

Right2Know Campaign Submission to the Parliamentary Hearings on the Cost of Communication

Durban, 1 August 2013.

1. About the R2K campaign

Launched in August 2010, the Right2Know Campaign represents a coalition of organisations coordinated by democratic working groups across the country. The Campaign was launched in opposition to the Protection of State Information Bill and have since broadened the scope tackling any issues in relation to access to information, freedom of expression, free flow of information and media freedom.

R2K seek a country and a world where we all have the right to know – that is to be free to access and to share information. This right is fundamental to any democracy that is open, accountable, participatory and responsive; able to deliver the social, economic and environmental justice we need. On this foundation a society and an international community can be built in which we all live free from want, in equality and in dignity.

We applaud the Portfolio Committee on Communications for initiating public hearings on the high cost of communications. This is an issue of great public concern and critical to advancing the right to know.

2. Why the Right to Communicate

Our right to know will remain incomplete if our struggle is limited to securing access to information alone. We struggle to ensure that information flows across society and that information forms the basis of a social dialogue that deepens our democracy and advances social, economic, and environmental justice. Our right to communicate - to receive and impart information and opinions - is central to our right to know.

The Right2Know asserts that telecommunications should be regarded as both a basic utility and as a basic human right. Section 16 of our Bill of Rights guarantees everyone the right to access information and enjoy freedom of expression. Section 16 explicitly guarantees the freedom to receive or impart information or ideas.

Increasingly internationally experts are recognizing the economic and social importance of treating internet access as a public utility. This view is echoed by the ruling ANC's 2012 policy discussion document that calls for a ICT policy that define telecommunications as a basic utility, similar to water and electricity.

Last year the United Nations' Human Rights Council unanimously passed a resolution stating that internet access and online freedom of expression was a basic human right recognised the Internet's importance in the "promotion and protection of the right to freedom of opinion and expression."

Government must regulate to ensure affordability as well as to provide free access to basic airtime and data to enable this right – as it has done with other utilities like water and electricity.

3. Some Background to the Cost of Communication in South Africa

An estimation of 82.9%, with a growing percentage, of people living in South Africa has access to cell network communication. But it is estimated that only 28% of the population access the Internet. These estimations present great opportunities for development and democracy in SA.

Access to cell phone connectivity potentially brings with it all democratising possibility of the internet, including the ability to draw on vast amounts of knowledge as well as the ability to produce and upload content that can give a voice to those who are marginalized in society.

Every international comparative study shows that South Africans pay exorbitant charges to access telecommunications. In 2011, the International Telecommunications Union placed the South Africa 77th out of 82 countries in a price basket review. In terms of mobile tariffs the WEF ICT report ranks SA 117th out of 140 countries on a global scale.. According to ICASA we have the 9th most expensive mobile rated out of 12 SADC countries.

South Africa consistently features amongst the most expensive service in the world despite larger market and more developed infrastructure than many of the countries that offer more affordable communication.

We have noted recent media reports that the dominant operators Vodacom and MTN claim that they continue to bring down the cost of data and voice services. The Right2Know campaign welcomes these signs that the operators recognise that South Africans pay exorbitant charges to access the mobile network.

However the reality remains that accurate calculations cannot be made regarding the actual cost of airtime and other services because operators keep vital information secret. The Right2Know Campaign argues that there is a greater need for transparency from operators on both their pricing structures as well as their real costs and profits.

It also appears that when the dominant operators point to decreasing costs they are referring to decreases the last three years that are a result of ICASA regulation of the termination rate and not as a result of the good will of the operators.

In one of the only studies of actual production costs Professor Srinivasan Keshav has estimated that the cost of an SMS at R0.26 yet MTN and VODCOM charge up to R0.80 for an SMS. This amounts super profits of up to 3200%. Industry experts agree that with the emergence of new technologies like Facebook messaging an WhatsApp that SMS is fast becoming an obsolete platform used most extensively by the poor who don't have access to smartphones needed to use new messaging services.

In this context the super-profiteering on SMS is a de-facto tax on the poor and cannot be justified. The Right2Know Campaign has called on cellphone corporations to offer this service free or at cost to enable a more just access to telecommunications.

Another aspect of communication pricing where operators are making unjustified profit is the unethical practice where customers lose purchased airtime because it expires before it is used. In our view, customers should have the right to use what they paid for without an expiry – at the very least prepaid airtime and data should remain available for the 3 years as prescribed by the Consumer Protection Act. The operator's argument that a voucher is redeemed when airtime or a data bundle is purchased is based on flawed logic: it stands to reason that if a service cannot be used once it is paid for, then the voucher is not redeemed as the voucher was for a service, not for thin air.

The dominant operators have also made much of the current spate of 'specials' offered by networks. These 'specials' have a limited life spans and further complicate the choices of the public who already battle to compare the offerings of different providers.

Further, the current claimed reductions are driven by an industry price war. In the history of capitalism price wars are often wars of attrition that lead to the consolidation of monopolies in an industry (at which point prices begin to rise again). Already both Cell C and Telkom Mobile are suggesting that the SA market is too mature and not big enough for four operators - there are talks about talks about mergers.

4. Right2Know's Guiding Principles Regarding access to ICTs

After much consultation in 2012 the Right2Know Campaign adopted a [Policy Statement on Media Freedom, Diversity, and the Right to Communicate](#). In the statement we note that:

Technology is changing how media is practiced and received. These changes are exciting as they have the potential to make an unprecedented diversity of media much more accessible, to democratise communication and make it more interactive, given that they encourage more horizontal forms of communication.

Potentially, they can blur the distinction between information producers and information consumers; they can also make the right to know easier to realize as these media can make information more accessible.

Yet at the same time, new media are being deployed in ways that are increasing rather than decreasing social and information inequalities. Conditional access threatens to reduce accessibility of media.

The policy makes the following relevant resolutions:

- Communications must be universal. Everyone has a right to communications that are available, affordable and accessible. While great strides have been made in ensuring the availability of communications, especially mobile communications, many users cannot afford to access the network to the extent that they need to, leading to an illusion of universality being created. Universality will be realized only once people can access the network whenever they want to, at a price they can afford.
- Communication must be ubiquitous: that is, users should be able to access information anytime, anywhere, anyhow, depending on the choice of the user. Currently, users are restricted in their choice of how to access information they need, either at home or on the move. The practice of relegating poor users to using the network in the middle of the night and early hours of the morning or on weekends through the provision of so-called 'free' minutes undermines our universal right to communicate.
- g) We must promote access to Internet by ensuring affordable broadband access – including on cell phone networks
- h) A free basic service for communications, cross subsidised by the network operators, must be available to poor users. Pre-paid communications users, who are overwhelmingly from the poor and working class, should not cross subsidise post-paid users. We oppose a communications system where the poor cross- subsidises the rich.

5. The Vula 'ma Connexion Campaign

In late 2013 the Right2Know launched the Vula 'ma Connexion campaign to 'open the connections'. The campaign's demands relevant to this hearing include the following :

- Further reduction in the interconnection rates and the regulation of retail rates to ensure that interconnection reductions are not simply passed down to the user further down the line;
- A free basic service for communications, to enable poor users to receive and impart information that is essential to them;
- Improve access to land lines and the ADSL network;

- Simplification of package pricing and transparency in pricing structures to enable proper comparison of offerings;
- Increasing the range of phone numbers that are free to call (for instance, numbers like our children's schools);
- Free broadband internet access as part of basic norms and standards for all schools;
- The use of the Universal Service Fund to subsidise needy people, as it was meant to;
- Access to operator information on production costs and network quality
- An independent and well-funded regulator;
- A government department that places the public interest above the interests of its portfolio organisations and their share prices.

We trust that the Portfolio Committee will speak to these issues as your process unfolds.

We welcome the current Parliamentary hearings, the recently launched ICASA Cost of Communication Programme, and the Minister of Communications' ICT Policy Review. These three processes can enable South Africans to have a dialogue about the kind of communications systems that can best serve our democracy and our development.

The Right2Know Campaign reiterates our call for greater regulation to limit profiteering and advance the right to communicate for all.

ENDS