

GOOD GOVERNANCE, TELECOMMUNICATIONS DEVELOPMENT, AND THE CHALLENGE TO PUBLIC RELATIONS IN AFRICA

Joke Giwa

Chief Corporate Affairs Officer, MTNN

INTRODUCTION

The world today revolves around telecommunications and Digital Satellite systems. The Global Village envisioned many decades ago by many great thinkers has indeed become a reality today. Thanks to telecommunications and other technological developments, distances, time and space are no longer serious constraints in business and social life. Telecommunications plays a key role improving the quality of everyday life in most parts of the world today. Perhaps nowhere else around the world has this fact been more noticeable than in Africa in the last decade or so. Indeed, what we have had is nothing less than a form of industrial evolution or revolution, depending on your point of view. In Nigeria, for example, outside the independence movement and democracy, nothing has impacted more on our people since 1960, than the telecommunications revolution in the last three years.

LIBERALIZATION: A CATALYST FOR TELECOMMUNICATIONS REVOLUTION IN NIGERIA

Liberalization is undoubtedly one of the key by-products of good governance. And in discussing the positive impact of liberalization, in the Nigerian experience we can look at the two most recent evolutions in two different sectors. In the late 1980s and early 1990s the liberalization of the banking sector in Nigeria brought about the licensing of new banks and increased competition in that sector. This led to a catalytic change in service delivery and the array of banking products available in the local market. Some of us would choose to describe this as the Nigerian banking revolution.



Prior to this time, banking, for the average customer, was a full day's task, and that is if you were lucky enough to only be carrying out a simple transaction like cashing a cheque or withdrawing from your own savings account. With liberalization, several young entrepreneurs and indeed seasoned professionals were given the opportunity to set up what is often referred to as the “new generation banks”. These came into existence to compete on the basis of speed of delivery, technology and eventually this has led to an array of products. The impact of this on the average customer is that instead of hours of waiting at counters, service was being received in a matter of minutes. Indeed, one of the newer banks at the time is known to have come out with an advert – which was a little bit of a public relations coup – at the time called “give me my tally number”. Several other public relations initiatives came out at the time leading to a boom in the advertising sector. For the banks themselves this positioning and delivery led to exponential growth in profit that outpaced various other companies, which had existed for much longer. The key point to note here is that liberalization in one sector throws out a spin off positive effect in various segments of the economy.

The second industrial revolution in my point of view has been the telecoms revolution. The telecoms revolution in Nigeria has undoubtedly been as a result of not only liberalization but also the opening up of the Nigerian economy to foreign investments. And a large part of the credit for this goes to the foresight of the Nigerian leaders and the Nigerian Communications Commission (NCC), which brought about an internationally acclaimed transparent process for privatizing the telecoms sector.

Some of us present today will remember the era before this liberalization. Describing the period in terms of low teledensity, and the negative impact on productivity may not fully drive home the point. The fact that indeed Nigeria's teledensity was defined as the second lowest in the world and that both private citizens and business operators struggled with significant infrastructural challenges may still not fully paint the picture of the reality faced at that time. The reality was that people would pay sums of money in the range of N50,000 or more for a fixed telephone line and wait several months after payment in the hope of connection. It was not uncommon that after paying this much in advance, you would still have to pay for the poles and the cable that would ensure that connectivity could come to your premises. And this was if



you were lucky enough to be in the mostly urban coverage area. People in the rural areas had no choice but to travel several kilometres to the nearest town to make a call.

A first hint of advancement came with the introduction of pagers and later fixed wireless operators, which meant you could now get a phone in a matter of days or weeks as opposed to months or years after paying. I recall that a fixed wireless phone cost more than N100,000 at the time. The first mobile telephones, which came even later, were a clear status symbol for the rich. Indeed, it was common parlance to hear the rich folks say to one another “call me on my naught nine naught”.

By December 1999, Nigeria had only about 450,000 working telephone lines servicing over 100 million people. Today, however, the story is different. For less than a fifth of the old price you can have a functional phone in ten minutes. Nigeria has over 4 million working telephones and the number is growing daily. MTN Nigeria, for example, has over 1.8 million of these subscribers spanning over 70 cities and more than 2,000 communities in the six geo-political zones of Nigeria. Africa has beaten the record of \$10 billion set by the United States of America in investments on mobile telephony. Investments in this sector hit the \$10 billion mark by the year 2003. Nigeria alone accounted for \$4 billion of these investments, thus making it the fastest growing telecom market in Africa, and one of the fastest in the world.

BENEFITS OF INVESTMENT

Investments in telecommunications has brought with it additional economic benefits, particularly in the areas of increasing employment, attracting new investments, and providing needed infrastructure. The telecoms revolution is creating entrepreneurs from the big dealers, to the advertising agencies, the events management companies doing more new product promotions, to the street hawker. Indeed, it has triggered a whole new economic chain, directly and indirectly affecting other sectors of the African economies positively.

The corporate communications/public relations sector has benefited a great deal from this revolution. Millions of dollars are spent annually by African telecoms operators not only in



reaching their subscribers and potential subscribers, but also in burnishing their image and reputation. Apart from the financial contributions which the African telecoms revolution has made to corporate and marketing communications in Africa, there is also the growth and expansion of the industry through improved expertise and skills upgrade that have been necessitated by the new ways of living and doing business. In Nigeria, for example, MTN is on record as having had positive impact on the quality of advertising and public relations practices.

Undoubtedly, MTN Nigeria is an excellent example of successful foreign direct investment; our success and that of others will positively impact on the country's ability to attract further investment.

MTN subsists on the core brand values of leadership, integrity, innovation, relationships and a “can do” attitude, a passionate optimistic focus on the future. It prides itself on its ability to make the impossible possible – connecting people with friends, families and opportunities.

MTN's vision is to become the leading provider of communication services on the African continent, linking nations by providing affordable, accessible and quality service that is a catalyst for economic development. MTN currently operates in Nigeria, Rwanda, Uganda, Swaziland, Cameroon and South Africa, and the move towards seamless communication in Africa is gathering momentum. Our success in Africa is not just about providing telecommunications networks, which enable communication across countries and continents, our aim is to facilitate change that will have long-term benefits in our operating countries. Apart from stimulating economic development and transferring technology, MTN is committed to uplifting the quality of life in communities. For example, in Nigeria, our commitment to corporate social responsibility is aptly demonstrated by our decision to invest 1 per cent of our profit after tax every year towards adding value to our host communities. MTN Nigeria (MTNN) is now poised to execute corporate social responsibility projects that focus on education, health and economic empowerment in the six geo-political zones of Nigeria, and these will be executed under the auspices of the MTN Foundation.



The African telecommunications revolution has brought in its wake new competition, new business models, new technology platforms; increased range of services; and stronger regulators. However, it has also exposed the need for more affirmative action. Key among these is the need for what has been called the three “Cs” of regulation. That is “Consistency”, “Certainty”, and “Clarity”. Experts believe that this will engender exponential economic growth.

Telecommunications has continued to change the way we live and do business in Africa. A great deal more positive change is in the horizon. The MTN Group, as Africa's leading cellular telecoms company, is poised to continue to contribute and catalyse this change.

CONCLUSION: PR PRACTITIONER'S ROLE IN ECONOMIC DEVELOPMENT

Liberalization, as a by-product of good governance, is a catalyst for economic growth, which in turn encourages improved quality of life for all. PR practitioners play a key role in economic advancement.

While governance is the purview of the government, public relations practitioners are advisors to governments and corporations. They are custodians of influencing public perception and public opinion and play a key role in attracting investment into countries as the country's image affects country risk indicators.

In promoting the image of our countries, we must showcase our success stories. MTN group as Africa's home-grown operator (which has evolved into a leader in the African telecoms terrain) represents an African success story.

Profitable companies in our environment are an evidence of your success as PR practitioners. Indeed, profitable companies help us confirm the positioning statement that we have a vibrant market. When receiving and projecting the news of the profitability of these companies let us

move away from the group-think or PHD (i.e., pull him down) for if we do so we are losing sight of the bigger picture.

MTN Nigeria is one of Nigeria's recent success stories. MTNN launched commercial operations in August 2001, at a time when others were sceptical about the country risk inherent in Nigeria. Indeed, such was the level of external concern at the time that the share price of the parent company dropped on the Johannesburg stock exchange once the investment in Nigeria was announced. Today, with your support, MTNN has become an intrinsic part of the fibre of the Nigerian society both from an economic and social perspective. Our investment goes beyond management or technical assistance; we have over \$400million in equity and infrastructure committed to our strong belief in Nigeria's potentials. MTN Nigeria's success story shows that though the terrain is challenging, but the challenges are indeed surmountable with the right level of commitment, professionalism, persistence and investment.

As Africans we have potentially one of the world's largest emerging economies on our hands, as PR practitioners it is our duty to project our companies, our countries and indeed our continent properly. If we do this right our economies will grow and posterity will judge us right.

