society grouping such as *Right2Know Campaign, SOS Coalition* and *Highway Africa*. As a result of lobbying from different social groupings, *ICASA* adjusted the allocation for community broadcasting from 10% to 15% in multiplex one. The new allocation is still not enough to cater for diverse range of communities around the country. Duncan (2012a) argued that the new regulations will weaken the public and community tier system of broadcasting, since it advances corporate interests.

The other outstanding concern is the extent to which the government has failed to support the community media sector. As a result, community media that are struggling to sustain themselves in a digitally converged environment are increasingly becoming commercial in nature. Furthermore, the commercialisation of community media frequency will lead to the disappearance of three tier system of broadcasting. According to Duncan (2012b), "South Africa is meant to have three

tiers of broadcasting - commercial, community and public service - to ensure that pluralism and diversity are built into the media system." The community-tier system of broadcast is necessary to ensure that there is representation of issues that affect local society without commercial influence. The dominance of commercial system of broadcasting will give rise to new centres of power that will suppress the voices of community members.

Multiplex 2 Allocations (*ETV* and *M-Net*)

According to *ICASA* Draft Regulations on DTT (2012), *e.tv* will be allocated with 50% of multiplex 2, *M-Net* will be allocated 40% and the remaining 10% will be reserved for tests and trials.

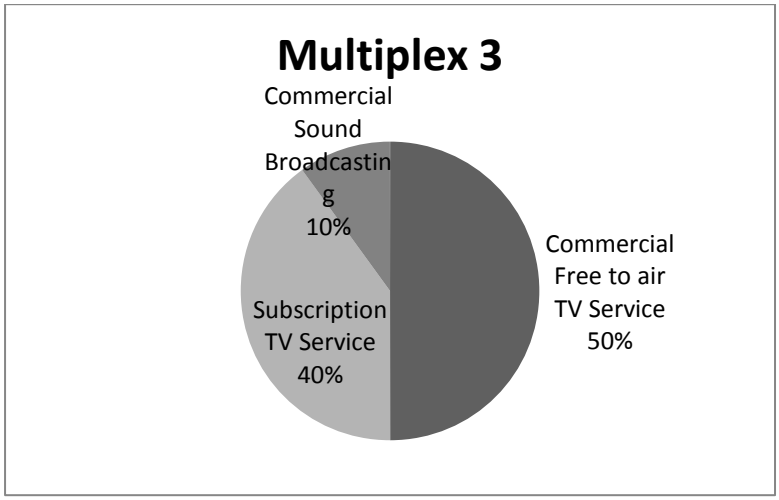


E.tv (2012a) is concerned about the fact that *M-Net* which is linked to *DSTV* has been given 40% of Multiplex 2. *E.tv* claims that the portion allocated to *M-Net* does not make sense given that has 8.3 million viewers as compared to 83 000 *M-Net*'s viewers. *E.tv* also claims that the proportion allocated to *M-Net* will entrench MultiChoice monopoly as the regulatory environment is less restrictive to pay-TV. This is unfavourable to *e.tv* and *SABC* who are subjected to strict regulations such as local content. As such, Duncan (2012a) argues that "the revised allocation to M-Net gives them an undue access to the spectrum, which will reinforce its owner, Naspers's position as South Africa's media behemoth." M-Net will not add any value toward diversity of content for less privileged people with lack of financial means as this is the subscription channel.

On the other side, *M-Net* is still not satisfied by the share allocated to them despite *e.tv's* concerns about their dominance. *M-Net* complains on the basis that their allocation is less than that of other incumbent broadcasters (*M-Net*, 2012). Therefore, *M-Net* was seen lobbying *ICASA* for additional 10% in multiplex 2 in order to equal e.tv allocations of 50% (M-Net, 2012). *M-Net* claims that it will be impossible for them to broadcast two channels in high definition with the 40% allocated to them. *M-Net* prefers high definition because it maximises consumer experience and that the days of standard definition are gone. In addition, *M-Net* also indicates that it has developed its STBs based on high definition which is more appropriate for DVB-T2 standard (*M-Net*, 2012).

Sentech, *TopTV* and civil society groupings such as *Right2Know Campaign* have proposed that the regulations should prohibit broadcasting in high definition during dual-illumination as this will require more spectrums which is very scarce during that period. On the other side, the majority of people who rely on terrestrial television cannot afford a high definition TV; therefore, it will be wasteful to have high definition channels during dual illumination (Right2Know, 2012).

Multiplex Three (New Entrants)



According to *ICASA's* draft regulation for DTT, multiplex three was reserved for new entrants, 40% for subscription TV service, 50% for free-air-commercial TV and 10% for commercial sound broadcasting. However, it appears that the introduction of new players have been placed on hold given the contradiction on BDM policy document. According to BDM Policy (article 3.3.3.), the dual illumination period "offers existing

market participants the scope to plan their own commercial strategies to take advantage of the new digital opportunities." On the contrary, BDM policy Section (6.1.7.) also stresses the need for competition.

BDM Policy (Section 6.1.7) states that "competition should be promoted within the limits of available spectrum in order to ensure a smooth migration to digital broadcasting in the country and to provide a multiplicity of sustainable services to benefit both the public and the broadcasters". Competition is very good for DTT as it will allow new players to offer diversity of channels and plurality of ideas. Bilir (2005) also argues that competition can address lack of diversity as efficiency and choice will tend to encourage dispersed ownership and new entry. Based on these policy contradictions, *ICASA* has placed on hold its plans to introduce Multiplex three for new entrants whilst it is still seeking legal opinion about whether it will be appropriate to introduce new players or not. It is quite clear that the incumbent broadcasters will resort to court measures if *ICASA* considers introducing new players during dual illumination. With this in mind, the first few years of DTT will be characterised by lack of competition which is needed to drive the uptake of STBs.

There are number of players such as *Top TV*, *Kagiso*, and *Walking on Water* (*WOW) TV* that have shown interest in Multiplex three. *Kagiso Media* (2012) indicates that new free – to – air channels should be introduced immediately as this will encourage the TV viewing household to purchase the STBs. It will be difficult to convince the TV viewing household to purchase STBs while they are getting the same channels they are currently getting (Kagiso, 2012). *TopTV* (2012) has also cautioned incumbent broadcasters that there is no reason to fear new players as this will make the process of digital migration exciting. They argue that new operators will incur more costs for starting up than the existing operators such as *e.tv* who have substantial content library.

Unlike *M-Net* who wants to broadcast in high definition from the onset, *TopTV* is of the view that standard definition should be adopted during dual illumination as there is lack of spectrum (*TopTV* 2012). On the other side, *WOW TV* has warned that digital migration will entrench *MultiChoice* monopoly as it seems to give unfair advantage to *M-Net* which is a sister company to *DSTV*. Therefore, they proposed

that Multiplex 2 should be allocated in a fair and equitable manner and that *ICASA* should regard *M-Net* and *DSTV* as one entity in order to avoid the situation whereby the advantaged continue to get more privileges (*WOW TV*, 2012).

5.4.5 Representation of local cultures and languages

In order to fulfil universal access goal, it is crucial for the digital migration policy to promote local content which will sustain local cultures and languages. However, local content in the South African context is very expensive and is not sustainable for local broadcasters. On contrary, foreign content is very cheap because the producers of the content have already made profits by the time they export it to South Africa.

The incumbent broadcasters are seen objecting to the current licensing conditions concerning local content quotas in the digital environment due to commercial pressures. It is not clear as to how the *SABC* will handle local content quotas with so many channels. *SABC* (2012a) claims that *DSTV* has been successful in filling all their channels because they are not subjected to the same licensing conditions like the *SABC* and *e.tv*. *E.tv* is also of the view that local content quotas will also entrench *DSTV* monopoly as it is not subjected to any licensing conditions.

The cost of running those channels will be higher for the *SABC* and local production industry will be required to increase its capacity to produce more content (*SABC*, 2012b). The *SABC* indicates that they will incur more operating expenses in the multichannel environment while the revenue stays the same. *E.tv* also holds the similar view that more money will be spent on local content and there will be less people watching as the audience will be divided across all the new channels. *E.tv* (2012a) claims that it will cost any channel a minimum of R100 million per annum to fulfil the current local content quotas.

Due to financial issues, the *SABC* is lobbying *ICASA* to review regulations on local content as this is not sustainable for them in a digital environment. The *SABC* calls for the status quo to remain for *SABC 1, 2* and *3* during dual illumination, but the new incentive channels should be exempted from the local content regulation until such time there will be single regulation for all the channels. The *SABC* also supports the

BDM Policy (Section 2.2.3.) which seems to propose that *ICASA* should review its local content policy to accommodate development in a digital environment.

> "The traditional model for South African content regulation is based on minimum percentages and took into account factors which applied in a single channel analogue environment. Given the new digital broadcasting era, these content quotas shall be reviewed by *ICASA* to reflect the multi-channel digital environment."

With the government policy on digital migration supporting the review of local content quotas in the wake of digital environment, this translates that members of the public are not going to reap the benefits of DTT such as the full representation of cultures and languages. Dibetso and Smith (2012) indicate that the *SABC* which has the task of broadcasting in the public interest does not fulfil even the current quotas on local content. This means that local languages and less dominant cultures will continue to get limited coverage in the digital era due to affordability and scarcity of local content.

As the matter of policy intervention, the government aims to establish *DCGHs* in order to generate digital content for digital broadcasting (BDM Policy Section 2.5.8). As a result, the *DCGHs* will contribute to the development of creative industries which give opportunity for South Africans to tell their own stories, local entertainment and cultures (BDM Policy Section 2.5.8). This will in turn contribute to nation building and social cohesion. While this initiative is a sign for an excellent policy taken by government in favour of public interest, the implementation of policies on the side of government remains a big challenge.

The government is very excellent in creating communication policy which seems to favour public interest, but the implementation of such policies are often complicated by lack of proper planning and shortage of funds. Regarding the issue of funding, Duncan (2012a) has reiterated that "the digital migration process is running into trouble, partly because Treasury has refused to grant sufficient funds needed to complete the process." The same policy proposing the *DCGHs* has failed to launch digital migration on several occasions. The government needs to invest more in this project in order to ensure that broadcasters do not opt for cheap foreign content from Hollywood.

5.5 Conclusion

The chapter presented some of the key findings on this study in three main themes. The first theme focused on ownership and control of policy processes. The role of international community, commercial actors, technological factors and public interest factors was presented to determine the key role that each of this players contribute in the making of policy. The second theme was more concerned about the nature of relationship between the government and stakeholders involved in the making of digital migration policies. Key discoveries concerning the cooperation and tensions between government and stakeholders were presented under this section. The last theme presented the extent to which digital migration policies will enhance or undermine universal access. The theme uncovered that the digital migration policies offers some excellent policy position which will lead to universal access. However, the implementation of this policy often becomes impossible due to contradiction, maladministration, lack of funding and commercial interference.

6. CHAPTER SIX: DISCUSSION AND ANALYSIS

6.1 Introduction

The main purpose of this chapter is to interpret and theorise the results that were presented in the findings chapter. This chapter uses critical theories to determine whether various actors who are involved in the digital migration policy will contribute or undermine the universal access to television. The first step is to critically discuss the influence of global political economy to national policy using global governance theories. The interplay between political and economic interest responsible for making polices in a digital converged environment will be critically analysed. This chapter also discusses the theory of policy network to analyse the state of public consultation. In addition, the political economy theory was used to analyse the state of channel allocation, diversity and pluralism of ideas and local content regulations. Furthermore, the chapter also revisits the literature in order to identity the relationship between the results and the theories. In addition, this chapter also discusses whether the results confirm or contradict with the theoretical traditions reviewed in this study. Finally, the chapter also assess whether the findings have helped to answer the research questions proposed in this study.

6.2. Research Context

Digital converged media play an important role in enhancing the knowledge of the citizens. Access to information is more crucial to the development of the nation as it will enable the society to participate in economic activities. In this instance, South African political activist and academic, Dr Mamphela Ramphele (2012) has highlighted that the citizens of the countries will blossom if they succeed in harnessing ICT opportunities to nurture, promote and utilise talent. Whilst it is true that digital converged media will bring an array of opportunities such as multichannel and interactivity, policy makers are finding themselves between a rock and a hard place while trying to promote universal access of information and to protect the sustainability of the media entities in a capitalist environment.

In a globalised environment, digital technologies are embedded in informational capitalism which has some serious repercussions for policy making that is based on universal access. The government often finds itself tied to the needs of capitalists who are in search of digital markets. As a result of market pressures, the power of state in making policies that favours universal access is diminishing. Chakravartty and Sarikakis (2006:6) indicate that governments are increasingly aligning their media policy to the economic interests of corporate forces and the need to protect foreign investment and taxable revenues.

In a digital converged environment, economic formations in most capitalist societies are increasingly playing a more significant role in organising communication (Murdock and Golding, 2005:69). The theory of political economy acknowledges that new digital media will bring along variety of media product and services that promote access to the media. However, the key concern for critical political economy of new media is about the structures and the process of power embedded with the digital technology (Mansell, 2004:4). Several studies suggest that digitisation will give rise to the new centres of power which will challenge the long traditions of public regulations in favour of self-regulation (Hesmondhalgh, 2007:1; Curran, 2002: 55).

The study investigated the political and economic ownership of digital migration policy in order to determine the possibility of attaining universal access of television. The study reveals that South African digital migration policy was more market driven. As such, the public participation in policy making was lacking; the broadcasters are only targeting the elite audience; there are no immediate plans to introduce new entrants to drive the intake of STBs; the local content regulations are not supported and there seems to be a disappearance of three tier system as all broadcasters including community and PSB are becoming profit driven.

6.3 Universal Accessibility in Question

The theory of critical political economy is also concerned about the economic ownership of the media and the allocation of digital communication resources within any given society. Mansell (2004) argues that the unequal distribution of power and resources in digital media contributes to deeply rooted inequality is likely to feature in

a digital age. In a digital environment, the digital divide gap is growing due to market driven media which tends to exclude the poor. Resultantly, the wealthy citizens in a country have more power to participate in a digital economy because of their disposable income.

Due to informational capitalism, the concept of digital divide is likely to feature in the deployment of the new media. As such, universal access remains a virtual dream in the allocation of new media. Universal access refers to the availability of broadcasting service in local languages and cultures to everyone and to all the areas within the country. As the country embarks toward digital broadcasting, universal access will be affected by the digital transition because the receivers of television content will be required to purchase STBs to access digital television.

In an attempt to fight digital divide, the government took a policy decision to subsidise poor households up to 70% toward the total price of the STBs in order to fulfil its political welfare goal. This will ensure that there is adequate circulation of information and also ensures that there is maximum participation in civic life. However, some people will still be left out because they are very poor and cannot be able to afford the 30% toward the price of STB or they do not see the real incentive of purchasing the STB. On the other side, the issue of mismanagement of funds at *USAASA* appears to be the greatest threat to the universal accessibility of digital television. Not only USAASA, the former Minister of Communications, Dina Pule has also been on the news for corruption, favouritism and mismanagement relating to digital migration funds.

However, not all government agencies have failed in the provision of universal access. For instance, Sentech has already played its part very well by ensuring that the network is capable of transmitting digital content. Sentech (2013) indicates that 80% of its network infrastructure is digital and they are aiming to reach 84% by March 2014. The remainder of 16% which includes remote rural areas will be catered by satellite. Whilst Sentech and government have done well in ensuring that the network is capable of transmitting digital signal, there are still several issues that will undermine universal access of television in the digital era.

Digital migration policies will not accelerate access to television as government is only interested in migrating those who already have access to television. According to BDM policy, the proposed subsidy scheme will only help those who already own the television sets. Munzhelele (2011) has indicated that government will not be giving TV sets to people, but will only be helping those who already have TVs to migrate. This illustrate that the less privileged people who have never owned a TV will be further alienated from digital TV after digital transition. The same people will be expected to purchase a TV set, STBs, an aerial and pay the cost of installation without any subsidies. As a result, DTT will not solve the inequality of digital divide in South African societies, because the priority to migrate is given to those who already own a television. The chapter will further discuss whether digital migration policies will accelerate or undermine universal access by discussing the influence of global factors, commercial influence, diversity and pluralism of ideas and the broadcast environment which is commercially dominated.

6.4 Global Governance

This section will discuss the role global factors in the digital migration policy making using the theoretical underpinnings of global governance theory and policy network theory. As indicated, the theory of global governance is driven by globalisation which refers to the increasing integration between nation-states and the need for collective management (Steans, 2002: 93). When it comes to policy making, several studies suggest that global governance has destabilised nation-state borders in favour of one unified state or international regulatory body. In this case, the practice of global policy transfer is seen as a hindrance to the nation-state ability to make its own policies. In the context of digital migration, the first pressure for countries to migrate from analogue to digital was necessitated by the *ITU*, which is one of the U*nited Nations* agencies to deal with telecommunications issues.

In the South African context, the findings indicate that the main driver of digital migration policy appears to be global in nature. Therefore, South Africa, being a member to the *UN* and consequently the *ITU*, is also affected by decisions which are taken at an international arena when it comes to digital migration. According to the Broadcast Digital Migration (BDM) Policy (Section 1.1.1), the decision to migrate

from analogue to digital emanated after the *Regional Radio Communication Conference* (RRC06) in September 2006 which promulgated that all countries should migrate by 2015. The extent to which 2015 digital migration deadline was pronounced by the *ITU* demonstrates the new phenomenon of global policy transfer. This is an attempt by the ITU to harmonise telecommunication sector in order to achieve its desired objectives.

Chakravarthy and Sarikakis (2006:4) argue that in the era of globalisation "the influential policy actors are not only based on the national context but also at the supranational, regional as well as transnational and trans-local networks." Since South African government is a signatory to *ITU*, the BDM policy was enacted in 2008 confirming that South Africa will roll-out digital migration from November 2010 and November 2011, which remains a pipeline dream. However, Berger (2010: 16) argues that there is no real pressure for Africa to migrate because the concerns about frequency interference between nation states are very minimal. The pressure for *European* countries to migrate from analogue to digital culminated as a result of interference in nation's frequencies and broadcasters who wanted to free-up their frequencies in order to meet the demands from diverse societies.

In a globalised environment, it is beneficial to have an *ITU* to provide a forum in which members can cooperate for rational use of telecommunication. However, the rate at which the western countries are using these institutions to advance their political and economic interest is a cause for concern. The US and EU are also seen pursuing their agenda of neoliberalism through establishments such as the ITU. This is evident through their threats in the 1980s to abandon the *ITU* for its refusal to promote privatisation and liberalisation (Winseck, 2002: 20). As a result of such threats, the ITU bowed down to the pressure from the west.

The *ITU* is now driven by the notion of free-market which argues that the market is capable of delivering society's needs (Steans, 2002: 95). Therefore, global countries are now finding themselves in a situation where they have to allow businesses to dominate communication services with less intervention from the nation-state. As a result of neoliberalism, the decisions that are taken in these international forums are taken with the pressure from transnational corporations. Most officials from these

transnational telecommunications firms have a significant presence in the multilateral bodies such as *ITU* and the *WTO,* which makes it easier for them to influence international policy directions.

It is very clear that the push for digital migration in third world countries has been initiated by the international community as this will benefit their multinational corporations responsible for producing digital content and other digital equipment. In terms of content, South Africa is not ready to enter the multichannel environment as it does not have capacity to fulfil the local content quotas with the available three – four free-to-air channels. Inevitably, local broadcasters such as *SABC* and *e.tv* are at the forefront of lobbying *ICASA* to relax the local content quotas in a digital converged environment. They claim that local content is very expensive and unsustainable. With multiple channels, South Africa will end up becoming the dumping ground for cheap foreign content from international content producers such as *Disney* and *Time Warner*. However, the problem with these multinational production firms is the extent to which local cultures and languages are threatened. According to McChesney (2004: 15), global corporate firms respect no culture or tradition if it stands in the way of profits. This will initiate a special type of digital divide as South African society will not be able to see themselves in their own television screen.

Another area where the transnational firms seek to benefit concerns the manufacturing of digital technologies or electronic equipment such as STBs. The western countries which are at an advanced stage of digital migration are seen pushing for digital migration in order to open the markets for their electronics firms in developing countries. Most of these transnational firms associated with the *ITU* are responsible for selling different electronic parts which are needed in the manufacturing of STBs. The selection of DVB-T2 broadcasting standard in South Africa is also seen as one of the global policy transfer from the *ITU*. Since developing countries like South Africa do not have full capacity to manufacture STBs parts, the foreign firms at the forefront of digital migration will benefit from South Africa's migration to digital.

On the other hand, the *ITU* has also issued an ultimatum in banning global corporations from selling analogue related technologies after 2015. This is in line with what the theory of policy transfer indicated that the agents of policy transfer in the global arena use different tactics to get countries to adopt their policy directives.

6.4.1 Free market system

Digital migration in most developed part of the world has been driven by free market principles. In Europe for instance, the main driver of digital migration has been economic (Berger, 2010: 46). The digital transition in Europe was characterised by deregulation, privatisation, and liberalisation under the auspices of the EU. The EU has been seen playing a massive role of pressurising its countries to speed up the transition to digital television. According to Sarikakis (2002: 80), the influence of the EU has led to massive harmonisation of laws and deregulation in an attempt to allow free trade and to maintain Europe global competiveness.

South Africa is also not immune to free market regime since digital migration policy is also created within the framework of this system. The digital migration policies are designed to promote free market policies such as the *Accelerated Shared Growth Initiative* (*ASGISA*) and the new *National Development Policy* which are some of the policies with more emphasis on economic growth through partnership with the business and labour communities (BDM Policy Section, 2008:6). The digital migration policy is created within the framework of free market (*ASGISA*) as it emphasises on the aggressive creation of investment opportunities and new jobs. For digital migration to contribute heavily to some of *ASGISA* objectives, this clearly means that government should succumb to some of the market pressures by deregulating the sector and privatisation.

As discussed above, there is substantial evidence which shows that the idea of digital migration has been influenced by transnational corporations which seek to benefit from electronics market and content production market in third world countries. Despite the fact that the whole concept of digital migration has been pushed by the international community, the national government are expected to maintain their own sovereignty in policy making. This chapter will further discuss the

control and ownership of digital migration policies by focusing on the local political economic factors, technological factors and public interest issues in policy making.

6.5 Government Ownership

According to critical political economy theory, the best way to organise the media that will protect the core values of society is to place controls which will ensure that the public opinion is not being served by the free market (Totale, 2003). The government being the main funder of the project has the responsibility of ensuring that DTT achieves some of its public interest goals. The government has been heavily involved in ensuring that digital migration becomes a success in South Africa since 2005. In a capitalist environment however, the role of the state in enforcing media policies is decreasing due to market pressures (Chakravartty and Sarikakis 2006: 7). As stated earlier, there is a diminishing state power in policy making because most of the crucial decisions about communications policies are now taken at global capitalist forums.

According to Duncan (2012a), “the process which started in 2005, has been state-led as the state assumed responsibility for securing public interest objectives on behalf of the citizenry”. Some of the key public interest decisions that the BDM policy proposed include the ambitious plans to subsidize the poorest citizens who are not going to afford the STBs, the introduction of STBs to bridge digital divide, and the creation DCGHs to generate local content for DTT. According to BDM policy (Section 4), the government plans to use the STBs to bridge digital divide gap between the rich and the poor. However, the weakness on the side of government lies on the implementation of policy goals. The government has on several occasions failed to launch digital migration project because of lack of funding, lack of capacity and commercial pressures.

Broadcast Digital Migration Policy of 2008 failed to meet its deadline on several occasions due to various issues. Prime to this was the reopening of the debate about digital broadcasting standards in mid-2010. After a series of meetings, workshops, presentation and lobbying from other countries, the *DoC* finally adopted DVB-T2 broadcast standard which was also endorsed by *SADC (BDM Policy 2008)*. The

other cause of delay was the court case between *e.tv* and Minister of Communications in October 2012. Even though the Minister withdrew the court battle, the migration process has not been launched a year later and half later due to arguments between *e.tv, DSTV* and *SABC* as to whether STBs should encrypted or not. The government decided to support encryption which is not mandatory. During the time of submission, *Multichoice* was not satisfied about the new government decision. However, the battle of encryption is unlikely to be concluded given the vast interest from different broadcasters. Other broadcasters could also resort to court battles which will further delay the launch of digital migration.

As a result of all these uncertainties, the timeframe for digital migration switch-on has been postponed three times and the Ministry of Communication has even conceded that they will miss 2015 ITU deadline. These further illustrate the extent to which commercial players are currently controlling the essential service of communication through economic means. For *DSTV* to sign a commercial agreement worth R500 million with *SABC* with a clause which prevents the *SABC* to broadcast in an encrypted box is another sign of commercial influence by the big commercial player. At this juncture, the control of digital migration is no longer in the hands of government since the process has become a subject of debate between stakeholders in the broadcasting arena.

6.6 Economic Ownership

In an environment where commercialisation is at its peak, the government plans have been undermined by the corporate players who seek to benefit in terms of STBs sales, audience shares and advertising revenues. Intervention through policies and regulation does not always work since corporate owners have a major say whenever the government proposes media policies and regulations (Hesmondhalgh, 2005:162). These private corporate players are very powerful to such an extent that they can influence governments to undertake policy decision that will favour them. McChesney (2004:7) argues that the economic forces of the 21st century have taken control of both media entities and the policy making processes. If this is the case, digital migration will benefit the powerful economic owners at the expense of bridging digital divide and accelerating universal access.

The failures and delays on the side of government have given the commercial players to take ownership of this project. Consequently, these unnecessary delays will give the incumbent broadcasters an advantage of creating barriers to new entrants by locking content deals (Duncan, 2012a). The issue of consolidation of advertising and content deals is not very new in South Africa. For instance, the dominance of *DSTV* cannot be challenged today because they have consolidated advertising and content deals. *TopTV* was introduced in 2010 to offer pay-TV to low income families. According to Gedye (2010:29), *TopTV* offered between 25 and 55 channels for price of R99 - R249 per month which was cheaper as compared to *DSTV*. The emergence of *TopTV* with its cheaper services has led to *MultiChoice* introducing counter options such as (*DSTV* Select for R99 per month) to compete with *TopTV* package. *TopTV* has struggled heavily to attract subscribers as DSTV has consolidated all the premium content.

The same trend is continuing going to digital terrestrial as powerful economic players are seeking to consolidate the audience and advertising revenue. *DSTV* has recently launched a cheap package, *DSTV EasyView* at R29 (approximately US$3) per month to attract potential DTT subscribers. The subscribers to *DSTV EasyView* package will be able to watch 24 channels and a number of local radio stations. According the *SOS Coalition* (2012), this *DSTV* package has been designed to undermine the digital migration progress. As a result, *DSTV* has managed to migrate a large number of people in previously disadvantaged communities via its satellite platform.

According to *Naspers* (2013), the number of satellite television households has risen to 4.7 million out of around 12 million television households. This entails that close to 40% of the population already receives digital television via satellite platform. Following this growing trend by satellite television, a study by *PWC* predicts that there will be 80% of satellite television subscribers by the year 2016. The growth in satellite will also be accelerated by the newly launched platform called *Platco Digital,* a sister company of *e.tv* and *Sentech Freevision*. In line with free market assertion of deregulation, the new services from *Platco Digital* are not licensed by *ICASA*. It is

seems as if *Platco Digital* has seen a policy vacuum from *ICASA* which is perceived as a weak regulator.

Conversely, *Platco Digital* also carries *SABC* channels despite warning from the *SABC* that *Platco Digital* should not dare transmit their own channels. *Platco Digital* has argued that it will be unconstitutional for *SABC* to pull out their channels. This happens while *e.tv* is still arguing with *DSTV* and *SABC* about whether the STBs should be encrypted or not. Digital migration will not be launched if there is no consensus around the issue of encryption. As indicated, further delays on digital migration will work in favour of incumbent such as *e.tv* and *DSTV* as this will give them a considerable amount of time to grow their satellite platforms (Duncan, 2012a). The delays on implementing digital migration will give the satellite platform such as *DSTV*, *Platco Digital, StarSat* and *Freevision* enough space to consolidate their offering. According to *SOS* (2012), digital migration project will collapse as a result of government's lack of capacity to co-ordinate it.

6.7 Public Ownership is lacking

According to *Right2Know* (2012), the nature of policy making in South Africa seems to exclude the public in a large extent, even though the policy claims that the members of society are involved in policy making. The policy making processes in South Africa are mostly populated by private stakeholders who have vested financial interest. This situation is further illustrated by the Marxist ideology which warned about the ruling class controlling all the mental production. The ruling class that the Marxist ideology is referring to is responsible for regulating the production and distribution of the ideas. As a result, ordinary members of society who do not have the means of production do not have any leverage over digital migration policies and regulations.

Duncan (2012a) indicates that "the policy and regulatory machinations on the migration process are taking place in elite governmental and regulatory forums". Since the inception of digital migration, the representation of ordinary members of society in the forums such as *Digital Broadcasting Migration Working Group* and *Digital Dzonga Advisory Council* has been lacking. These two forums were

responsible for advising the Ministry of Communications about policy position that government should take for digital migration but there was lack of public representation. Ordinary members are excluded in policy making because government and its stakeholders normally hold their meetings behind closed doors. As a result, commercial actors who were involved in these policy forums have recommended policy goals which will sustain their dominations.

Members of society are also unable to participate in digital migration policy making because they do not have sufficient knowledge about DTT. The government has failed to introduce continuous public awareness campaign to inform people about these massive changes. The tender to publicise the digital migration project is now subject to investigation due to massive corruption that took place (SABC News, 2014).

Reid (2012) argues that "apart from simply telling the population about this colossal project, has anyone in government bothered to ask what citizens actually want from the process?." Duncan (2012a) indicates that by the time government introduces consumer awareness programme, "the decisions that really matter will already have been sewn up by the experts, ready to be imposed on the helpless citizenry." This situation can be compared to that of Gauteng *e-toll* where the members of the public were informed that they will be required to pay for using Gauteng roads during the eve of launch (Reid, 2012). There was a massive resistance against the *e-toll* because the public consultation process was shambolic. People were not prepared to pay for the roads that they have been using for free all along. The digital transition processes is also likely to face the same resistance because members of the public will not be prepared to buy STBs to continue watching the channels that they have been receiving for free all along.

6.8 DTT reserved for upper class audience

The Marxist approach will best explain the situation by which economic ownership serves the interests of the elite at the expense of the poor. As Straughber et al, (2009: 42) has already explained, the dominant group creates the ideas favouring their continued domination – this includes the consensus that it is normal to have

inequalities in any given society. Marx also predicted that “the owners of the news communications companies were members of the general capitalist class and they used their control over cultural production to ensure that the dominant image and representations supported the existing social arrangements” (Murdock 1995: 126). In the context of South African digital migration, the profit driven media groups only wants to broadcast to elite members, thereby excluding the poor.

It looks like there is no broadcaster who is willing to broadcast to lower class audience as they are less attractive to advertisers. Commercial driven broadcasters are seen fighting for the share of upper class audience. Some broadcasters also propose to broadcast in high definition in order to attract upper class audience and advertisers. Despite the fact that BDM policy favours standard definition broadcast during dual illumination, *ICASA* which is responsible for allocating spectrum to broadcasters, has allocated percentage of spectrum to broadcasters without indicating the compression ratios for each channel. This gives the broadcasters the power to use a spectrum in the way that they deem profitable.

Broadcasters competing for upper class audience have a desire to broadcast in HD. The concern is that high definition broadcast normally takes a larger spectrum in order to broadcast one channel. Large media groups are under pressure to broadcast in high definition to ignore the minority or less powerful audience in order to keep the large or big audience pleased (Graber, 1986:262). *M-Net* and *e.tv* have already shown their interest to broadcast in high definition in order to attract top audience.

According to BDM Policy (Section 1.3.2), the benefit of migrating to digital broadcasting will be the availability of more channels. The policy further states that the availability of more channels will enhance the country’s ability of ensuring universal services and to ensure more equitable access to information. However, high definition television broadcast chews large amount of spectrum and therefore reduces the number of channels (Duncan, 2012a). The much awaited benefit of diversity and pluralism of ideas will disappear as there will be no new offerings in a digital environment. One multiplex can accommodate approximately 15 standard definition channels as compared to approximately 5 high definition channels. HD

broadcast will serve as a hindrance to diversity and pluralism since there will be over-representation of the values of dominant cultures (Doyle, 2003: 12).

Watching HDTV in an analogue screen is considered to be deteriorating the good quality content in order for the poor household to see television (Makhaye 2011). These households will not reap the rewards of high definition because when high definition pictures are converted into analogue television, this does not add value to the viewing experience of poor households. This entails that the information rich societies who have been getting plenty of channels via satellite and broadband platforms will continue to benefit on the DTT platform which was supposed to be a universal access service. The introduction of high definition broadcast will deprive the poor who rely only on free-to-air channels the opportunity to have diversity and pluralism of channels.

6.9 The Case for the New Entrants

In the context of South African digital migration policy, the government had the best interest of the public by promoting diversity and pluralism of ideas. Doyle (2002:11) defines pluralism as “the presence of a number of different and independent voices and of differing political opinions and representation of culture within the media.” Doyle (2002:11) argues that “the definition of pluralism embraces both diversity of ownership, that is, the existence of a variety of separate and autonomous media suppliers, and diversity of output.” Therefore, pluralism is needed to ultimately sustain democracy and representation within a given society for different political viewpoints and forms of cultural and social expressions (Doyle, 2002:12).

The BDM Policy takes into consideration that the provision of multiple channels which will enhance the diversity of content. However, it appears that digital migration will be unable to dismantle the concentration of media ownership in the broadcasting as *ICASA*’s plans to introduce new players during dual illumination have been thwarted. In 2012, for instance, *ICASA*’s draft regulation proposed the idea of introducing new players on multiplex 3 which was met with mixed reactions.

The incumbent broadcasters with vested financial interest have opposed the move by *ICASA* to introduce new entrants. The *SABC* (2012a) argues that the regulator should prevent new players from entering the markets during dual illumination as it will be unsustainable for them to compete with new players while caring the risk of dual illumination. This is despite the fact that the incumbent broadcaster will be placed in a multiplex one and two which are subsidised by government. After all the public consultation process, *ICASA* then decided to withhold the introduction of Multiplex three citing that they are still seeking for a legal opinion.

The delays in introducing new players will result in the slow take-up of STBs. As such, dual illumination might take longer than anticipated because there is no real incentive for the society to migrate if they still receive the same channels that they have been getting on analogue. As indicated, the delays give the incumbent broadcaster an ample time to consolidate their offerings. Given the never-ending delays, dual-illumination is likely to drag toward 2020.

Consequently, the new players that will be introduced after the dual-illumination will struggle to attract audience, advertisers or to generate content. This is contrary to the principle of BDM policy (Section 6.1.7) which states that "competition should be promoted within the limits of available spectrum in order to ensure a smooth migration to digital broadcasting in the country and to provide a multiplicity of sustainable services to benefit both the public and the broadcasters." The current delays in introducing new players will lead to the tendency of consolidation. While consolidation is good for the markets and foreign investment, however its occurrence will have a strong impact on diversity and pluralism.

The concentration of media ownership is likely to be fuelled by the growth of digital converged environment. This is because the regulations are favouring the incumbent broadcasters rather than protecting public interest issues such as diversifying information sources for the previously disadvantaged people. In South African television sector, there are only four players which dictate what the South African society should view on television. These four players are *SABC*, *Multichoice*, *e.tv* and *TopTV/StarSat*. The South African television sector is highly concentrated since

the four major voices accounts for more than 90% of the existing market share (Angelopulo and Potgieter 2013).

Concentration of media ownership is characterised by mergers and take-overs which makes strong media which will dominate the media industry (Albaran et al. 2003:41). In a digital age, the consolidation of media ownership is driven by the concept of *convergence* which refers to coming together of the previously distinct technologies. Newspapers, radio, television and internet businesses are increasingly coming together due to convergence. For instance, *Naspers* is one of the biggest converged group which control the traditional and online newspapers (*News24*), the internet providers (*MWeb*), the satellite television provider (*DSTV*), television channels (*M-Net* and *Supersport*), and the social network (*Mxit* and *WeChat*).

Within *Naspers*, the *DSTV/MultiChoice* group was successful in monopolising the supply chain of television. This is evident through the common ownership along the supply chain of a single product. For instance, *DSTV/Multichoice* group controls the stage of production (exclusive content deals), transmission networks (Orbicom), re-transmission (DTH), consumer's decoders (STBs), Encryption and smart cards. This clearly means that the audience who wants to change from *DSTV* to *TopTV/StarSat* will need to buy a new dish and decoders from the new player. This type of concentration also makes it difficult for new entrants to enter the industry as *MultiChoice* has signed content deals to be exclusive broadcaster of specific programmes or events.

In whatever form it takes, concentration of media ownership consequently leads to lack of diversity, barriers to new entrants, limitations of minority voices, market driven journalism and also lack of competition. While concentration is good for large media companies, it however limits the consumers through informal system of regulations (Turnstall et al. 1999). Consequently, the powerful media owners in South Africa are now using their commercial influence to control the digital transition. By the time ICASA introduces new players on DTT, the incumbent broadcaster will be enjoying the monopoly of content and audience.

6.10 Political Economy of Local Content Regulations

Universal access is not only achieved when everyone has access to television, but the availability of local content is the key ingredient of universal access. It is very crucial to have the availability of local content so that local people can be able to identify with the characters, lifestyles, cultures and the languages on their own screens. There will be no universal access while local people are still subjected to cheap foreign content in which the society will not be able to identify themselves.

As Totale (2003) indicated, political economy "examines how the different economic structures of the media influence the content of the media." In a digital environment, media companies view themselves as sites of investment and sources of employment (Cottle, 2003: 3). They characteristically produce content which will ensure that there is a continued domination by the wealthy societies. New digital media presents a bigger challenge for national and local regulators. Local content programming is a fundamental goal for universal access.

The current situation on analogue environment clearly portrays that South Africa is has not yet achieved the universal access in terms of content. The current broadcasters are well known for repeating content or recycling of old stories from Hollywood. As indicated earlier, the move toward digitisation has been initiated by the international community who wants to secure the free flow of information from the first world to the third world countries. Therefore, the third world will become dumping ground of obsolete content from the first world countries as the local content is very expensive to produce in South Africa. The information flow from the north to the south will support the neo-colonialism agenda, where the north continues to influence the south through the power of digital communication.

As presented in the previous chapter, local media companies who are driven by profit making motives are also asking *ICASA* to relax regulations on local content as the country moves toward digital environment. In this context, the media view themselves as economic entities which are mostly concerned about maximising revenue and minimising costs in order to be sustainable in a capitalist economy (Napoli, 1997). Under the free market system, it is very difficult to distinguish the media from the normal business. Most importantly, it is very pivotal for the media to

be regulated as the media is responsible for making and circulating products that have influence on our understanding about the world (Hesmondhalgh, 2007: 3). Effective regulations will ensure that there is sustainability of local cultures and languages.

6.11 Three Tier System of Broadcasting in Context

The Triple Inquiry report of 1995 introduced the three tier system of broadcasting which consisted of community, commercial and public broadcasting. However, the commercial pressures have led to the dominance of one tier system of broadcasting in South Africa, which is commercial. The public broadcaster and other community players are now seeing themselves competing with private broadcasters in search for capital. In so doing, this will inevitably compel the public and community broadcasters to divert from their mandates. In the capitalist economy, the community media and the PSBs are being side-lined in favour of commercial driven media. On the international front, the UK is also synonymous with this issue as the *BBC* has also been given more freedom to pursue its commercial objectives (Steemers, 1999:44). Steemers (1999:44) also argues that digitisation and convergence have led to a situation by which broadcasters are more interested in commercial transactions than universal access of communication. While this is good for PSBs competitiveness in global markets, this however leads to the confusion in defining the PSB.

Critical political economy theory is very critical about the dominance of commercial players in policy making. In a capitalist environment, the role of the state in communication matters is diminishing due to market pressures. As indicated, the global economy is now governed by neoliberal market policies which call for business domination in all spheres of life (McChesney, 2004: 7). The *ICASA* regulations processes are dominated by commercial actors with vested financial interest. More than two thirds of the DTT spectrum has been allocated to commercial broadcasting leaving the PSB and community media with less than one third.

However, the trend toward commercialisation is also increased by the extent to which community and public broadcast media are also increasingly becoming commercial in nature. According to Duncan (2012a);

> "Owing to government's unwillingness to provide significant support for the non-commercial tiers, South Africa's media landscape has become dominated by commercial television. Public service and community television have been forced to survive by becoming commercialised, leading to all tiers of television targeting upper income brackets and addressing audiences as consumers, to different extents."

Big commercial consortiums are indirectly investing in this community media that are struggling to sustain themselves in a digitally converged environment. According Thomas and Mavhungu (2013), four out of five community televisions on-air are controlled by private entities such as *Urban Brews* and *Zallywood*. The Urban Brew which is the subsidiary of *Kagiso Media* owns *Soweto TV*, *Bay TV*, and *One KZN* whilst *Zallywood* controls *Tshwane TV*. The only community television station which is self-owning is *Cape TV* but it is struggling (Thomas and Mavhungu, 2013). The situation is also exaggerated by the lack of funding from state and the ineffectiveness of *MDDA* in supporting the community media sector.

The push towards the neoliberal policies has led to government limiting their funding in the public broadcasters. Due to lack of funding from government, the SABC in search for profits has resolved to compete for capital with private operators in order to be sustainable. The *SABC* in recent times is becoming more market driven to such an extent that it is difficult to draw a line between public and commercial services. Heavy reliance on advertising and sponsorship revenue has somehow compromised the *SABC*'s public offering. According to *SOS Coalition* (2012), the *SABC* has failed on some of its role of being the public broadcaster because they rely heavily on the advertising revenue. Political economy sees the media which heavily rely on advertisement as commercial entities which are there to sell audiences to advertisers, and not to sell ideology to consumers (Garnham 1992). This means that the public service programmes will be side-lined in favour of programmes which will entice advertisers. According to Leurdijk (2006), PSBs are accused of crowding the market by offering similar services to that of commercial broadcasters in order to sell the audience to the advertisers.

According to the Broadcast Act of 1999, the public service broadcast means a broadcasting service provided by a person who receives his or her revenue either on licence fees or from the state. The act requires the state to play a major role in terms of funding the public broadcaster, but in practice, the funds that come from the state to the *SABC* are very limited. This could be attributed to the fact that there is a drive toward commercialisation and liberalisation in the broadcasting sector.

The challenge for the *SABC* is to secure funding for PSB that would be realistic and substantial enough to allow the public broadcaster to fulfil its public mandate in a competitive market (Fourie, 2004). Due to lack of funding, the *SABC* which is commercially driven has launched a 24 news channel on *DSTV* which is inaccessible to majority of the population. The *SABC* has signed a deal worth R550 million with *DSTV* to produce content which will be broadcast on *DSTV (Gedye, 2013)*. This action which is motivated by financial interest will give rise to the public media which does not represent the need of the society which they claim to represent.

Fourie (2010) has proposed the model called distributed PSB as a solution to never-ending crisis of leadership, finances and accountability at the *SABC*. In this model, Fourie (2010: 3-4) argues that "the mandate and remit of public service broadcasting should not be restricted to a single broadcaster – but broadened to include the expectation that all broadcasters in a country's broadcasting system have the legal responsibility to dedicate the quota of their programming to topics of national interest." However, public interest grouping such as *SOS Coalition* have constantly opposed to the idea of privatising or dismantling the *SABC*. The *SOS Coalition* calls for the *SABC* to be strengthened rather than to be dismantled. The distributed PSB model will also not be ideal given the desire by powerful commercial enterprise to attract advertisers by broadcasting content which will entice the advertisers instead of information diversity.

6.12 Conclusion

The chapter discussed different factors that will enhance or undermine universal access of digital television by using critical theories. Through the application of

critical theories, the chapter discussed the role of government in implementing digital migration which has been reduced due to influence of globalisation and powerful economic factors which are driven by the neo-liberalism principle. Due to government failures, the ownership of digital migration in South Africa is now at the hands of few economic actors who are currently migrating a large number of people via their own satellite platforms. As a result, the digital migration project is at crossroads due to lack of government capacity in implementing its own policies. In terms of policy making, the policy network theory is very concerned about the tendency to exclude members of the public and interest groups when it comes to policy making processes. The policy making processes which is led by the powerful economic players result in the policies which favours their continued domination through the restriction of competition, targeting of upper class audience, broadcasting of foreign content and the dominance of commercial tier of broadcasting. With this in mind, the universal access of digital television in South Africa remains at crossroads.

7. Chapter 7: CONCLUSION

7.1. Introduction

This chapter will summarise the study by reviewing the research problem, the research question, the theoretical framework, the methods and the findings. In this sense, the chapter will also evaluate whether or not the research questions were sufficiently answered by the findings. In doing so, the chapter will review some limitations which served as a hindrance for the study to arrive at the particular findings. The chapter will also discuss the extent to which the findings accept or reject the assumption put forward by the theories of critical political economy, global governance and policy network. The final section of this chapter will provide recommendations to the political and economic stakeholders of digital migration, recommendations to policy makers to make policy which will have a positive impact on universal access, and also recommendations for future studies.

7.2. Summary

7.2.1. Research problems or questions

The study investigated the extent to which digital technological development takes place within the informational capitalism. In the digital age, there is a greater role for economic actors who have a financial means to play a role in making policies which have serious implications on universal access and public interest. The government policy often finds itself tied to the needs of local and global capitalist in new media. Therefore, the study investigated how economic and political power relations between organisations involved in the digital migration influences the control of the policy process.

The following questions were raised in this study:

- Who are the players involved in digital migration policies in terms of ownership, control and funding of the process?
- To what extent does the digital migration policies enhance or undermines universal access to television?

- What is the nature of the relationship between state and commercial actors in terms of power to influence the direction of the policy?

7.2.2. The theory and literature

This study employed three crucial theories of critical political economy, global governance and policy network theory. The critical political theory of the media is a relevant theory in explaining the interplay between media, power and ideology. According to Hesmondhalgh (2007:33), political economy theory is concerned about an increasing role of private ownership in political decision making. The other concern for critical political economic approach is the impact of economic dynamics on the range and diversity of public cultural expressions and its availability to different social groups (Golding and Murdock, 2000:73). The economic players who are involved in the business of media make and circulate products that have an influence on our understanding about the world (Hesmondhalgh, 2007:3). As a result, the critical political economy theory was very useful in determining how power is distributed, exchanged, or exercised in the making of digital migration policies.

The study also used global governance theory in order to analyse the influence of global corporations in the politics of making international policies. Various studies suggest that the role of state in making policy is diminishing due to globalisation. Therefore, global governance theory was very useful in explaining the control and ownership processes of policy in the global context whilst taking into consideration the sovereignty of each state. The policy network theory provides some conceptual frameworks which are very useful in policy analysis research. This theory concerns itself about strengthening policy network in which policies are created.

7.2.3. The methods and limitations

The study embarked on document analysis which involved analysing policy documents, policy submissions, key presentations, press reports on this subject and also conducted a participant observation in various seminars and workshops. Both methods were very useful in terms of uncovering the players involved in terms of ownership, control and funding of the process. In addition, the study was able to

reveal whether digital migration policies undermines or hinders universal access of television through the application of this method. However, the major limitation for this study was that digital migration is an on-going project which changes its shape every day and it was often difficult to stay abreast of the new developments. The researcher was always adapting the research project in an attempt to cover the latest developments.

7.2.4. Summary of findings and discussion

The research has made an attempt to answer all the research questions despite the limitations mentioned above. The first question was concerned about the actors, ownership and control of digital migration policy making. The findings of the study reveal that the very first pressure for South Africa to migrate comes from global capitalism factors. Global forces from the countries which are at an advanced stage of digital migration are pushing digital migration to third world countries as this will benefit their content production industry and their electronics sector.

Berger (2010: 88) argues that the drivers of digital migration are specific forces in developed countries who seek to exploit airwaves and also sell digital gadgets. They use their significant influence in the *ITU* to dictate the direction of policies worldwide as this will benefit them financially. In this case, the global multinational corporations responsible for content production will benefit because South Africa does not have enough content to fill the multiplicity of channels in the digital era. Several examples were also cited where the local broadcasters were seen lobbying government to relax regulations on local content.

The *ITU* proposes that the multinational companies that are responsible for selling analogue related technologies will no longer be able to sell this technology to maintain analogue broadcast after 2015. This leaves the global multinational forces which are responsible for selling digital technologies at the better space to consolidate their global position. The *ITU* has also recommends the DVB-T2 as a broadcast standard for SADC region. As such, the SADC region has opted for the DVB-T2 which is the European standard instead of developing their own. The local

manufacturers of STBs are also expected to continue exporting most of their parts in countries with well-established electronic sectors.

The second question was concerned about the relationship between the state and other stakeholders in the policy space. The paper reveals that there is a symbiotic relationship between state and affected stakeholders. The state always invites the players to make their contribution in policy making and the stakeholder always expect policy decisions that will favour them. The digital migration project has stalled because commercial stakeholders who are looking after their narrow economic interests are currently in disagreement with each over the encryption of STBs. The government took a decision on behalf of broadcasters but not all the broadcasters and manufacturers are happy about government intervention. Those that are not happy with government decision could even resort to court action which will further delay the process.

The last question was concerned about whether the policies of digital migration undermine or enhance universal access. In South African context, the government as the main player released the BDM policy in 2008 which proposes some measures which are beneficial to universal access and public interest. However, the government weakness is that of its inability to implement proposed policies. Due to government failure in implementing policies which are based on universal access, the industry experts who have vested financial interest have somewhat ceded control of policy making processes. These experts who often form part of advisory panels to the *DoC* are often finding themselves in a favourable condition to influence government policy.

As a result, the nature of policy making in South Africa is becoming too commercialised and exclusive to private players. The ‘elitism’ of the policy processes has resulted in lack of public participation in policy making. The dangers for policy making at the hands of corporate interest is the extent to which it will lead to concentration of media ownership. Current owners will use all their powers to block new entrants by locking down on adverting and content (Duncan, 2012a). Any delays in introducing new players will make it difficult for new entrants to be sustainable and also lead to slow uptake of STBs.

The other consequence for policy making that is based on commercial influence includes the disappearance of three tier system of broadcasting. The large proportion of spectrum allocated by *ICASA* has been dedicated for commercial use in the expense of public and community media. On the other side, the public broadcaster, the SABC, is becoming more market driven to such an extent that it is difficult differentiate it with private broadcasters. Due to lack of support, the community media have also been forced to become commercialised, thus leaving all the three tier system of broadcasting to target the upper class audience (Duncan, 2012b).

The study also revealed that the commercial media with the interest to making profit have taken over the policy making processes. They selectively target only the elite audiences at the expense of the poor. This is evident through their proposal to broadcast on high definition which will reduce the number of channels. Audiences with limited resources will not see the benefits of high definition broadcast as they do not have the financial means to buy television capable of receiving high definition. The society will also lose in terms of content since there is a general consensus from broadcasters that local content regulations should be relaxed in the digital age. In essence, this will open ways for influx of foreign content to be exported to South Africa and this will have serious impact on cultures and languages which are already deteriorating.

7.3. Recommendations

The study revealed some issues in the culture of policy making in the digital converged environment. The policy making in South Africa is driven by the local and international actors who are driven by profit making agenda. The study also reveals that profit driven media will consequently lead to the dominance of foreign content which has negative impact on local cultures and languages, lack of new players in the DTT platform as big media groups will form barrier to entry, the dominance of commercial broadcasting will lead to the death of the three tier system of broadcasting and lastly, the programming will be targeted to upper class audiences.

This section will try to come up with various recommendations that will seek to address the various issues identified.

7.3.1. Policy Clarity

The recommendation to policy makers is that they should make policies that are based on public interest and be able to execute their mandates with no doubts. The government policy should be clear and simple to avoid any takeover from experts who are commercially driven. This means that government should assume leadership of the digital migration process and avoid policy contradictions which prevent itself from launching digital migration. Therefore, the government should have a clear policy about the STBs encryption, the public awareness campaign, the launch date and competition.

7.3.2. Inclusive policy making process

The government as the major stakeholder in the policy process should always strive to protect the values of society by making the policy process to be inclusive. The general members of public should also be informed and also be consulted whenever policies of this nature are proposed. According to Lloyd (2010), “a mass awareness campaign must be launched as soon as possible to ensure that consumers know how they can view digital television channels and what benefits this will have for them.” The only campaign as organised by *Go Digital SA* did not reach the underprivileged communities as the campaign was mostly communicated via mainstream newspaper and online sources. If government wants to be successful in terms of public participation in policy making, they need to communicate their message via the medium of radio or road shows.

Non-profit advocacy groups should also be strengthened in order to guard the public against any commercial exploitation. Only few advocacy groups have voiced their concerns about the issue of digital migration. Such groups include the *SOS Coalition*, *Right to Know Campaign*, and *Highway Africa.* Government should always consider the viewpoints of advocacy group provided that most of them are not attached to any commercial or political interest.

7.3.3. Achieve universal access services

The findings also revealed that many South Africans will not be able to access digital television because there are still many places which are not yet electrified. Some people cannot afford the price of TV and while others are unable to get TV coverage due to lack of *Sentech* signal. The government should strive by all means to ensure that all the people who fall in the above-mentioned categories of digital divide get necessary assistance so that they can form part of what Castells termed as 'network society'. The government should also strive to achieve universal access by ensuring that everyone receives television in their language and local content. The local content in South Africa is very expensive and the broadcasters are opting for cheap foreign content. The government should push forward the proposal of *DCGH*s in order to encourage the local production sector.

On the other side, the commercial broadcasters are willing to broadcast in high definition as opposed to standard definition which is favoured by government policy during dual illumination. HD broadcast will reduce the much expected benefit of diversity of channels as HD broadcast require a large amount of spectrum to broadcast one channel. Moreover, the information poor who were marginalised in the day of analogue will continue to be marginalised in the digital era. Only the information rich society will enjoy the experience of HD broadcast. According to BDM Policy (Sec 1.4.1a), the benefit of digital broadcast is efficient use of frequency which is a scarce resource. However, *ICASA* which is responsible for spectrum allocation does not restrict HD broadcast which will result in the wastage of spectrum.

7.3.4. Bridge digital divide gap

The government should strive to bridge the digital divide gaps by implementing policies which will reverse the unequal gap of access to information. Access to information is very crucial in the fight against poverty, crime and unemployment. The state should use the opportunities presented by DTT to provide access to under-privileged societies. The proposal for STBs subsidy scheme is very crucial to bridge digital divide. However, the implementation on the side of government is always a concern.

The tender for manufacturing STBs is one of the biggest tender in which government should oversee. Government should be aware by now that some of the manufacturers who are bidding for these tenders are only interested in making huge profit than to manufacture STBs that will deliver quality information and bridge digital divide. If this tender could fall into the wrong hands, the government will not be able to bridge the digital divide gap. In the recent news report, there has been blackmailing saga emanating from this tender. The government scrutiny is required in awarding these tenders as private enterprises often collude to get the best deal from government.

7.3.4 Allow new voices on television

Television industry has long been characterised by lack of competition. People who rely on free – to – air television do not have as many choices as they only have *SABC*, and *e.tv*. The current regulations from *ICASA* are not providing clarity with regard to the introduction of new players during digital migration. BDM policy Section (6.1.7.) also indicates that "competition should be promoted within the limits of available spectrum in order to ensure a smooth migration to digital broadcasting in the country and to provide a multiplicity of sustainable services to benefit both the public and the broadcasters." Competition on DTT is very good as it will allow the new players to offer diversity of channels and pluralism of ideas. Bilir (2005) also argue that competition can address lack of diversity as efficiency and choice and will tend to encourage dispersed ownership and new entry. Therefore, the recommendation for *ICASA* is to introduce new players during dual illumination period as this will drive the uptake of STBs and to speed-up the migration process.

7.3.5 Support for public and community media

The findings revealed that the public broadcaster and the community media are unable to cope due to lack of funding. Both the public broadcaster and the community are becoming commercially driven due to lack of funding. Public service and community media are needed in order to contribute in educating and informing the public and their respective communities about various issues in different

languages. As indicated that the *SABC* is under a cloud of financial strain, therefore government need to come on board to assist the *SABC* in order for digital transition to become a success. The suggestion is that government should fund the *SABC* during the migration process to ensure that the SABC continue to provide the public service. The government should also strengthen the *MDDA* by increasing its budget to assist all the struggling community media.

7.4. Future Studies

The study proposes that further research on this subject should be conducted as this will give policy makers some ideas on policy making and implementation. The shortcoming of this study was the fact that the audience were not included on this study. Future research should involve the audience as they are main stakeholders in the process. Recently, government has released the ICT policy which also requires some attention from researchers. There is a great need for researchers to engage on these policies as they are also crucial in the attainment of universal access and bridging digital divide. Finally, the researchers who are involved in academic studies should also take an active role in policy making by making sound submissions to *ICASA* and government.

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APPENDIXES

Appendix A:

Dodds, C. (2012) 'SABC's 24-hour Channel hits the Skids' Retrieved from IOL News
http://www.iol.co.za/news/politics/sabc-s-24-hour-channel-hits-the-skids-1.1405563#.UnIwUPlBPng
Available: 18 October 2012

SABC's 24-hour channel hits the skids
October 18 2012 at 07:38am
By Craig Dodds

Independent Newspapers

Johannesburg - The SABC has been sent back to the drawing board on plans for a 24-hour news channel, with Finance Minister Pravin Gordhan saying: "This is not the time for vanity projects."

Saying the Treasury had seen a business plan for the channel but had yet to approve it; Gordhan said SABC management "must take credible measures to stop wasteful and ill-considered projects and expenditure".

The finance minister warned that "vanity projects" could not be considered "when this country faces fiscal constraints".

In a written reply to a parliamentary question from Cope's Juli Kilian, Gordhan noted that the SABC had failed to cut staff costs in line with a target set in the terms of agreement for a R1.4 billion government loan guarantee granted by the Treasury in 2009.

Although the SABC had committed to slashing the wage bill by R283 million by 2013, with a target of R1.476bn for the past financial year, its staff costs had become bloated to R1.753bn.

Gordhan said the broadcaster was aligning its corporate plan, which included its budget, to reflect the loan guarantee targets, but had not submitted it to the Treasury.

Communications Minister Dina Pule said the projected operational cost of the channel would be R180m a year, rising to R240m in the fifth year. The SABC would also need R75m more for capital expenditure.

SABC spokesman Kaizer Kganyago, however, said plans for the launch of the channel were "on track". He said he could not give a new date for the launch as there were "logistical issues" that needed to be resolved.

Asked if the SABC had secured enough funding, he said he was unable to comment specifically, but “from where I’m sitting, everything is on track”. Political Bureau

Appendix B:

Gedye, L. (2012) "Digital TV Migration on hold – Again" Retrieved from *Mail and Guardian* online http://mg.co.za/article/2012-02-24-digital-tv-migration-on-hold-again Available 24 February 2012

Mail&Guardian
AFRICA'S BEST READ

Digital TV migration on hold -- again

24 FEB 2012 00:00 LLOYD GEDYE

The government's ineptitude has raised the question of whether the country will be able to successfully migrate from analogue to digital tv.

If you worked for five years on one project and had little to show for your efforts, would your boss fire you?

The government has been plugging away at the digital terrestrial television migration now for half a decade and the broadcasting sector says the building blocks are still not in place. So what went wrong? And, why can't we get it together?

The *Mail & Guardian* takes you inside the five-year catastrophe that is digital migration.

A further delay

Late last month, South Africa's new minister of communication, Dina Pule, who has been in the job for little more than three months, announced that the deadline for switching on digital television signals, which had been set down for April 2012, would be shelved.

This is just another delay in a process that has seen many setbacks over the past five years.

When a country makes the switch over from analogue television to digital, there are two important dates. The first is the date on which digital television signals are launched and the second is the date on which the analogue television signal is turned off for good.

The period between the two is known as the dual illumination period during which both digital and analogue signals run side by side. This period is the time frame within which the country needs to convert all its analogue television households to digital set-top boxes.

So what Pule's announcement means is that, in effect, the government will not turn on the digital television signals before the date when it was meant to have turned off the analogue signal for good.

To say we are running a little behind is an understatement. The department of communications insists that the digital signal will be switched on sometime "around September 2012".

During the past five years, South Africa has had four communication ministers, all of them with their own ideas and agendas regarding digital migration. This makes it difficult to lay the blame squarely at anyone's feet—they have all contributed to the delay.

Industry insiders who spoke on condition of anonymity said that the digital terrestrial television migration process had not reached even the starting gate, with set-top box standards and multiplex capacities, which are the building blocks for the process, still not finalised.

“We are going to miss the 2015 deadline,” said one industry insider.
As a signatory to the International Telecommunication Union, South Africa has agreed to meet the global analogue switch-off date of June 1 2015. After this date, countries’ television signals will not be protected against interference.
Why digital migration?
Radio spectrum is a very scarce resource and can deliver various broadcasting and wireless broadband products to customers.
At present South Africa’s terrestrial free-to-air broadcasters are sitting on choice radio spectrum that could be used to deliver wireless broadband services.
With analogue, each spectrum channel or multiplex is used to deliver a single analogue television channel. With digital television, the multiplex can deliver up to eight channels.
So digital migration will not only allow the opportunity to offer more television channels but it will also allow spectrum to be freed up for use by wireless broadband players.
In fact, the Independent Communications Authority of South Africa (Icasa) has already begun a process in which wireless broadband players can apply for new tranches of the 800MHz band that will be freed up by digital migration.
Icasa has identified the 800MHz band to roll out wireless broadband services to rural areas, so the longer digital migration takes, the longer it will take to service rural South Africans with broadband products.
The department
The department of communication cannot help the fact that it has had four ministers in five years but it insists that the current minister is aware that digital migration is very important for the country.
The minister’s spokesperson, Siyabulela Qoza, said: “The department has set up a digital terrestrial television [DTT] branch with a project manager and a ministerial advisory team. Their task is to deal with DTT matters on a daily basis.”
Industry insiders argue that the department lacks staff who understand the digital migration process and complain that the process has been centralised within the department.
“There is a command and control approach to DTT,” an industry insider said.
However, the department insists that a broadcasting migration project plan, which clearly details the activities and milestones to be achieved, is being implemented.
But the department only published its policy on digital migration this month and, according to industry insiders, still has to get its business plan for digital migration finalised and approved by the Cabinet and the parliamentary portfolio committee on communications.
The department did not respond to questions about its business plan.
Icasa and the DTT regulations
Icasa is responsible for the regulations governing digital migration but these have been hampered by technological reviews and legal challenges.
The digital migration working group, which was appointed by the late former communications minister Ivy Matsepe-Casaburri in 2006, delivered its final report in 2008, which was adopted by the Cabinet.
But Icasa’s first digital migration regulations where withdrawn in 2009 after a legal challenge from e.tv over the allocation and management of multiplexes.
Icasa’s second set of regulations were withdrawn in 2010 so they could be reviewed after questions about digital television standards were raised.

Industry insiders say that government's decision to review the standards, which were driven by then communications director general Mamodupi Mohlala, were a complete waste of time.
Mohlala was behind the controversial move to consider the Brazilian standard ISDB-T after the DVB-T standard had been selected in 2006 and included in policy, and after the local industry had spent millions of Rands in running trials on it. The end result was that government decided on DVB-T 2 technology.
Icasa again withdrew its regulations to accommodate the change in standards from DVB-T to DVB-T 2.
"The authority has since published the draft DTT regulations, and submissions were received to that effect," said Icasa spokesperson Paseka Maleka.
Maleka said the public hearings for the draft regulations had been scheduled for mid-March 2011.
Set-top box manufacturing
When the department reported to Parliament in October last year, it said that a set-top box manufacturing strategy had been developed and was awaiting Cabinet approval, and that the set-top box standards where expected to be completed by November 2011.
Three months later and the Cabinet has still not approved the strategy, although the standards are expected to be completed this month and gazetted.
It appears that the industry and government don't see eye to eye on set-top box manufacturing.
Industry insiders argue that the plan to use digital migration to create a set-top box manufacturing sector in South Africa was first raised by former communications director general Lyndall Shope-Mafole. But, they say, the plan is poorly thought out and that there is no way that South Africa can compete for orders in the Southern African Development Community region, because international manufacturers will beat South Africa on price.
According to the insiders, there are two companies in South Africa with the capabilities to assemble set-top boxes and none that manufactures them. They are UEC, a subsidiary of Altech, and Divitech, a joint venture between Reunert and Nozala Investments, although both would consider themselves manufacturers rather than assemblers of set-top-boxes, even though a large proportion of the parts are imported.
"We don't even manufacture set-top boxes here, we assemble boxes," an industry insider said. "Now we can suddenly be globally competitive? It's nonsensical."
Depending on who you speak to, from the time that the companies get the go-ahead, it is going to take the set-top box manufacturers between six and 18 months to get the first boxes in store.
Set-top box subsidy scheme
Developed by the department, the scheme for ownership support is reported to have been put before the Cabinet for its approval since September last year.
As envisioned by the department, the scheme will see the poorest of South Africa's 10-million television households undergo a means test to establish who would qualify for a subsidy.
According to an industry insider, the department set up a digital migration working group in 2006 and an economic model done for the group on set-top box prices and affordability showed that five-million television households could not afford the set-top box at any price.
The government's plan to get around this appears to be a subsidy, which will see it set aside R2.45-billion to subsidise the boxes for the five-million households, bringing down the estimated price from R700 to R300. But insiders argue that this is still not enough and the government is putting itself in a difficult position.

The model for the subsidy scheme has come under fire, with industry insiders arguing that a voucher system, which is currently in favour, would see the five-million households undergoing a means test before they received a voucher for a subsidy. Anyone wanting to access the subsidy would have to prove they received a social grant and had a paid-up television licence.
"The poorest of the poor don't have television licences," said an insider. "You can't cut off a large chunk of South Africans by taking television away from them.

"The ANC are getting themselves into a sticky situation and it's going to cost them financially."
Industry insiders also say that the voucher system would place a heavy strain on retailers who would have to accept the vouchers and then reclaim the money from the government.
The insiders generally favour the state subsidising the manufacturers to produce cheaper set-top boxes.
"Everyone has told the government that a retail subsidy is not the way to go," said one insider.
"There will be supply chain issues, manufacturers will have to take a hit upfront and the retailers will not be happy either."
The department sees things differently, arguing that the process is not overly bureaucratic.
"The government has to protect the investment it is making to support the poor TV-owning households," said Qoza. "The department, working together with its agencies, will have the capacity."
Qoza said that the Cabinet had not decided yet on a subsidy.

Billions to fund the process
Finance Minister Pravin Gordhan's budget shed some light on how the digital migration process will be funded over the next few years.
About R230-billion was allocated to the set-top-box subsidy, which will be implemented by the Universal Services and Access Agency of South Africa, with R240-million allocated in 2013-14 and R240-million in 2014-15.
The SABC has been allocated R76-million for the 2013-14 financial year and R62-million for the 2014-15 financial year to cover its digital migration needs, while Sentech has been allocated R166-million this year and R477-million over the next two financial years to fund the dual illumination process.

Appendix C:

Jones, C. (2011) "Budget 2011: More Money for Digital Migration." Retrieved from *Techcentral* Online: http://www.techcentral.co.za/budget-2011-more-money-for-digital-tv/21340/ Available: 23 February 2011.

TECHCENTRAL

Budget 2011: more money for digital TV

Added by Editor *on 23 February 2011.*

Saved under News, Top

Tags: SABC, Sentech, Usaasa

Sentech's tower in Johannesburg is already equipped for digital broadcasts

National treasury has allocated a significant budget to the department of communications over the next three years to assist in the country's migration from analogue to digital terrestrial television.

The department has been allocated more than R1bn over the three years for the project, with the money going to three state organs.

Sentech, the SABC and the Universal Service & Access Agency of SA (Usaasa), which administers the Universal Service Fund, will play an integral role in the migration.

Sentech has been allocated about R622m over three years to build new broadcasting infrastructure using the digital standard. It will receive R279m in the next financial year, R169m in 2012/2013 and R176m in 2013/2014.

Sentech received R271m in 2010/2011 for migration.

Usaasa has been allocated R220m for the subsidisation of the set-top boxes (decoders) for the poor. This is in addition to the R180m it received in 2010/2011. The decoders are needed to receive digital TV signals.

To support Sentech during the dual-illumination period, when both analogue and digital signals are being broadcast simultaneously, the department will give the company R120m the next financial year. It was given R110m in the current year for the same reason.

The department of communications wants 96% population coverage for digital TV by 2013. The target for switchover to digital is December of that same year.

To date, the department has allocated R515m for migration.

This year, government plans to create a decoder manufacturing strategy meant to stimulate the sector. It will also put together a scheme that will govern the subsidisation of set-top boxes. The department will present its proposals to cabinet by June.

It will also start work on a local content development strategy, which it says should be completed by August. — *Candice Jones, TechCentral*

Appendix D:

Makhaye, M. (2011) "*M-Net* Posturing Poses Threat to Migration" Retrieved from Techcentral Online http://www.techcentral.co.za/M-Net-posturing-poses-threat-to-migration/26707/ Available: 13 October 2011

TECHCENTRAL

M-Net posturing poses threat to migration

Added by Editor *on 13 October 2011.*

Saved under Muzi Makhaye, Opinion, Top

Tags: Gerdus van Eeden, Gerhard Petrick, Karen Willenberg,M-Net, MultiChoice

[By Muzi Makhaye]

In recent weeks, it's been almost impossible not to miss M-Net's criticism of everything that makes for SA's broadcast digital migration programme.

M-Net's calls for a cheap "converter box" to replace set-top boxes in the migration are as absurd as last year's calls for the Japanese-Brazilian ISDB-T digital broadcasting standard to replace the European DVB-T system in SA.

The converter box will not fulfil the objectives for digital migration. Neither will it replace the set-top box's functionality. M-Net and its sister company MultiChoice have never used a digital converter in their business and will never do so, so why are they proposing it?

The answer lies somewhere between insatiable corporate greed and obfuscation. It's probably a bit of both.

For more than a year, the industry fought side-by-side with its colleagues at M-Net/MultiChoice for the retention of DVB-T as the country's chosen standard and against the imposition of ISDB-T. The Brazilians took full advantage of our dithering and indecision as a country. M-Net/MultiChoice, for all the right reasons, spoke in favour of local manufacturing of set-top boxes. Last month, they began dangling a lousy converter box as a solution over set-top boxes.

M-Net knows that as far back as 2008 (6 August to be precise), cabinet approved the broadcasting digital migration policy and then green-lighted a set-top box manufacturing strategy. The pay-TV broadcaster has had all that time to suggest better technologies — if there were any — but chose to try to scuttle the migration process with its latest posturing.

M-Net's Karen Willenberg, Orbicom's Gerhard Petrick and MultiChoice's Gerdus van Eeden are the proponents of converter boxes and can only succeed in delaying the migration — and that, I submit, is their brief.

M-Net and MultiChoice continue to cast decoys in the migration path. They stifle progress on all the fronts. If it's not about the multiplex used, it is the conditional access system or the set-top box. The

list goes on. With their credibility oozing away, they'd be better advised to ponder this: why should they be taken seriously on matters of digital migration in SA?
Contrary to what M-Net and MultiChoice would have us believe, delays in migration, I submit, have been their doing. Delays serve only their interests and no one else's.
In the past three years, the public broadcaster, the SABC, has lost viewers every time M-Net/MultiChoice launched a new product targeting lower-end LSM viewers. The one saviour the SABC has is digital television, with its multi-channel offerings. That's what the pay-TV guys in Randburg dread.
M-Net's double-speak disqualifies the company from pronouncing credibly on how little time there is for manufacturers to produce the set-top boxes.
After making its preference for converter boxes over set-top boxes clear, I don't trust them to represent the manufacturers. As such, M-Net must rather leave set-top manufacturing issues to the manufacturers and their customers.
After all, the manufacturers have always represented themselves well on these issues. We don't want our desperate circumstances to be cannon fodder for M-Net/MultiChoice's ill motives.
To assert, as M-Net's Willenberg does, that South Africans would be forever tied to technology that will become outdated is mischievous and a distortion of the facts.
The best way M-Net could contribute to digital migration would be by being more cooperative with the wider industry and being less combative as it discovers there's competition looming on the horizon. The published set-top box standard, which was crafted with M-Net's valuable input, cannot be said to be complex. It is so basic that we have some government departments expressing displeasure with its limited scope.
M-Net does not like the idea of encryption as it argues it makes the box expensive. What it doesn't say is that without such encryption, government will not be able to subsidise the set-top boxes. Which government would make such an investment without ensuring protection of the asset?
Not doing so would be similar to buying a motor car and not taking insurance for it. Encryption is meant to prevent local manufacturers from the Chinese onslaught. It's a genuine effort by government to protect local manufacturers and allow them to amass the capacity to export.
We will continue encountering detractors of the government-led migration programme. M-Net and MultiChoice fit this description well: they are antagonistic to anyone who seeks to expedite digital migration.
It is disconcerting that government gets swayed and hoodwinked by established broadcasters, even to the detriment of its developmental programmes. As things stand, M-Net and MultiChoice pose a serious threat to migration.

Muzi Makhaye is CEO of ABT, an emerging set-top box manufacturer
The views expressed in this column do not necessarily reflect those of TechCentral

Appendix E:

Makhaye, M. (2012) "Vested Interest Opposes to 'Net Access'" Retrieved from Techcentral Online http://www.techcentral.co.za/vested-interests-opposed-to-net-access/32421/ Available: 5 June 2012.

TECHCENTRAL

Vested interests opposed to 'Net access

In presenting the case for enabling data-access capabilities in the government's upcoming tender for subsidised set-top boxes for digital terrestrial television, the SA Communications Forum asserted that this proposition will not – and should not – delay the digital migration process.

By Muzi Makhaye.

Added by Muzi Makhaye *on 5 June 2012.*

Saved under Muzi Makhaye, Opinion, Top

Tags: ABT, M-Net, MultiChoice, Muzi Makhaye, SABC, SACF

As manufacturers, we care what the set-top box specification says. We can actually produce any box to any specification. However, we remain duty-bound not to stand by idly when there is a deliberate distortion of facts, such as is happening now on the issue of the "return path" that would allow consumers to access the Internet on their TVs.

This is not a new issue; so much so that the set-top box specification that was published in 2009, the SA Bureau of Standards' Sans 862, had catered entirely for the data access and a return path.

As far back as 2008, government, in its various ministries, was the one that first made a call for a return path to be included in the set-top boxes. It cited the provision of e-government services, such as health, education and home affairs, among others, as an added-value function in the boxes.

That is how the term "return path" became used and ultimately made it into the 2009 specification.

It would, therefore, be unfair for anyone to claim that the inclusion of the data access capability in the set-to box spec is a fresh call. It is also ill-advised to suggest that this inclusion is instigated for by "some" manufacturers. We find it preposterous for people to now insinuate that the SA Communications Forum has belatedly woken up to suggest its inclusion.

So, what has happened between 2009 and 2012, you may ask, that has led to the contested data-access capability to be left out of the current specification?

First, the futile debate about the European DVB-T standard and the Japanese-Brazilian concoction, ISDB-T, ensued from September 2009. This threw a spanner in the digital broadcasting migration works and adversely affected manufacturers to various degrees. By the time the standards dispute was settled, SA had moved on from DVB-T to a newer generation, DVB-T2. This effectively rendered Sans 862 obsolete.

The second reason we do not have data access included in the specification is because M-Net and MultiChoice mounted a strong campaign against its inclusion in the specification. Obviously, it is not in their interests to participate in a process of creating potential competition for their business models.

The M-Net/MultiChoice standpoint is therefore not surprising; rather, the lack of counter views from the SABC is baffling. The public broadcaster stands to lose out at the absence of data access in the set-top boxes. M-Net/DStv decoders have the same Ethernet port, whose inclusion in the terrestrial decoders they so vehemently (and successfully) opposed. If anything, that should make anyone who follows the debate, including TechCentral's Craig Wilson, think twice about the sincerity of some naysayers.

The third thing that happened, leading to the exclusion of the data access in the newer Sans 864 specification, was that some anonymous industry experts doubled as designers of the set-top box, outside of monitoring by the SA Bureau of Standards. Using their access to the media, these experts continued to make untested claims for and on behalf of the so-called "poorest of the poor".

The clear intention of these experts for keeping the poor on the wrong side of the digital divide and in their abject poverty, by deploying substandard technologies, is bothersome. What these self-made spokespeople of the poor omit to say is that these communities are poor but not stupid. They will not accept any substandard technology imposed on them. Despite their circumstances, the poor will revolt against substandard services. We do not want to add the digital migration process and access to the Internet to the list of complaints.

SA has policies that aspire to grow our knowledge economy. Let's not allow vested interests to stunt this growth. Africans generally, and South Africans specifically, do not follow global trends when it comes to technology consumption patterns. We concur with the SA Communications Forum that we must give all the people the option to access the Internet via the digital set-top boxes from the comfort of their homes.

Muzi Makhaye is CEO of set-top box manufacturer ABT. The views expressed in this column are not necessarily shared by TechCentral.

Appendix F:

Mawson, N. (2012) "E.tv takes on DOC over Set-Top Boxes" Retrieved from *IT Web* http://www.itweb.co.za/index.php?option=com_content&view=article&id=58540:etv-takes-on-doc-over-settop-boxes&catid=69 17 September 2012

Etv takes on DOC over set-top boxes

By Nicola Mawson, ITWeb deputy news editor.

Johannesburg, 17 Sep 2012

Until the issue of set-top box controls is sorted out, decoders cannot be manufactured or distributed.

Free-to-air broadcaster etv has filed papers against communications minister Dina Pule over her decision to have state-signals provider Sentech handle conditional access controls for set-top boxes.

The pending lawsuit, which aims to overturn Pule's decision, because it claims it is illegal, could delay SA's digital television as etv argues the matter must be sorted out before migration can start.

The papers were filed in the South Gauteng High Court just weeks before SA is set to launch digital television in the Karoo, on 26 and 27 September. Etv intends having the matter set down for hearing on 16 October, because of the urgency involved.

Etv's notice of motion, lodged last Wednesday, argues that Pule's May decision to have Sentech assume responsibility for set-top box (STB) controls should be set aside as it is unlawful. The broadcaster argues that only the South African Broadcasting Corporation (SABC) and it should be responsible for controls.

"The question of which parties are responsible for managing set-top box controls has to be finalised well before the commencement of digital migration. Without the issue being determined, it will not be possible to have set-top boxes manufactured, let alone distributed," argues etv COO Bronwyn Keene-Young in her founding affidavit.

Cannot be done

Keene-Young argues that the turn-on deadline cannot be met as decoder manufacturers have yet to be appointed, and the Independent Communications Authority of SA (ICASA) has yet to wrap up its digital migration regulations.

Set-top boxes will be required by about 11 million households for analogue televisions to continue picking up signal after SA switches over to digital TV. Turn-on is scheduled for the middle of next week in the Karoo, with turn-off by the middle of 2015 at the latest.
The department says the legal process has no bearing on its preparations for rolling out digital TV, only the manufacturing of STBs, which it notes are key. A spokesman says it is busy with what it can do while considering the challenge.
Government has set aside R2.45 billion to subsidise as much as 70% of the cost of the box, estimated at R400, for about five million houses. The boxes will have controls built in so that they cannot be used outside of SA's borders in the event that they are stolen and will stop grey imports from picking up signal.
Several turn-on, and -off, deadlines have been missed since Cabinet decided to implement digital TV based on the widely-used European DVB-T standard in 2006. Last January, the department decided to move ahead with DVB-T2 and set November 2013 for turn-off.
Harmful choice
Keene-Young argues that the minister's decision will mean that the SABC and etv will be forced to pay Sentech any costs it incurs, as well as additional mark-ups that it imposes. She adds that, after analogue is turned off, the SABC and etv will only be able to broadcast to those people who have acquired decoders.
“The costs paid by etv and the SABC in this regard will significantly exceed the costs to etv and the SABC if they were instead to proceed with managing the set-top box control system themselves and appoint their own software vendor.”
Etv's attorneys, Rosin, Wright, Rosengarten, argue that the broadcaster will suffer “substantial prejudice”, unless the department's decision is withdrawn.
Etv and the SABC agreed in 2008 that they would handle the issue of appointing a service provider to develop the control. The DOC had previously asked the terrestrial broadcasters to work together around the issue of conditional access and there have been various tenders for the system.
Keene-Young adds that the broadcasters will not be able to work out whether the system is appropriate, or contains additional and unnecessary features. She says Pule's decision was taken without the SABC and etv being given an opportunity to be heard over the matter.
The affidavit notes that Sentech was appointed, because it has an existing control, but that this system has previously failed. “Sentech is plainly ill-equipped to manage such a system in the present context,” writes Keene-Young.
In February, Sentech was found liable for not stopping people living in Botswana from being able to view channels broadcast in SA by the SABC. The company was ordered to pay etv sister channel, eBotswana, damages dating back almost three years, and has also been ordered to pay the Botswana broadcaster's legal costs.
eBotswana took Sentech to the South Gauteng High Court, last July, arguing that it was not sufficiently encrypting transmission of SABC channels, which was damaging the broadcasting sector in the Southern African Development Community.
World Wide Worx MD Arthur Goldstuck says the fault lines in the digital terrestrial television migration process “are so large that any misstep will set the process back even further”. He says it is essential that the department vigorously adheres to the highest standards of good governance and efficiency.
“Here we see yet another example – in a litany of examples going back to 2008 – that it is not committed to such standards.”

The responding parties are Sentech, which is cited because of the interest it has in the application; ICASA; and the SABC. No order is sought against these parties unless they oppose the court procedure, in which case an order for costs will be asked for.

Appendix G:

McLoed, D. (2012) "E.tv Lawsuit: Pule Fights back." Retrieve from *Techcentral* Online: http://www.techcentral.co.za/e-tv-lawsuit-pule-fights-back/35357/ Available: 5 October 2012.

TECHCENTRAL

E.tv lawsuit: Pule fights back

The communications minister has expressed "surprise" at e.tv's legal action, warning it could delay migration to digital terrestrial television. By Duncan McLeod.

Added by Duncan McLeod *on 5 October 2012.*

Saved under In-depth, Top

Tags: Bronwyn Keene-Young, Dina Pule, e.tv, Rosey Sekese, SABC, Sentech

Communications minister Dina Pule

Communications minister Dina Pule is "surprised" by e.tv's application against her in which the free-to-air broadcaster accuses her of acting unlawfully in appointing Sentech to manage the control system that will be used in the set-top boxes that are needed for consumers to receive digital terrestrial television signals.

"The minister is surprised by this application, which seems to be aimed at [making] technical [and] legal points, probably at the expense of digital migration, with the risk that SA may be bogged down [in] legal battles and [fail] to meet its deadline in terms of its international commitments," says communications department director-general Rosey Sekese in an answering affidavit filed at the high court in Johannesburg this week.

SA must complete its migration to digital television by no later than June 2015 if it's not to be in breach of commitments made to the International Telecommunication Union (ITU).

In a founding affidavit filed last month, e.tv chief operating officer Young accuses Pule of exercising powers she doesn't have when she appointed state-owned Sentech – and by extension conditional access technology supplier Nagravision – to be the party responsible for managing the set-top box control system.

The control system, also known as the conditional access system, will ensure compliance with a minimum set of specifications for set-top boxes and prevent grey imports. Only those boxes that comply with minimum specifications will be able to decode the country's digital broadcasts. Individual set-top boxes will also be able to be switched off, preventing the use of stolen boxes.

Keene-Young argues that "no piece of legislation confers upon the minister the power to determine that Sentech be responsible for managing the set-top box control system". Among other things, e.tv

is concerned that Sentech will be able to set the price for access to the control system and argues that the costs would "significantly exceed" the costs if e.tv and the SABC were to manage the control system themselves, as originally proposed.

However, Sekese hits back at e.tv in her answering affidavit, defending Pule's decision and arguing that the minister was entitled to make it under section 231 of the constitution, which deals with the responsibilities of the national executive in negotiating and signing international agreements.

"It will be submitted … that all agreements by member states of the ITU are agreements referred to in section 231(3) of the constitution," Sekese says. "They do not require any ratification. Nor do they need to be enacted into any law by national legislation.

According to the answering affidavit, an "in-house conference of stakeholders" held in Cape Town in 2011 concluded that the control system for set-top boxes would be procured by "the broadcasters" (e.tv and the SABC) and managed by Sentech.

"It is clear from the minutes … that the consensus of the participants in the in-house conference was that the broadcasters would procure the set-top box control system and that the management of the system would be [handled] by Sentech," Sekese says.

Her affidavit does not say which parties attended the conference or whether the decisions made were binding.

She insists Pule's decision to make Sentech the manager of the control system was taken to reduce costs and expedite the move to digital television.

"On realising that the existing system at Sentech met the requirements needed for the digital television project and that a completely new system was not required, and that this would be more cost effective and time efficient for the government, the minister then instructed Sentech to assume responsibility for the control system and to ensure that the project timelines were maintained."

Bronwyn Keene-Young

According to Sekese, Pule was told by her advisers that the cost of acquiring a new control system would be about R35m, whereas upgrading Sentech's system would cost "no more than R7m", including maintenance costs. Sentech has the "experience and skills to operate the existing system", meaning there would a "saving on training costs".

One of the grounds on which e.tv is opposing Pule's decision to make Sentech the manager of the control system for digital television is that the signal distributor has experienced serious security problems with the encryption of its Vivid satellite platform.

"E.tv has direct experience of Sentech's mismanagement of this system and, had it been given the opportunity to do so, would have placed evidence of this before the minister to contend that Sentech is plainly ill-equipped to managed such a system in the present context."

However, in her affidavit Sekese says there is nothing that compels either e.tv or the SABC not to use their own control system. “If they do desire, they can still procure their own set-top boxes and distribute [these]. Another alternative is that the [government]-subsidised set-top boxes contain hardware for other control systems in addition to Sentech’s control system, but for the account of the party requesting the inclusion of such hardware.

“Consequently, nothing stops the SABC and e.tv from continuing with their tender and appointing their own vendor for a set-top box control system, provided such a control system will be used in their own, non-subsidised set-top boxes or, alternatively, that they pay the cost of inclusion of their control system hardware in the subsidised set-top boxes.”

E.tv is expected to file a replying affidavit to the court next week. — *(c) 2012 NewsCentral Media*

Appendix H:

McLoed, D. (2013) "Digital TV move sows confusion." In Techcentral online: http://www.techcentral.co.za/digital-tv-move-sows-confusion/45503/ Available: 6 December 2013

TECHCENTRAL

Digital TV move sows confusion

The SABC and MultiChoice are understood to be seething over the decision to include a control system in government-subsidised set-top boxes. By Duncan McLeod.

Added by Editor *on 6 December 2013.*

Tags: Dina Pule, e.tv, Loren Braithwaite-Kabosha, MultiChoice, Namec, SABC, SACF, Sentech, Vijay Panday, Yunus Carrim

Yunus Carrim

Cabinet's decision, led by communications minister Yunus Carrim, to mandate the use of an encryption system based on a control system in the set-top boxes that government will subsidise for poorer households has drawn both warm praise and stinging criticism from industry players.

The SABC and MultiChoice are both understood to be fuming at the decision, which they believe has largely gone in favour of rival e.tv. MultiChoice is not commenting, an SABC spokesman could not be reached for comment and e.tv didn't respond to an e-mail seeking comment.

It's understood that Carrim may have encountered pressure from some of his colleagues in cabinet who wanted the use of the control system — often also referred to as conditional access — in an effort to support local manufacturers.

E.tv has been lobbying strongly for a control system based on conditional access, while MultiChoice and the SABC are strongly opposed to the idea.

MultiChoice has argued that including a control system would result in taxpayers funding the cost of deploying a set-top box that e.tv and other broadcasters can then use to launch pay-television services. E.tv has denied it has any plans to offer pay services on the free-to-air boxes.

Government spokesman Phumla Williams said in a statement on Thursday that cabinet had decided that the use of a control system should not be mandatory, though it's unclear what that means and whether, as in many other countries, South Africans will be able to purchase a simple digital converter to access digital broadcasts.

Carrim had been scheduled to hold a press conference on Friday morning to discuss the issues in greater detail, but this was postponed at the last minute after news broke of the death of former president Nelson Mandela.

It appears from government's statement, however, that the department of communications is intent on establishing some sort of conditional access authority, possibly asking state-owned broadcasting signal distributor Sentech to manage it.
Williams said that cabinet had decided to manage the system to avoid subscription broadcasters unfairly benefiting from the subsidised boxes.
Government's investment in the system would be recovered from subscription broadcasters that choose to use it.
She said government wanted the control system to protect its investment in the subsidised boxes and for "future use by broadcasters who might not want to use it now".
But in managing the system, government could be in breach of a court order, according to Vijay Panday, chairman of the electronics manufacturing division of the National Association of Manufacturers in Electronic Components (Namec).
A high court judgment, in the recent case between e.tv and former communications minister Dina Pule, found that free-to-air broadcasters — and not government — were entitled to manage the conditional access system. The court found that the minister had "no legal power to prescribe or make binding decisions relating to set-top box control".
"We respect cabinet's decision, but we need to understand how a judicial ruling that says the minister has no right to make a call on this matter has been ignored," Panday says. "Is he in violation of a court order?"
He says government's latest position has created an enormous amount of uncertainty. "It's very unclear where the minister is coming from. He's not taking a firm stance on this."
Panday says cabinet's decision goes against black economic empowerment and will undermine small, black-owned set-top box manufacturers. "You will kill previously disadvantaged manufacturers because of the costs involved."
If the state wants to stop subsidised set-top boxes from being sold across the border, it does not have to implement a control system or conditional access, Pandey adds. Rather it can use a software fix in each box to get the job done at much lower cost. "There is no need for a control system to protect government's investment and to stop boxes from walking out of South Africa."
However, the South African Communications Forum has an opposing view to Namec's. Its executive director, Loren Braithwaite Kabosha, says the inclusion of a control system will promote industrial development, job creation, access to information and black empowerment.
"We appreciate that government had to seriously weigh numerous factors and criteria when considering whether or not to include a control system in the subsidised set-top box. In the end, we believe government chose a balanced approach that takes into account the interests of all parties, including government itself, which will be paying for the subsidised boxes," Kabosha says in a statement. — *(c) 2013 NewsCentral Media*

Appendix I:

Mochiko, T. (2013) "SA Stuck in Debate on Control of Set-top Boxes" Retrieved from Business Day Online: http://www.bdlive.co.za/business/technology/2013/02/25/sa-stuck-in-debate-on-control-of-set-top-boxes Available: 25 February 2013

BusinessDay
NEWS WORTH KNOWING

SA stuck in debate on control of set-top boxes

BY THABISO MOCHIKO, 25 FEBRUARY 2013, 05:35

Minister of Communications Dina Pule. Picture: SOWETAN

In this article

JSE-listed companies: Ellies | Altech

Companies and organisations: South African Broadcasting Corporation |Department of Communications

People: Dina Pule

WHILE the market is anxiously awaiting details of the outcome of a legal battle between Communications Minister Dina Pule and e.tv over the control of set-top boxes used to decode digital broadcasts, in other countries this debate has been overtaken by technology integrating digital reception into new TV sets.

South Africa is migrating from analogue to digital TV broadcasting, a move that will result in more TV channels and better picture quality. Companies such as JSE-listed Altech and Ellies have been positioning themselves to play a role in the digital migration programme.

Many European and Asian countries as well as the US have completed the migration to digital terrestrial broadcasting and used set-top boxes as an interim measure to enable old analogue TV sets to receive new digital broadcasts. In those markets, decoders are making way for the integrated digital television (iDTV) sets. iDTV is a digital television set with an in-built tuner capable of receiving digital broadcasting transmissions.

International research firm IMS Research is forecasting that shipments of iDTVs will grow to 143-million this year, up from an estimated 52-million in 2007.

The communications ministry and e.tv were involved in a court battle over the management of conditional access control, a technology used to control access to digital television services to

authorised users by encrypting the transmitted programming. The court ruling was in e.tv's favour, in effect stating that broadcasters should manage the control system.
Ms Pule, along with e.tv and other broadcasters, has been discussing a solution to ensure that the migration from analogue broadcasting to a digital platform is not delayed further.
Including conditional access in set-top boxes means that no one will be able to use the set-top boxes outside South Africa. This removes their theft value, says Shaun Hendricks, managing executive at manufacturer Tellumat: "It forces commitment to the local manufacturing industry as the source of set-top boxes."
The government plans to spend R2.4bn to subsidise the poorest households when they buy set-top boxes, but the figure could be higher than this.
Those opposing conditional access say set-top box control customisation in South Africa will introduce costs such as software royalties that will go to an international country, management services, certification and also call-centre operations.
The National Association of Manufacturers of Electronics (Namec), an industry body, is not in favour of this, while broadcasting industry body SOS: Support Public Broadcasting prefers a universal box or open model.
Conditional access has been used for years in pay-TV services to enable service providers to disconnect non-paying clients. Given that conditional access is a key feature in pay-TV services, this means public broadcasters could use this to switch off non-paying TV licence holders. Moreover, new entrants in the digital terrestrial broadcasting market or existing broadcasters could potentially use the digital terrestrial TV platform to provide pay-TV services.
According to sources, the SABC has already indicated that it does not want a conditional access system to be included in set-top boxes as it would violate its public broadcasting mandate. The SABC believes that citizens should have the right to public broadcasting services.
Namec chairman Keith Thabo says the organisation does not see the need for conditional access in the set-top boxes. The inclusion of conditional access is a barrier to entry into the market for emerging black manufacturers because they will need to be accredited by the conditional access vendor prior to producing boxes that have conditional access. This process can take anything between 18 and 24 months, at a heavy cost to the emerging manufacturers.
"The notion of conditional access applies to pay-TV because subscribers have access to television on the condition of paying subscription fees, so it makes no sense to have conditional access in free-to-air television," says Mr Thabo.
Moreover, the conditional access system is said to increase the costs of the set-top box. For every box sold there is a royalty fee that has to be paid to the company providing the conditional access software system.
For every fee the conditional access vendor charges, the manufacturer will pass on such costs to consumers, says Mr Thabo. "Consumers will be worse off because the set-top box will be more expensive," he says. So if conditional access is included, does that mean integrated digital TVs will not work in South Africa? According to Mr Thabo, the country will need integrated TVs specifically designed for it, which will make the market "very expensive because there are no economies of scale that we could derive from other markets".
Mr Hendricks says the conditional access element will be installed in those integrated digital TV sets.
Sekoetlane Jacob Phamodi, a campaign organiser for SOS, says the development, production and availability of iDTV sets will depend on demand for them as determined by broadcasters' taste and a willingness to allow for their production.

"So we could very well end up with a situation where we would have integrated digital TVs which work for some broadcasters but still require set-top boxes for access to others."

Appendix J:

Molele, C. Letsoalo, M. and Situma, A. (2011) "MultiChoice gifts raise industry ire." In the *Mail and Guardian* http://mg.co.za/article/2011-12-02-multichoice-gifts-raise-industry-ire Available: 02 December 2011

Multichoice gifts raise industry ire

02 DEC 2011 13:13CHARLES MOLELE, MATUMA LETSOALO, ANADE SITUMA

Several legislators and government officials have received gifts from Multichoice, which some in the industry have called a conflict of interests.

Several legislators and government officials have received gifts from Multichoice, which some in the broadcasting industry have called a conflict of interests and a bid to influence the outcome of the digital migration policy due to be gazetted by Communications Minister Dinah Pule before the end of December.

Inspection of Parliament's register of members' interests reveals that some members of the communications committee have received gifts from Multichoice for the past two years. The gifts were dished out during crucial processes relating to the digital migration policy and the digital terrestrial television (DTT) spectrum allocation to favour M-Net, a subsidiary of Multichoice.

Karen Willenberg, Multichoice's official on the digital migration policy, denied that gifts such as Fifa World Cup tickets, accommodation and flights were given to influence government officials.

"Like many South African companies Multichoice hosted a range of stakeholders at the Fifa World Cup," said Willenberg.

"Anyone with knowledge of the timing of various digital migration processes will know that the suggestion that there was an attempt to influence certain decisions during the Fifa World Cup cannot be true for the following reasons: the Broadcasting Digital Migration Policy had been published by the minister in 2008 and the final regulations, which allocated 40% of multiplex 2 to M-Net, had been published by [communications regulator] Icasa in February 2010 and were not open for discussion. The whole of 2010 was devoted to the debate about broadcasting standards."

The migration from analogue to digital in the broadcasting industry has sparked a war among rival broadcasting stations over digital terrestrial television spectrum allocations and the encryption of set-top boxes.

The digital dividend has been divided into two multiplexes, with e.tv and M-Net sharing multiplex 2. The Cabinet has chosen April 2012 as the switch-on date, or the beginning of the dual illumination period, and December 2013 as the switch-off date, which will mean the death of the analogue broadcasting system.

The SABC and e.tv are trying to force the government to amend regulations providing M-Net with 10% more spectrum allocation than it deserves and are calling for the government to encrypt set-top boxes.

They argue that encryption is important because it will create sustainable jobs and protect the local manufacturing industry from being flooded with Asian set-top boxes that will result in neighbouring countries watching SABC and e.tv for free.

Among those who received gifts from Multichoice are the committee's chairperson, Eric Kholwane, and Johnny de Lange, who has since been appointed chairperson of the water and environmental affairs committee.

Kholwane received Fifa World Cup tickets, accommodation and airfares from Cape Town to Johannesburg for the opening and closing ceremonies of the games. The company also installed his decoder, gave him an iPad that he valued at R10 000, paid for his return trip from Johannesburg to Uganda to attend the CNN/Multichoice African Journalist of Year Awards.

When approached for comment about a conflict of interests related to the gifts, Kholwane said: "The gifts I got from any person or entity, I declare them in the members' interest as per the requirement of Parliament; these ones are not exception [sic]. I am sure that you know that members are required to declare any gift received and so I did."

De Lange was flown to the same awards ceremony in Uganda and the company paid for his flights, transport, accommodation, meals and a game of golf. Responding to questions from the *Mail & Guardian* about a conflict of interests, De Lange said there was nothing wrong with the trip, as he had declared it.

Deputy communications minister Stella Ndabeni received tickets to the annual Durban July from Multichoice. At the time, Ndabeni was a member of the portfolio committee on defence. She has recently held private meetings with Multichoice, but denied they had anything to do with the digital migration policy.

Said Ndabeni: "I met Multichoice representatives on oversight programmes and, at some point, sent a questionnaire for an interview that related to my studies on telecommunications policy regulation and management. My topic was broadcasting.

"This questionnaire was also sent to the department of communications, [signal distributor] Sentech, the Universal Service and Access Agency of South Africa, Icasa and the SABC," she said.

According to the register of members' interests, former communications minister Siphiwe Nyanda received a Nokia cellphone from Multichoice and the company also paid for his monthly DSTV subscription at his official residence to the tune of R2 331. Nyanda could not be reached for comment.

Charles Molele is a senior politics reporter at the Mail & Guardian.

Appendix K:

MyBroadband. 2013. "South Africa held ransom by broadcasters: Carrim." In MyBroadband Online: http://mybroadband.co.za/news/broadcasting/94059-south-africa-held-ransom-by-broadcasters-carrim.html Available: 20 December 2013

South Africa held ransom by broadcasters: Carrim

The Ministry of Communications has issued a statement in the wake of a combative press conference called by MultiChoice and the SABC

Staff Writer	December 20, 2013	9 Comments

The Ministry of Communications has issued a statement in which it responded to broadcasters aggrieved by its decision regarding conditional access in digital terrestrial television (DTT) set-top boxes (STBs).

The Ministry reiterates that broadcasters may decide whether they want to use encryption on their channels or implement a control system on their decoder-like STBs.

Minister of Communications, Yunus Carrim, also explained the rationale behind the decision at some length.

Particularly, he said that they considered dropping STB control altogether, but were confronted with a number of obstacles:

Changing the SANS 862 specification for STBs at the South African Bureau of Standards would take an average of 6 months;

Concerns that the SA market would be flooded by cheap, low quality DVB-T2 STB imports;

Concerns over possible legal challenges by free-to-air broadcasters that want to use STB Control, and manufacturers that have already invested in certification for their STB designs.

Legal threats

Carrim said several parties to the dispute threatened them with legal action, so they sought to tread a careful path.

E-tv previously interdicted former Minister Dina Pule when she appointed Sentech to manage STB control in South Africa. The High Court ruled in favour of E-tv.

MultiChoice, an opponent to E-tv in this dispute, has used the ruling to say that Carrim may not prescribe the use of STB control in South Africa.

However, Carrim said that lawyers whom they consulted said that "government has the right to make policy on STB control but it cannot prescribe the supplier, the operator of the control system, the type of control system to be used or how it should be managed."

According to Carrim they have stayed within the bounds of the ruling and added that they have also not referred to conditional access or encryption as methods of implementing STB control.

"We are saying that broadcasters are free to decide whether they want to use control or not," Carrim said. "There is no compulsion."

Carrim said that given the above reasoning, they can't see how they are going against the court order.

Yunus Carrim at SATNAC 2013

SA held ransom

“For a long while, the broadcasters have been feuding about whether to have a control system or not,” Carrim said. “Both former Minister Pule and I encouraged the broadcasters to arrive at consensus, but to no avail.”

Carrim said that during 2013 the Ministry tried once again to foster a measure of consensus, but, with the parties refusing to make any compromises at all, the facilitators reached an impasse.

Government then shaped its policy taking into account what all the parties had to say, Carrim said.

“What else could we do? The country could not be endlessly held to ransom by the feuding of the broadcasters,” he added.

SABC siding with MultiChoice “regrettable”

“It is regrettable that the SABC as a public broadcaster is siding with commercial entities and taking this approach instead of engaging with the representatives of its shareholder,” Carrim said.

Carrim went on to add that the agreement between the SABC and MultiChoice will not be affected by the Ministry’s decision.

The controversial agreement involves the SABC’s 24-hour news channel on the DStv platform, and among the terms are that the public broadcaster would not encrypt any of its channels on DTT platforms.

“Our advice is that the commercial agreement only deals with the encryption of SABC channels and not with whether the STBs that are used for viewing SABC services have a control system or not,” Carrim said. “So the SABC is free not to use the control system in the transmission and management of its channels, and its agreement with MultiChoice will not be affected,” he added.

Financial implications

Regarding the financial implications of their decision, Carrim said that the cost to government of STB control will be about R20 per box.

Broadcasters that want to use government’s control system will have to pay the government for costs related to the control system, Carrim said.

He added that the costs for government’s STB control has to be related to the benefits to the local electronics industry and emerging entrepreneurs, and in terms of jobs.

“The South African government, like most governments, has invested in a variety of ways for industrial returns,” Carrim said.

Carrim said that they are also acutely aware of the need to de-racialise and transform the South African economy.

“Our approach certainly caters for emerging entrepreneurs in ways that are consistent with government’s BBBEE policies, legislation and regulations,” Carrim said

Appendix L:

Survival Tactics for Broadcasting in the Digital Age Debate

Tuesday, September 13, 2011 - 09:10

South Africa is moving from analogue to digital TV. Across the country South Africans will need to purchase new set top boxes / decoders to receive the signal. This throws up a number of questions. Should South Africa move to create a new set top box industry or should we simply import cheap STBs? Also, how can we ensure that everyone who can afford an STB buys one - and those who cannot afford are subsidised? The South African Broadcasting Corporation, e.TV and M-Net will be given a number of new 'digital incentive' channels.

The SOS: Support Public Broadcasting Coalition, in partnership with the Institute for the Advancement of Journalism and the Freedom of Expression Institute (FXI), is hosting a debate entitled 'Survival tactics for broadcasting in the Digital Age' on 21 September 2011 in Johannesburg.

The moderator of the debate will be the Executive Director of FXI, Elston Seppie.

The speakers include:

- Richard Waghorn, Chief Technology Officer, SABC;
- Willie Currie, Councillor, ICASA;
- Marcel Golding, CEO, e.TV (tbc);
- Rehad Desai, Executive Member of the South African Screen Federation (tbc);
- Norman Munzhelele, Chief Director: ICT Policy Research and Development, Department of Communications.

Time: 11h00 – 13h00

For more about SOS: Support Public Broadcasting Coalition, refer to www.supportpublicbroadcasting.co.za.

For more about Institute for the Advancement of Journalism, refer to www.iaj.org.za.

For more about Freedom of Expression Institute, refer to www.fxi.org.za.

Appendix M:

Invititation to Seminar: Regulating Broadcasting in the Digital Age - 27 February 2012

24 February 2012

The SOS: Support Public Broadcasting Coalition take great pleasure in inviting you to a seminar on "Regulating Broadcasting in the Digital Age: What Does This Mean for our Independent Regulator?" to be held as follows:.

Date: 27 February 2012
Time: 10:00 - 13:00
Place: Institute for the Advancement of Journalism (IAJ), 9 Jubilee Rd, Parktown
#Hashtag: #DigiMi - Media Matters (@mediamattersza) and SOS Coalition (@SOS_ZA) will be tweeting live from the event.
Media Matters (@mediamattersza) and SOS Coalition (@SOS_ZA) will be tweeting live from the event.

Our broadcasting sector is on the brink of a new age: moving from an analogue to a new multi-channel digital environment. The big question is, is our independent Regulator, ICASA, up for the challenge? ICASA has been under fire in the last few years for lack of monitoring and regulation of the broadcasting and telecommunications sectors, and for facilitating the dominance of some big commercial players. To begin to rectify this, Government has tabled legislation - the Broadcasting Amendment Bill - which gives significant new powers to the Minister to oversee ICASA's work. However, civil society organisations and others have fought strongly against this, calling for ICASA to be strengthened through better resourcing etc, while simultaneously fighting for its independence to be jealously safeguarded.

Key Questions:
• Is this the correct approach?
• Does departmental control need to be strengthened/reduced?
• Does ICASA's funding need to be increased?
• Given ICASA's weaknesses, should we be thinking of abolishing sector specific regulation altogether?

Agenda

10.00am – 10.05am WELCOME Kate Skinner (Coordinator, SOS: Support Public Broadcasting coalition) & Allister Sparks (founder, Institute for the Advancement of Journalism)
10.05am - 12.00pm PANEL DEBATE: Survival Tactics for Broadcasting in the Digital Age
MODERATOR: Tawana Kupe (Dean of Humanities, Wits University)
PANEL:
- Dimakatso Mashile – ICASA, Senior Manager Markets and Competition
- Faith Muthambi – Member of Parliament, Parliamentary Portfolio Committee on Communications
- Lumko Mtimde – CEO Media Development and Diversity Agency, member of the SABC Board
- Shan Ramburuth – CEO Competition Commission
- Akiedah Mohammed - Co Chair South African Screen Federation
- Kate Skinner – SOS: Support Public Broadcasting Coordinator

LIVE-TWEETED by MEDIAMATTERS and SOS: #digimi

12.00pm – 12.30pm Q&A: with our Panel CHAIR: Tawana Kupe (Dean of Humanities, Wits University)
12.30pm -1pm Finger lunch and networking Hosted by the IAJ caterers

The Sparks Seminars are an IAJ-FXI public policy initiative supported by Media Monitoring Africa and funded by the Foundation for Human Rights (FHR), the Open Society Foundation for South Africa (OSF), the Humanist Institute for Development Cooperation (HIVOS), and The Raith Foundation.

For more information:
Kate Skinner
Coordinator

SOS: Support Public Broadcasting
(082) 926-6404

Appendix N:

COMSA'S 12th Annual Media Conference

We look at the industry how the industry has grown and so on.

12th ANNUAL MEDIA CONFERENCE:
The Communication Students' Association of South Africa (COMSA) in conjunction with UNISA's department of Communication Science will be hosting an Annual Media Conference with the theme "Mapping the digitalisation of communication".
Comsa was formed in 1993 by communication students as an intervention of bridging the gap that exists between theory and practice with communication students at UNISA.

The conference is designed to be as interactive as possible, to encourage networking and the sharing of experiences and ideas between media experts and students. Amongst speakers who are expected to grace the occasion is from the following companies DSTV Media, SABC, Blue Is the Word, ICASA, Press Ombudman, World Wide Works, Pretoria News.
The conference will have two sessions: the first session will be where the speakers present their papers and panel discussions will constitute the first session of the event.

The event will take place as follows:
Date: 07 August 2012
Venue: ZK Matthews Hall, UNISA Pretoria
Time: 08:00 - 16:00

Seats are limited: therefore, anyone who is interested in booking a seat should contact Coma's offices on telephone (012) 429-3686, fax (012) 429 3346 or via email oncomsa@unisa.ac.za For more information:
Xolisiwe Phakathi
COMSA Deputy Chairperson
073 724 3033
Or
Happymore Kudzai
COMSA Public Relations
084 5375 610
"Building leadership of high integrity"

VENUE

Date: 07 August 2012
Time: 08:00 AM - 04:00 PM
Location: ZK Matthews Hall Theo Van Wijk Building, UNISA Main campus, Pretoria
Cost: forty rands
More info: Venue: ZK Matthews Hall, UNISA Main Campus Pretoria

Contact: Happymore Mubonani
Company name: COMSA CommunicationStudents Aasssociation UNISA
Telephone number: +2712 429 3686
Email address comsa@unisa.ac.za

Appendix O:

The Authority is holding Public Hearings in respect of the draft Promotion of Diversity and Competition on DTT

Posted on 14/05/2013 in Media Release

COMMUNICATIONS

Johannesburg - The Independent Communications Authority of South Africa hereby gives notice of the public hearings to be held in respect of the Draft Promotion of Diversity and Competition Regulations which were published in December 2012. The Authority has since received seven (7) submissions from interested parties.

The purpose of the regulations is, among others, to promote diversity and competition on digital terrestrial television (DTT) and to explore the use of the second mobile television multiplex as a third DTT multiplex during the dual illumination period to accommodate new subscription, free-to-air commercial and community television broadcasting services; and to stimulate the uptake of DTT services, foster content and enhance consumer choice.

This is in response to the Amended Broadcasting Digital Migration Policy of 17 February 2012 in which the Minister of Communications directs ICASA 'to explore how best to introduce new services and licensees to facilitate such diversity; and that the increased capacity and spectrum availability on DTT provides an opportunity for the licensing of new pay TV services in the short term, and new free to air services in the medium to long term'.

The public hearings will be held as follows:

Venue: Block C Presentation Room
164 Katherine Street
Pinmill Farm
Sandton

Date : 15 May 2013
Time :08h30 to 15h30

The programme for the hearings is as follows:

TIME	PRESENTER
08h30 - 09h00	ICASA
09h00 - 09h45	Kagiso Media
09h45 - 10h30	SABC
10h30 - 11h15	E.TV
11h15 - 12h00	Primedia
12h00 - 13h00	
13h00 - 13h45	SOS
13h45 - 14h30	Sentech
14h30- 15h15	MSG Africa
15h15 - 15h30	ICASA