



MINISTRY  
COMMUNICATIONS AND DIGITAL TECHNOLOGIES  
REPUBLIC OF SOUTH AFRICA

**KEYNOTE ADDRESS BY THE MINISTER OF COMMUNICATIONS AND DIGITAL  
TECHNOLOGIES, HON. MR MONDLI GUNGUBELE AT THE  
GovTech 2023 ANNUAL CONFERENCE - ETHEKWINI**

**12 September 2023**

*Thank you, Programme Director,*

*The Deputy Minister of the Communications and Digital Technologies, Mr Philly Mapulane*

*Premier of the Provincial Government of KwaZulu-Natal, Ms Nomusa Dube-Ncube*

*Members of Parliament*

*The Executive Mayor of eThekweni Metro Municipality, Cllr Mxolisi Kaunda*

*Directors-General*

*Director General from the Department of Communications and Digital Technologies, Ms Nonkqubela Jordan-Dyani*

*Chairpersons of State-Owned Companies*

*Chief Executive Officers of State-Owned Companies*

*SITA's Esteemed Clients*

*Representatives of the GITO Council*

*Sponsors, Delegates and Speakers*

**Good morning**

Today the City of eThekweni has opened its doors to information communication technology experts, strategists, influencers, idea generators, pioneers, and pathway finders to engage on the impact and future of **platform economy for digital transformation and inclusive growth.**

## **EMERGING BUSINESS AND LIFE IMPERATIVES**

The digital economy is a growing phenomenon that is changing the world as we know it, and citizen and people's expectations from a service delivery perspective. Economic activity that is driven off digital platforms that use data and algorithms to link buyers and sellers online is confronting all of us. Both the private and public sector is being confronted with new ways of work - defined by new business models that are radically different from traditional forms – and citizen expectation on how to transact and deliver services is on the rise, driving the changes.

Through this new emerging digital transformation trends, new business imperatives are emerging, customers are being engaged in innovative ways – and are becoming captivated by new trends of work, service deliver and different parties driving the changes. Smartphones, laptops and desktops in our own homes and businesses are becoming a channel through which retailers are managing payment systems with customers; and social media businesses are even establishing new forms of currency such as Bitcoin.

Organisations in virtually every sector are competing for relationships with customers, while becoming not only the provider of their own products, but also an entry point for other businesses seeking access to their primary customers.

As the digitalisation of the economy transforms the ways in which goods and services are delivered and consumed, the big question is what our role is as government and policymakers – which includes the conversations around service delivery transformation?

## **MAPONYA MALL AND PROTEA FIASCO**

There are many positives and negatives that we need to engage on as we unpack the phenomena of the digital economy. And we should have readied ourselves, as the ways of the old – collide with the new.

Let me give an example. A few months ago, violence saw several e-hailing taxis torched, allegedly by taxi operators who accused Bolt and Uber drivers of stealing business from them at Maponya Mall and Protea shopping centre in Johannesburg.

The city of Johannesburg has resolved that e-hailing taxi drivers will not drop off or pick up passengers inside shopping malls in Soweto for the next three months. However, the impact of these divisions between the old and new forms of work, and citizens views and its impact on the national climate cannot be ignored.

Government must strive to ensure a thriving and stable democracy, as we are all confronting the collision between new types of work and new business models that are radically different from traditional forms.

## **INTERNATIONAL PERSPECTIVE**

Compatriots, this is not only a South African dilemma. A few years ago, taxi drivers in cities across the European Union protested against Uber, while the developments in big cities such as San Francisco and New York, further fuelled the debate. With Uber operating in over 80 countries, many countries are grappling with legislation around work within the digital economy.

Globally, government reaction has not been uniform. Dutch courts for an example ruled that Uber drivers are employees and therefore entitled to employee rights. The UK has legislated a 'worker' status for Uber drivers. This entitles them to basic entitlements such as minimum wage, holiday pay and pension plans but not all the additional entitlements that employees receive.

The Uber or Bolt case study is not the only example that as the digital economy is gaining momentum, we as policy makers-makers are under great pressure to understand the impact of the digital economy and come up with collaborative solutions.

In some countries, different actors have called on governments to implement legislation out of concern for the workers involved as well as for the companies entering into competition with platforms, emphasising the need for a level playing field.

As a consequence, governments across the world have started to respond, as reflected in a growing number of policy documents, discussions and initiatives.

Indeed, the digital economy has only just been added to the public agenda. The reason is that governments are still in the stage of attempting to fully grasp the phenomenon and its implications for all parties involved. Considering the fast pace with which the digital economy is developing, there is much pressure to keep up.

## **SA CONNECT**

As South Africa, we cannot be left behind. That is why we are gathered here today. The theme for this year's conference - ***"Digital Economy for Digital Transformation and Inclusive Growth,"*** is spot on.

I say it is spot on because our government has SA Connect, an implementation policy of the national broadband policy that was approved by Cabinet in 2013.

SA Connect seeks to meet the technology goal of the National Development Plan of creating an inclusive and connected information society. It positions government to play an enabling role in the provision of broadband to a number of under-served areas and district municipalities - thereby bridging broadband connectivity gaps and closing the digital divide.

This pooling of public sector demand and procuring of high-capacity and future-proof network capacity at more affordable rates to address public sector broadband requirements, cannot be underestimated. The Department of Communications and Digital Technologies will roll out connectivity to the value of R3 billion in the 2023/24 and 2024/25 financial years, to implement phase two of South Africa Connect.

Phases One and Two are allocated R3.8 billion over the next three years. Phase One is aimed to connect schools, health facilities, government offices, and post offices, in eight rural district municipalities, to broadband services. During this phase, about 970 government facilities have been connected to broadband.

Phase Two involves SITA upgrading and connecting government sites from existing budgets, and the Independent Communications Authority of South Africa imposing universal service obligations on mobile network operators to connect 18 036 schools, 3 873 health facilities and 8 241 traditional authority sites.

With SA Connect, we are moving towards universal access to broadband services for all South Africans, prioritising rural and underserved areas.

The communications department, supported by state-owned entities such as SITA, Broadband Infracore and Sentech are crucial to provide broadband connectivity to government facilities. Our aim is to connect 5.8 million sites to high-speed internet by 2025/26, as part of the Phase Two rollout of SA Connect.

While there is a growing need for us to respond to the impact of the platform economy, the challenge lies in approaching this in such a way that the competition, such as the contests that we see emerging – such as the Soweto Uber-Taxi debacle, can be tackled - while at the same time the opportunities that it brings can be pursued with Vigor, as citizens expect new and improved forms of service delivery.

## **INCORPORATING DIGITAL ECONOMY STRATEGY**

As government we must continue to develop a holistic strategy towards digitalisation, that includes areas of the digital economy, rather than adopting piece meal policy measures, as matters arise. We must also start thinking about the relevant legislative requirements we might need to introduce towards universal digitalisation.

As I conclude, the future of the digital economy remains open. Answers to crucial questions are for the moment unknown. The answers depend on our choices.

I hope that this iconic conference's resolutions will depend on how we believe markets should be structured—who gains and who can compete; how we innovate; what we value in society; how we protect our communities, our workers, and the clients and users of these technologies; and how we channel the enormous opportunities created by these socio-technical changes.

While any matter, including the future of the digital economy, can be raised, discussions and debates should be guided by a set of common principles to preserve a collaborative spirit that grows our country and democracy into a thriving and stable one.

It is our hope that future reviews will continue to be based on a collaborative, constructive, problem-solving approach.

I thank you.

***Issued by the Ministry of the Department of Communications and Digital Technologies.***