DON'T KEEP IT PRIVATE! THE POLITICAL ECONOMY OF DIGITAL MEDIA INNOVATION IN DEVELOPING COUNTRIES

by

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DON'T KEEP IT PRIVATE! THE POLITICAL ECONOMY OF DIGITAL MEDIA

INNOVATION IN DEVELOPING COUNTRIES

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During the 1990s, a number of "developing" countries became interested in upgrading the technology of their national media industries to acquire Internet, satellite broadcast, and cellular phone capacities, because digital technologies like these offered opportunities for sustainable development. Each of these countries had a divergent understanding of what constituted "national" or, increasingly, "regional" interests. Yet, Western policymakers and global financing institutions aggressively promoted standardized neoliberal policies, including privatization and deregulation of national media industries--the subsequent "opening" of these industries to free market forces. Although little empirical evidence existed to support the benefits of this policy framework, development aid from these Western institutions was often contingent upon the adoption of it. The justification was simply that the application of neoliberal policies to national media industries was understood to be superior to any others.

Scholarship in political economy of communication made strides in criticizing the dominance of Western policy frameworks and the effects of neoliberalism on national media industries in the developing world. Within a political economy model, the imperative of the present project is to consider the bi-lateral relationship between the developed and the developing world as one that can also be located within a more regionalized and heterogeneous structure. In the last decade, regional economic alliances have become recognized as a feasible method for developing countries to enter into the global political economy. These alliances are

often flexible networks among a dozen or more countries, and the reasons so many join are as varied as their membership. The most common reasons are because they foster: cost-sharing of communication technology acquisition, technology transfer and training programs among nations, financing through regional development banks, as well as policy frameworks that are not as heavily determined by neoliberal macroeconomic prescriptions. Most importantly, they provide a place wherein developing countries can maintain their own "national" identities, but still benefit from a collective force in the global market place. Central to this analysis are Vietnam and its membership in the Association of Southeast Nations, and South Africa in the South African Development Community, both of which in their own way signify the viability of this alternative model.

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ACKNOWLEDGEMENTS

Writing a dissertation is a very solitary, and oftentimes, lonely pursuit. Fortunately, undertaking the research necessary to write it, and getting feedback from others about the best ways to present the research, are much more interactive stages in the process. Happily, I have many people to thank for these more collaborative moments as the seeds of this dissertation grew and began to bear fruit.

Certainly most significant of all are my advisors Carol Stabile and Jonathan Sterne. Without their enthusiastic suggestion that I should forego Thailand, Germany, and Cuba as case studies, and instead focus on Vietnam and South Africa, I might not have ever discovered the significance of regional economic alliances as a strategy for the innovation to digital telecommunications in the developing world. And lest I forget their guidance in helping this project make sense to others, I would like to convey my deepest gratitude to both of them for following through with suggestions for improving this project, even though their own careers have taken them either across the country or into neighboring Canada, and kept them quite busy with new responsibilities. Moreover, their suggestion to study Vietnam sparked some of the most memorable moments of my life and resulted in life-long friendships. Kathleen Blee, who at the beginning of my graduate studies gave me the initial idea that developing world issues are significant, also provided patient guidance as well as a model for incorporating my research in

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ACRONYMS

General

ADSL	Asymmetrical Digital Subscriber Line
BCC	Business Cooperation Contract
BOT	Build-Operate-Transfer
DSL	Digital Subscriber Line
GSM	Global Services for Mobile
ICT	Information Communication Technology
IMF	International Monetary Fund
ISP	Internet Service Provider
ITU	International Telecommunications Union
R&D	Research and Development
SAP	Structural Adjustment Programs
SIM (card)	Subscriber Identity Module
SME	State Managed Enterprise
SMS	Short Message Service
SOE	State Owned Enterprise
UNDP	United Nations Development Program
VSAT	Very Small Aperture Terminal

| WTO | World Trade Organization |

South Africa

ABD	African Development Bank
ANC	African National Congress
COSATU	Congress for a Democratic South Africa (black union umbrella federation)
FAWO	Film and Allied Workers Organization
IBA	Independent Broadcast Authority
ICASA	Independent Communications Authority of South Africa
NP	National Party
RASCOM	Regional African Satellite Communications Organisation
RDP	Reconstruction and Development Programme
SABC	South African Broadcasting Corporation
SACP	South African Communist Party
SACU	Southern Africa Customs Union
SADC	Southern African Development Community
SADCC	Southern Africa Development Coordination Conference
SAPT	South African Posts and Telecommunications authority
SATRA	South African Telecommunications Regulatory Authority
TRASA	Telecommunications Regulators Association of Southern Africa

Vietnam

ASEAN	Association of Southeast Asian Nations
ABD	Asian Development Bank
APEC	Asia-Pacific Economic Community

CMEA   Council for Mutual Economic Assistance

IOIT   Institute of Information Technology

LPRV   Local Poverty Reduction Vietnam

THVN   South Vietnamese Television

VASC   Value-Added Services Corporation

VNCP   Vietnamese National Communist Party

VNPT   Vietnam Posts and Telematics

VTV   Vietnam Television

1.0   INTRODUCTION

"[I]t takes time for something false to become self-evident…" –Pierre Bourdieu[1]

In Vietnam, July is the hottest month of the year. And it was during July that I scheduled to travel to Vietnam in order to interview as many employees in the various media industries as I could get to talk to me. During a Vietnamese summer, the sun rises at 4:30am and the air reaches its peak temperature between 4pm and 5pm, before the sun will set two hours later. It was during one of these sweltering late July afternoons that I walked quickly down a narrow alley in the tourist section of Hanoi, trying to navigate my way to the National Opera House. I was scheduled to interview a Cuban journalist who was working temporarily at the Vietnam News Agency; I thought that obtaining an interview with a journalist from another Communist country who was working in Vietnam would provide a unique perspective on the way in which the Vietnamese ran their national media industry. To jump ahead a bit what I learned instead from my interview with the Cuban journalist was that he believed he was in Vietnam to "teach" Vietnamese journalists the proper way to practice their craft; but I suspected the Vietnamese saw it differently.   I had already interviewed about a half-dozen other Vietnamese media professionals as part of my research on the recent history of Internet, cellular telephone, satellite

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[1] Bourdieu, Pierre, *Acts of Resistance: Against the Tyranny of the Market* (New York: New Press, 1998). 30.

broadcast, and digital film in Vietnam, and had learned that many of my own preconceived notions about media in the developing world were incorrect.

I was running late for this interview, but still hoped to grab something quick to eat in the five minutes that were left before meeting at the Opera House. I spotted a "dust food restaurant" ("dust food" because it is eaten so near the dusty street) on the alley sidewalk, and ordered a bowl of pho, or Vietnamese noodle soup. What I did not realize as I squatted down on the tiny plastic stool, however, was that my casual dining companions would give me greater insight into Vietnam than would my impending interview. As I waited for the soup, a well-spoken and confident young Vietnamese man sitting on another stool with his own dinner asked in English if I was an American. But before I could even answer, he had gotten up and made me a glass of iced tea. He put it down in front of me, and with a smile, said, "I know what Westerners think. You think if you drink our water, then you get sick and maybe die. I give you some tea. You will drink." I stammered that he was probably right, and smiled nervously as I drank the tea, trying to appear unflustered about our exchange, and trying to show only gratitude for the cold tea in the near 100-degree fahrenheit temperature. But I thought to myself that I was more grateful that I had only a few more uncomfortable minutes to spend on the curb in his presence before I had to run to my interview, because I suddenly felt uncertain about my own attitudes. Later that night I had a chance to think over the event, specifically about what the young man had said and whether it held any truth for me. As much as I would have liked to deny it, even to myself, he was right. I had been worried about picking up a virus from the water supply since I had arrived, and whenever I drank any water or brushed my teeth, I used a bottle with a micron filter.

More broadly theoretical, however, I also realized that this stranger's statement was about more than just Western attitudes toward drinking directly from the developing world tap. His point reflected an understanding of a larger, pervasive Western attitude about nearly everything in developing nations like Vietnam. He made it clear that it is obvious to citizens of the developing world that the West often assumes that, from water supply to politics to media industries, the Western way is the best way. This attitude is a tree with deep historical roots from whose branches sprouted colonialism, imperialism, and globalization, seemingly the most current stage of the Western attempt at domination. But it is also an attitude of which the developing world is well aware and has often sought to challenge. Yet, can this dialectic be effectively challenged by anyone if we continue to argue about it in such terms?

In "International Communication and Globalization: Contradictions and Directions" Oliver Boyd-Barrett suggests there are currently two different schools of thought from which globalization has been approached in international communication: cultural studies and neo-Marxist political economy.[2] Both schools embody the benefits and drawbacks of their particular theoretical legacies (as all do), which the second chapter of this project will explore. Yet, a cursory but broad recount of their premises will illuminate why I believe a revised political economy of communication approach will be most appropriate for understanding the complex process by which developing countries adopt digital communication technologies.

In his book broadly conceived book *Orientalism*, Edward Said made his own attempt to challenge the ideological nature of these and other Western assumptions by unearthing their

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[2] Boyd-Barrett, Oliver, "International Communication and Globalization: Contradictions and Directions," in *International Communication and Globalization*, ed. Ali Mohammadi (London: Sage Publications, 1997).

historical roots. His goal was to illuminate the West from an Eastern perspective by retelling the history of the West in dominating, restructuring, or otherwise having authority over the East, which it labeled "the Orient."[3] In defining the West, Said emphasized the centrality of the British or French experience of the late eighteenth century to his analytic model. Although it was relatively recent by comparison, he also acknowledged the increasing role of the United States on the modern stage of the East as it had taken over the European tradition of reinforcing its own cultural, economic, and political power. U.S. hegemony started with Japanese, Korean, and Indochinese adventures, but rapidly expanded into the Middle East. As the specter of the Cold War faded away during the decade of the 1990s, it seemed that the U.S. needed its own new cultural, political, and economic "surrogate" or "underground self" as had Europe; although this time it was the developing world countries that the U.S. would tried to remake in its own "gilded" image. Galvanizing this modern Western project was the underlying assumption that the only useful way to differentiate countries around the globe was by labeling them "developed" or "developing," either modern capitalist nation or not.

From this heuristic, the next logical step was then to distinguish between developing countries, as well as their relative value by their location in relation to abundant natural or economic resources. Latin America had oil reserves; Africa had precious minerals; and Southeast Asia had fertile soil, for example. Their histories, political systems, cultures, and people were only relevant to the degree to which force—military, political, or economic— needed to be applied to reconfigure them into both a resource for and image of the developed world. From the West's perspective, not taking the material reality of a developing country into consideration made it easier to maintain that the model of capitalist democracy could apply with

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[3] Said, Edward, *Orientalism* (New York: Random House, 1978).

equal effectiveness across both the developed and the developing world. Calling it "modernization" was the rhetorical contortion necessary to promote this project as a beneficial one. While this may not have represented the reality of the developing world, it was an attempt to present Western intentions in a more ethical light. As it examines epistemological power and agency, this dissertation is interested in Said's cultural studies analysis for its illumination of Western strategy and rhetoric in attempting to assert its power vis-à-vis the rest of the world. Yet it still reinforces an understanding of world history and conflict as a two-party system.

Following from the same conclusions as Said, other cultural studies scholars have chosen a more narrow focus and are "more interested in 'culture' in a sense close to that used by Raymond Williams (1961) as the day-to-day expression of shared human experience—and they look for evidence of convergence" in everyday social practices such as popular or mass culture.[4] Much useful work has been done in this arena, and most significant to this project are the analyses that find in global media content and programming "not a homogenized global culture, as a world in which, increasingly, every locality is typified by cultural hybridity and heterogeneity."[5] However, continuing with such an examination is not within the purview of this particular project; but considering global media content is, specifically for what it can reveal about the role that both the public and private national political economy has on its development.

Boyd-Barrett describes political economy of communication as a second scholarly "camp" distinct from culture studies in its attempt to link media institutions to "other major centres of political, economic and social power in society," to chart the "processes of deregulation, privatization," integration, and "tendencies towards convergence (e.g. bringing

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[4] Boyd-Barrett, "International Communication and Globalization: Contradictions and Directions." 12.
[5] Ibid.

together print, broadcasting, telephony, computing, music, electronic networking)."[6] However, one of Boyd-Barrett's criticisms of political economy of communication, besides its focus on the nation-state as a unit of analysis, is that there is "still a relative dearth of studies of professional practice" or the "inner workings of media industries."[7] For Boyd-Barrett, significant are the connections between the macro level of policy and industry and the micro level or the place in which media is produced and consumed. Boyd-Barrett made this claim in 1997, and certainly other scholars have picked up this gauntlet. I agree that these linkages between the micro and macro are important to consider, and I make a partial attempt at doing so—specifically looking at what individuals are able to do with telecommunications networks that have been established though government-corporate relationships—but closer to my own analytic goals is to pursue the current model political economy of communication, as well as cultural studies to a degree, and to bring their focus beyond the current orbit around the domination of the West over the rest of the world.

The contribution of political economy of communication in the context of developing world national media industries was to underscore that the West has consistently asserted that its own private, free-market model would be the new standard of success for the developing world also, even though this description was hardly accurate of developed world media industry models themselves. Presumptuously, neoliberalism would be the best model for all; context mattered little, except to note that developed countries would likely see the model as common sense, while developing countries would need to be "motivated" to adopt it. International political economists often asserted that the consequence of such unchecked Western assumptions about

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[6] Ibid., 18.

[7] Ibid., 19.

the homogeneity of the developing world was that inappropriate policies like these were applied indiscriminately to their national industries as a part of IMF, World Bank, and WTO lending policy.[8] The IMF in particular was "seen as a recession-inducing growth-wrecking agent."[9] Political economists of communication also pointed out that these prescriptions frequently led to stagnation in national industries, media industries most importantly to the present study. But when it became apparent that privatization, liberalization, and deregulation failed to work to undergird developing media industries, the neoliberal pundits have often responded that national governments simply were not stringent enough with their neoliberal macroeconomic measures. Regardless of intention, the failure of these policies ultimately reinforced Western rhetoric about the superiority of the developed world. As developing countries sank further into economic nadirs, the label "developing" only gained rhetorical power. Not only did developing countries have to prostrate themselves to the global lending agencies that help create and reinforce such labels, but in doing so they also had to accept (at least publically) the implication that their own national media agendas were insignificant, poorly conceptualized, and inexpertly run.

The traditional political economy of communication model begins to give voice to developing world concerns about their more dominant counterparts. At the same time, since it follows the Marxist qua Hegelian dialectic model, political economy of communication also translates into to an overvaluation of dominant media models as arenas of study. More

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[8] Kolodko, Grzegorz W., *From Shock to Therapy: The Political Economy of Postsocialist Transformation*, ed. World Institute for Development Economics Research of the United Nations University (Oxford: Oxford University Press, 2000).

[9] Goddard, C. Roe and Melissa H. Birch, "The International Monetary Fund," in *International Political Economy: State-Market Relations in the Changing Global Order*, ed. C. Roe Goddard, John T. Passe-Smith, and John G. Conklin (Boulder, CO: Lynne Rienner Publishers, 1996). 250.

importantly, though, it leaves little room to think about alternative models where private interests were mitigated by, but collaborated successfully with, government policy. So it is no wonder that in-depth research on the media industry practices of developing countries has been rare; many of these countries have had to negotiate just this boundary between public and private. Although these undervalued, under-examined models are often seen as inhabiting a liminal, "Third World" space in both the world economy and the international media market, at the least these national media industries provide intriguing examples where hope for a public-oriented media was still possible, even if corporate interests *are* involved.

Immanuel Wallerstein's world systems theory could perhaps be the necessary intervention into these traditional dialectically framed analytic models. Much of his work focuses on elaborating on the definition and function of the three levels of political economy, the periphery, the semi-periphery, and the core.[10] Obviously, to assert the global political economy has, not two, but three significant elements is one of Wallerstein's most well-known theoretical premises. Less obviously, Wallerstein's world systems theory is unique is that it undercuts the power of the dialectic of "developed" and "developing" by asserting that the core and semi-periphery countries of the developed world are precisely the ones dependent on the developing, or peripheral countries, as much as it has been the other way around; at each level are vulnerabilities and dependence. This also distances it theoretically from both cultural studies as well as traditional political economy of communication. Since the present project is concerned with bringing the idea of regional economic alliances—or a collection of nations that operate

[10] Wallerstein, Immanuel, *The Capitalist World-Economy* (Cambridge: Cambridge University Press, 1979). See also Wallerstein, Immanuel. "Dependence in an Interdependent World." In *International Political Economy: State-Market Relations in the Changing Global Order*, edited by C. Roe Goddard, John T. Passe-Smith, and John G. Conklin, 176-90. Boulder, CO: Lynne Rienner Publishers, 1996.

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under one regional identity in the global political economy—to bear on the political economy of the so-called "developing world," Wallerstein's theory provides a springboard for just such a consideration. In much the same way as turtles use their shells as both a home and fortress, regional economic alliances have become the means by which developing nations enact their own role in the global ecology. To participate with other "organisms" in this ecology, developing nations often need a way to assert and defend simultaneously. In my own conception of applying Wallerstein's world systems theory, I would like to combine it with the political economy of communication's focus on national media industries as a level of world systems theory of analysis.

1.1 THE CONCEPT OF NATION

Before elaborating on the significance of national media industries as a window into the ways in which they represent themselves in the global political economy, it is still perhaps necessary to grapple with the nebulous concept (*and* nebulous reality) of the "nation" or "nation-state." Postmodernists and poststructuralists persistently argue against the nation as a "basic unit of analysis."[11] Nationhood is a "myth" that only exists in "icons of 'national' power and influence such as national flags, anthems, monarchies, state architecture on government buildings."[12] Political economy of communication is cited as a scholarly field more guilty than others of "helping construct a myth of nationhood," because political economy of

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[11] Boyd-Barrett, "International Communication and Globalization: Contradictions and Directions." 15.

[12] Ibid.

communication attempts to "speak for and on behalf of a 'nation' which the media themselves helped construct."[13] Indeed, nationalism can also become the servant to ideological tyrants such as chauvinistic nationalism, jingoism, prejudice, racism, ethno-centrism, violence and so on. But eliminating the concept of nation-state would not eliminate these phenomena. Nor does adhering to the argument that globalization has virtually erased national boundaries, provide us with an alternative cogent locus from which to untangle the convoluted reticulation between corporations, countries, and regions. The poststructuralist argument is no more helpful to developing countries in navigating this network either. In *Imagined Communities*, Benedict Anderson points out that the "'end of the era of nationalism' so long prophesied," is not even remotely in sight.[14] The influx of Western political economy into other parts of the world has reinvigorated and interest in nationalism as a protective measure, and my own research into the developing world suggests that the nation-state has still specific use value.[15] Regional alliances have become one of the most viable means of establishing agency in the global political economy for developing countries; and having a national identity balances the tension between being together, yet separate, as a regional alliance membership requires. Thus, I agree with Anderson's definition of the nation as "an imagined political community--and imagined as both inherently limited and sovereign," as well as his insight that it does not really matter whether a nation is "imagined."[16] Nation-ness is less about being false and more about being creative. What is most important is who has the agency to imagine it and what they do with that agency.

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[13] Ibid.

[14] Anderson, Benedict, *Imagined Communities: Reflections on the Origin and Spread of Nationalism* (London: Verso, 1991). 3.

[15] Ibid., 96.

[16] Ibid., 6.

For the sake of clarifying the language with which this dissertation will speak and on what topics, I consider the "nation" to be a collection of entities, consisting of a government that purports to speak for those who live within its boundaries even if they would not necessarily agree with what is said, and to speak to external organizations with which the government interacts; commercial or private groups headquartered within these boundaries that are involved in the formation of public services and infrastructures; and individuals who are affected by the activities of the other two groups.

In quickly returning to the idea of national media industries and their relationship to the above issues also, I claim that national telecommunications networks are particularly evidential of what is at stake for developing countries. National telecommunication industries not only make cell phone, Internet, and cable technologies accessible to these countries. More notably, a nation able to demonstrate to other members of the global political economy that it can afford to innovate from analog to digital also demonstrates that it is a viable economy adroit at generating profit. As Wallerstein suggests, those at the periphery would like to be able to play the capitalist game, but on their own terms. Regional economic alliances that promote technology standardization programs also facilitate this image for developing nations by: maintaining connections between member nations and making feasible technology and training sharing programs across national boundaries, and allowing these alliances to operate on par with the dominant economies of the West. A developing nation may have a firm priority to provide (or deny) basic public infrastructures, stem the spread of disease, promote literacy, and lower infant mortality, but making a effort toward *appearing* to be establishing a state-of-the-art digital telecommunication network that support Internet, satellite programming distribution, and cellular telephone, embodies fungible power. It tells the rest of the world that a nation is a prosperous,

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forward thinking, and keen force to be reckoned with, developing nation or not. Perhaps then poststructuralist arguments about the limitations of the concept "nation" are still useful, mostly for reminding political economists of communication that nations and their national media industries are not just neutral agents!

1.2   TWO EXAMPLES FROM THE DEVELOPING WORLD

In the interest of mining these examples, perhaps it is useful first to emphasize there can be an analogy made between human fingerprints and countries of the "developing" world. Just as genetic make-up determines the layout of each ridge of a fingerprint and therefore defines its individuality, the political, cultural, economic, and technological history of a developing country is what makes it unique, also. But as particular as each of these countries was in the 1990s (and still is), each of them also shared something in common. As the sun rose on the decade, and new media technologies like satellite, Internet, cellular telephony, and digital film innovated to the point where they seemed as if they could be a tool harnessed for social, political, and economic development, the developing world accepted that financial support was crucial to acquisition of these technologies. With the financial support of the global lending agencies, however, it seemed that each country would also face the force of globalization in the form of IMF, World Bank, and WTO policies, what were collectively considered to be an inexorable global political economy. Yet the "fingerprint" of each country made it unlikely that it would respond to the pressures of foreign influence in the same way, or that it would make the same choices about world trends and events such as globalization.

When this dissertation began, my intention was to include Bourdieu's point about the 'false becoming self-evident' as a springboard to a critique of these Western neoliberal policies that were shopped around to the governments of the developing world in the 1990s. Privatization, deregulation, and liberalization of national media industries were tenets central to such policies, and the original claim underpinning this dissertation assumed that these policy choices were both destructive and nearly unavoidable. In part, these assumptions dangerously mirrored one of the main myths of globalization, that a market-oriented approach to development of the media industry was the only policy option. But, in getting at the heart of the ways in which developing countries reacted to the prescriptions of the developed world, it became clear that Bourdieu's point better reflected the assumptions I had about how the developing world could or would choose to handle the macroeconomic forces that impinged upon their goal of updating their media industries from analog to digital technology. I had assumed that these countries had two options at their disposal: to either accept or reject resources such as support from the global lending agencies, global trade forums, regional alliances, foreign direct investment, and technology transfer. With global political dynamics being what they were at that time, indeed these countries faced many of the same pressures. But when we take into consideration the particular context of each country, it becomes clearer that each one was unique in its possibilities and in its limitations for relating to the global political economy.

As Bourdieu would predict, careful consideration of these two case studies disabused me of my earlier assumptions about choices in the developing world in short order. As case studies, Vietnam and South Africa are intriguing for this same reason. During the decade under consideration, the 1990s, both of these countries underwent significant political, economic, and social transformation. After nearly a half-century of devastation and isolation Vietnam came out

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of its shell: the U.S. lifted its embargo and Vietnam proceeded to make regional and international overtures. Vietnam did not politically abandon Communism, but it was still able to forge relationships with foreign governments and corporations according to its own agenda and own goals of improving the economic health of the country. Likewise, the decade of the 1990s was about metamorphosis for South Africa. Apartheid was under siege domestically and internationally; for the first time in centuries, it seemed as if the nation's raison d'être would be to rectify the injustices suffered by the underprivileged. In contrast with Vietnam though, the new South African government—the African National Congress (ANC)—had difficulty maintaining its own goals of reconstruction and redistribution as it took tentative steps toward forging relationships within the global marketplace. The contrast between the experiences of Vietnam and South Africa hints at the potential the developing world has to help us understand the global political economy during this time. This project is supremely interested in smaller national media industries in the developing world, and believes that they should be located at the center of the conceptual constellation that neoliberal globalization, technology, and regional alliances represent, rather than as powerless victims at the margins. Not only has the developing world become inseparable from the developed, but it has become inseparable from these concepts as well.

Therefore, from the dust of my original inquiry, only one claim has survived: that in the developing world, there was simply no "best," preconceived path for the development of technology or for the economic and political environments in which they could flourish, and no two sets of developing nations choices were the same. Yet, this does not suggest that nothing but incoherence can come from plumbing the depths of the media technology examples that do exist in this context. A central belief of this project is that we cannot fashion a general template for

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media technology development that can be applied across the developing world, but there are moments from which we can glean what does not work for development, what happens when it does not, and why; and we can also draw from ideas and projects that worked under certain conditions. However, as the case studies of Vietnam and South Africa will attest, running a fine-toothed analytical comb through the convoluted strands of these examples does not prove easy.

The 1990s are a seductive chronological moment in which to start this process in that at first glance they seemed to contain the rise of what now seems like some significant global "events." Digital technologies became a booming business for the nations that could produce them and a potential growth opportunity for those that could afford them. Also, the IMF, World Bank, and WTO became acknowledged as the leading global financial *and* regulatory institutions during this time. Consequently, globalization, neoliberalism, and technology were injected into a lexicon the world could share. The regional alliance, on the other hand, did not necessarily become a part of this shared lexicon, but it did play a significant role for many nations in the developing world, particularly Vietnam and South Africa. The regional alliance was an option that some developing nations like these could leverage to obtain the technology and do so with less intervention from the IMF, World Bank, or WTO. The regional alliance was therefore useful in minimizing the impact of globalization.

Thus, as a form of analytic therapy, the first imperative that motivates this project is coming to terms with the concepts—globalization, neoliberalism, and technology—that became theoretically tangled in the 1990s. For many Western policymakers, this conceptual tangle was not a problem; it was a goal to be achieved. For them, the privatized nature of Western technology was supreme because it was lucrative. But numerous examples demonstrate how unsuccessful the Western approach was when adapted to Communist, Socialist, post-Socialist, or

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even other Democratic developing states. Yet for years, Western policymakers continued to prescribe it in exchange for development support. And so reassuring it is to discover the potential for viable state controlled media infrastructures that tried to both maintain and innovate national media infrastructures on their own terms even in the face of such challenges. As examples of such alternatives, Vietnam and South Africa were each remarkable in their own way: both represented examples of digital media technology intended for public-oriented media rather than multinational corporate profit. Often radically different in their approaches—communism with limited market tendencies or a capitalist democracy—these alternative models tried to navigate the shoals of corporate interest, foreign direct investment, and neoliberalism in order to adapt digital media to meet the needs of national economies, media industries, and the citizens they serve.

The second aim of this investigation concerns the common assumptions from which this conceptual constellation emerged and seeks to intervene in the debate around these issues at several points: 1) the gospel of globalization and its political and economic implications for a "democratic" innovation and deployment of media systems in "smaller" nations; 2) the continued reliance on outdated notions such as diffusion of innovation and technological determinism in crafting media policy; and 3) the opportunities regional economic alliances presented for ameliorating the effects of globalization, as well as for creating positive transfer of technology and information networks and obtaining representation in the international media market. Much scholarship has already been rendered on these first two points in several fields, including media studies, political economy of communication, development studies, as well as security studies, among others. But without addressing the third issue of "opportunities," it seems that often this analysis becomes shipwrecked on the sandbar of what was *not* possible for the developing world.

Thus, intervention here becomes about diving into what options *did* exist for developing nations in their goals of setting up a media infrastructure that would be able to perform several functions: fostering economic growth, forming relationships with other nations, building or re-building a cohesive national identity, and providing citizens with access to the opportunities that new technologies represent. The flexibility of new digital media technologies in being adaptable to their host environment was the first of such opportunities that should be explored.

1.3   TECHNOLOGY

In his 1974 book, *Television: Technology and Cultural Form*, Raymond Williams looked at the development of broadcast technology in the West and emphasized that, generally speaking, the technology of broadcasting "was introduced as a marginal element" into society.[17] This was not because radio and television were seen as insignificant. On the contrary, they were so significant to national security, national integrity, as well as commerce, that the positionality of the technology in the complex web of culture meant that its development could never be self-determined. Instead, the "very complex social structures" in which the technology was introduced had the most impact. Williams' point was that if we considered this growth within a variety of milieu—the U.S. compared with Britain, for example—then it would become "clear that the technology as such was in no way determining."[18] In Britain, the State determined what form broadcast would take, but in the U.S. it was the commercial manufacturers of broadcast

[17] Williams, Raymond, *Television: Technology and Cultural Form* (New York: Schocken Books, 1974). 32.

[18] Ibid.

equipment. This resulted in a predominantly commercial industry in the U.S., but a more Keynesian, state-oriented one in Britain. For Williams, the complex social structure was most important to the trajectory of the technology because of the contradictory intentions between manufacturers that were thinking of broadcasting possibilities, and political authorities that were thinking of the infrastructure itself.

Although Williams was speaking primarily about the growth of broadcast under the general rubric of the West, nevertheless, his ideas about the significance of the social context could be applied to new digital technologies like satellite, Internet, and broadcast. They could also be applied outside of the developed world. In the developing world, these new technologies could also be controlled and shaped by the most powerful national groups, regardless if they were "public" or "private." Technological philosopher Brian Winston echoed this understanding of technology as a mutable tool.[19] Winston insisted that media technology was never brought about by one nascent force, but rather required many sources of input before it could become functional; there was no prime mover. In the case of satellite, for instance, different versions of the technology developed simultaneously in the scientific communities in the United States, Western Europe, and the Soviet Union. Both the U.S. and Soviet Union argued they invented the technology first. There may have been nothing more than competition between these countries; even so, their respective scientific communities were still in dialogue with each other, and this competitive atmosphere had a significant catalytic effect on the development of the technology. Satellite was exemplary of both Williams' and Winston's point that the growth of a new technology has always been a messy business. Taking these points to their ultimate conclusion

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[19] Winston, Brian, *Media Technology and Society, a History from the Telegraph to the Internet* (London: Routledge, 1998).

in the developing world context, we must acknowledge that media technologies did not simply blow like a breeze from the West to the East or North to South; meaning that they were not foisted upon the developing world as a "finished product." More frequently in these countries, a digital media technology like satellite broadcast was used often for education and medical purposes, to teach citizens to use computer programs or how to take tuberculosis medication, for example. And in places where people had difficulty affording cell phones and calling plans, phones were shared, with each person using their own pre-paid SIM card. Thus, as opposed to the more private, leisure-oriented experience of media technologies like Internet and cell phone in developed countries, in the developing world, many new technologies have been communal tools.

1.4   NEOLIBERAL GLOBALIZATION

In *Globalization*, Jan Aart Scholte, provides a brief but clear description of neoliberalism as a revival of "classical liberal arguments against proactive state intervention to guide or restrict operations of the market."[20] This new liberalism, resurrected from the work of Adam Smith and others, has been dusted off, polished until shines, and touted as being able to "bring prosperity, liberty, democracy and peace to the whole of humankind."[21] It is neoliberal in the sense that modern conservative policymakers returned to the eighteenth-century polemic against economic regulation by the ruling class, and adapted Smith's distaste for a feudal society to the regulation

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[20] Scholte, Jan Aart, *Globalizatin, a Critical Introduction* (St. Martin's Press: New York, 2000). 34.
[21] Ibid.

by State governments, claiming that the State should never interfere in either the corporate world or more generally "the market."[22]   In application, the neoliberal philosophy dictated that governments must only direct national industry in so far as it would create an atmosphere that catered to commercial interests, typically foreign direct investors and multinational media corporations. Neoliberal apologists have argued that in an increasingly global world, "the state lacks the capacity to control globalization."[23]   Advances in telecommunication technology have definitively set money free of state control and national borders; so of course "public agencies should therefore let global markets work their magic unhindered by official limitations."[24]   But it is this last statement of Scholte's that points out the key to the neoliberalism' self-contradiction: it never has been, nor will ever be free from political intervention since its life-blood is political in nature.   It needs policy to be born, and it needs policy to continue to live.   Despite these ideological weaknesses, it does seem as if this policy framework has prevailed, particularly in the developed world.   According to Pierre Bourdieu in *Acts of Resistance: Against the Tyranny of the Market*, part of the key neoliberalism's prevalence is that it is rhetorically aligned with a Western faith in the ideology of progress, reason, and science that helps obscure its contradictions.[25]   Bourdieu laments the positionality of journalists, academics, business people of those to make public the appeals of capitalism by espousing the irresistibility of maximum growth, maximum productivity, and maximum competitiveness as the ultimate goal of human

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[22] Smith, Adam, *An Inquiry into the Nature and Causes of the Wealth of Nations* (London: Oxford University Press, 1904).

[23] Ibid.

[24] Ibid.

[25] Bourdieu, *Acts of Resistance: Against the Tyranny of the Market*. 30.

actions.[26] Francis Fukuyama in *The End of History and the Last Man* and Thomas Friedman's

The Lexus and the Olive Tree are exemplary of such appeals to the rationality of capitalism made

by the "enlightened elite" that Bourdieu derides.[27] But, for Bourdieu, the problem is not just that

the enlightened elite are able to promote this rhetoric, but that they can also convince

policymakers to put it into actions that exact not just a financial cost, but also exact a human

misery that amounts to a "structural violence."[28]

In *Networking the World*, Armand Mattelart's keeps a focus on advances in

telecommunication technologies as the bridgehead of neoliberalism's imminently dematerialized

global society. The omnipresence of communication technologies helps ensure that globalization

remains cohesive system that is integrated in terms of planning, design, production, and

commercialization. But Mattelart uses the notion of technology to point out that this

dematerialization of finance and the ubiquity of technology to clarify that these conditions are for

a rarefied few. In *Networking*, Mattelart cites MIT experts that on eve of 2000, barely 2 percent

of world population had access to the world information network.[29]

Historically, the combination of media technologies and economic hegemony allowed the

developed world to try to disseminate its financial and political program around the globe to its

own benefit.[30] The most prolific scholars in the field of political economy of communication

spent several decades surveying this terrain. Cultural imperialism—the forcible dissemination of

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[26] Ibid.

[27] Ibid., 25.

[28] Ibid., 40.

[29] Mattelart, Armand, *Networking the World, 1794-2000*, trans. Liz Carey-Libbrecht and James A. Cohen (Minneapolis: University of Minnesota Press, 2000). 100.

[30] Bourdieu, *Acts of Resistance: Against the Tyranny of the Market*. 94-97.

First World Western culture into the Third World in the mid-twentieth century—was one of the most popular notions to come out of this scholarship. As the century came to an end, however, political economy scholars like Mattelart began to recognize that cultural imperialism had given way to the more visible Western agenda of influencing the developing world through the technological advances of the global lending institutions, world trade agencies, and foreign direct investors.

Agents in these organizations promised national governments that a neoliberal policy framework would be the green card necessary for entry into the rarefied stratums of the global marketplace. The West had established itself as the primary global lender to the developing world by the 1990s, and their representative agencies—the IMF and World Bank—required borrower nations to adopt their economic policies. One of the key macroeconomic requirements was that borrowers would have to open their markets to the rest of the world, and joining the World Trade Organization was typically the suggested route. In part this made it appear as if the neoliberal phenomenon was becoming globalized in scope and rapid in pace. Media technologies were implicated in these claims of both scope and pace since telecommunication systems were harnessed to provide a conduit for international finance, among other things. Commerce could be transmitted, either by global lending agencies or foreign investors, into the economy of the developing world at incredible speeds; but it could also take flight just as easily. The world seemed to be in a spatio-temporal collapse. New communication technology created a situation in which nations on opposite sides of the globe could be close in unprecedented ways; and the logical leap, therefore, was that technology ran not just the world of finance but also the day-to-day world in which we all lived. This, however, elides the fact that there were individuals

who made very deliberate decisions that would facilitate these processes.[31] Political economy of communication scholars responded with a critical examination of this agenda, subsequently labeled "neoliberal globalization."

The critical scholarly analyses undertaken to study this "phenomenon" have been invaluable in underscoring that the West chronically exploited the developing world while it pretended that this relationship was at least mutually beneficial.[32] They were also important in asserting that the developing world did not necessarily share the technological, political, or economic agendas of its global partners. At the same time, in its analysis, the political economy of communication scholarship also unwittingly reinforced many of the assumptions of globalization itself, most significantly that the global political economy was both dichotomous and monolithic. Admittedly, it was hard to resist looking at these issues in such dualistic terms, like macro versus micro, public versus private, or communism versus neoliberalism, developing versus developed, center versus margin, and so on. But as Wallerstein emphasized, neither the developing world, nor the process of media technology innovation that occurred within it is so polarized.

One cannot easily separate out the macroeconomic from the microeconomic goals of the developing world when it came to their ambition to update national media industries. Without fostering large-scale economic growth, often through partnerships with other countries, the ability to provide the average citizen with access to the Internet, satellite broadcast, and cellular phone was not possible. Therefore, when a national government drafted policies to help put a

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[31] Mattelart, *Networking the World, 1794-2000.*

[32] For an example of this scholarly critique referenced above see: Herman, Edward and Robert McChesney, ed., *The Global Media: The New Missionaries of Corporate Capitalism* (London: Cassell, 1997).

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telecommunication infrastructure in place, the choices it made had a clear and direct impact on individuals. For example, when a nation joined others in a partnership to share a cellular communication satellite, and they all also agreed that the satellite would operate at a certain frequency, which gave individual cell phone users the opportunity to use their phones outside of national borders if necessary. This was particularly helpful if workers needed to migrate in order to find work, but hoped to maintain connections at home. For this reason, the exchange-oriented nature of relationships with the IMF or World Bank, or the "conditionality" of these relationships as the global funding agencies themselves described it, were not entered into lightly. For a developing borrower, in contrast to exchanges with neighboring nations as a part of a regional alliance, an exchange with the IMF or World Bank was the most of uneven of relationships. And since the goals of the IMF and World Bank were limited to the macroeconomic, while the goals of the developing world were often both micro and macroeconomic, the chances that funding could be garnered to support initiatives in favor of the average citizen were compromised.

However, since most developing nations could not avoid relying on global lending agencies altogether, they also could not completely avoid making compromises either. Although we still use rubrics or theoretical concepts like communism, capitalism, democracy, socialism, and so on, to describe the political orientation of states, in reality the purity of these concepts has been always been vitiated. Historically, for the developing world this was due in part to the impact of the developed world in the global political economy; and since the mid-twentieth century, the IMF and World Bank embodied this influence. Most developing nations procured funds from either agency at some point, and consequently also had to adopt their policies. In the 1990s, these were typically Structural Adjustment Programs (SAPs) that required significantly reduced social spending, along with the privatization of national industries to create competition.

Even though these changes were supposed to attract foreign investment and make media technologies and products more affordable for both commerce and consumers, the result for the national media industries was that many obtained characteristics of both public and private industry. By the end of the decade few existed that were not mixed. They were private in that foreign companies could own either a part of a national media firm, could establish their own firm within national boundaries, or could lease national industry equipment or services in order to provide their own value-added niche services. But these developing world national media industries were still public in that they prioritized the needs of the government, the military, and the people over the need to create revenue. However, with an industry that was both public and private, the struggle for primacy between the two was always taking place.

In "Legitimation Problems in the Modern State," Jürgen Habermas emphasized the fundamental irreconcilability between the capitalist democracy model: that the State, dependent upon the economic system of private commerce, was torn between two equally pressing obligations: one, to foster the capitalist, commercial system without direct intervention; and two, to prevent or alleviate the destructive effects that the system could have on the social welfare of citizenry.[33] Of course, the real trick to accomplishing the set of goals that favor citizens was to do so without putting limitations on the system of commerce itself. While Habermas' work undoubtedly referenced the dilemma that Western capitalist democracies began to recognize as the industrial age dawned, by the 1990s, the majority of the world faced similar issues. This was particularly true of developing world national media industries since capitalist democracies were attempting to export their media industry models around the world. Habermas' conclusion was

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[33] Habermas, Jurgen, "Legitimation Problems in the Modern State," in *Communication and the Evolution of Society* (Boston: Beacon Press, 1979). 196.

that many national governments—and their national media industries by extension —really only

had one option available in solving this dilemma: that of "representing the accomplishments of

the capitalist economy as the best possible satisfaction of generalizable interests."[34] As this

decade wore on, though, it seemed as if this dilemma could be reconciled, albeit with the

sacrifice of the social welfare of citizenry. But as "generalizable interests" turned out to apply

only to the interests of capital, this project wishes to reclaim the importance of the idea of the

"social welfare of citizenry," particularly in the context of the national media industries of the

developing world. Here, this notion translates into the development a public digital media

infrastructure that is materially (physically and economically) accessible to the majority of

citizens and provides them with opportunities to improve their quality of life.

In 1993, political economist Edward S. Herman offered a paradigm for public media by

way of arguing against a comprehensive commercially supported media. In his article, "The

Externalities Effects of Commercial and Public Broadcasting," Herman explicitly decried the

change in the "balance between commercial and public broadcasting" toward the commercial.[35]

Herman attributed this shift to the "conservative drift of politics over the past decade or so,

which has fueled the deregulation process," and "has also enhanced the political power of

commercial media entrepreneurs."[36] For Herman, the media industries of "mature" capitalist

nations no longer even tried to maintain legitimacy about having the goal of serving the social

welfare of citizens. Commercial industries, he asserted, "will tend systematically to ignore the

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[34] Ibid.

[35] Herman, Edward S., "The Externalities Effects of Commercial and Public Broadcasting," in *Beyond National Sovereignty: International Communication in the 1990s*, ed. Kaarle Nordenstreng and Herbert I. Schiller (Norwood, NJ: Ablex Publishers, 1993). 86.

[36] Ibid.

public goods aspects of broadcasting and are likely to produce negative externalities."[37] In other words, as a "market," this form of media failed to produce goods in favor of the public. Further, because of their substantial power, these same media systems were largely insulated from the consequences of their "market failures," like a serious public debate that would try to rectify the failure through the political process.[38] Nonetheless, in the face of what seemed like a hopeless situation, Herman noted examples of media institutions that demonstrated in varying degrees that the tradition of meeting public interest needs did still exist, among them Great Britain and the Netherlands.[39] From these examples, Herman gleaned a model for public interest needs. In his model, national media industries were obliged to acknowledge the "power to educate, enlighten, and help make better citizens, as well as entertain."[40] And this would translate into a legal obligation "to serve a varied fare (not just entertainment, or whatever best served the interest of the broadcaster), to reach minorities as well as the largest adult audience, to serve children's special needs, and to provide universal service."[41] The present project adopts Herman's broadcast model of public interest needs, with an ambition to apply its value to the establishment of newer digital media technologies in the developing world.

Before leaping into the complexities of the Vietnamese and South African experiences with satisfying public interest needs while developing new media technologies in mixed public/private media infrastructures, though, first a chapter must be set aside to examine the larger global forces of the 1990s that constructed the milieu in which these countries operated.

[37] Ibid.

[38] Ibid.

[39] Ibid., 88-98.

[40] Ibid., 88.

[41] Ibid.

The second chapter of this project will do this analytic labor by revisiting the international economic dynamics that began in the mid-twentieth century with the Bretton Woods institutions after the Second World War. These opportunistic institutions, which became the International Monetary Fund (IMF) and the World Bank, tried to use the devastation of World War II as a means to influence the future of the global political economy. After much of the Second World War reconstruction was complete, these institutions shifted their sphere of influence to the developing world. The perceptibility of this shift brought the benevolence of the IMF and World Bank into question, however, and critics reinterpreted the connections between the Bretton Woods institutions and other powerful Western corporate and political groups. Consequently, the sources of revenue from whence global lending coffers came, along with their political valence, suddenly became more obvious. For example, in the developing world's experience, applying for aid to upgrade a national media industry could always potentially have the opposite outcome, especially if one of the conditionality policies the IMF or World Bank required was a decrease in social spending, which is just what such an upgrade represented. This often put goals of updating national media industries to digital technologies at risk or worse. This second chapter considers the implications that these activities had for projects in the developing world during this moment of critical awakening.

As a means of putting Immanuel Wallerstein's world-systems theory into action, especially his claims about the struggle for power between the three main players in what he calls the capitalist world-economy, the second chapter delves into the regional alliance as a forum that developing nations enter to gain a modicum of control over their participation in this global political economy. However, the type of regional alliance this project examines did not have the same character as those popularized in the West, such as NAFTA or the European

Union, or even that Socialist variety such as the Council for Mutual Economic Assistance (CMEA). The regional alliances of sub-Saharan Africa and Southeast Asia could neither be narrowed down to a free trade zone or a form of military security. Instead they were more broadly conceived as a viable development strategy, where members could improve their circumstances through interdependency, regardless of their economic or political status. The regional alliances in these parts of the world were multifunctional. Most generally, they were a space in which developing countries could interact with neighbors as equals in a way that was never possible on an international scale. For the Association of Southeast Nations (ASEAN), the political climate of member countries was often not up for discussion; and this was crucial to countries that did not ascribe to the thinking that capitalist democracy was the "end of history" and wanted to maintain their chosen political structure. ASEAN was, however, often criticized in the Western media for this policy of mutual non-interference. Even though the West criticized regional alliances for many of their policies, they still struck deals with these regional alliances. On their own, few countries in either ASEAN or the Southern African Development Community (SADC) were able to successfully negotiate in the global marketplace.

Despite their political differences, members of regional alliances managed to function collectively. In the 1990s, relationships with large development banks like the Asian Development Bank or the African Development Bank, in which seed money could be deposited by member nations and used as needed for infrastructural projects, were some of the most useful for sustainable development without exorbitant political costs. With money from the development banks, members also managed to pool their resources to share the cost of acquiring expensive infrastructural technologies like telecommunications, but they could also share the burden of establishing facilities to train their collective citizenry to learn how to both adopt and

adapt these products and services. The standardization agreements that often resulted in transnational technology, like satellites and fiber optic cables, as well as concurrent national cell phone frequencies, were also often beneficial for citizens who used them. Using shared technology was not only cheaper for national citizens, but a greater variety of content was available also. Ultimately, regional alliances like these were an effective national and international alternative for the developing world.

The third chapter analyzes the implications of acquiring new technologies in the context of the neoliberal movement for the Vietnamese experience within these global dynamics of the 1990s. In many ways, Vietnam was able to stave off the more pernicious pressures that globalization represented. Certainly, Vietnam had a great interest in acquiring the digital technologies that rapidly became available during the last decade: the country had a history of interest in media technologies that could foster a cohesive national identity. Yet, these technologies were seen as tools that could create and solidify development growth, too, because they would create the opportunity to network, both regionally and globally. But for the most part the Vietnamese Communist Party (VNCP) refused to undertake this process by traveling the neoliberal paths that had been worn so well by its developing world predecessors. Liberalization, privatization, and deregulation were not acceptable practices for the VNCP; as a result, Vietnam received scant support from the global funding agencies or even foreign direct investors. Instead, their own strategy included joint ventures with either foreign development agencies in Canada, Australia, or Sweden for example, or with foreign media companies within their region. The VNCP was largely successful in completing an upgrade in the national media infrastructure to a digital network, complete with Internet, cellular telephony, and satellite

broadcast, and so as a case study, Vietnam's importance lies in its defiance of many of the most deeply entrenched principles of globalization.

In the spirit of the claim that no two countries in the developing world are the same, the fourth chapter describing the South African experience with updating the national media infrastructure markedly contrasts with the Vietnamese. For South Africa, the 1990s were deeply significant politically, culturally, and economically. The African National Congress (ANC) began to negotiate for a transition from apartheid to democracy, communication and exchange became more open with the rest of the world, and many national industries—including the media industry—were privatized. However, for over a decade the attitude of the ANC had been that the goal of reconstruction and redistribution would not be sacrificed to neoliberalism. As this principle applied to the national media industry, maintaining nationalized industries translated into "universal access" to media for all peoples, and the ANC believed incorporating new digital media technologies could only help achieve this goal. Digital media technologies would be cheaper than updating the present system, which was spread so unevenly across racial and geographic lines; a satellite footprint, on the other hand, would blanket a much greater area on an economy of scale. The national media industry could then finally focus on representing the racial and ethnic heterogeneity of the country. Adopting these technologies had also been a goal of the apartheid National Party, but the NP recognized early in the decade that this would not be a feasible goal, given that apartheid kept the nation cut off politically and economically from much of the rest of the world. Consequently, global funding agencies would not provide the foreign assistance they would need to complete the upgrade. Furthermore, the economically powerful, NP-affiliated Afrikaners, who would not be part of the ruling government any longer after the ANC took over, still recognized that a new digitized national media industry would be

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controlled by this long-time enemy to the NP. Thus, before the transition to democracy took place, Afrikaner interests made certain the NP sold off significant stakes in the national media industry. The result was that the ANC had no choice but to accept the conditions they were handed from the National Party, but still try to work toward universal access for the average South African. For the most part, this has seemed like an impossible task, but as a case study for examining digital innovation in the developing world, South Africa demonstrated some of the possible strategies for managing the middle ground between a public-private national media industry.

The last chapter represents the climax of this project, as it is an attempt to analytically integrate the rest of this investigation so that we may consider the further implications and conclusions generated by it, and may especially inquire into the possibilities for national media industries to thrive outside the wake of globalization. Also necessary is a pursuit of these possibilities as they might apply not just to Vietnam and South Africa, but also to other smaller national media industries more generally. After all, considering policy applications in a cursory fashion is an analytic urge that should be denied. As it applied to national media industries, Kolodko asserted for example that, "one cannot argue that a telecommunications company in Hungary is similar to one in Argentina merely because they both provide the same services, own similar physical assets, and use the same technologies or even the same management methods. There may be technical similarities, but real similarities are not that common in the social and political context."[42] In surveying the stage on which this scene was set, the consideration of possible media infrastructure alternatives, chapter five of the dissertation will consciously attempt to avoid a similar fate.

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[42] Kolodko, *From Shock to Therapy: The Political Economy of Postsocialist Transformation*. 115.

1.5   CONCLUSION

In allegiance with Doug Henwood in *After the New Economy*, this project challenges the conventional wisdom of globalization, as a concept, as a rhetoric, as an excuse. Globalization, says Henwood, "is a pretty spongy concept."[43] Elites "mean something like the internalization of economic, political, and cultural life, as if these haven't been long internationalized," while nonelites, including "quite a few antiglobalizataion activists, seem to mean everything bad that's happened over the last decade or two."[44] Although hard to define, globalization has quite mistakenly gained valence as an authority-less phenomenon and an explanation for the growing inequity between the "haves" and the "have-nots." Within this valence, the concept achieved the status of simultaneously being both scapegoat *and* sacrificial lamb. Governments, dominant multinational corporations, and neoliberal apologists blamed the "ineluctable" forces of technology, politics, and economics for their own vampirish compulsion to seek out and drain ever more markets. Then these agents offered up globalization to the foreign markets and industries they exploited in the form of macroeconomic policies, mass-produced products, and technology transfer relationships (supposedly) as a means to ameliorate the self-same conditions they helped to create.

But this is where I get off of Henwood's bus and make a transfer to Immanuel Wallerstein's *Historical Capitalism*. While the present project is concerned with Henwood's argument that globalization has not been explicitly defined, the bulk of the next chapter will be preoccupied with asking questions similar to those Wallerstein asks and then tries to answer in

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[43] Henwood, Doug, *After the New Economy* (New York: The New Press, 2003). 145.

[44] Ibid.

his world-systems theory. In the following chapter, my attention will turn first to Wallerstein's question about "how people have manoeuvered within such an economic system to get the advantages for themselves and thereby deny them to others."[45] I translate "people" primarily to mean the Wallerstein's "core" and "semi-periphery" as it is embodied in the West, most obviously in the founders of Bretton Woods Institutions and those who continue its mission, in multinational corporations headquartered in the West, and in national governments that collude with both of these groups. This query will be followed by another neo-Marxist pursuit of looking at how those "who were the victims of such maldistribution maneuvered, first of all to minimize their losses in the operation of the system, and secondly to transform this system which was responsible for such manifest injustices."[46] Here, the spotlight will shine on the "periphery" or developing nations and their own relationships, between their national governments and corporations, as well as other members of the regional economic alliances to which they belong. The ways in which the developing world has tried to "transform" the maldistributive system by regional economic alliance and the adoption of digital media—Internet, cellular telephone, and satellite broadcast—prove that spaces have survived in which people believe that late capitalism is *not* the peak of economic development. Toward the end of the next chapter, Vietnam and South Africa will stand as two such examples.

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[45] Wallerstein, Immanuel, *Historical Capitalism* (London: Verso, 1983). 48.

[46] Ibid.

2.0   THE GLOBAL POLITICAL ECONOMY

2.1   INTRODUCTION

"Tide waits for no man, and this is a revolutionary tide, sweeping through economic and social life. We must press on." –*Europe and the global information society: Recommendations to the European Council*.[1]

Although it is as unqualified and hyperbolic as an advertisement, the above quotation was instead part of a report created by policymakers advising the European Council on how to proceed with an upgrade to a digital telecommunication network in the wake of what they heralded as the inexorable tide of globalization. Like many other developed countries that were hoping to adopt these technologies at the end of the last century, policymakers advised the European Council (the main governing body of the European Union) that neoliberal economic and technological policy initiatives should automatically be a part of an entire telecommunication upgrade package.

This report represents the portrait of an era. It is just one example of countless others like it during the 1990s. In the zeitgeist of this era and beyond, new digital communication technologies and neoliberal policymaking were a heady combination that made both corporations

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[1] Bangemann, Martin et al., "Europe and the Global Information Society: Recommendations to the European Council," ed. European Council (Brussels: European Council, 1994). 7.

and policymakers positively giddy in anticipation of the revenue that could be made from selling off pieces of media industries to speculative capital. Western rallying cries about humanity being "unconstrained by distance, time and volume for the first time in human history," rang out in corporate boardrooms and global financial institutions, and often were all that justified national governments turning over entire national media industries, not to mention national economies and political systems, to the "invisible hand" of the free market.[2] What powers digital telecommunication networks like broadband and satellite seemed to possess that they could force the hand of national governments! Or at least we could believe it was technology, not minions of multinational corporations, as long as we could agree to forget the countless other instances of technological "revolution" the world has witnessed, and the ways in which they were used to justify errant human decision making.

In keeping with the ethos of such a belief, like many other neoliberals, these policymakers exhorted the European Union to "press on" aggressively with "regulatory reforms" they cast as the only viable means available to radically transform the various national media industries of Europe from analog to digital, by turning "monopolistic, anticompetitive" state-run institutions into wholly private entities.[3] The rationale for such a one-hundred-and-eighty degree turn from a more Keynesian approach was that there was a "revolutionary tide" that just would not "wait": new digital communication technologies like satellite, Internet, and cellular telephone.[4] In their "Action Plan" for accomplishing such a mighty task, the advisory board

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[2] Hammer, Michael and James Champy, *Reengineering the Corporation: A Manifesto for Business Revolution* (New York: HarperCollins: 1993).

[3] Bangemann, "Europe and the Global Information Society: Recommendations to the European Council," 8-16.

[4] Ibid.

focused on vilifying state-owned enterprises as the "real roadblocks" to success, while the market had the "drive" to separate the "winners" from the "losers" in the new information society.[5] The actual impetus for this circulating the rhetoric of technological determinism was to distract national government policymakers from seeing that the real agents were the dominant neoliberal economies seeking to consolidate its capitalist world-system.

But not all of the rationales used to promote what we now call "globalization" fell under this rubric of "premature optimism" about new communication technologies. Fear was also another emotional appeal: if the State hesitated even slightly in adopting neoliberal policies the new technological infrastructure supposedly required, these same neoliberal agents proclaimed that nothing could save a nation from being lost forever in analog darkness and subsequent economic desolation. Characterized by equal amounts of panic and enthusiasm, "even to stay where you are, you have to move," was prototypical of another refrain popular during this era which emphasized the inevitably of media globalization.[6] More disappointing, however, was that often not much else was necessary to convince media regulators to privatize, liberalize, and deregulate many of the national media industries in the developed parts of the world, and also to try to export these polices to the developing world.

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[5] Ibid.

[6] Jasic, Zoran, "The Globalisation of the World," in *Transfer of Technology: Information for Development*, ed. Robert and Khairul Bashar Haas (Kuala Lumpur: Asian Institute for Development Communication, 1993).

2.2 THE RATIONALIZATION OF CAPITAL AND THE RATIONALES OF GLOBALIZATION

The fact that many of these methods for adopting new media technologies were less than efficacious for many of the developed countries that ventured to undertake them (but more importantly developing ones) reveals the ideological and irrational nature of the reforms popularized in the late twentieth century. On considered examination, it is all too easy to see that the globalization rhetoric that promoted intense privatization in telecommunications was not a revolution, nor did an "invisible hand" guide it as was often claimed. Paradoxically, to understand that in reality the process of globalization began more than a century ago is also to understand how it could be interpreted as a spontaneous revolution. The wholesale dissolution of national media industries in the 1990s was made possible by a constellation of real people taking deliberate action and shaping events toward a particular outcome for at least three hundred years, actions that have historically affected the developing world with catastrophic consequences.

It was hardly surprising then that modern proponents of neoliberal capitalism spoke of the pursuit of new markets, new revenue sources, and new pools of cheap labor as an inevitable organic process or as an obligation, even if it meant they would force other humans into this subordinate role. For political economist Karl Marx, it would have been easy enough to predict that proponents of late capitalism would speak of the chronic search for ever-new revenue sources as an endeavor as natural to modern humans as hunting animals was to those of the prehistoric age. Marx believed that capitalism was able to operate as a seemingly natural process by obscuring that the real mode of production was to compel people to commodify themselves. Marx referenced the rise of wool manufacturing in England during which the landed nobility

forced agrarian peasants off their land to turn it into sheep pasture. The peasants were then obligated to sell themselves as laborers in order to survive. Although to understand the history of the rationalization of capital has been important to understand the nature of its character, Marx also underscored that the future of the capitalist tendency is as important as its past. In broad strokes, Marx was prescient about the ways in which the classical liberal economic theories of Adam Smith would be applied to a dialectic of global proportions. In the conclusion to *Capital*, Marx hinted that the "capitalist regime" was international in its ambitions and insatiable in its appetite to entangle "all peoples in the net of the world-market" in the same way wool manufacture had implicated peasants.[7] Marx's characterization of capitalism strikes a chord of resemblance with the present globalization phenomenon, particularly when he asserts that, "along with the constantly diminishing number of the magnates of capital, who usurp and monopolise all advantages of this process of transformation, grows the mass of misery, oppression, slavery, degradation, exploitation."[8] Even in the 1800s it was evident that the capitalist impulse to concentrate power in the hands of the few at the expense of more vulnerable populations was a mobile, or global, one.

In *The Protestant Ethic and the Spirit of Capitalism,* sociologist Max Weber argues that capitalism has never been just an economic dimension of Western culture; it has been an ideology outside of which its subjects could never have lived, and cannot recognize that capitalism is part of a larger belief system. As capitalism was linked to the rise of the Protestant religion in Europe and early U.S., the "spirit of capitalism…was present" even before the

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[7] McClellan, David, ed., *Karl Marx, Capital: An Abridged Edition* (Oxford: Oxford University Press, 1995). 379.

[8] Ibid.

capitalistic order.[9] In Weber's account, even though many of the earliest European settlers to colonize New England were Protestant preachers and seminary graduates, these colonies earned a reputation for a keen business sense, or "a peculiarly calculating sort of profit-seeking" rationalization of capital.[10] In fact, a preoccupation with an insatiable pursuit of profit and prestige was an expression of their virtue; and for Weber, consequently it became a foundational moral principle endemic to the whole of Western culture.[11] Thus, the alloy of spirituality and capitalism that came to undergird Western culture is holistic; it has become "an immense cosmos into which the individual is born, and which presents itself to him, at least as an individual, as an unalterable order of things in which he must live."[12] Those living within the ambit of this capitalist "cosmos" implicitly accept the fact that capitalism dominates their economic life, and that the nature of things is for the system to select "economic subjects which it needs through a process of economic survival of the fittest."[13] Those with the power to impose this ideology on others during the colonial period especially believed that to do so was the path to virtue. Furthermore, those who cannot survive this social Darwinism deserve to be transformed into a commodity. While the similarity of underlying assumptions may not be obvious with today's global political economy, it is indeed uncanny how evocative is the current globalization rhetoric of this more eighteenth century attitude. As the European Union report from the late twentieth

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[9] Weber, Max, *The Protestant Ethic and the Spirit of Capitalism* (New York: Charles Scribner's Sons, 1958). 55.

[10] Ibid.

[11] Ibid., 56.

[12] Weber, *The Protestant Ethic and the Spirit of Capitalism*, 54.

[13] Ibid., 55.

century mentioned above suggests, it is no less about zealously evangelizing what is "best" for others today, and those who do not take the advice have a subordinate, ready-made role to play.

For Immanuel Wallerstein, the entwining of capitalism and religion would be irrelevant given capitalism's lack of consciousness and conscience for that matter. Concise in his observation on the valence capitalism has attained in *Historical Capitalism*, for Wallerstein, the "use of force by one party in a market transaction in order to improve his price" was not even an invention of capitalism.[14] The unequal exchange at the heart of capitalism is an "ancient" human social practice that perhaps precedes early philosophical pondering on ethics, but certainly precedes Protestantism.[15] According to Wallerstein, it became historical capitalism, or a "time-bounded, space-bounded" reality, as early as the late fifteenth century when the terms of this "unequal exchange" were deliberately obscured; and it was on its way to becoming a "social system" of unequal exchange that has "had such great impact on the whole as to create conditions wherein the others have been forced to conform to the patterns or to suffer the consequences."[16] As much as Marx, Wallerstein believed that the capitalist aim of continuous accumulation or self-expansion has always predisposed it as a phenomenon of global proportions. In fact, Wallerstein pushes Marx a little further in exclaiming that the "key" to hiding the "central mechanism" of capitalism lay in the fact that the economic was supposedly an arena separate from the political.[17] The world seems like a collection of "sovereign states, each with autonomous responsibility for political decisions within its jurisdiction, and each disposing of armed forces to sustain its authority," while in reality each is a part of a "world-wide social

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[14] Wallerstein, *Historical Capitalism*. 30-31.

[15] Ibid., 31.

[16] Ibid., 18.

[17] Ibid., 31.

division of labour" that comprises an integrated production process where all operate "for the endless accumulation of capital."[18] Also in Wallerstein's "real world of historical capitalism, almost all commodity chains of any importance have traversed these state frontiers" from the very beginning.[19] Even though capitalism strives to bury its exploitative and bottomless character, capitalism's laborers have never found its goal toward maximization of capital to be rational, and neither do modern political economists.

In the more narrowly-focused field of political economy of communication, later Marxist-inspired scholars—Thomas Guback, Herbert Schiller, Armand Mattelart, Robert McChesney, and Edward Herman among others—have also taken up Marx's economic framework and to it have added a cultural dimension to explore how capitalism continues to evolve its tendency to exploit others. These scholars pointed to the evolution from military imperialism to "cultural imperialism" via media industries as part of the strategy the U.S. has used to continue to promote their legacy as the current dominant purveyors of capitalism. The early dissemination of film, radio, and advertising not only carved a one-way channel through which all later ideological and media "flows" would move into foreign markets, but also established a companion channel that, rather than carrying a return of media products to the U.S., would instead carry only capital the U.S. charged foreign markets in a one-way exchange. Film in particular was one of the first media to reach a truly global market. In the years following the birth of the medium in the early twentieth century, the U.S. produced and distributed 85 percent of the world's films.[20] In his 1969 book, *The International Film Industry*, Thomas Guback

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[18] Ibid.

[19] Ibid.

[20] Herman, ed., *The Global Media: The New Missionaries of Corporate Capitalism*.

traced the manner in which the U.S. has traditionally feigned an inability to accept films from foreign markets into its own.[21] According to Guback, even though it is by definition a "free market," the strictly profit-based U.S. market "has been one of the most difficult…to enter."[22] Filmmakers and distributors from other industries might have been intrigued by the fact that the U.S. market is one without a screen quota or an import quota, and might also be deceived by this surface appearance into thinking that in such a "large, rich, easily accessible market…a foreign producer merely has to export to the United States and watch the money flow back to him"; but as Guback lamented, "this view of the market has not been supported by reality."[23]

According to Schiller, coiner of the phrase "cultural imperialism," the period from the Second World War through the Cold War became key to the U.S. establishing its free flow doctrine in which policymakers professed that an unrestricted movement of information resources across national borders was necessary to protect democracy.[24] In truth this unrestricted movement—cemented by U.S. foreign policy since World War I—set a precedent for the U.S. to corner the European market on the distribution of media products, a situation also necessary for the U.S. to prop up what it believed was its waning global hegemony.

Contributing to this growing political economy analysis of Western globalization, Armand Mattelart expanded upon Schiller and Guback. In his analysis, Mattelart also determined that media are not simply cultural exports; but he added that they are also necessarily

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[21] Guback, Thomas, *The International Film Industry: Western Europe and America since 1945* (Bloomington: Indiana University Press, 1969). 68.

[22] Ibid., 69.

[23] Ibid., 68.

[24] Schiller, Herbert I., *Communication and Cultural Domination* (White Plains, NY: International Arts and Sciences Press, 1976). 25.

technological ones. Charging that technology flows are far from neutral, Mattelart argued that since 1965 "the producers of so-called mass culture" have increasingly become the ones who determine not only the development of programs and the content of messages, but also the manufacture of hardware and the installation of systems.[25] It is in the best interest of corporations, which own both media production companies and electronics manufacturing, to get markets hooked on their entertainment products. In so doing, perhaps these markets will not so much buy the technology to exhibit these products, but to establish their production facilities that run on a relaxed labor laws, cheap workers, and an open-door policy to all of those interested in relocating their production headquarters in these inexpensive locales. Mattelart noted that while the U.S. was in the vanguard of innovation, the trend toward the accumulation of capital in communication technology industries has indeed become global, resulting in the proliferation of large multinational corporations that operate within and between several different kinds of markets, making it difficult for smaller industries in other countries to obtain a share.

Several other prominent scholars, among them Edward Herman and Robert McChesney, also argued that the West harnessed technology to play the role of catalyzing the transnational trend toward deregulation and privatization in the economic uncertainty of the 1980s that started in the U.S. and rippled outward. But Herman and McChesney put a unique spin on the idea to assert that in the 1980s the technological and economic upheaval created a situation where "nobody [had] a clear idea of exactly where things [were] heading."[26] Therefore, most firms believed the "smart course" was "to hedge [their] bets" by engaging in mergers and

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[25] Mattelart, Armand, *Multinational Corporations and the Control of Culture: The Ideological Apparatuses of Imperialism*, trans. Michael Chanan (Sussex, NJ: Harvester Press, 1979). 2.

[26] Herman, ed., *The Global Media: The New Missionaries of Corporate Capitalism*. 108.

acquisitions.[27]   In Herman and McChesney's estimation, the result of these activities were new corporations of unprecedented size and scope, that would locate subsidiaries in technologically-disadvantaged areas in order to expose foreign industries to technological innovation, creating a demand for these products in foreign markets and thus securing whatever additional revenue could be generated from both local consumers and local producers.   One way Western multinational corporations were able to do this was by convincing national governments of the developed and developing world that fewer restrictions on diversification, conglomeration, and flexible production would serve to quickly and inexpensively transfer technological innovation, not only from one company to another, but also from one nation to another.   While these brokered agreements often resulted in the transfer of technology from the developed to the developing world, a less than obvious result would also be a strengthening of the waning Western hegemony and a rearrangement of the global division of labor that would benefit the West, but might be to the disadvantage of developing nations.[28]

This logic follows Wallerstein's claim made nearly a decade earlier that it is an "easy" empirical observation to perceive that "the geographical situs" of capitalism has grown over time, and that rendering the process of its expansion visible is not such an easy task.[29] Capitalism has no obligation or motivation to reveal its "hidden abode of production"; its purposes are better served if they seem to be part of the natural order of human progress.   As Schiller, Guback, Mattelart, Herman, and McChesney have echoed Wallerstein, the best diagnostic "clue" critics have to exposing capitalism's abode is considering its growth spurts in

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[27] Ibid.

[28] Ibid., 27.

[29] Wallerstein, *Historical Capitalism*. 38.

accord with technological innovation in transport, armaments, and (mostly relevant to this project) communication. Harnessing these innovations should be seen as deliberate "responses to downturns" in capitalist cycles.[30] However, it is important to emphasize a nuance of Wallerstein's argument that the Western politics of exploitation and innovation were not primarily searches for "new markets in which to realize the profits of capitalist production."[31] In Wallerstein's own words:

> This explanation however simply does not accord with the historical facts. Areas external to historical capitalism have on the whole been reluctant purchasers of its products, in part because they didn't 'need' them in terms of their own economic system… A much more plausible explanation is the search for low-cost labour forces.[32]

Intentionally or not, the political economy of communication search-for-markets logic tends to circumvent recognizing that developing nations were not ready-made markets just waiting to be tapped; that frequently either peripheral nations were not poised to afford what the developed world had to sell at developed world prices, or tastes for such goods had to be created. It also crowds our ability to think about the ways in which, Wallerstein asserts, it was the "capitalist world that sought out the products" of the periphery in the form of a labor force, an "not the other way around."[33]

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[30] Ibid.

[31] Ibid.

[32] Ibid., 38-39.

[33] Ibid., 39.

In "A Private View of the Digital World," Dan Schiller and RosaLinda Fregoso zeroed in on the U.S. telecommunications boom as one the catalysts affecting a rearrangement of global labor and capital to which Wallerstein's claims point. Schiller and Fregoso theorized that the manner in which global telecommunications came to fruition was under the direct auspices of the U.S. computer companies and their major business customers, and not as a mandate of the U.S. government on behalf of its citizens. Telecommunication networks were set up by commercial entities that could profit from distributing "data and processing power as and where they needed."[34] But as the first several corporations began to develop the new digital technology that could accommodate large amounts of data at high speed in the U.S., a political-economic conflict broke out over the terms of entry into the new information society. Governed by the Federal Communications Commission (like public telephone providers), the more traditional telecommunications industries were supply-side oriented and wanted to digitize the existing public telephone network with ISDNs or Integrated Services Digital Networks that would connect within and among subscribing nation-states. This network would be available to both residential and commercial customers. On the other hand, the strictly private, demand-oriented proponents like financial information corporations wanted merely to integrate the extensive corporate networks that already existed under their aegis. They were not interested in financing any part of a network the public could use.

Eventually corporate representatives on the demand side—the automobile industry, credit reporting and financial information companies, book publishers, media corporations, and

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[34] Schiller, Dan and RosaLinda Fregoso, "A Private View of the Digital World," in *Beyond National Sovereignty: International Communication in the 1990s*, ed. Kaarle Nordenstreng and Herbert I. Schiller (Norwood, NJ: Ablex Publishers, 1993). 210.

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others—began to massage the close relationship that had always existed between business and government in the U.S. The rhetoric of "freedom of the market" that had become a capitalist touchstone of the Cold War era became their slogan also. These newer telecommunications "players" in the business wanted to be free to migrate to more private electronic service delivery systems they believed would minimize costs, protect against unpredictable rate increases and service problems, and provide more "customized applications" than would a public digital network. Their solution was to lobby the U.S. government to desist from protecting "monopoly suppliers" like AT&T.[35] As the U.S. government began to cater to these demands—by allocating free and unfettered microwave and satellite access to multinational media corporations for example—private industry and its needs became the dominant contender in the battle between truly private and semi-private telecommunications industries.

The infrastructure experienced growing pains as it began to take shape when the research and development costs to further upgrade networks increased exponentially. Many corporations believed that the much-sought-after domestic access they lobbied so hard for could not really continue to provide sufficient revenue to both continue the upgrade and yet satisfy shareholders. To boost revenue their focus became international markets, and these corporations began to engage in "joint ventures across national borders."[36] For transnational corporations like CBS, HBO, and Citicorp that already specialized in some "transborder delivery of data and video," the initial outlay for a basic digital network connecting the developing nations to the developing world had positive economy of scale potential.[37] They

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[35] Ibid., 213-214.

[36] Ibid., 215.

[37] Ibid.

would, therefore, have much at stake in arguing with the U.S. government for further domestic and foreign deregulatory reform. Their ambitions for global domination also required them to discover a way to convince developing national governments to deregulate in the same fashion.[38]

Exploitation was the reality of these endeavors, yet they were repeatedly justified in the work of writers like Daniel Bell, Francis Fukuyama, and Thomas Friedman, not only as the organic evolution of "early" capitalism to "late" capitalism, but also as the "natural" spread of capitalist democracy. However, Schiller and Fregoso emphasized that,

> within this context, the concerted drive to privatize telecommunications should be viewed as an effort to create a thoroughgoing global foundation for systematic corporate exploitation of information. The objective was to create truly private *trans*national systems for information processing and transport, not only across the developed market economies but also across the less developed states.[39]

Thus, there was not a natural spread of democracy from the developed world to the developing any more than there was a natural spread of telecommunications technology products, services, and labor.

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[38] Ibid., 215-216.

[39] Ibid., 220.

2.3   NO TIME TO TRANSLATE: THE BRETTON WOODS ERA

What Schiller and Fregoso addressed obliquely, but did not explicitly pursue in their analysis is an exploration of the most crucial forces the West marshaled in order to expand a neoliberally organized telecommunication infrastructure to other markets abroad: both the global funding and regulatory agencies of the International Monetary Fund (IMF), World Bank, and the World Trade Organization (WTO), as well as the compulsory macroeconomic policies these institutions promoted. Schiller and Fregoso rightly bring our attention to the fact that much of Western (read: U.S.) impact on the rest of the world was born from a mixed parentage of government and commercial, or public and private, interests. It is likely beyond the scope of their article to bring the Bretton Woods Era institutions to bear on the spread of the telecommunications industries. Yet, as international political economists C. Roe Goddard and Melissa H. Birch point out—alongside Ben Bagdikian, Herbert Schiller, Robert McChesney, and many others—since the mid-twentieth century the IMF and World Bank (and the WTO more recently), have put themselves in charge of "ensuring a smoothly operating international monetary system."[40] From here, few are the steps to becoming the most powerful connection between the developed and developing worlds, since the help they offered the developing world was based on prescriptive privatization policies that opened doors for multinational corporations to fashion financial and technological webs linking these two worlds together. Once the IMF, World Bank, and WTO provided a regulatory framework on which these webs could hang,

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[40] Goddard, "The International Monetary Fund." 215.

multinational telecommunications corporations hawking cable and satellite were vanguard spinners, weaving a relation of "power and communication" that stretches "across the globe."[41]

In his book *Unholy Trinity: The IMF, World Bank, and WTO*, scholar Richard Peet traced this universalization of Western capitalism back to one of the most powerful incarnations of liberal macroeconomics in the modern era: the Bretton Woods Conference of 1944. For Peet, the Conference was significant on numerous fronts, but mostly because when the ink finally dried on the final Bretton Woods agreements, it appeared that the U.S. had single-handedly granted itself control of the global economy that would have an impact for generations to come. Supposedly, the *original* purpose of Bretton Woods was to orchestrate the stabilization of the global polity through the calibration of the global economy, mainly through several institutions that would help finance the reconstruction and development of the more vulnerable nations of the world. However, the U.S.'s Machiavellian orchestration of its role in the global political economy guaranteed that its interests would prevail beyond the conference. Bretton Woods marked the birth of the global financial system in the form of the International Monetary Fund, the International Bank for Reconstruction and Development (the IBRD later became the World Bank), and the International Trade Organization (which finally became the World Trade Organization, or WTO). The IMF was designed to provide short-term loans to countries in trouble with their balance of payments in the world trade market; the IBRD for longer-term development projects; and the ITO's role was to facilitate world trade as a means to global economic stability.

But in their final conception, the Bretton Woods institutions reflected a political economy in which capitalism and democracy were intimate. The men who ruled from behind this curtain

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[41] Boyd-Barrett, "International Communication and Globalization: Contradictions and Directions." 3.

of Bretton Woods were not just from the U.S. government administration—Roosevelt's and then Truman's after Roosevelt's death—those driving the U.S. capitalist agenda to the heart of the global financial structure were also "bankers, prominent newspapers and influential Republicans," a group often called the "Washington Consensus."[42] The brand of liberalism these individuals sold to the rest of the world was a not-so-distant relative of Adam Smith's manifesto for a freedom from feudalism, and it translated Smith to understand the world as a "free market" comprised of sovereign member states that could each enjoy equal economic opportunity in an "'open international system'."[43] In this new world order, the "free market" was the Holy Grail that would foster political harmony across the globe. The U.S. and the U.K. were the reigning powers at the Conference and both nations could be characterized as capitalist democracies in differing degrees. The U.K., however, advocated a more Keynesian socialism for the Bretton Woods institutions, because in the U.K., capitalism and democracy were more like strange bedfellows than partners. Unfortunately, since the U.K. had limited economic power compared to the U.S., such Keynesian-inspired suggestions fell on deaf ears.

The Western, U.S.-driven capitalist agenda left scant room for community building and negotiation that other participating countries assumed Bretton Woods would entail. The developing world was largely left out of the drafting process, even though it would ultimately be most affected by it. Leaving out developing nations while asserting a pre-existing equality among nations only further belied that the Bretton Woods brand of liberalism was a grave rhetorical manipulation.[44] Yet the West continued promoting the *potential* goodwill that the

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[42] Peet, Richard, *Unholy Trinity: The IMF, World Bank and WTO* (London: Zed Books, 2003). 51.

[43] Ibid., 33.

[44] Peet, *Unholy Trinity: The IMF, World Bank and WTO*.

Bretton Woods institutions could embody for the rest of the world. Like a wolf wearing sheep's clothing, the U.S. cloaked its hegemony—in the form of the IMF, World Bank, and WTO—in the guise of being an international collective, or a group of institutions predicated on the cooperation of the world community. The U.S. had stacked the voting heavily in its own favor, and the "aggressive desire of the capitalist market to expand globally beyond the boundaries of the developed industrial world" where "one nation-state uses the entire system to subordinate other nations that are weaker economically" eventually manifested itself openly in Bretton Woods.[45]

As the most economically powerful nation at the end of the Second World War, the U.S. granted itself one-third total voting power at the outset, even though most of the 45 countries originally involved in Bretton Woods wanted a more democratic "one-country-one-vote" system. In so doing, the U.S. "assured itself an effective veto power over future decision-making."[46] The U.K. was not too far behind with half the quota power of the U.S. What paltry voting power that remained was divided up between the remaining thirty-two countries. To shore up this position of dominance, however, the U.S. and U.K. determined that the amount of influence any other country would have over international lending was based on economic and political clout: the more gold reserves a country could deposit into the institution, the greater their role. After World War II, however, most of the nations involved had little to buy an equal share in the institution in order to gain a modicum of control over its operations. To add a petty insult to this dire injury, the Bretton Woods masterminds also set the final signing deadline for immediately after the first draft of the final documents, well before many of the participating could even

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[45] Ibid.

[46] Ibid., 45.

translate the documents into their own language. Therefore, the opportunity to review and comment on these documents never even really existed. Out of a total of 34 participating countries, only the U.S. and the U.K. had the chance to include their points of view about the set-up of resulting institutions like the IMF and IBRD. Consequently, most of the countries involved in Bretton Woods ended up signing a final agreement whose prescriptions they either did not support or of which they were not aware.[47] By the 1990s, and without precedent, these three institutions had become the most significant global lending and regulatory agencies. Given the history and power of these institutions to influence change in the national infrastructures of at least two hundred countries, one wonders what kind of role these institutions could have played if they had been organized under (ironically) a more democratic leadership.

With U.S. bankers and businessmen at the helm of what by now had become the IMF and the World Bank, the management trends of the business world continued to infuse IMF and Bank policy. Proponents of one of the most pervasive of these trends, management engineers Michael Hammer and James Champy wrote a corporate "manifesto" in 1993 that advocated "streamlining" by cutting employees, thereby cutting costs. Since these were practices that larger corporations had adopted, and which threatened to put other, less powerful companies out of business, in *Reengineering the Corporation*, Hammer and Champy advocated that smaller corporations adopt a "discontinuous thinking."[48] This meant that weaker corporations should abandon "outdated" management policy to instead embrace "individualism, self-reliance, a willingness to accept risk, and a propensity for change."[49] Paramount to corporate shareholders

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[47] Ibid., 52.

[48] Hammer, *Reengineering the Corporation: A Manifesto for Business Revolution*. 3.

[49] Ibid.

is an increase in the rate of revenue and a concomitant increase in dividends; and what corporate engineers like Hammer and Champy promised is that dividends are created by decentralized operations, increased competition, a decrease in the number of people it takes to complete a task, and an increase in the role of technology.

How striking it is that the IMF, World Bank, and WTO not only sounded the same crisis alarm for the developing world, but made similar suggestions for preventing it. "Streamlining" the national industries, the neoliberal narrative went, would keep these countries from being forced out of business. Implicitly paramount to this narrative is rapid economic and technological growth; and what development engineers of the IMF, World Bank, and WTO promised weaker corporations and developing nation governments alike is that growth is created by risk and speculation. For the developing world, risk and speculation meant dismantling state-owned enterprises, allowing foreign investors to own a stake in national industries, reducing social assistance programs that would provide telecommunications to the public, and opening up national economies to world trade that would compete with local industries.[50] IMF and World Bank-managed annual budgetary targets and currency exchange rates would also accompany these policies. No longer important was the political, cultural, or economic stability that an infrastructural project represented—like a technological update to a national media industry, an irrigation system, or even a health care system—to the loan evaluation process of the global lending agencies, because these agencies were no longer "project oriented." With the Washington consensus powers lining the pockets of these agencies, they would make a loan only if a borrower agreed to these policy "adjustments" that they believed would spur economic

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[50] Peet, *Unholy Trinity: The IMF, World Bank and WTO*. 84.

growth.[51]   The irony of the Bank and its policies was that many of the countries requesting

funds for development were so poverty-stricken that they could not help but get deeper and

deeper in debt to both the IMF and World Bank, particularly when the policies of these

institutions devastated national economies, preventing further development or growth. Most

could only manage to pay back the interest accrued.

Not unlike other neoliberal proclaimers of the time, Hammer and Champy declared that

there were dire "costs of inaction" for a corporation that failed to streamline its operations when

faced with a fall in the rate of revenue, and then their own demise.[52] For an organization that did

not change its policies to mirror those of the largest U.S. corporations, the organization would

"be in trouble" because it wouldn't be as good "as the market *will* demand that it be" or wouldn't

be as good as "it has decided it *wants* to be."[53] What Hammer and Champy insinuated was that a

corporation without the appropriate degree of ruthlessness in reengineering would be in trouble

because it would not be as good as its shareholders demand that it should be. Likewise, many

telecommunication policy advisors, such as those counseling the European Union, mimicked this

subtle threat. Reminiscent of this movement among development policy advisors, advisors to the

European Council wrote a manifesto similar to Hammer and Champy's endorsing aggressive

market-oriented action for all European nations:

> The information revolution prompts profound changes in the way
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> we view our societies and also in their organization and structure.
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> This presents us with a major challenge: either we grasp the

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[51] Ibid., 121.

[52] Hammer, *Reengineering the Corporation: A Manifesto for Business Revolution*. 151.

[53] Ibid.

opportunities before us and master the risks, or we bow to them, together with all the   uncertainties this may entail. The main risk lies in the creation of a two-tier society of have and have-nots…Such a risk in inherent in the process of structural change.[54]

Hammer and Champy tried to dismiss that reengineering or restructuring means "downsizing," but it is hard to forget the residual effects of reengineering had on individuals outside of the shareholders circle—employees, customers, and the like—because this corporate model favors ever-expanding profit over all else, even human livelihood. When we extrapolate from the effect these policies had on corporate employees to the effects neoliberal macroeconomic corporate policies had on citizens of an entire nation, we cannot help but see that the cost of increasing the rate of revenue or growth in this way also represents an increase in the number of people living in poverty.

Peet raises a similar concern about the insouciance of "liberal economists" who were "aware that the free market...did not benefit everyone and that not everyone gained equally," but who still promoted the free market ideal to the world.[55] The argument for free trade was instead "based on maximizing global wealth and increasing efficiency, not on equity or equal distribution."[56]   Hammer and Champy admit in their manifesto that in any attempt at reengineering, there "eventually comes the sobering moment when the reengineering team has to explain what it's been doing to the rest of the company…that part of the reengineering process

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[54] Bangemann, "Europe and the Global Information Society: Recommendations to the European Council." 6.

[55] Peet, *Unholy Trinity: The IMF, World Bank and WTO*. 34.

[56] Ibid.

can be less fun."[57]   Unfortunately, the Bretton Woods institutions also adopted a seemingly

cavalier attitude toward the vulnerabilities created in the developing world by the adoption of

neoliberal economic policies.   For the WTO in particular, Kym Anderson, former WTO

Secretariat, glibly suggests that "occasionally the rules and obligations" of WTO accession

"upset political sensitivities because some groups within a country may lose a privilege," such as

"protection from import competition," but Anderson asserts that the havoc a nation experiences

from an external organization tinkering with its economic and political systems is nothing

compared with the revenue that will be generated for *all* member countries.[58]   What Anderson

and others do not allude to, however, is the potential disaster posed by this form of neoliberalism

called "globalization," defined with false naiveté in this case by the interdependence of member

countries that (willingly or not) lend aid to each other, exchange products, and invest directly in

one another.   Unanticipated competition from a foreign company in a developing world industry

could flood and destroy it along with the livelihood of all those who rely on it.   Tragically, the

insouciance with which members of the business world and the global financial institutions

dismissed the costs of adopting these policies was common throughout the world during the

1990s.

Toward the end of the twentieth century little had changed, either about big business in

the U.S. or about the governing dynamic of the Bretton Woods institutions.   The West,

represented by the IMF and World Bank, had increased their financial investment in the national

economies of the developing world by offering more loans to developing nations.   But more

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[57] Hammer, *Reengineering the Corporation: A Manifesto for Business Revolution*. 147.

[58] Anderson, Kym, *Vietnam's Transforming Economy and WTO Accession: Implications for Agricultural and Rural Development* (Adelaide, Australia: Centre for International Economic Studies, 1998). 8.

loans did not make developing world borrowers stronger economically. The developing world was caught in a vicious cycle of debt and mounting interest, and many of the weakest countries repeatedly defaulted on their loans even as they borrowed more. And eventually came the "sobering" moment when the IMF and World Bank had to explain to debtor countries that they would be "reengineered" as a result. These two institutions would no longer suggest what policies would be best for these countries to establish economic growth as they had in the past, instead they demanded stringent adherence to Western policy initiatives. By this time, the World Bank had become the greatest source of development funding; when it began to attach "conditionality" to loans borrowing countries had no choice but to agree. Proving creditworthiness in advance was one of the primary means of conditionality the Bank demanded, meaning that borrowing countries had to offer their economic policies up to the Bank for appraisal and adjustment not knowing either what kinds of structural adjustment the Bank would require or how restructuring would impact the health of their country. Typically, the market-oriented reforms required by the IMF, World Bank, and WTO: tax reductions for corporations, privatization of state-owned enterprises, reduction of trade barriers and investment liberalization continued throughout the 1990s.

Despite the appearance that the IMF, World Bank, and WTO were carefully sifting through the appropriate policies that would foster growth for each particular country, usually the prescriptions were the same. And the outcome of this cookie-cutter approach was that economic crises were repeatedly visited upon borrower nations in Latin America, Africa, and Southeast Asia. Referencing figures reported by the Heritage Foundation, Peet reports that:

> forty-eight of eighty-nine less-developed countries that received
>
> IMF money between 1965 and 1995 are not better off

economically than they were before; thirty-two of these forty-eight

are poorer than before; and fourteen of these thirty-two countries

have economies that are at least 15 percent smaller than they were

before their first IMF loan or purchase.[59]

Peet further emphasizes, "by one account 6 million African, Asian and Latin America children are said to die each year from the effects of structural adjustment."[60] Criticism from scholars like Peet, the Heritage Foundation, and other organizations critical of the Bretton Woods institutions began to mount as the conditionality policies and extreme austerity measures fomented violent protests around the world.[61] A cut in national subsidies affected social services beyond the national industries like petroleum and telecommunication; health care and food staples were also at risk, as the elimination of national welfare systems was required in exchange for development funding.[62] In Nigeria, protests "began in 1988 as a reaction to the elimination of state subsidies on petroleum products" and continued for two decades.[63] Similar IMF policies were also instituted in Indonesia, including a "70 per cent increase in the prices of fuel and electricity"; the reaction was "mass unrest and violent riots" beginning in the spring of 1998, ending with the "eventual resignation" of President Suharto.[64]

After the East Asian crisis, the World Bank posted a *Frequently Asked Questions* page on its website to address the criticisms lodged by governments, NGOS, and others. One of the

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[59] Peet, *Unholy Trinity: The IMF, World Bank and WTO*. 102.

[60] 92.

[61] Bretton Woods Project, Bretton Woods, *Critical Voices on the World Bank and IMF* (Action Aid, 2005 [cited December 11, 2005]); available from www.brettonwoodsproject.org.

[62] Peet, *Unholy Trinity: The IMF, World Bank and WTO*. 89.

[63] Ibid.

[64] Ibid.

questions posted seems to get to heart of the criticism when it asks, "Didn't the Bank's actions during the Asian financial crisis make things worse?" The World Bank's answer, however, borders on offensive:

> No, the Bank's financial support during the Asian financial crisis––
> totaling more than $8 billion—provided the short-term funds that
> Indonesia, Korea, Malaysia, Thailand, and the Philippines needed
> to get through the crisis, without even deeper cuts in spending on
> basic social services.[65]

Perhaps it was the bird's eye view of the macroeconomic perspective that predisposed the IMF, World Bank, and WTO from not being able to acknowledge the human toll their policies could take. The World Bank's "explanation" elided the fact that the World Bank's agency was most destructive *before* the disaster, as one of these actions required was a cut in "spending on basic social services." Tinkering with a nation's ability to institute development projects, such as the adoption of a telecommunication network that would have improved the quality of life for the majority of citizens in a developing nation, had real economic, political, cultural, and medical implications for people on the ground. Based on their practices, however, the Bretton Woods institutions did not take into account the impact neoliberal macroeconomic policies had on real, individual people; in fact, it is almost as if individual people did not exist for these organizations.

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[65] World Bank, *Frequently Asked Questions* (2005 [cited December 12, 2005]); available from http://web.worldbank.org.

2.4   CAN'T KEEP IT PRIVATE: DEVELOPING WORLD COMMUNAL

TECHNOLOGY

In the mid-1990s, Bill Gates' Microsoft campaign, "Where do you want to go today?" represented the use-value of new digital media technologies in the Western popular imagination. The Personal Computer (and its concomitant software), the Internet, the cell phone, and even the still-ubiquitous walk-man (now the iPod) were technologies that could be used to enhance either business or leisure activities. These technologies are highly individualized, and people use them to create a unique space for themselves in which to move, physically, culturally, or socially. Although Williams was largely referring to television and the automobile in his coining of the phrase, privatization clearly could have been extended to newer technologies where music, cyberspace, and the electromagnetic spectrum offered pleasurable, private spaces to inhabit; not to mention that these technologies also provided businesses with a space in their respective markets.[66] For most developing nations during the same decade, however, the PC, the Internet, satellite broadcast, digital film, and the cell phone were less about creating pleasurable, privately profitable spaces, than they were about providing for public needs through the (public or private) development of telecommunication networks.

In the 1990s, even though corporations could finance the networks, satellites, and computer hardware, both foreign and local, these technologies also meant the possibility for a significant change in developing countries. In a broad sense, national governments could take advantage of this partially private-interest funded new technology like Internet and satellite to

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[66] Sturken, Marita, "Mobilities of Time and Space: Technologies of the Modern and the Postmodern," in *Technological Visions: The Hopes and Fears That Shape New Technologies*, ed. Marita Sturken, Douglas Thomas, and Sandra J. Ball-Rokeach (Philadelphia: Temple University Press, 2004).

gather and consolidate financial and medical networks that would benefit the nation on an economy of scale. But governments could use technology in service of more ideologically complex activities, too, by creating media products via satellite, Internet, and film that reinforce a particular idea of national identity. The government could even try to "protect" national sovereignty by restricting citizens' access to externally generated political and cultural content. Western pundits and politicians often criticized such activities, but few would have disagreed that an increasing emphasis on the global, at the expense of local sensibilities, has eroded the character of national identity in many nations where such an idea was still compelling. This makes technology a touchstone in several important ongoing debates like the one about national sovereignty, but also in debates about globalization and political autonomy, as well as economic policy.

For the first time, a nation could begin to create networks for facilitating economic growth, technological research and development, and a positive reputation in the world market. In the 1990s, TradeNet was an electronic system designed to spur international trade; this system became a springboard for other practical applications like telemedicine and MediNet, which intended to link the "computers of hospitals, clinics, pharmacies, and insurance companies."[67] The national media industries could use technology like satellite and digital filmmaking to court film production and post-production from television and film companies overseas, or perhaps gain a stake in the international media market for the first time, a profit-turning venture crucial to many national industries that were in the red. Digital production of film or television was not only a cost-efficient technology to use after the initial purchase of equipment, but could also

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[67] Read, William H. and Jan L. Youtie, *Telecommunications Strategy for Economic Development* (Westport, CT: Praeger Publishers, 1996). 32.

enhance production quality as a means to attract local audiences, preventing the need to broadcast programming "dumped" onto the industry from other countries.[68]

According to telecommunications scholar Ben A Petrazzini, since telecommunications in the form of Internet, cellular telephones, and satellite broadcasting, had become a "prerequisite of any national…growth project in the developing world," trying to deduce whether there was any correlation between comprehensive privatization of national industries and success was exigent, especially since privatization was a often a requirement for funding.[69] In his own attempt in *The Political Economy of Telecommunications Reform in Developing Countries,* Petrazzini surveyed the privatization attempts made in over 10 countries around the world during the 1990s, but concluded that there were no hard and fast political or economic rules to which successful nations had adhered, whether it was wholesale privatization, a private-public mix, a state-owned endeavor, or a variant of any of these. Instead, he found that "a closer look at some of the countries in which reforms are most advanced reveals few commonalities."[70] Even though neoliberal policymakers often viewed state reform "as a homogeneous trend throughout the Third World," in Petrazzini's estimation the only common denominator of success was the existence of national wide public support in each country.[71] This makes sense since a significant amount of technological activity is non-commercial because its products are not sold on any

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[68] Ibid.

[69] Petrazzini, Ben A., *The Political Economy of Telecommunications Reform in Developing Countries* (Westport, CT: Praeger Publishers, 1995). 1.

[70] Ibid., 4.

[71] Ibid., 28-29.

market. Instead, the products of technology are used in areas that are of public interest: technical training, health, and defense spheres.[72]

For Petrazzini, certainly the IMF, WTO, and World Bank had several examples to which they could refer as wholesale privatization "success stories." Malaysia, Chile, Jamaica, and Venezuela were able to sell off their national telecommunications enterprises to private organizations in order to keep their industries afloat in the 1990s.[73] But correlation did not necessarily indicate causality, and it bears remembering that Malaysia and Venezuela did not escape the economic crises of their respective regions, East Asia and Latin America more generally did not either. It is also important to remember that these same policy prescriptions— whether attached to offers made by global agencies or offers made by MNCs—were also the same ones suggested to Eastern European countries, as well as, to Southeast Asian countries like Thailand, and frequently have been cited among the causes for the severe economic crises that rocked both of those regions in the same decade and later spread west.

Given the importance of the local, as opposed to the global, significance of telecommunication technologies, development studies scholar David Forsyth was correct in asserting that ultimately the "thrust of technological activities should be determined by local priorities rather than external ones," like the WTO, IMF, and World Bank.[74] With plenty of examples to cull from in *Technology Policy for Small Developing Countries*, Forsyth questioned the viability of importing neoliberal technology policy into developing countries, and emphasized that a laissez-faire policy or the unrestrained operation of the market, was "unlikely

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[72] Forsyth, David J.C., *Technology Policy for Small Developing Countries* (Bristol: MacMillan, 1990).

[73] Petrazzini, *The Political Economy of Telecommunications Reform in Developing Countries*..

[74] Forsyth, *Technology Policy for Small Developing Countries*. 8.

to result in technological activities receiving an optimal resource allocation, or an optimal use of those resources" in these countries toward national goals.[75] Neglecting to prioritize such goals in favor of those that would better suit a developed country in the West, could eventually destabilize, not only the successful adoption of technology but the entire national economy. And for Forsyth, the less developed the country, the more serious the potential devastation. But locating the resources to create the system was the first issue of order for most of these countries, and policy initiatives came second.

A significant amount of seed funding, not to mention continued investment, would be necessary from countries that, at the macro level, were already having a great deal of trouble keeping their balance of payments settled for the other goods they were importing, as well as providing social services for its citizens at the micro level. Therefore, the promise of the resources necessary to a successful technological innovation by the IMF or the World Bank was hard for these countries to dismiss out of hand.[76] As for the technology itself, it was the one Western "innovation" from which developing countries could benefit. The infrastructures that existed in much of the developing world in the early 1990s were often outdated and decrepit systems; most of the modern telecommunication technologies were reserved for the powerful—whether government or private agencies—in any given developing nation. Indeed there would be benefits to countries adopting the new digital technologies and a ready-made policy structure after the developed world had already begun to implement them.[77] Technologies, like cellular telephone, went through several generations before many developing world countries gained

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[75] Ibid., 6.

[76] Peet, *Unholy Trinity: The IMF, World Bank and WTO*.

[77] Jussawalla, Meheroo, ed., *Global Telecommunications Policies: The Challenge of Change* (Westport CT: Greenwood Press, 1993).

access to them; and the third generation in cellular telephony (3G) was undeniably more useful for many of these countries, particularly ones with regional systems agreements. Not only would many of the technological "growing pains" have been experienced by this time, but poorer countries that could not afford their own research and development centers could, in essence, piggyback onto this ready-made technology and simply adapt it to their own uses.

However, adopting these new technologies was not necessarily a bed of roses; coming "late" to a technology could present a few conundrums. The least of these was for each country to be able to develop national centers to manage and regulate the technology for both the present and the future. For the developing countries that purchased technology from Western multinational corporations using IMF and World Bank funds, of particular issue were joint ventures where the multinational corporation possessed a greater degree of power and placed stipulations on their business agreements like a deregulated environment in exchange. More seriously, in the telecommunication industry or otherwise, applying new technologies often resulted in a loss of jobs, which could increase the potential social service burden on countries that were already hogtied by neoliberal proscriptions on State welfare. Choosing either side of this dilemma could also place the national economy in jeopardy. Whether crafted by global funding agencies, multinational corporations, or national governments, context-centered policies that took into consideration the individual economic, political, and cultural dimension of a country, would make it possible to troubleshoot many of these concerns.

Yet as important as it was to underscore how close the marriage should have been between development and a nation-guided technology policy, it was also remarkable that the developing world set in relief the extent to which technology could be flexible, depending on the policy framework. And emphasizing this flexibility was significant in that it was the logical step

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that Western global financial organizations and multinational corporations skipped in the process of attempting to manage technological innovation in developing countries to its own ends. Adherents of globalization inferred that because media technology like the cell phone, the Internet, or software was often "born" first in the Western world, it could not help but embody Western values.[79] Unfortunately, much political economy of communication scholarship was indirectly complicit in reinforcing this notion with its common assertion that technology is a part of the ongoing process of ideology transfer from the world power centers to the periphery.[80] Indeed, pointing out that information and communication technologies were legacies of Western modernity in its quest for scientific advancement and economic efficiency and growth was essential to critiquing the Western imperialist ambitions that characterized the last century.[81] But when we observed those same technologies being used in developing countries (and the values they embody to boot), it was easy to see that they were vulnerable to re-appropriation by their users in ways the designers of the technologies could not foresee. In *Communication, Technology, and Politics in the Information Age,* development scholar Gerald Sussman argued against these major fallacies of technological determinism. He maintained that, "technology is much more than an apparatus, a tool, a technique, a toy, a package of electronics, or an invention. It is also the embodiment of human decisions made at particular moments in

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[79] Winston, *Media Technology and Society, a History from the Telegraph to the Internet*.

[80] Valdes, M. Isabel, "Third World Countries and Conflicting Ideologies of the Information Age," in *The Ideology of the Information Age*, ed. Jennifer Daryl Slack and Fred Fejes (Norwood, NJ: Ablex Publishing Corporation, 1987).

[81] Avgerou, Chrisanthi, "Recognising Alternative Rationalities in the Deployment of Information Systems," *The Electronic Journal on Information Systems in Developing Countries.* 3, no. 7 (2000).

particular political settings."[82]   It was undeniable that the well-worn claims made by globalization apologists and political economists about the efficacy of neoliberalism were only partially valid. A more realistic understanding of the relationship between technology and ideology would have allowed for the existence of multiple belief systems that could govern the ways in which technology could be set up, developed, and used. Of this the developing world was already aware.

And certainly, if it was inconceivable that development was a "universal process consisting of a number of stages similar to those that the countries of Western Europe and U.S. had experienced," it should have been equally inconceivable that crafting appropriate technology policy would have been universal in character, also.[83]   Most of the developing world had to consider how they would acquire digital technology without also acquiring, not just the ideological assumptions about "best" ways to regulate technologies, but also the economic and technological policies of its donor. Fortunately, strategies other than depending on the power and resources of the IMF, World Bank, and WTO existed; even many of the poorest countries had other options at their disposal. Among the nations that could not or would not become a member of the Bretton Woods Institutions and would not adopt the compulsory policies, many had to consider other sources of revenue if they wanted to improve their national telecommunication systems. The regional economic alliance, or the interdependency and pooling of resources between neighboring countries, was one of the most viable options that the developing world had in its repertoire.

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[82] Sussman, Gerald, *Communication, Technology, and Politics in the Information Age* (London: Sage, 1997). 1.

[83] Madon, Shirin, "The Internet and Socioeconomic Development: Exploring the Interaction," *Information Technology & People* 13, no. 2 (2000). 87.

2.5   MAKE IT, DON'T TAKE IT: THE BENEFITS OF THE REGIONAL ALLIANCE

In the introduction to their book*, Comparing Regionalisms: Implications for Global Development*, Hettne et al. see regionalism as the context in which many developing countries began to explore new economic and technological relationships with other countries outside of the Bretton Woods Institutions. At first blush, regionalism in the 1990s seemed to foster a two party system on a global scale: the "policy makers" and the "policy takers," where the developed world regional blocs would face off against those of the developing.[84] Not satisfied with such a reductionist description that merely echoes the globalization myth, though, Hettne, et al., defined 1990s regionalism as a strategic political response to the economics of globalization.[85]   The goals of each region differ according to whether each hopes to maximize economic growth, start technological relationships with other nations, economic and political stabilization, or the "creation or defence of a collective *identity.*"[86] However, regional alliances between developing countries in particular, "are organized in order to arrest a process of marginalization" by more "core" regions.[87]

Regional alliances represent the "concerted efforts from a group of countries within a geographical region to increase the complementarity and capacity of the total regional economy as well as finding the right balance between function and territory."[88]   This collectivity is

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[84] Hettne, Bjorn, Andras Inotai, and Osvaldo Sunkel, *Comparing Regionalisms: Implications for Global Development* (Helsinki: United Nations University/World Institute for Development Economics Research, 2001).

[85] Ibid., xvi.

[86] Ibid.,137 (author's italics).

[87] Ibid., xiv.

[88] Ibid., 14-16.

"careful to see to the interests of the region as a whole," since the arrangement is a countermove to the emergence of other economic blocs.[89] The collective action already cohering in more core regions makes it "necessary for the excluded countries to stick together" in order to increase the size, resources, economic capacity, ability to counter disruptions, and strength to bargain as a collective.[90] Economic and political pressure from nations in "core" regions or from global financial institutions makes "'developmental regionalism'" a more constructive means to sustainable (in the sense of ongoing) development, not to mention peace. In a regional alliance that is mostly comprised of developing countries, facilitating import/export trade relationships among neighboring nations is often more immediately useful "than the creation of free trade."[91] The regional alliance represents a compromise between a nation-centered world system and one that appears to be "the West versus the rest."

Earlier analyses of regional alliances focused mainly on regionalism as a form of military security, but more recent scholarship has found that with respect to the growth of an increasingly penetrating and dominating world market that subordinates national economies, the concept of "security" needs to be expanded, or even shifted, to address the issue of economic development. Regional alliances in the developing world have assumed more than just a defensive posture; they also have embodied an "activist element" in the redistributive powers they possess.[92] In the same way that nations with close geographical proximity have begun to

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[89] Ibid.,16.

[90] Ibid., 16-17.

[91] Ibid., xv.

[92] Hveem, Helge, "Global Governance and the Comparative Political Advantage of Regional Cooperation," in *The Environment and International Trade Negotiations: Developing Country Stakes*, ed. Diana Tussie (Hampshire, England: Macmillan, 2000). 145.

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co-manage the natural resources they may share, such as skies and waterways, telecommunication networks could also be a shared entity. For the creation of new communication technology networks in particular, regional alliances make it possible to pool resources to finance costs and cover the risks of technological development. Regional alliances may also make possible a more "just and/or egalitarian allocation" of the benefits that result from the pooling of resources.[93]

For some developing nations in the 1990s, sharing the responsibility for the creation of telecommunication networks ameliorated the necessity of having to cultivate technology finance and transfer relationships, either with Western nations, Western multinationals, or with Western-run global financial institutions that would likely use the opportunity to advance their own ends, either politically or economically. Technological standardization agreements among member nations of developing country alliances also became a common practice at this time, and these agreements made it possible for many nations to begin the process of digitization. Interregional trade was another advantage of these arrangements, providing member nations a market for both the technologies they develop, and for the media products these technologies make possible. Regardless of their status as nations of the developing or developed world, many preferred to consume media with a close linguistic, ethnic, or regional relationship to their own; therefore, having a regional outlet for such products could be lucrative.[94] And in contrast with the world market for communication technologies and media products, regional integration

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[93] Ibid., 135.

[94] See Iwabuchi, Koichi, "To Globalize, Regionalize, or Localize Us, That Is the Question: Japan's Response to Media Globalization," in *The New Communications Landscape: Demystifying Media Globalization*, ed. Georgette Wang, Jan Servaes, and Anura Goonasekera (London: Routledge, 2000).

made such exchanges more predictable in these important markets.[95] For many scholars of

regionalism, these benefits make regional alliances perhaps a "more effective public institution

than each single state in dealing with certain problems associated with global processes, and at

the same time to represent a level of collective identity that makes it more legitimate than any

global institution."[96]

2.6   DRAWING FROM DIFFERENCE: THE CASE STUDIES OF VIETNAM AND SOUTH AFRICA

But regional economic alliances, Immanuel Wallerstein might remark, do not eliminate

the influence of multinational corporations altogether. For example, in both Vietnam and South

Africa, private finance from foreign investors external to their regions in part made the

establishment of a regional telecommunication network possible. Thus their networks, which

would provide access to satellite broadcast, cellular telephone, and Internet, were devised

initially to serve commercial purposes. Yet, looking at the impact that the Southeast Asian and

Southern African regional alliances could have on their respective telecommunication networks

at later stages underscores that the decisions of countries within these alliances still carried

weight in determining how networks could be used into the future in favor of citizens; decisions,

I will argue, that should be of equal importance to both scholars and policymakers. For example,

despite significant commercial or corporate influence in South Africa and (much later) in

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[95] Ibid., 147.

[96] Ibid., 149.

Vietnam, the national governments of these nations understood new digital technologies to be about political and economic survival, as well as fostering national identity and sovereignty; therefore, in order to do justice to these histories, what is required is a nuanced approach to an analysis of their innovation from analog to digital media that took place in those countries in the 1990s.

For Vietnam, the late twentieth century was about rebuilding the economy, public infrastructures, national identity, and political culture twenty years after French and U.S. occupation had all but decimated the country. After decades of uncertainty and destruction, the Vietnamese government began to stabilize the nation, making the telecommunications infrastructure a central plank in their Doi Moi (economic renovation) plan. Internet, cellular telephone, and satellite television were essential to reestablishing the flow of communication between North and South Vietnam, in the form of television, films, e-mail, and phone conversations in their goal of ideologically reunifying the country. The South African media industry faced choices similar to those in Vietnam in the 1990s. During the initial post-apartheid movements, many in the African National Congress (ANC) declared the State's responsibility to transfer power from white to Black citizens. Very little in the way of modern media technologies existed, except in the more upscale white townships. In black "Bantustans," landline phones, cable television, computers, or satellite broadcast were rare. And so the ANC also declared the ambition to update the national media system, cellular telephony and Internet in particular, in order to promote a free flow of information, establish democracy, and redistribute resources to the chronically impoverished, in short to accomplish goals similar to that of the VNCP, but with a different ideological veneer.

While as developing nation-states Vietnam and South Africa have much in common—both worked to create national media infrastructures as a means to strengthen their economy, to establish a political structure, to stabilize national unity, and perhaps to gain a stake in the international media market—the role each played within its own geographical and economic region was distinct. The Socialist Republic of Vietnam was a politically communist country with a socialist-market economy that had opened up in deliberate fashion to the rest of the world. Despite the Southeast Asian economic crisis in the latter half of the 1990s, Vietnam also steadily became one of the fastest growing nations in the Southeast Asian region during the last several decades, in part because of its inclusion in the Association of Southeast Nations (ASEAN). South Africa was a democracy with an economy that rapidly became market-oriented and outwardly directed despite initial ANC intentions to create a state-centered public infrastructure. It enjoyed the status of being the largest economy in the region, and benefited from being the prime mover in the South African Development Community (SADC). However, in direct contradistinction to their unique characters, in the 1990s, the main global aid and regulatory organizations, the IMF, WTO, and World Bank, attempted to pressure both of these nations (and others) to adopt cookie-cutter policy initiatives as the price for the fiscal and technological support the agencies would provide to these countries to update their media industries. Privatization of the national media industries, including telecommunications, film, television, and radio; liberalization of the national media markets; a decrease in state regulation of the entire system; and an openness to foreign direct investment, were primary among the policy suggestions for both countries. Strikingly, these were also objectives prioritized by multinational corporations during this time. Plenty of evidence exists to demonstrate that the nations which head global agencies were also instrumental in making sure the multinational corporations

headquartered in their territories were able to increasingly penetrate media technology markets abroad, making it difficult to distinguish between these groups.[97]

As countries that fit Forsyth's profile of smaller and developing, Vietnam and South Africa clearly reaffirm this principle. In Vietnam, the development of the Internet was a project tied closely to their Local Poverty Reduction in Vietnam (LPRV) initiative. In the late 1990s, the Vietnamese Communist Party (VNCP) set up five Centers for Poverty Reduction (CPRs) operating throughout the country. Each had several computers, Internet and e-mail capability, computer and software training, as a means to collect information on small development projects in the region. To promote reticulation among the CPRs, the LPRV also made certain that each one was connected to university Internet Service Providers in each area. Among the goals were to reduce poverty in urban areas, to enhance the clean water supply in rural areas, to create a system of canals for the irrigation of agriculture, and finally to create a databank on these development projects.[98] As the projects got going, it was hoped that the network would result in the sharing of this data between CPRs and would encourage successful development from local areas outward.[99]

The 1990s in South Africa dealt a double blow of disease and poverty to the well being to some of its most vulnerable citizens, and the ANC articulated plans to stamp out diseases like tuberculosis using digital communication technologies that were in the works in the 1990s. One

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[97] Tomlinson, John, "Cultural Globalization and Cultural Imperialism," in *International Communication and Globalization*, ed. Ali Mohammadi (London: Sage, 1997).

[98] Boyle, Grant, "ICT Networking in Vietnam: The Limitations of an Information Needs Assessment," in *The Digital Challenge: Information Technology in the Development Context*, ed. S. and Shirin Madon Krishna (Burlington, VT: Ashgate Publishing Company, 2003).

[99] Ibid., 261.

plan in particular hoped to use text messaging on cell phones as a way to alert tuberculosis patients when it was time to take their medication. The ANC suggested this was part of a larger commitment to provide relief to the overburdened healthcare system, a service the government planned to extend to HIV patients as part of a promise to those that had voted the ANC into office.[100] And for rural parts of South Africa that were still waiting for the ANC to establish telephone landline service for Internet and e-mails in the mid-to-late 1990s, many entrepreneurs stepped into the void and began developing "digital" courier services during the last decade. One such service, for example, provided rural schools with software that was compatible with the software of other schools in the area that were equipped with Internet capabilities. Once the software was in place in the rural schools, students at those schools could then type up e-mails or requests for Internet searches, which then could be saved on a memory stick and delivered to the Internet-capable school for processing and retrieval.[101]

The South African "digital" courier service, for example, is definitely not an idea inherited from the West; few people would have interest in such a venture given that the technology is comparatively more available. But neither would the "digital" courier service have been of much use in Vietnam, where hilly, jungle topography in three-fourths of the rural areas would make carrying out the service extremely difficult, thus raising service prices too high for an impoverished school. And as an entrepreneurial effort, such a business would likely not be

[100] Communication Initiative, The Communication, *The Compliance Service SMS Technology for Tb Treatment* (The Communication Initiative-Digital Pulse, 2004 [cited February 1, 2005]); available from http://www.comminit.com/strategicthinking/stdigitalpulse/sld-1664.html.

[101] Lindow, Megan, *Seeking Riches from the Poor* [Wired Online News Magazine] (Wired News, 2005 [cited February 1, 2005]); available from http://www.wired.com/news/print/0,1294,63131,00.html.

welcome by the VNCP, particularly without their approval and "participation."[102]   So, rather than focusing on the history of the technology in question as a method of understanding its development, a more relevant analysis would be to consider the history of the receiving country, along with its national economic capacity, political structure, cultures, and topography.

To compare the choices in media technology for both South Africa and Vietnam is to reveal how dissimilar technological development within developing countries can be.   In Vietnam, very little infrastructural change took place in the media industries between the late 1950s and the 1980s. But the mid-to-late 1980s were a Doi Moi, or "renovation," period for the economy, and by extension for the media. The VNCP gradually began to open up its economy to others in the Southeast Asian region, and as economic growth occurred, plans were also made to upgrade the telecommunications industry from analog to digital: from a minimum of landline phones, telex, and broadcast repeaters to undersea optical fiber cable networks with regional connections, broadband radio frequencies, and small satellite receivers (often called VSATs), among others. These plans began to be carried out in the 1990s, but not without careful attention paid to related economic and technological policies by the watchful eye of the VNCP. Rather than rely on Western multinational corporations or funding agencies like the WTO, World Bank, or IMF as they had in the mid-twentieth century, instead the Vietnamese looked to the Asian Developing Bank and to business cooperation contracts with other media companies in the

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[102] Ever since the Internet became available to the public in 1996 in Vietnam, the VNCP has been known to monitor and manage Web companies, shutting them down temporarily until they desist from hosting illegal businesses like tabloid journalism and pornography, for example.

region to support innovation.[103]   Consequently the VNCP chose particular technologies for the innovation process based on these business cooperation contracts and based on other less formal technology sharing and standardization agreements with other Southeast Asian countries. Since the government chose to retain a state-owned enterprise monopoly model as opposed to a private one, development of these network services did not occur overnight; and often Vietnamese corporate and government officials were the first to gain access to the Internet, cellular telephone, satellite, etc. Other Vietnamese citizens had to wait years, or sometimes longer, to enjoy such services. While the first Internet activity took place at the Prime Minister's office in 1994, many people continue to wait for individual access, and often using such technologies is still a communal experience. Compared to development in Vietnam, the growth of the same technologies and services in South Africa in the 1990s is as strikingly uneven.

For South Africa, the media industry of the 1990s reflected decades of accumulated social, economic, and political ravages at the hands of apartheid. Less than 3 percent of the population—usually white—accounted for 65 percent of the total income production, and unfortunately, the South African media industry reflected this shocking disparity.[104] According to South African studies scholar Robert Horwitz, before apartheid ended, most of the telecommunication infrastructure was made up of state-owned enterprises whose resources were

[103] A business cooperation contract is a financing partnership between agents in different countries, in which one partner provides equipment, financial support, and consultancy services in return for partial revenues that accrue from the joint venture that is located in the other.

[104] International Telecommunications Union, "Case Study: Broadband, the Case of South Africa," in *Regulatory Implications of Broadband Workshop* (Geneva, Switzerland: 2001).

marshaled to provide service primarily to whites and to business.[105] Even though the state

regulated the entire South African media industry, the country still had a decades-long history of

allowing foreign direct investment and joint ventures. By the 1990s, the National Party

government had already been moving the entire system to a digital telecommunications network

for over a decade, and had invested in cellular telephony, satellite for both broadcasting and

telecommunications, as well as, several undersea cables. While this was exceptional compared

with the other countries in the developing world, there was also a great racial disparity in terms

of distribution and access. Near the end of that decade, even though the ANC had begun to

dismantle apartheid, only 18 percent of black households had access to telephone service, while

whites had 82 percent access; cellular telephone and Internet had similar patterns of gross

inequity, mostly because the majority of users were corporate and academic, positions

predominantly filled by whites.[106] Not until this dismantling began did it become clear how

deeply endemic discrimination was to telecommunications development in South Africa. The

national media industries were constituted of black cheap labor, nepotism, and protectionist trade

barriers, which mainly benefited whites; the ANC understood privatization and deregulation—to

allow European and British companies to provide equipment and services—to be a way out of

this vicious cycle, even if it would govern the kinds of technologies that would be adopted.[107]

Thus, an upgrade in the post-apartheid South African media industry in the 1990s was less

obliged to be about establishing an entirely new digital network than it was about establishing a

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

[106] ITU, "Case Study: Broadband, the Case of South Africa," in *Regulatory Implications of Broadband Workshop* (Geneva, Switzerland: International Telecommunications Union, 2001).

[107] Horwitz, *Communication and Democratic Reform in South Africa.*

new set of clientele and about making universal access a "national" goal, activities that could improve South Africa's reputation abroad.

From the diffusion of innovation paradigm, it would be easy to believe that development occurred smoothly across developing countries like Vietnam and South Africa in the economic "South" during the last decade; but Vietnam and South Africa underscore that radically different approaches to governing new technologies were necessary. Among the few parallels in the character of development in these countries, were the dilemmas both faced, in either accepting financial and technical support from external sources along with the ideological baggage, or foregoing those resources and forestalling needed renovations to the media industries. Even if we agree that technology is value-neutral, that does not mean that the donor intent or involvement—in the form of expectations attached with the technology transfer or in the form of training to use the technologies that have been transferred—is necessarily free of ideology, or that the donors will even admit that they export technology with their own best interests in mind.[108] Much in the field of political economy of communication has been written about "cultural imperialism," the nefarious intentions of Western media multinational corporations that invade other nation-states with media products and the technologies that are needed to produce them in order to create a permanent need and concomitant cultural and technological market abroad. However, the ideological assumptions do not even have to be intentional to have an impact.

Development management scholarship documents more subtle versions of the implications Western attitudes can have, even if they are as simple as assuming how a particular

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[108] Slack, Jennifer Daryl and Fred Fejes, *The Ideology of the Information Age* (Norwood, NJ: Ablex, 1987). See also Madon, "The Internet and Socioeconomic Development: Exploring the Interaction."

media technology will be used, by whom, or even how often. For example, in his experience working on the Local Poverty Reduction Vietnam (LPRV), Grant Boyle concedes that he and his fellow Canadians had specific expectations about how the Vietnamese would use the computers and the Internet once the CPRs were equipped. While the Canadian information technology workers assumed that the hardware and software would be in great demand, it turned out that online collaboration between the various CPRs set up around Vietnam occurred very little.[109] Boyle laments that later he and his colleagues realized that face-to-face relationships are a more normal pattern of exchange for Vietnamese, and that both the traditional Confucian culture and the single-party communist state has fostered a deference to authority; such deference limits the efficacy of group activities like e-mail listservs or discussion groups within the CPRs, especially as junior participants are likely to feel sanctioned to collaborate with their superiors. Boyle makes a final note, also, that while "under-use" of the equipment could be attributed to early stage of the LPRV plan or the low level of English-language skills, more important were these "not-so-obvious social issues involved," such as local norms and values.[110] In hindsight, the CPR resources certainly could have been used more efficiently.

In South Africa, the impact of unintentional ideological imperatives went beyond a simple misuse of resources as in Vietnam; they actually supported the oppression of, and violence against, a majority of the population. From the 1970s until the 1990s, many Western telecommunications and computer corporations that sold hardware and software to the National Party of South Africa, contributed indirectly to the apartheid regime. IBM, for example, sold the National Party hundreds of computers and database software. Many of these computers were

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[109] Boyle, "ICT Networking in Vietnam: The Limitations of an Information Needs Assessment."
[110] Ibid.

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used to create, maintain, and facilitate a nationwide compulsory tabulation system in which all black citizens, once they hit 16 years of age, were registered, tracked, and processed according to a racially motivated hierarchy.[111] The government claimed the tabulation system would simply monitor immigration into South Africa from other, more troubled states in the region, but often people were tracked so that they could be captured and tortured. The computerized population registry was used to control where blacks worked and lived, and to track and punish any activity perceived to be against the National government. When confronted with the fact that it was the apartheid government's largest supplier of computers, IBM took the technocratic position that it could not tell its customers how to use the equipment. IBM claimed to be unaware of the ultimate ends to which the National Party employed the technology—not unlike the punch card and card sorting system that IBM sold to the Nazis during the holocaust, but claimed to be unaware of the uses to which it was put. However, since the government accounted for over one-third of IBM's total sales in South Africa in the late 1970s and 1980s, and was IBM's biggest customer, it is obvious that capitalist ideology fueled IBM's insouciance about the oppression of black South Africans.[112] Although in the 1990s both Vietnam and South Africa began to experience abatement in their struggles—for Vietnam it was the birth of a growing economy, and for South Africa it was the death of apartheid—the relationship between ideology and technology was no less significant.

For both Vietnam and South Africa, the regional economic alliances of which they are members, the Association of Southeast Nations and the South African Development Community,

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[111] Gosiger, Mary C., "Strategies for Divestment from United States Companies and Financial Institutions Doing Business with or in South Africa," *Human Rights Quarterly* 8, no. 3 (1986).

[112] Khulumani Support Group, Khulumani Support, *Khulumani Support Group* (Khulumani Support Group, 2004 [cited May 20, 2005]); available from http://khulumani.net/content/view/61/66/.

help provide potential bulwarks against such Western encroachment, but also a means for creating more palatable relationships in which funding, policy agreements, technology, and training can be exchanged. For Vietnam, ASEAN was an essential ally, which helped the government prevent foreign commercial appropriation of their newly burgeoning media industry. In South Africa, the SADC was instrumental to the government in helping to create a media system to meet citizens' needs for community-building media programming. Ironically, however, both ASEAN and the SADC were regionalisms created as a defense mechanism against countries that threatened peace and stability in the area: Vietnam, for fear that communism would spread to neighboring countries; and South Africa, because other African nations wanted to distance themselves from the stain of apartheid.

Vietnam's accession to ASEAN in 1994 caused a great stir, particularly in the Western world. The Vietnamese threat was the initial glue that held the alliance together, and after years of being a common enemy of ASEAN countries, many in the West assumed this meant the end of communist rule in Vietnam. Vietnam's membership, however, was more economic than political. Vietnam's economic Doi Moi had met with some success, and the VNCP also recognized that interregional cooperation represented could boost this success exponentially. During the period in which Vietnam joined ASEAN, the alliance had been enjoying an unprecedented economic growth trend they were hoping to duplicate in the telecommunication sector, an industry Vietnam had as yet to cultivate. ASEAN celebrated Vietnam's accession by allowing the country in immediately on a regional technological agreement eventually named after Vietnam's capital. The 1994 Hanoi Plan of Action was an official announcement of ASEAN's technological goals, whereby "the design, standardization, inter-connection and inter-operability" of information technology systems like satellite, Internet, and cellular telephony

would be accomplished by the next decade.[113] The Association eventually accomplished some

of these and other goals, in part, by establishing "self-sustained and permanent funds" with both

the Asian Development Bank, as well as the IMF through monies collected from each member

country for an ASEAN Science Fund.[114] The funds are earmarked for ASEAN member nations

only, so that each of them may innovate technology, create a technology Research and

Development (R&D) infrastructure, or use the fund as a form of aid in the event of a systemic

economic crisis without having to borrow money from Western funding agencies and accept the

policy implications.

For the SADC, South Africa was also a longtime common enemy, at least until the end of

apartheid. During the decades that the National Party ruled, other African states felt compelled

to rhetorically denounce National Party activities, even though at times these nations quietly did

business with South African companies out of the public eye. Once the ANC had begun to

wrestle power away from the National Party, however, South Africa was quickly welcomed

publicly back into the SADC. As one of Southern Africa's wealthiest nations, its accession into

the alliance meant a significant increase in resources, both financial and technological. Since its

inclusion, South Africa has also become a leader for the rest of the development community for

its economic and technological policies. Therefore, unlike Vietnam, even though South Africa

was not an original member of the regional alliance, it has since become its most powerful

member, revitalizing the SADC's potential on the global stage.[115] Although it has taken some

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[113] ASEAN, *6th ASEAN Summit 15-16 December 1998, Hanoi, Vietnam* [Report] (Association of

Southeast Asian Nations, Secretariat, 2003 [cited May 21, 2005]); available from

http://www.aseansec.org/5028.htm.

[114] Ibid.

[115] Hettne, *Comparing Regionalisms: Implications for Global Development*.

time for the SADC alliance to develop a clear policy framework, in the last years of the 1990s the alliance began to draft guidelines for the implementation of new digital media like broadband, cellular, and satellite. Among their goals for an interdependent system of national communication networks, the SADC is setting standards for fair competition, universal access and service for all, as well as an "aggressive promotion of a more attractive environment for the private sector" in telecommunications.[116] The SADC accomplished this goal in part by quadrupling foreign direct investment, from $691 million to $3061 million, between the early and late 1990s.[117] So where a significant component of ASEAN strategy is to use regional alliance as a protection against the intrusion of unwanted political influence, the SADC is predominantly a means of pooling resources from the West and sharing them on an economy of scale.

2.7   CONCLUSION

Based on the case studies of Vietnam and South Africa, what this chapter claims is that even in the developing world where some commonalities indeed exist, a "best way" does not. Modeling Western methods of digital media innovation policymaking is even more politically, economically, and socially dangerous, especially for the smaller industries (small relative to others on the world market) in developing countries. As the successes and failures of these two countries show, policy to upgrade media technology instead must be case-specific, taking into

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[116] South African Development Community, South African Development, *Homepage* (2004 [cited May 13, 2004]); available from www.sadc.int.

[117] Ibid.

consideration the existing infrastructure, political environment, and intentions of any and all investors. As part of the process of making this claim, however, this chapter also makes a Wallersteinian conceptual shift in the political economy of communication framework of which it is evocative: to make a distinction between what has been described by the West as extreme powerlessness in the face of globalization, and what was really simply their economic vulnerability as developing nations that were trying to improve their national media systems and their global identities. Traditionally, the field has emphasized the ubiquitous power of agencies helmed by the West: the IMF, World Bank, and WTO; but I would urge that the case studies of Vietnam and South Africa show us that developing countries have had, and continue to have, other options at their disposal. Regional economic alliances, regional development banks, and regional trade areas are among a few of these.

3.0   THE VIETNAMESE MEDIA INDUSTRY, 'BACKWARDS' AND THEN

FORWARD

3.1   INTRODUCTION

In the largest cities in Vietnam—Hanoi, Saigon, and Hue—it is difficult to tell that a formal education in digital media technologies is largely unavailable for most citizens. Young people pack Internet cafés on every corner, they talk on cell phones while navigating their motorbikes through the streets, and they eat Vietnamese noodle soup in a small shop with cable television they have installed themselves blaring in the background. Brazilian soap operas, HBO, MTVAsia, Thai, Chinese, and other international programs are popular fare, but viewers are most loyal to local programming. Vietnam Television (or VTV), one of the most visible stations in Vietnam, has four channels on air and plans for three more by 2010.[1] Although VTV has purchased the rights to air versions of once-popular U.S. television shows like "The Price is Right" and "Who Wants to Be a Millionaire," the station has used only the original concepts of the shows, and has refashioned them to appeal to Vietnamese tastes. Vietnamese soap operas, music videos, local news, documentaries, and VNCP (Vietnamese Communist Party) activities still dominate the airwaves. In Saigon, multiple street blocks are devoted to selling satellite dishes, televisions, DVD players, VCRs, and other popular consumer electronics produced by

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[1] Interview with the head of programming at VTV, July 10, 2005.

companies in the Southeast region. Nokia, for example, has established several large, glittering, air-conditioned palaces in both Hanoi and Saigon; and S-Fone, LG, Sony, Panasonic, Mobifone and Fuji also have established a presence, with each company occupying several storefronts on any Vietnamese city street. Outside of the dense metropolitan areas, however, it is a different story. Cell phones, Internet, and cable or satellite television are not ubiquitous; yet, even in these smaller towns and villages outside the cities, at least one Internet café lights up the dusty main street as a popular destination for those who can spend the U.S. equivalent of six cents a minute to game, chat, and surf.[2] In speaking with top professionals from a wide variety of media industries in Vietnam, one gets the impression that 1997, or the "Year of the Internet in Vietnam" as they call it, was a significant moment in the history of the Vietnamese national media.[3] This was probably true for a handful of people.

For Vietnamese with enough disposable income, time, and experience to spend, surfing the Vietnamese Internet became a possibility. Young people crowd into these spaces, but for those looking to conduct surfing outside the purview of the VNCP, strict rules are imposed. At the Internet cafés in Hanoi, Saigon, and Hue I visited during July 2005, typing in phrases like "human rights," "journalists without borders," and "pornography" resulted in an Internet blackout and automatic computer shutdown due to protective software that café owners install. In more "private" Ethernet venues, such as those in university dorms for example, fewer controls seemed to be imposed yet many sites falling under these categories were unavailable also.

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[2] Equivalent to 1,000 Vietnamese Dong per minute. According to the International Labour Organization, the average hourly minimum wage in Vietnam was US $0.40. See: International Labor Organization, International Labor, *Homepage* (2005 [cited August 21, 2005]); available from www.ilo.org.

[3] These interviews took place during July of 2005. Names will not be used to protect the identity of interviewees. See Appendix A for an explanation of methodology.

According to a foreign correspondent working for Deutsche Press Agentur, the Ministry of Public Security planned to form an anti-internet crime force at the end of 2003. Since then, spending time in prison following a "closed-door" court trial for what the VNCP considers "cyber dissidence" is not unheard of.[4] Of course, is up to the VNCP to define what dissidence is, and thus far it has established vague guidelines that using computers with Internet to gamble online, to view pornography, or to store and circulate "harmful information" that opposes the government or causes hostility between different ethnic groups is dissent.[5] As of 2003, "all domestic website content providers must obtain approval and a license from the Ministry of Culture and Information" to minimize these activities.[6] Ironically, however, in another interview I conducted with employees at VietnamNet, the VNCP has given them a green light to sell "soft core" pornographic images as screen savers to Vietnamese cellular phone users.[7]

So for those among Vietnam's budding entrepreneurs—like some employees at organizations like VietnamNet—that have an education and connections to Vietnamese Communist Party members, the Internet offered a chance to strive for a stake in the media as producers and not just consumers. For them, the introduction of the Internet into the country meant the chance to garner government support to create Internet services from the new infrastructure, like an online Vietnamese handcrafts store, or the chance to improve upon an already existing venue within the state media industry, such as adding an e-version of a popular local Hanoi newspaper like *Thanh Nien* to the online community. For the majority of media professionals on the lower rungs of the labor ladder with whom I spoke in July of 2005, 1997

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[4] Interview with Deutsche Press Agentur correspondent, July 23, 2005.

[5] Ibid.

[6] Ibid.

[7] Interview with employees at VietnamNet July 9, 2005.

brought to the fore new opportunities, but also new pressures. In the years that followed the public development of the Internet, of all those who hoped to join the "digital revolution" in Vietnam, only the following Vietnamese were able to acquire jobs in the new IT sector: those lucky enough to acquire (or pay for) a space in one of the few capable national university IT programs; those able to obtain an education in a foreign country; or those who possessed the wherewithal and capital to purchase and then train themselves to use the new technology. Perhaps calling it a "revolution" was a bit premature.

Not ironically, the most common lament during interviews with nearly a dozen Vietnamese (as well as Cuban and Australian) media professionals who work at telecommunications, cellular phone, broadcast television, and Internet companies in Vietnam, was that newly minted Vietnamese college graduates entering these industries often were comfortable adapting consumer electronics into their lives, but they did not know the first thing about working with the new technology in their intended field. And since a great majority of the Vietnamese population was under 30, most employees at these companies needed to be trained. During these interviews, I heard a variety of explanations as to why IT training had been so limited in Vietnam. Some suggested that remnants of earlier forms of Vietnamese Communism were still endemic to the institution of academia: doctoral degrees and other top academic positions in the national universities were for sale to the highest bidder, and those who did not want to bargain for a position ended up finding work outside the academy or they left the country. Consequently, the quality of IT expertise, teaching, and research at some national universities was questionable.[8]   Others suggested that the tradition of giving journalists

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[8] Interview with a faculty of the Foreign Communications Institute For Journalism and Communications, Hanoi, July 11, 2005.

"bonuses," "gifts," or kickbacks led to a stagnant industry where professionals were rewarded for toeing the party line, but not for pursuing new technological arenas like e-journalism, which might have caught on with those who aspired to join the industry in the future.[9] Yet others surmised that the Vietnamese Communist Party was more interested in cultivating an international reputation for being a newly "wired" country than it was in providing citizens training, because citizens might use their training to manipulate cell phones, computers, satellite dishes, the Internet, as well as new software to reach information sources outside of the VNCP's purview, like Amnesty International or Human Rights Watch. Even though I spoke with nearly a dozen professionals on these subjects, finding definitive answers to such mysteries was a nearly impossible task in Vietnam.

The lack of technology training in Vietnam could have been due to the lack of resources, namely time and money, or it could have been a deliberate government strategy to control access to the creation of national media products.   More likely, it was a combination of these exigencies, coupled with the influence of Southeast Asian business. The Vietnamese Communist party had imitated capitalist economic strategies in so far as they had allowed commercial entities the privilege of laying the groundwork for a viable media infrastructure and even profiting from it for a short time before it became VNCP property. One of the consequences of this decision, though, was that the Vietnamese who gained access to the technology were not its managers or gatekeepers; they were relinquished only the role of consumer in relation to cell phones, Internet, and satellite television. The end result was that the Department of Vietnam Posts and Telecommunications (VNPT) did well to establish the basic media infrastructure, but training individuals to actively manage it was another story. In beheading the hydra of

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[9] Interview with Deutsche Press Agentur correspondent, July 23, 2005.

technological need, several more heads sprouted forth: the VNCP now not only had to manage the economic obligations of technological innovation, but also negotiate technology's impact on the Communist ethos by employing even more of it to survey and censor the steady trickling in of Western capitalist culture.

As part of the bargain, many of the corporations that employed my interviewees often simply bore the burden themselves, rather than holding the government accountable for the practices that contributed to the training deficit in Vietnam. For example, telecommunications giant FPT (Corporation for Financing and Promoting Technology) created its own university as a means to train its employees and to prevent "brain drain" out of Vietnam. But it is important to remember that the concept of a "corporate" university did not have the same valence in Vietnam as it did in the West. Media corporations like FPT, VTV, VNExpress, etc. were not private; instead, they began as wholly state-owned enterprises (SOEs) that have recently have become semi-independent: a mix of public and private. Protected under the umbrella of the VASC (or Value Added Services Corporation), which was itself an offspring of the VNPT, these companies still received support indirectly from the VNCP in the form of national technological infrastructural development (such as the launch of the Vietnamese satellite, VINASAT).[10] And companies like FPT also used more informal "training" strategies, such as providing less expensive computers and volunteering to establish ADSL[11] in some poorer areas of the country in order to get people in those areas online (not to mention getting them hooked on using their Internet services). Other, smaller organizations without the resources to contemplate starting

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[10] Interview with Vice President of FPT (Corporation for Financing and Promoting Technology) July 25, 2005, and the head of programming at VTV, July 10, 2005.

[11] ADSL, or Asymmetrical Digital Subscriber Line, is an Internet connection that provides a higher speed for incoming information and slower speed for outgoing information.

their own universities, made training new employees part of their business plan. For VNExpress, a sister company of FPT and one of the most popular online news websites in Vietnam, four months were set aside before the first online edition appeared in 2001 to train the twenty-two employees how to write and submit e-news stories, as well as how to use the desktop publishing software VNExpress developed in-house.[12] VTV also developed its own in-house training program to educate new hires about the company's self-produced intranet system, as well as digital production and post-production for program content, as have many other successful businesses in the Vietnamese media industry.

That is not to say that Vietnam has not had state of the art university training in IT; some universities like the Institute of Information Technology (IOIT) in Hanoi provided such training, but not at the capacity the digital media industries needed.[13] In order to succeed, then, Vietnamese companies understood they had to accept the onus to provide such an education, and were successful in doing so even if progress was slow. Like national media industries in the West, Vietnamese companies provided their own support for daily operating expenses through advertising.[14] However, in stark contrast to the West, each media company in the Vietnamese industry was ultimately Party property, and as such, the VNCP traditionally supported its industry members by allowing national businesses to establish the basic infrastructure the country would need to develop and innovate. Collectively, the VNCP and the Vietnamese media

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[12] Interview with manager of operations at VNExpress, July 9, 2005.

[13] Institute of Information Technology, Institute of Information, *Homepage* (National Center for Science and Technology, 2005 [cited May 17, 2005]); available from http://www.netnam.vn/unescocourse/ioit99/.

[14] Advertising on network television in Vietnam is currently modest in compared with the West, averaging about 5 percent of total network programming time; interview with the head of programming at VTV, July 10, 2006.

companies embraced new technologies and worked hard to acquire a share. In *Imagined Communities*, Anderson theorizes about the power of nationalism to command a "profound social legitimacy" that can unite racially, ethnically, or religiously disparate individuals, at least rhetorically.[15] I would take this Anderson's point further to argue that the concept of a nation can also unite people into political economic unity. Regardless of the rumble of disagreement and dissent Vietnamese media businesses might have felt, and professionals working in the Vietnamese media industries would liked to have expressed toward the government (even still), the national government marshaled these groups and individuals toward improving their struggling national industries in television and telephony. Perhaps it was this collective Vietnamese spirit that allowed their national media industry to join the "digital age" faster than the West would have predicted.

Since the moment the West had hooked Vietnam into the "orbit of the world-economy in such a way that it virtually can no longer escape," as Wallerstein put it, it seems as if the West might wish to throw the peripheral nation back.[16] Despite massive Western efforts toward getting Vietnam to behave "properly" as a desperate nation that it is grateful to be included into the global economy; instead, Vietnam has consistently been an example of the crisis that is inherent in the capitalist world-economy. For Wallerstein, there are two main crises that typify capitalism. One, where the resources of the system's privileged groups are eventually drained so that it is difficult to either remedy the social ills that follow from a system of unequal exchange, or to force others to become its underprivileged counterparts. Two, where oppositional groups

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[15] Anderson, Benedict, *Imagined Communities: Reflections on the Origins and Spread of Nationalism* (London: Verso, 1991). 4.

[16] Wallerstein, Immanuel, *The Modern World-System Iii, the Second Era of Great Expansion of the Capitalist World-Economy, 1730-1840s* (New York: Academic Press, Inc., 1974). 131.

must be placated, but with each placation, the costs rise ever higher so that eventually they are simply too costly.[17] At different stages of its involvement in the world-system, Vietnam has represented both the former and the latter. The former in the form of French occupation and the U.S. engagement in war with Vietnam; and the latter, since the U.S. has tried to "remedy" its decimation of Vietnam since the end of the War.

3.2   A BRIEF HISTORY OF THE WARS AGAINST THE VIETNAMESE MEDIA

"Vietnam: It's a Country, Not a War"; this claim appeared on now unavailable media-oriented Vietnamese website in large, bold type above its listing of the trading services it offered to clients. Such a proclamation brilliantly underscored the Western perception of Vietnam as a war-torn, mid-twentieth century country struggling toward civilization, a perception that echoed the racism inherent in the developmentalist paradigm. Certainly the Vietnam of the mid-to-late twentieth century labored toward post-war and post-Soviet bloc recovery; and the Vietnam of the late twentieth century faced the prohibitive challenge of updating national industries, especially the media industry. During the 1990s, however, the Socialist Republic of Vietnam was in the process of building the infrastructure necessary to integrate digital technology into its national media industry, from broadband to satellite broadcast. Their example in upgrading not only debunked Western imperialist assumptions about the capabilities of developing nations, it also struck at the heart of the dialectical way in which the West and North described themselves in relation to the rest of the world. The Vietnamese ambition to diffuse technologies like the

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[17] Wallerstein, *Historical Capitalism*.

Internet, cellular phones, satellite broadcasting, and digital filmmaking throughout the country certainly put an end to the assumption that Vietnam is a nation of missed opportunities.

Unfortunately, before it was able to realize this goal of a modern communications system that could serve the needs of the country and its citizens, disappointment and delay characterized the Vietnamese media industry. In Immanuel Wallerstein's world system hierarchy, Vietnam was a peripheral country, and thus, its national industries were subject to the influence and objectives of the world economy.[18] In the mid-to-late twentieth century, the seemingly "limited" and "insignificant" Vietnamese media found themselves to be pawns in East versus West world politics and, as a result, the Vietnamese rarely had autonomy over their own media industries. Vietnam experienced over thirty years of nearly uninterrupted colonialism, occupation, and warfare between France, Japan, and the United States, and it was no wonder that few of the media outlets in the Vietnamese industry were created or harnessed for the benefit of Vietnamese citizens. For France and the U.S. in particular, establishing and controlling different media infrastructures in Vietnam was essential for instituting and maintaining an ideological influence.[19] Consequently, during the period of French colonialism—from the mid-1940s until the 1960s—the number of newspapers published in the country bounced like a rubber ball, with 135 at the height of the industry and 64 at its nadir. Vietnamese newspapers also reflected the North-South division imposed by the French along the 17th parallel: those in the north were agents of the Communist press, but in the south news was the organ of the colonial authority,

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[18] Ibid. 34.

[19] Englund, Karl H., "External Assistance in the Context of Vietnam's Development Effort," in *Postwar Vietnam: Dilemmas in Socialist Development*, ed. David G. Marr and Christine P. White (Ithaca, New York: Southeast Asia Program, 1988). 225.

whose primary goal was to prevent influence from northern Communists.[20] Basic radio and telegraph systems existed in Vietnam during this period, but were no more available to the majority of Vietnamese citizens for their own use than were newspapers, since the radio and telegraph networks were established by the French. The same was true of telephone system and film industry, while televisions were rare or simply non-existent. Soon after the French relinquished Vietnam as a colony and the VNCP gained control of Southern Vietnam, Vietnam's Communist allies, including the Soviet Union, Germany, and (one-time enemy) Japan, began assisting the Vietnamese in upgrading their telecommunications network to improve the availability of broadcast and telephony technologies. Consequently, the U.S. government and U.S. corporations made Vietnamese telecommunications and broadcast infrastructures parts of their own political and economic strategy against its Cold War enemies.

Instantiating U.S. interest in the future of the Vietnamese media infrastructure, the Tudor Engineering Company of Washington, D.C. outlined an $8,000,000 million plan for a comprehensive telecommunications system for Vietnam, as well as, neighboring Thailand, Laos, and Cambodia.[21] In its initial assessment of the existing infrastructure, the Tudor report found that there were approximately 13,000 telephones for the whole of Vietnam in 1957. In Ho Chi Minh City, or Saigon, there were believed to have been 2,240 orders for service that could not be filled, along with "an estimated unexpressed demand for 4,480 more telephones."[22] Tudor's

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[20] Panol, Zeny Sarabia and Yen Do, "Vietnam," in *Handbook of the Media in Asia*, ed. Shelton A. Gunaratne, Ed. (New Dehli: Sage, 2000). 467.

[21] Tudor Engineering Company, "Report on Telecommunications Systems for Thailand, Vietnam, Laos, Including Possibilities in Cambodia," (Washington, D.C.: April 1958).

[22] Ibid., 32.

"answer" to Vietnam's "needs" was a network of underground cable lines, as well as VHF, UHF, microwave, and broadband radio relay, which would add to the overhead telephone lines and high frequency radio system already in place throughout the country. This new system would carry voice conversations, telegraph messages, facsimile, and radio programs, and the proposed broadband would have the capacity of 600 voice channels per band. The Tudor company claimed the broadband radio system was meant to facilitate communications for the national military, police, emergency units, civil aeronautics, and weather systems, as well as, the national radio program Radio VietNam, but likely it also imagined these uses to be advantageous to the United States government. In an awkward explanatory moment in what is supposedly just an engineering report, the Tudor company justified its dominance in the development of Vietnam's new media infrastructure by claiming that, "you cannot expect as high a degree of efficiency from Orientals as is expected from Americans. In other words, the Oriental has a comparable degree of intelligence, but his living habits limit his ability even when the proper desire and knowledge are acquired."[23] With bald imperialist ambitions and a seeming lack of practical knowledge of post-colonial Vietnamese, as well as a deliberate disinterest in the objectives the Vietnamese might have for their own media industries, the Tudor company precociously asserted its own ideology in light of what it falsely claimed was "the little knowledge of the [Vietnamese] people concerning 'good' telecommunications," demonstrating the pervasiveness of developmentalist attitudes.[24] In hindsight of the U.S.-Vietnam War, the plans of a company like

[23] Ibid., 95.

[24] Ibid., 92

[25] The Vietnamese refer to the Vietnam War as the U.S. War.

Tudor appear clearly contrived to meet the goals of the U.S. government, and not the needs of Southeast Asians. But such U.S. prejudices did not stop the Vietnamese from using the system during the U.S.-Vietnam War;[25] for Ho Chi Minh[26] in particular, broadband radio was the most common means for disseminating nationalism. He frequently used it to broadcast "news bulletins on the Declaration of Independence and other public affairs in Vietnamese and four other languages: English, French, Cantonese, and Esperanto."[27]

Compared with radio and telephone, television came relatively late to Vietnam, and was also used by the U.S. to foster the U.S. brand of imperialism. In 1966, U.S. Ambassador Henry Cabot Lodge and South Vietnam Prime Minister Nguyen Ky introduced the first television broadcast in Vietnam, a 30-minute segment which consisted of news, a comedy skit, and two short films that were broadcast to South Vietnamese and to the increasing number of U.S. soldiers.[28] The broadcasts were done "on board a US Navy Super Constellation," and were used to rally the Southern Vietnamese against the Northern in the War.[29] South Vietnamese Television, or THVN was born of this complicated relationship between the Southern Vietnamese and the United States, and THVN broadcast entertainment, public affairs, news, and

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[26] For more on Ho Chi Minh see Minh, Ho Chi, *On Revolution; Selected Writings, 1920-66*, ed. Bernard B. Fall (New York, NY: Praeger, 1967).

[27] Panol, "Vietnam." 469.

[28] Ibid., 471.

[29] Ibid.

[30] Ibid.

commentary to Saigon. Later that same year, the United States continued to assert their control over broadcast development in South and Central Vietnam by providing equipment, training, and receivers to add to the land, buildings, staff, and operating budget provided by the South Vietnamese for the first actual ground stations in Saigon and Hue; eventually THVN could reach a potential 75 percent of the South Vietnamese viewership. While THVN survived the onslaught from the North, a station built near Hanoi by Northern Vietnamese with the help of East Germany was not so lucky: immediately after its first broadcast on September 7, 1970, US artillery barrages forced THVN "to evacuate its equipment to the countryside and remain at an experimental stage until the end of US bombing."[30] It was not until the mid-1970s that the Northern Vietnamese station was able to continue broadcasting "two nights a week a mix of educational, health, and children-oriented programs."[31]

Once the U.S. pulled out of Vietnam and the Communists defeated South Vietnam, the main goal of the VNCP was no longer just to survive, but to seamlessly reunify North and South. The media infrastructure was a significant part of this reunification process, and the VNCP considered South Vietnamese media outlets to be part of VNCP "national" property. In order to maintain the "purity" of the Communist ideal as it would manifest itself in the media, the Party largely refused the economic offerings and also the policy prescriptions of major Western economic agencies. Instead the VNCP struggled for years to update its media industry technology within its own limited means. Twenty years into the reunification process, the Vietnamese media wore a different face than it had earlier in the century. The Party had absorbed THVN into its network, to make three national television channels; it also owned 288

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[31] Ibid.

FM radio stations, along with 8,365 radio-relay stations for around 73 million people over 325,000 square miles.[32] They also had begun to strike agreements with other countries in their region to gain access to satellite technology so the television industry could broadcast between North and South and obtain broadcast signals from foreign-operated satellite channels like CNN and Hong Kong's STAR TV, to sell to the limited number of Vietnamese who could get approval to own a satellite dish or could afford cable television.[33] More impressively, in 1994 Prime Minister Vo Van Kiet sent the first e-mail out of Vietnam to Sweden in 1994 using an Internet hub set up between the Institute of Information Technology (IOIT) in Hanoi and the Australian National University, as part of the Party's goal to push the nation's media infrastructure forward in a way the Vietnamese had not been able to do since the late 1950s.

Vietnam had begun to accomplish their technological goals, with only modest support from Western agencies or corporations. Of course, the Western response to this was to characterize Vietnamese technological development as strikingly uneven and inadequate. From a Western neoliberal perspective, the Vietnamese government was hopelessly backward and dysfunctional in updating its national media. During the 1990s, the number of phone lines for the 71 million Vietnamese citizens at the time was 350,000, a number that seems strikingly low compared with that of Western nations.[34] As for computers, the number of these was .30 for one hundred persons.[35] However, in his discussion of the rhetoric of the "New Economy," economic analyst Doug Henwood points out that such figures should be contexualized to avoid fetishizing

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[32] Ibid., 476.

[33] Ibid.

[34] Ibid.; see also International Telecommunications Union International Telecommunications Union, "Vietnam Internet Case Study," (Geneva, Switzerland: ITU, 2002).

[35] Ibid.

high-tech development in favor of foreclosing "any serious discussion of the broader political and cultural issues."[36] Thus, the number of computers and telephones per 100 persons becomes much more relevant when held up against other human development measuring tools, like literacy rates. So although Vietnam appears to have a strikingly low communication technology distribution during this decade, according to figures gathered by the World Education Forum, UNESCO, and the United Nations Development Program, Vietnamese literacy rates for the same period hovered consistently in the ninetieth percentile, comparable to Western percentages.[37] Coupling figures for communication technologies with that of literacy rates reveals not Vietnam's lack of capacity, but its priorities. Therefore, the assumption was that the Party had begun to develop a digital telecommunications infrastructure even before it provided for the basic needs of the majority of its citizens was incorrect. More likely, the West considered the VNCP dysfunctional because, while it would accept some Western funds in reparation for the US war against Vietnam, it did not feel compelled to accept a Western policy agenda. Thus, it seemed the VNCP had deliberately made the process of upgrading their media infrastructure more difficult because it refused Western imperatives to privatize, deregulate, and accept foreign direct investment from these Western-oriented agencies. Perhaps the Vietnamese government refused to adopt Western policies as a reactionary move to keep its citizens from accessing information via an anticipated influx of Western media, as many neoliberal scholars claim. Or maybe the VNCP refused the offerings because, for the first time in decades it could. In the 1950s and 1960s Vietnam had had little choice in matters of national financial and policymaking

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[36] Henwood, *After the New Economy*. 68.

[37] United Nations Educational, Scientific and Culture Organization, *The EFA 2000 Assessment: Country Reports, Vietnam* (2000 [cited October 5, 2006); available from http://www2.unesco.org/wef/countryreports/vietnam/rapport_2_1_1.html.

decisions; it was one of France's postcolonial nations and later became a location for the Cold War strategy of the U.S. In the aftermath of colonialism and occupation, when the country could regain control, the options for securing funding were still governed by Cold War politics. Vietnam joined the IMF, World Bank, and the Asian Development Bank in the 1950s and 1960s, but as a political hot potato, the country received little support. Vietnam then joined the Council for Mutual Economic Assistance (CMEA) in 1978 and could easily secure funding from the CMEA, but membership in the Council also placed Vietnam squarely behind the Iron Curtain out of the West's purview, at least until the CMEA collapsed in 1991.

However, the question still remains: how did Vietnam establish a digital telecommunications network to develop Internet, cellular telephones, satellite broadcast, and cable networks without significant support from the West? The answer lies with more palatable economic alternatives available from its own Southeast Asian community in the form of regional economic alliances like the Association of Southeast Asian Nations (ASEAN), regional trade agreements like the Asia-Pacific Economic Council (APEC), and financing from regional sources like the Asian Development Bank (ADB). Rather than being compelled to emulate the Western method of commercially sponsored media, these more politically neutral regional alliances provided funds while allowing Vietnam to maintain a largely state-run media system.

Thus, as a case study what Vietnam illustrates is a significant set of points about the pressures developing nations have traditionally faced and what choices they were able to make in response. First, a regionally based economic relationship helped countries like Vietnam navigate between political autonomy and the need for technological transfer and training by offering greater security from the ideological imperatives of Western-style capitalism. And second that the siren song of Western economic aid became less enticing when more politically benign

neighbors offered the succor necessary to upgrade media technology. The efficacy of regional relationships became especially clear when compared with membership in global organizations like the WTO, whose requirements go beyond just abiding by trade regulations, to demanding adherence to a neoliberal political agenda. Further, what may have seemed like Vietnam's chronic hesitancy to modernize their media infrastructure actually might have contributed to their success in upgrading their media industry from analog to digital.

3.3   STEMMING WESTERN "FLOW" INTO THE POLITICAL ECONOMY OF VIETNAM

Nearly a decade before the U.S.-Vietnam war began, the West, lead by the United States, offered the sub-Mekong delta region a significant amount of development aid, as well as numerous recommendations for rebuilding a wide range of necessary public infrastructures, including the telecommunications industry. Such activities could be interpreted several ways: benevolently, as a humanitarian response to the needs of grave poverty and devastation, or otherwise, as an exploitation of those needs toward political ends. The West often has faced charges of exploiting developing countries. For example, the international component of the U.S. Marshall Plan—the goal to maintain the "flow of information" about the benefits of democracy and capitalism from the U.S. to the rest of the world via print, broadcast, and cinema—also has been described in these terms.[38] Without a doubt, in 1958 the U.S. believed

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[38] Schiller, Herbert I., *Culture, Inc.: The Corporate Takeover of Public Expression* (New York: Oxford University Press, 1989).

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plans for new phone lines and broadcast television repeaters outlined in the report by Tudor Engineering would have been conducive to inaugurating this "flow" into Vietnam. But when U.S.-Vietnam War began, it became obvious the Vietnamese would be skeptical about the "assistance" offered by the West.

Although Vietnam strove to mobilize its resources after the War, it was not until 1984 that the Vietnamese Communist Party attempted to infuse the country with a new political and economic spirit, its "Doi Moi" (meaning reform) policy. Implemented by the Sixth Party Congress, Doi Moi represented a shift away from the command economy model toward the allowance of a limited market system as a practical response to severe resource shortages once aid from the Russian-bloc sponsored CMEA finally ran out. Besides allowing semi-private agriculture in the north, further reform measures in 1986 sanctioned "private and joint state-private firms, including 100 percent foreign owned ones as specified in the foreign investment law of 1987," as well as the maintenance of low labor costs to attract foreign direct investment.[39] Since the late 1980s, the Vietnamese economy expanded beyond the state to include household, cooperative, joint state-private, and private sectors. It is perhaps this policy reform that prompted a measure of preemptive hypothesizing about what was thought to be a momentous change in the political trajectory of Vietnam: the demise of the Vietnamese Communist Party (VNCP). But the government's intention to create macroeconomic stability represented by Doi Moi in no way reflected a significant political shift away from Party power and ethos. Despite a shift toward market socialism, Doi Moi was a policy that would be tightly controlled by the centralized government, particularly at the level of individual citizens. And more relevantly to

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[39] Luong, Hy Van, Ed., *Postwar Vietnam: Dynamics of a Transforming Society* (New York & Singapore: Rowman & Littlefield Publishers, Inc. w/ Institute of Southeast Asian Studies, 2003), pp. 10-12.

my point, none of these changes applied to the state-owned Vietnamese media industry. It was not until 1994 that a fundamental shift in the political economy of Vietnamese media was even recognizable.

The most obvious change was the Clinton administration's removal of the U.S. embargo that had been in place for 15 years; indubitably, this granted Vietnam access to U.S. media products and technology, if they chose to indulge, which they often did not. Perhaps more crucial moment took place during April of 1994 when Prime Minister Kiet exchanged the first e-mail from Vietnam with Carl Bildt, the Prime Minister of Sweden. According to its 1994 report, "Electronic and Information Technology in Vietnam," the United Nations Development Program asserted that the exchange between Vietnam and Sweden was symbolically significant for the "developing" world as it moved into the so-called "digital age."[40] This was certainly true. However, the intentions that animate the relationship between Vietnam, Sweden, and more importantly Australia, should not be overlooked. The relationship also signified that nations spontaneously could pull together of their own accord at any time for a technological, political, or economic alliance that was designed to suit only the needs of the parties involved, and was relatively autonomous of agencies like the IMF and the World Bank. Therefore, the methods by which the Vietnamese Directorate-General of Post and Telecommunications, as well as the Ministry of Science and Technology chose to put the country on the map of media technology in 1994 are key to understanding *how*, as a "developing" country, the Socialist Republic of Vietnam fostered its ambition to update its media technology. The Vietnamese government, or the State,

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[40] United Nations Development Project, "Electronic Information Technology in Vietnam: The Need to Coordinate the Development of Electronics Manufacturing, the Diffusion of Information Technology, and the Promotion of Related Activities," ed. Jan Annderstedt and Tim Sturgeon (UNDP, 1994), pp. 54-56.

and not a multinational corporation, was the prime mover in establishing Vietnam's technological presence on the global stage. This instance clearly contradicts one of the rhetorical contortions of the Western globalization myth, that multinational corporate capital alongside agencies like the IMF, WTO, and World Bank were the only viable sponsors of technological development.

3.4   THE COMPULSION TO CAPITALISM

Vietnam's measured development of its national media infrastructure demonstrated that the Vietnamese government understood that at its core, the media was an industry, and in some ways was just like the coal, rubber, or rice industries, in that it required protection from foreign interests. Yet, for the VNCP, the media industry was (and is) an industry like no other. For decades, the national media system remained one of the most effective ways the VNCP had at its disposal for disseminating its ideology; opening this industry to an influx of foreign products put Party power at great risk. But in 1998, economist and former GATT Secretariat Kym Anderson, exhorted Vietnam to eliminate protectionism and commit itself to becoming "more open" in order to gain access to organizations like the WTO.[41] In his book, *Vietnam's Transforming Economy and WTO Accession*, Anderson ignored the politically charged nature of WTO accession to a developing country like Vietnam, which would require it to dispose of its status as a "'non-market economy.'"[42] Echoing the conventional wisdom of the WTO, IMF, and World

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[41] Anderson, *Vietnam's Transforming Economy and WTO Accession: Implications for Agricultural and Rural Development*. As of February, 2006, Vietnam was still not a member of the WTO.

[42] Ibid., iv.

Bank, Anderson claimed that any economy can "grow faster the more open they are to international trade and investment" through a process of "deregulating foreign financial investment, encouraging the phasing down of tariff rates, freeing up of trade in services, reducing state support for national enterprises, and enforcing WTO rules uniformly and predictably."[43] Doing so, he proposed, might result in an increase in trade with both the U.S. and the European Union. Not doing so, Anderson admitted, might raise the ire of the WTO and might mean that the "US or EU could continue to apply selective safeguards and impose punitive…duties against" Vietnam.[44] As United Nations University policy analyst Grzegorz Kolodko pointed out in his 2000 text *From Shock to Therapy*, the WTO, IMF, and Bretton Woods institutions have made their "financial involvement contingent upon the implementation of specific fiscal and monetary policies."[45] For Vietnam in particular, the cost of sacrificing its continued goal of equitable sustainability in a socialist fashion could not be ignored.

Furthermore, WTO membership was dangerous in the way it indiscriminately suggested policy initiatives to nations across a wide spectrum of political and economic milieu. Such policies deliberately ignored the obvious: that more permeable markets potentially increased the possibility for excessively speculatory foreign investment, and that not all nations embraced the neoliberal ethos of freewheeling and rapid change to a supposed "free-market" capitalism because such a system retreated as fast as it rushed in, leaving destruction in its wake. This risk

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[43] Ibid.

[44] Ibid., xv.

[45] Kolodko, *From Shock to Therapy: The Political Economy of Postsocialist Transformation*, pp. 120.

applied equally to foreign direct investment in a national media industry like Vietnam's. Kolodko referenced the disasters that rocked the global economy in the 1990s—the pandemic of Eastern European reform, as well as the Thai bath crisis, which was due in part to the increased permeability of Thailand's economy—as indicative of such ideological "blind spots" in WTO, IMF, and World Bank policy. For example, 3,000 Thai journalists alone lost their jobs in 1997 following the Southeast Asian crisis.[46] For a small country in the Southeast Asian region, such a loss was no niggling problem, since it represented the loss of nearly a third of the labor market for this industry. As such relying on speculative capital put a significant burden on the national media industry, not to mention the on the national economy. Therefore, those who advised countries like Vietnam to join the WTO also falsely suggested that the opportunity for gaining a stake in the world trading market more than outweighed the potential risks involved from making borders, markets, and industries (including its national media and telecommunications industries) more permeable to other countries, regardless of national politics or interests. For Kolodko, Asia could not afford to be rash about its political and economic decisions:

> The benefits brought by short-term international lenders [and policymakers] are questionable: they do not provide new technology; they do not improve the management of domestic institutions, and they do not offer reliable finance…The Asian saga proves, once again, that liberalization and inadequately regulated and capitalized financial systems is a recipe for disaster.[47]

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[46] Schidlovsky, John, "Hard Times for Thai Journalists," *American Journalism Review*, no. March 1999 (2003).

[47] Kolodko, *From Shock to Therapy: The Political Economy of Postsocialist Transformation*, pp. 129.

However, global lending and trade regulation agencies or even foreign direct investors were not compelled to consider the risks before establishing relationships with the developing world. Consequently, the responsibility for assessing and troubleshooting these risks fell on the shoulders of developing world recipients even though they often did not have the resources to develop the requisite administrative bodies.

Almost in response to objections raised by external parties like Kolodko, Anderson maintained that the WTO only has four "simple" key objectives that any country can "easily" follow without having to think twice: "to set and enforce rules for international trade, to provide a forum to negotiate and monitor trade liberalization, to resolve trade disputes, and to improve policy transparency."[48] As if dismissing any valid concerns about these objectives, Anderson asserted that to "become a WTO member is to join a club," and "like all clubs, the WTO bestowed benefits on members but there were some costs; it offered rights but with them come obligations; it provided new opportunities but also some challenges."[49] While admitting that, "occasionally the rules and obligations" are burdensome, Anderson explained, "evidently the net benefits are overwhelmingly positive, since most countries are or have applied to become members."[50] Not only was this a logical non sequitur, but also what many WTO proponents described as "objectives" or "costs" could easily be interpreted as a high stakes risk by countries like Vietnam. As mentioned earlier, the VNCP might have seen opening up the media industry to foreign trade as a political problem for Party power, but also an economic one because it would open up the national media industry to foreign competition.

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[48] Anderson, *Vietnam's Transforming Economy and WTO Accession: Implications for Agricultural and Rural Development*, pp. 59.

[49] Ibid.

[50] Ibid.

In *The Political Economy of Global Communication*, Peter Wilkin observed that for countries like Vietnam, the intense pressure to "adopt the range of neoliberal policies that corporate interests would like to see" characterized the 1990s.[51] And since the IMF, WTO, and World Bank organizations were the canals through which a significant amount of this global economic flow snaked, nations like Vietnam ignored the policy prescriptions of these economic behemoths at a dear price, since failure to adopt these policies often resulted in denial of membership, resources, and an international outlet for their own exportable products by bodies like the IMF and the World Trade Organization. Even so, while many East Asian media industries faced economic crisis and agreed to WTO, IMF, and World Bank measures in the 1990s, Vietnam defied this regulatory environment by the elephantine pace of its reforms. Ignoring the Western market model promoting immediate and comprehensive marketization of national industries such as telecommunications and media programming as a means to fund technological innovation, Vietnam instead patiently worked to update media industry technology on its own terms. Vietnam consequently received nothing from these organizations for its telecommunications infrastructure. Thereby, it sacrificed rapid innovation of the media industry to the goal of a politically autonomous, state regulated industry. In the face of such daunting challenges, the decision to resist was no mean feat. Countries like Nicaragua and Venezuela received funding from the IMF in the billions of dollars in part for agreeing to privatize their telecommunication infrastructure, while Vietnam only received several million dollars. Therefore, Vietnam embodied a confusing contradiction for the Western policymaker: that what seemed to be "necessary from the economic viewpoint" turned out to be "impossible from the

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[51] Wilkin, Peter, *The Political Economy of Global Communication: An Introduction* (London: Pluto Press, 2001), pp. 55.

political perspective."[52]   Vietnam was politically a Communist country with a market-socialist economy; it is also in great need of economic resources, but indiscriminately accepting them from Western agencies was against VNCP goals during this time.   Thus by Kolodko's assessment, it was a Western "nightmare" because it undermined the assumption that free market capitalism and democracy were the key ingredients to a successful development process. Vietnam revealed that a one-size policy does not fit all.

In fact for decades, Vietnam defied what *New York Times* journalist Thomas Friedman called the "golden straitjacket" of the international market, or the sweeping global compulsion to restructure national interests toward global trade organizations and the ubiquitous multinational corporation.[53]   Therefore, to many in the West, Vietnam's entry into the ASEAN regional economic alliance in 1994 seemed unconventional, if not proof that the last of the Communist "strongholds" was buckling under the pressures of globalization.   Since several of the organization's other members like Thailand and Singapore had already decided to privatize in order to obtain foreign direct investment, Western scholars assumed that following fast on the footsteps of the decision to join ASEAN would be Vietnam's own unbridled enthusiasm for deregulating and privatizing in the WTO fashion. Indeed, Vietnam's economic cooperation with Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar (formerly Burma), Philippines, Singapore, and Thailand signaled a shift in Vietnamese policy objectives; however, this metamorphosis had less to do with changing the national political culture and more to do with

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[52] Kolodko, *From Shock to Therapy: The Political Economy of Postsocialist Transformation*. 5.

[53] Friedman, Thomas, *The Lexus and the Olive Tree* (New York: Random House, 1999).

protecting the technological culture of the national media industry that the VNCP wished to establish.

3.5   THE "ASEAN WAY"[54]

Formed in 1967, ASEAN did not operate like other prototypical alliances such as the European Union whose formation initially hinged upon security issues, and later evolved into more explicit concerns about becoming a "global power."[55] Nor did it function so similarly to other fourth generation alliances, like NAFTA, which acted primarily as free trading blocs. Instead, according to the Association, the "ASEAN way" was to promote regional relationships, including economic, technological, and cultural alliances between member countries, particularly in response to the pervasive pressure of global economic and trade organizations.[56]

In the wake of a growing U.S. imperialism in Southeast Asia, ASEAN composed the 1967 Bangkok Declaration proclaiming the founding members' determination "to ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideas and aspirations of their peoples."[57]

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[54] Association of Southeast Nations, *Homepage* (2005 [cited April 24, 2004]); available from www.aseansec.org.

[55] Rachman, Gideon, "Outgrowing the Union: A Survey of the European Union," *The Economist*, September 25, 2004. 83-94.

[56] Association of Southeast Nations, *Homepage*.

[57] Ibid.

Ironically, in earlier decades, Vietnam was considered an "external influence" by ASEAN for its aggressive attitude towards Cambodia, among other reasons. By the opening of the twenty-first century, Vietnam had acquired membership and the ASEAN region had a population of about 500 million, a combined annual gross domestic product of US $737 billion, and a total annual trade activity of US $720 billion.[58] The world market began to claim ASEAN nations were economic "tigers." During such "boom" years before the late 1990s, ASEAN nations took advantage by setting up a telecommunications backbone network set up between several of its members and Hong Kong, as well as other networks connecting five ASEAN nations with mainland China. On one hand, as a collectivity ASEAN had vast resources at its disposal, primary amongst them human. On the other hand, they were also a potentially volatile agglomeration of ten countries whose political systems ranged from multi-party democracy to military regime, and whose economic disparity was striking. The Singaporean per capita income, for example, towered over Laos, Cambodia, and Vietnam by 83 percent, and ASEAN's military regime, Myanmar, was often cited for significant human rights violations. In the last several decades, criticism of ASEAN was on the increase in the international media for ignoring these human rights violations and for not securing stability, security, or rights for 'their peoples,' especially in Vietnam and Myanmar.[59] ASEAN's perennial response was that "non-interference in the internal affairs of one another," was the way in which the Association chose to manage

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[58] Ibid.

[59] *Economist, The*, "Shame on the Summiteers," *The Economist*, December 4, 2004. See also Tay, Simon S.C., et al. *Reinventing ASEAN*. Singapore: Institute of Southeast Asian Studies, 2001.

[60] ASEAN *Homepage*.

such regionally complex issues.[60]   In its Treaty of Amity and Cooperation, the ASEAN

Secretariat went on to explain that the "reason [for this vision] is clear. National sovereignty and

its handmaiden, the principle of non-interference, are the only conceptual bulwarks protecting

the small and the weak from domination by the powerful. In the absence of a supranational

government, it is indispensable to any sort of international order."[61] It was difficult to ascertain

whether this rhetoric referred to the relationship between larger and smaller countries within

ASEAN, or whether it referred to the relationship between ASEAN and other Western agencies.

One thing is clear: the Association was reluctant to take orders from the West, at least

rhetorically.

As it expanded from its original six members to include the sub-Mekong countries like

Vietnam, ASEAN's focus changed little in the 1990s, and it publicly maintained that it remained

intent on implementing regional programs to reticulate communication, transportation, and

industrial development, with a modest increase in regional trade.[62] According to data gathered

by the IMF at the beginning of the twenty-first century, ASEAN had more than doubled its share

of world output to reach almost six percent since 1975. Over the next twenty years, ASEAN was

expected to increase its share of world trade "three and a half times to about eight percent."[63]

Per capita (per person) purchasing power "will have increased from less than $1,000 to almost

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[61] Axline, *The Political Economy of Regional Cooperation,* 112.

[62] Hicklin, John, David Robinson, and Anoop Singh, eds, *Macroeconomic Issues Facing ASEAN Countries* (Washington, DC: International Monetary Fund, 1997), pp. 25.

[63] Ibid.

[64] ASEAN *Homepage.*

$10,000 in just one generation" for those living in ASEAN countries.[64] But other than citing a general improvement in purely rational economic terms, it is difficult to find evidence about how this translates into experience on the ground for either individual ASEAN nations, or even individuals living in them. What this rhetoric does tell us is how ASEAN wished to be perceived by potential economic partners. During the late 1990s in particular, ASEAN attempted to broadcast its intentions to the rest of the world market that it was going to facilitate this trend in the telecommunication sector by forging an agreement among member countries called the Hanoi Plan of Action in which "the design, standardization, inter-connection and inter-operability" of information technology systems like satellite, Internet, and cellular telephony would be accomplished by the next decade.[65] The goal for the year 2020 was to maximize the opportunity cost of developing digital technologies for member countries by being able to share technologies and networks across political and geographical borders; nations would agree on a particular technological innovation before implementing them on their own. The Global System for Mobile Communication, or GSM cellular telephone network, common across Southeast Asia was a good example of such an agreement. The Association tried to accomplish these and other goals in part by depositing "self-sustained and permanent funds" with both the Asian Development Bank, as well as the IMF through monies collected from each member country for an ASEAN Science Fund.[66] The funds were earmarked for ASEAN member nations only, so that each of them could innovate technology, create a technology Research and Development (R&D) infrastructure, or use the fund as a form of aid in the event of a systemic economic crisis.

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[65] Ibid.

[66] Ibid.

On the whole, Vietnam benefited from greater integration into the ASEAN region. The year Vietnam joined ASEAN its communication technology was a mere 0.5 percent—defined as only 350,000 telephone lines in mainly urban areas for an astounding 71 million people around the country to use.[67] But by 1995, the Vietnamese Directorate General of Posts and Telecommunications began establishing links with its neighbors as part of its master plan, ITP-2000. Soon after, it had overseen the installment of optical fiber links for use in video, audio, data, Ethernet, Serial Direct Interface for digital broadcasting, and HDTV transmission between many of its main cities; the establishment of a nationwide paging service with Thailand's Shinawatra company; the signing of a joint-venture with Singapore Telecom International to develop third generation cellular systems with "roaming" capability; and the development of a public Internet data network hubbing through the Computing Unit of the Australia National University.[68] At the close of the past century, the number of phone lines in Vietnam—including both fixed lines and cellular (or mobile)—rose to five percent from its 1994 figure, even with the significant drop in regional, foreign, and direct investment in Southeast Asia during the Thai bath crisis.[69] And it bears remembering that these improvements were made not under a privatization scheme, but under government directives.

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[67] Ure, John, *Telecommunications in Asia: Policy, Planning and Development* (Hong Kong: Hong Kong University Press, 1995), pp. 71.

[68] International Telecommunications Union, "Vietnam Internet Case Study."

[69] United Nations Development Project, "Electronic and Information Technology in Vietnam." 26.

3.6 TECHNOLOGICAL INNOVATION IN VIETNAM: 'A PASSION FOR MODERNITY'[70]

Thus, if conventional wisdom suggests mimicking is the sincerest form of flattery, the Vietnamese policy of technology development was paying something other than a compliment to the "developed" world. Pro-neoliberal scholars have grudgingly acknowledged Vietnam's success in innovating its media industry, and when they did so, they often attributed the possibility for this kind of success exclusively to a market openness of global proportions. The Vietnamese government, however, did not allow foreign corporations headquartered outside of their region a dominant stake in their national media industry; and so their success in upgrading their media technology could only be attributed to the openness they established with other ASEAN nations involved in the innovation process. Although not a definitive example, as a case study Vietnam undermined such specious neoliberal logic, that developing nations depended on the developed of the West for new technologies, and that as these developing nations adapted them, inevitably they did so in a linear fashion mimicking those supposedly in the "vanguard." Vietnam also reminded us why it is important to contemplate the concept of technology within the context of globalization: such claims occupied a broader territory of technology philosophy and debate about its status as an agent of social, economic, political, or environmental change.

While it was impossible to ignore the obvious, that much of recent digital technology was born in nations that dominated global trade and finance organizations like the WTO, IMF, etc., it

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[70] Marr, David G., "A Passion for Modernity: Intellectuals and the Media," in *Postwar Vietnam: Dynamics of a Transforming Society*, ed. Hy Van Luong (New York & Singapore: Rowman & Littlefield Publishers, Inc. w/ Institute of Southeast Asian Studies, 2003).

was not necessarily the case that these newer forms of technology were adopted into every national "family" in the same way. That is not to say that Vietnam did not flirt with technology transfer or foreign direct investment from investors outside its hemisphere in experimenting with new digital technologies. Many Western companies—Telstra telecommunications (Australian Post and Telecom), IBM, Apple, Compaq, Hewlett-Packard, UNISYS, and Bull (France) among them—were given a chance to demonstrate their products for the Technology Promotion Department of the Ministry for Science, Technology, and Environment.[71] Often, however, these temporary collaborations fostered the transfer of technical knowledge, but did not result in many deals or commitments from Vietnam in either the 1980s or early 1990s. By far, Vietnamese and other East Asian telecommunication companies dominated when it came to capturing visibility in the 1990s Vietnamese media industry, and even the East Asian companies that did manage to gain a stake were reluctant to advertise their presence as a foreign agent to the general public, given domestic brand loyalty.[72] Perhaps what Vietnam affirmed, then, was that a third perspective existed, that the technology was a mélange of both neutrality and ideology: that a national media industry like Vietnam most definitely relied on technology and knowledge shot through with capitalist imperatives, but Internet capability, cellular telephony, digital film, and satellite broadcast, were as mutable as any other tools. Significantly, this point made clear what neoliberal rhetoric rendered opaque: that the example of Vietnam quietly threw a wrench in the

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[71] United Nations Development Project United Nations Development Program, "Human Development Report 2003
Millennium Development Goals: A Compact among Nations to End Human Poverty," (New York, NY. Oxford University Press: UNDP, 2003). 27-28.
[72] Ibid.

machinery of globalization debate about "best ways" of creating, employing, and sharing technology.

According to the United Nations Development Program (UNDP), Microsoft was reluctant to consider approaching Vietnam during the 1990s with the possibility of marketing its products since "vast numbers of illegally copies versions of Microsoft personal (PC) application programs (such as Word, Excel, and FoxPro) and operating software (such as DOS and Windows)" was in use all over Vietnam at the time.[73] Although the UNDP suggested this kind of co-optation was possible because the government did not have strong intellectual property rights legislation in place, seen from a different perspective, this "lack" was evidence that the government was not as interested as Microsoft in defending the capitalist notion of private property. Therefore, while Microsoft Windows operating system can be equated (and frequently is) with the further calibration and de-skilling of labor and thus as a minion of capitalist expansion, once the technical knowledge is duplicated and publicly available, it also becomes ripe for picking by anyone, including those who believe that ideas are free and not "private" property.

Historically, appraisals of Vietnamese industrial applications of media technology were that they were "foreign," "obscure," and "repressive" when compared with the better-known Western media industries. In his analysis of Vietnamese media during the "Post-1975" period of change and beyond, David G. Marr was not shy about describing the strength of the Communist Party's censorship of those interested in broadcasting radio programs; publishing books, magazines, journals, or newspapers; and creating other mass media, perceived by the government as outside of party doctrine. In his article, "A Passion for Modernity: Intellectuals

[73] Ibid.

and the Media," Marr detailed that until at least the late 1980s, not only did the government persecute literary critics for publishing their iconoclasm, but that even musicians and radio broadcasters were either warned, fired, or arrested for not obediently airing politically correct "red" programming.[74] But tracking those speaking out against Party activities could easily be accomplished in the mid-twentieth century: until the late 1990s, very few people or even organizations possessed printing presses, copying machines, or even fax machines, and often copying machines of the period, "required special imported paper that was seldom available" and had to be ordered through official channels.[75] Certainly recording studios, record production, and broadcast stations were Party property, and television programming strictly served the purpose of promoting Vietnamese unity; a one-way medium, television was not a forum that solicited opinion. As for IT, in the form of computers and the Internet, in 1995 a mere 0.41 computers were available for every 1,000 persons.[76] No doubt computers were rare, but they were also costly, as the fees to import such technology were excessive; thus, as with the first e-mail sent from Vietnam in 1994, most of the media technology of the twentieth century was reserved for government use. Those with controversial ideas to communicate were not necessarily those with the technology necessary to disseminate them.

But in the 1990s, following Doi Moi under General Secretary Nguyen Van Linh, some official controls relaxed a little, allowing an increase in political debate that, while frowned

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[74] Marr, "A Passion for Modernity: Intellectuals and the Media."

[75] Ibid., 289.

[76] Tay, Simon S.C., Jesus P. Estanislao, Hadi Soesastro, eds., *Reinventing ASEAN* (Singapore: Institute of Southeast Asian Studies, 2001).

upon, was not adjudicated against. Very few of those working in the mass media, print, and broadcast journalism were imprisoned, and those that had been fired in the past "found that the market now offered other work opportunities."[77] Journalists were allowed greater access to foreign news sources and professional journalism had, exploded to "[a]lmost nine thousand persons [who] possessed official journalist accreditation and worked for 712 different media units (including television and radio)."[78] Even so, Marr cautions against assuming party politics were the primary reason for a change in mass media in the 1990s; it was instead, he asserts, a concern for the "rampant inflation" that was making a "mockery of the entire state allocation system," which forced both private and state forms of mass media industry to funnel their energies into moneymaking, rather than either mandating or avoiding state law.[79] So for example, the State was forced to allow the "growth of a modest English-language press" because of its "perceived need" not only to "influence foreign residents," but also to "attract foreign investments, and trade."[80] In other media industries like book publishing, for instance, translations of popular editions of fiction and nonfiction from English, French, and Spanish authors were available again for the first time in decades, so much so that they represented a 50 percent increase in published titles.[81]

Likewise, the Vietnamese broadcast programming and equipment industries were also in a revival period in the 1990s, as state stores offered an increasing number of imported color TV

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[77] Ibid., 279-281.

[78] Ibid., 281.

[79] Ibid., 283.

[80] Ibid., 281.

[81] Ibid., 287.

sets, and small private shop fronts sold less expensive versions of locally fabricated sets, making television fare available to greater numbers of the population.[82] Riding on the coattails of the increase in electronic receiver production, Mexican, Brazilian, and Australian embassies along with private corporations provided the State television network, Vietnam Television (VTV), "with scores of free-to-air programs, in hopes of gaining an early edge over their foreign competitors."[83] The programming produced abroad—including soap operas, news programs, advertising, etc.—featured an "expensively produced, artistically slick, technically advanced" look, and began to earn VTV substantial ad revenue until the government worried "that it was losing control" of national television to commercial prerogatives.[84] And although young people seemed fascinated by the production value of the content, tellingly, many adults complained about the intrusion of advertising. The Party responded by reigning in local stations to limit advertising time to less than five percent of overall programming, by redirecting advertising revenues toward local broadcast production, and by more carefully scrutinizing foreign program content and ads promoting products like CD players, condoms, soft drinks, cosmetics, and motorbikes. Foreign programmers responded to the ensuing "glacial pace of contract negotiations," now an extra step necessary to complete before reaching audiences, by terminating broadcast donations.[85] Fortunately, local programmers had not been sitting on their hands in the wake of foreign competition, and had begun to produce content that "managed to gain a large, devoted audience" interested in locally-flavored dramatic serials, live coverage from around Vietnam on national holidays, game shows, and quiz shows, among others, which are still

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[82] Ibid., 287.

[83] Ibid.

[84] Ibid.

[85] Ibid.

pervasive formats on the national networks today.[86]   And while "television daily news and current affairs programs remain[ed] subject to particular party surveillance," programming had "come a long way since the days of talking heads merely reading newspaper articles or quoting provincial hog statistics."[87]

For the film industry, however, prospects in the 1990s were markedly different, if not underwhelming. Just as Vietnamese filmmakers, like broadcast and print media, had begun to enjoy an unprecedented freedom of new cinematography techniques *and* newly permissible subjects under relaxed government regulations, the government began a series of cutbacks for the national film industry. A significant amount of production fell on the shoulders of "a few creative artists who managed to acquire video cameras and associated audio equipment" and who chose to "concentrate on whatever could be accomplished cheaply and sold on the open market."[88] According to Marr's research, "the total 1997 allocation" for filmmaking "amounted to only 0.3 percent of the amount spent by Hollywood on just one film—Titanic," and one-quarter "of that 1997 allocation was earmarked for one film about Ho Chi Minh, which drew lukewarm reviews and limited theater audiences."[89] A catch-22, less film production also meant a shrinking audience, and consequently, a correspondent withdrawal of what little funds remained. Toward the close of the decade, the government began to close a third of all cinema houses, until only 50 houses across the country remained; and only one of which could be

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[86] Ibid., 286.

[87] Ibid.

[88] Ibid.

[89] Ibid., 287.

described as state of the art.[90]   Yet, at the time of my own observation of the Trung Tam Chieu

Phim Quoc Gia or National Cinema Center houses I observed sprinkled throughout Hanoi only a

half-decade later in July 2005, it was hard not to compare it with the convention of Western

theaters, and to find the Western variety lacking against the massive, fully-digitized, convention

center style of the Vietnamese National Center.   At the same time, theater going did not seem to

be a popular activity (even though it seemed important from a Western perspective that these

houses provided air-conditioning during the heat).   More remarkable, I was struck by the film

announcement boards whenever I passed by them in either Saigon or Hanoi: there was a notable

absence of Hollywood films; titles were predominantly Vietnamese, with one or two French and

Chinese.   Thus, the gears of change in the economic, political, and social culture of Vietnamese

government continued to quietly grind, albeit unevenly, but in interesting ways.

Perhaps the differences between the development and patronage of broadcast and print,

when compared with film, could be attributed to the burgeoning interest in developing

technologies with a greater common use value.   For example, broadcast, electronic versions of

print, and telephony shared much of the hardware and software necessary for their innovation

and use, such as optical fiber links, HDTV signal transmission, satellites, computers, and

monitors.   However, digital filmmaking required non-linear editing for production and special

screens for exhibition, equipment that did not necessarily dovetail with the technologies listed

above or even with traditional filmmaking itself.   Also significantly, in becoming a member of

ASEAN, Vietnam automatically agreed to abide by ASEAN Vision 2020.   In signing this

[90] Radio Voice of Vietnam, *Equitisation of the Feature Film Sector* [Radio Interview] (VOVN, 2004
[cited December 15, 2004]); available from
http://www.vov.org.vn/2004_10_17/english/baituan/baituan.htm.

contract, Vietnam consented to work cohesively with other member countries to create shared

seed funding, infrastructural networks, regulations for standardization, and mutually beneficial

trade policy for all new technologies by the second decade of the millennium.[91] For Vietnam,

and other members of ASEAN with an exigency to develop a basic telecommunication system to

support Internet, cable, satellite, and cellular, the Vision 2020 goals were more compatible with

print (electronic versions), broadcast, and telephony. In 1993, Prime Minister Vo Van Kiet

signed off on the Vietnamese manifestation of this agreement, Government Resolution No. 49,

which was the holistic vision of the future of digital technology development in Vietnam.[92]

Presciently, Vietnam had already been developing university support and educational

facilities on its own significantly before 1994. Marr remarked that "[c]omputers had attracted

the attention of Vietnamese scientists from the 1960s, and the Vietnamese press was already

linking national computer literacy to modernity in the 1980s."[93] During that time, Vietnam had

been developing communication technology training programs at the Hanoi University of

Technology, Hanoi Polytechnic, the National University in Hanoi, Lotus College of Information

Technology and Management in Ho Chi Minh City, as well as the National Centre for Natural

Sciences and Technology's Institute of Information Technology (IOIT), Ton Duc Thang

University of Technology, and the Ho Chi Minh University of Technology, each also in Ho Chi

[91] Association of Southeast Nations, *IAI Work Plan: Narrowing the Development Gap within ASEAN Assisting New Member Countries (Cambodia, Laos, Myanmar and Viet Nam) July 2002-June 2008* (Association of Southeast Asian Nations, 2003 [cited October 28, 2003]); available from http://www.aseansec.org/14237.htm.

[92] Department of Planning and Investment, Ho Chi Minh City Department of Planning and Investment, *Homepage* (2004 [cited April 25, 2004]); available from www.dpi.hochiminhcity.gov.vn/invest/index.html.

[93] Marr, "A Passion for Modernity: Intellectuals and the Media." 290.

Minh City. The most remarkable instance, though, was the IOIT. Hosting one of the five Internet Service Providers in the country since the 1990s, the IOIT also housed its own research and development program working in theory and application of software engineering, including technology transfer, information storage and management systems, internet protocols, and computer aided educational systems. Also operating through the school was the VAREnet system, Vietnam's Academic, Research, and Educational data communications network, an arrangement of "highly-qualified groups of experts drawn from different ministries, agencies and consulting firms," along with NetNam, a public ISP.[94] Astoundingly, the Vietnamese government fomented this technological ambition in 1996 by lifting restrictions to permit a twenty-four-hour dedicated phone line. After it was lifted, the number of email users exploded. Public locales for Internet use spread from the universities to Internet cafes and shops where people could participate in chat rooms, explore websites, play online games, etc. And in early 2000, "Vietnam was said to possess 60,000 computer sites liked to five state-owned Internet service providers" on a 100 percent digitalized domestic communication network.[95] Coupled with the 157,000 cellular phone subscribers, tireless the government would have to have been to monitor this unprecedented exchange of information in the late 1990s.

In terms of broadcast media in the form of satellite, cable, and television, technological innovation also culminated in an information exchange explosion. Described as "signal spillover," or the potential for citizens with satellite dishes to receive unauthorized transmissions from outside the local broadcast networks, like access to the Internet, new broadcast technologies

[94] United Nations Development Project, "Electronic and Information Technology in Vietnam." 44.

[95] International Telecommunications Union, "Vietnam Internet Case Study.", Ure, *Telecommunications in Asia: Policy, Planning and Development*, pp. 139.

presented a regulatory conundrum for the Vietnamese government: how to unleash new technology like satellite television while controlling its ambit. Preventing signal spillover should have been an easy task since satellite dish ownership required permission from the Ministry of Culture, and was primarily intended for hotels; still in 1999 there were some 20,000 satellite dishes in the four largest cities in the country, figures above official government estimates.[96] But rather than attempting to restrain satellite through limiting public access, the government's answer to the spillover was to increase production of local programming, and to even further update broadcast technology by owning its own satellite, VinaSat-1, by 2003. In part, it seemed the government hoped to stem the tide of unsupervised foreign programming beamed in from regionally owned satellites, AsiaSat-2, Thaicom-3, IntelSat, and Intersputnik, and also from cable systems, T-V-H, a cable link with Thailand and SMW-3, that links Vietnam with 34 other countries. But as the example of the Internet, and the insouciance with which citizens acquire satellite dishes, as well as other media technology highlights, the government vigilance Vinasat-1 supposedly represents might just have been a paper tiger. For Peter Lovelock and Susan Schoenfeld, "[u]ntil computer, telecommunications and television technologies began rubbing shoulders it was normal…for government to regulate telecommunications directly through controls over prices and profits, and to regulate television by supervising programming standards."[97] But in the late 1990s, as technology became increasingly intimate with programming, and was used as much by individuals as public agencies, the government decided to regulate with further innovation rather than by traditional restrictions. This trend has

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[96] Lovelock, Peter. "Information Highways and the Trade in Telecommunications Services." In *Telecommunications in Asia: Policy, Planning and Development*, ed. Ure, John, 140-180. Hong Kong: Hong Kong University Press, 1995.

[97] Ibid., 153.

continued at present, the use of an Internet police squad being one of the methods that has become public.

3.7   CONCLUSION

A complicated system, the Vietnamese media is sometimes correctly described as an industry managed with an authoritarian hand because of the restrictions it imposes. Censorship was still a reality in Vietnam in the 1990s and has become even more so in the last five years, even with complex new digital technologies like satellite and Internet. Not only did the VNCP attempt to keep track of satellite dish ownership, but the rumored Internet security that manages the firewalls necessary to keep people from reaching "incendiary" websites and from sending and receiving e-mails deemed problematic, among other things.[98] Yet, the VNCP and its concomitant commercial media institutions also continued to eagerly embrace technological innovation that, intentionally or unintentionally, allowed citizens to increase their exposure to a plethora of alternative information sources that could provide varied political and cultural debate. As technology philosopher Bruno Latour would have pointed out, however, the technology itself was never the primary determining factor that limited peoples' access to information in the first place.[99] Instead, it was the social, political, and cultural milieu in which the technology existed that would make VNCP proscription possible. Yet, even as the Vietnamese government adopted

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[98] According to a Deutsche Presse Agency correspondent working out of Hanoi, July 26, 2007.

[99] Latour, Bruno, *Aramis, or the Love of Technology*, trans. Catherine Porter (Cambridge, MA: Harvard Press, 1996).

more sophisticated technology to carefully control access, self-trained and technology savvy citizens continued to find ways around such government restrictions.

More importantly than simply censorship, however, this conflicting agenda between the government and its citizens is not just demonstrative of the importance of contextualization for the development of technology. The technologies Vietnam adopted—satellite, Internet, cellular phone, and digital filmmaking—were also flashpoints for the issues that, as a developing nation, Vietnam faces in trying to maintain a national media system with characteristics of both public and private industry. The VNCP has traditionally regulated the national system; still in order to obtain many of these newer technologies, the VNCP also chose to allow foreign multinational media firms like LG, Mobifone, and Nokia to sell their wares within the country especially if these companies would assist in setting up the telecommunication infrastructure during their tenure in the country. In return, the VNCP had to exchange a modicum of their control of the media in order to achieve their goal of becoming "wired," at least until the business cooperation contract was terminated. As a consequence, the influence of foreign companies in Vietnam threatened the VNCP's ambition to limit commercialization and keep the Communist integrity of its national media products and services.

Like many other developing nations, Vietnam certainly understood the risk Western corporate practices posed, especially with the incessant deregulation and consolidation of ownership in the Western industries and multinational media corporations.[100] The tale of the commercially oriented Western media's failure to provide for its citizens the information

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[100] The CIA has also recently come under fire for its surveillance of electronic communication in the U.S. See Shane, Scott, "News of Surveillance Is Awkward for Agency," *The New York Times*, December 22, 2005.

necessary to maintain the integrity of its own political structure is well told by others studying the political economy of communication. However, much less ink has been spilt in documenting the stories of iconoclastic national media industries like the one in Vietnam, which in the regional economic alliance ASEAN, was able to discover an alternative to neoliberal privatization. This chapter, therefore, represents the beginning of such an ambition: to make clear that there are stories from developing world media industries like Vietnam where choices were made that could reveal the aporias inherent in capitalist globalization.

4.0   SOUTH AFRICA'S MEDIA INDUSTRIES: FREEDOM IS ANOTHER WORD

FOR NOTHING LEFT TO LOSE[1]

4.1   INTRODUCTION

Much like the story of the Vietnamese media industry, the tale of the South African national media is one of struggles. Struggles took place between colonials and the colonized, between censorship and freedom, between a private and public-oriented media infrastructure, and between the demands of the global political economy and local needs. Also like Vietnam, South Africa's struggles reflect the crises that plague the capitalist system as Wallerstein describes. With its vast resources in diamonds, gold, and other precious minerals, the dominant Western economies could not resist pulling Southern Africa into their fold. The capitalist system hungered after South Africa enough to exert a great deal of economic and political effort at keeping South Africa out of communist hands, as it did Vietnam during the Cold War. But the West soon found that trying to cover up the contradictions that surfaced in South Africa under the capitalist system could indeed be expensive. First in the form of groups, namely those native to the geography that resented being pulled into a system of unequal exchange so much that they responded by striking as well as striking back with violence; and second in the form of South Africa's apartheid policies that represented a political embarrassment of global proportions. And

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[1] Joplin, Janis, "Me and Bobby Mcgee," (Columbia Records, 1971).

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as Wallerstein's theory would predict, with each rebellion of South Africa's coopted groups, the stakes became higher for capitalism to quell them. And as with Vietnam, when it became apparent that supporting South Africa's peripheralization within the system was ultimately too expensive—in South Africa it took the form of chronic and extensive aid packages—capitalism tried to cut South Africa loose. It has had little luck in doing so.

Yet, South Africa is distinct from Vietnam in some important ways. The issue of ethnic and racial groups is not absent in Vietnam, but Vietnamese nationalism has been successful in an Andersonian sense. At least for now, the VNCP has been able to create an implicit agreement among the majority that to behave as a collective is in their best interests; perhaps Vietnam's successful expulsion of various imperialist invasions fostered the acquiescence of its various interest groups to the "Vietnamese nation" that the VNCP imagined. The case is obviously quite different in South Africa. Racial tensions—most generally between black and white—the seeds of which were planted in the eighteenth century by Dutch and English colonialists, have almost prevented South Africa from making it to the twenty-first century intact.

What this pervasive conflict has meant for the South African national media system is a great disparity in provisions for black and white that tarnishes South Africa's reputation on the global market as an attractive investment opportunity. South Africans outside the ambit of privilege that many whites and a handful of "Black elites" enjoy, incorporate new communication technologies into their lives in ways that clearly reflect the national political economic legacy of the nation.[2] For the majority of poor South Africans, cell phone, satellite radio and television, and Internet, when accessible at all, are communal experiences. People

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[2] I use the term Black, in the same sense as Nelson Mandela who feels it to be a broad definition, which includes all non-whites.

gather around the television or satellite radio in small roadside bars, restaurants, hotels, or in people's homes to watch local programming like *Egoli: The Place of Gold* and the *Village Headmaster*, alongside U.S. programming, like *The Cosby Show*, *A Different World*, *Scooby Doo,* and CNN.[3] Several people often share one cell phone at a time with each user owning his or her own SIM card, to use the cell phone text feature rather than calling because it is cheaper. If cellular is not an option, they travel with prepaid cards to "mom and pop" community call centers located in both urban and rural areas. Cyber cafés or community centers are often bustling with people who do not have Internet access at home or at work.[4] Schools lucky enough to enjoy a computer and ISP, particularly in rural areas, are frequented by digital courier services that travel by bike with flash drives to deliver Internet searches and email responses to those who cannot gain access to the school directly. Consequently, new communication technologies like cellular phone, satellite radio and television, and Internet are indeed within reach, but often only those in the economic elite use them in a way that would be familiar to most Westerners. Such a situation could be seen as time bomb of potential opposition and unrest, but also a political atmosphere that is a deterrent to foreign capital investment.

As in Vietnam, there are numerous reasons why there are so many inequities in South Africa's uses and availability of digital communication technologies. To start, it is due not only to a lack of access to the technologies themselves, but also because the provision of electricity, a basic utility needed to run many of them, can never be taken for granted in impoverished

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[3] Onwumechili, Chuka, *Reform, Organizational Players, and Technological Developments in African Telecommunications--an Update* (Lewiston: E. Mellen Press, 2003)., 96-204.

[4] Stilwell, Christine, "Community Resource Centres: A Turn of the Century Update," in *Knowledge, Information and Development: An African Perspective*, ed. Christine Stilwell, Athol Leach, and Simon Burton (Natal, South Africa: School of Human and Social Studies, University of Natal, 2001).

townships. As late as 1993, South Africa produced 50 percent of the electricity consumed in Africa, and yet 60 percent of the poorest Black South Africans had no access to it.[5] Second of all, technology training among blacks and whites varies greatly. To blame for both of these problems is the legacy of unequal access at all levels left over from apartheid. South Africa boasts numerous universities reputed to be well heeled in technology training, but it is to this level that most black South Africans cannot reach.[6]

The choices the African National Congress (ANC) made for how new communication technologies would be deployed in post-apartheid South African society embodied the struggles that the South African national media industry underwent in the 1990s as the nation moved to a more democratic, but market-influenced government. Early in the decade as the ANC prepared to take over from the National Party (NP),the needs of millions of impoverished Black citizens suddenly came into focus. Many still needed a public water and sanitation infrastructure and an electrical grid, not to mention the housing to which these infrastructures would connect. The ANC would have to be technologically, as well as politically, innovative in answering these needs considering the national economy had been handicapped for nearly a half-century. The National Party still yielded significant (if informal) economic power in South Africa, and so the riddle to be solved was how to "kill two birds with one stone"; in other words, how to adopt a digital telecommunications network that would at once satisfy the corporate sponsor's need for a

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[5] Marks, Shula, "Social Change, Order and Stability in the New South Africa," in *The New South Africa: Prospects for Domestic and International Security*, ed. F.H. and E.J. Yorke Toase (New York: St. Martin's Press, 1998). 25.

[6] Butcher, Neil, "New Information Technologies and Learning in South Africa: Pitfalls," in *Knowledge, Information and Development: An African Perspective*, ed. Christine Stilwell, Athol Leach, and Simon Burton (Natal, South Africa: School of Human and Social Studies, University of Natal, 2001).

modern system, but still be mobilized for the rest of society, which largely comprised the ANC's power base.

Naturally, the transition to ANC power was not a smooth one. Although NP power was waning in the 1990s, Afrikaners still had a significant stake in the private sector of society as owners of many viable South African parastatals (state-owned industries). This economic power induced the ANC to put several of its more socialist-inspired goals on hold, perhaps to minimize the violence and rancor of the transition from apartheid to democracy. The direction the development of the national media industry would take was among the goals on which the ANC was forced to concede, at least temporarily. Rather than prioritize universal service for Black townships, progress was made in the white, urban areas where Afrikaner business interests still ruled: the South African Posts and Telecommunications authority ordered state of the art fiber optic cable, cellular transmission towers, and broadband capability to be installed to facilitate business transactions. E-commerce, financial transfers via the Internet or cell phone, and other modern telecommunications capabilities now characterized these Afrikaner-dominated townships; but as they were often situated next to those inhabited by Blacks, which often did not even offer landline phone or television repeaters, the contrast was stark. Little had changed since the late 1970s when in Black townships there were only 3.3 telephones for every one hundred persons, while for whites there were 72 telephones for every 100 persons.[7]

The ANC decision to move away from a socialist program promising Black South Africans reparations, including access to water, electricity, housing, and education, to a starkly different plan that required cutbacks in social services, forced the newly-minted government into a semi-permanent practice of crisis management. Being wedged between the campaign promises

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[7] Ibid., 159.

that foisted them into the power and their obligations to the neoliberal financial sphere, meant that the South African political economy became dominated by "speculative movements of capital" that constantly threatened to overheat at the slightest indication of political unrest.[8]   But the national media system in particular was significant to Black South Africa as symbolic of larger structural dissatisfaction. As P. Eric Louw's work on South African media policy debates of the 1990s shows, Black South Africa was prepared to demonstrate their opposition to privatization of the national industry.[9] The ANC had first hand experience with the significance of media to disenfranchised South Africans.   Being itself a disenfranchised movement representing the rights of Black South Africans, the NP had banned the ANC for decades; thus, the ANC had virtually no access to the national media to champion their own cause. Accordingly, "universal access" for all South Africans became a touchstone issue in the ANC movement for power. South African broadcast was not only a channel for transmitting political messages to their target audience; ideally, the national media system could also be harnessed as an example that South Africa was a progressive nation. But the NP legacy was only one obstacle to universal access the ANC faced. Many of the places in which poor Black South Africans lived were not even equipped with the infrastructure necessary—power lines, transmission towers, etc.—to receive such potentially valuable broadcasts. In a report on South Africa's development strategy, Daniel Moagi, General Manager of Human Resources at the Department of Science and Technology in South Africa, clarified just how overwhelming the ANC's task was to remedy this situation once in power: it had to cope immediately with "the needs of 40

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[8] Mattelart, *Networking the World, 1794-2000.* 76.

[9] Louw, P. Eric, ed., *South African Media Policy: Debates of the 1990s* (Bellville, South Africa: Anthroppos Publishers, 1993).

million people as opposed to a mere 5-6 million" people.[10] During its nearly 60 years in power, the Afrikaner NP had not only neglected the needs of Black South Africans, but had deliberately corralled them as impoverished laborers and less-than-marginal citizens in the less desirable areas of the country. Making improvements in these areas would be a generations-long effort.

Besides offering basic provisions like the electricity needed to run the system, the ANC realized that to be able to harness the national industries for themselves, Black South Africans would need an education toward taking its reins. As of 1995, 28 percent of adults were functionally illiterate and 11 percent of adults "were estimated to be totally illiterate" (i.e. no education at all); and the vast majority of illiterate people were from Black townships.[11] Predictably exacerbating the situation was that most Black South Africans were nearly kept out of higher education altogether. Technical universities and technikons[12] did exist in South Africa and they produced the majority of graduates with an ability to create new technologies, innovate existing technologies, or create policies to sustain them. However, Black students were "almost completely absent in courses" in telecommunication-related fields.[13] In 1994, a mere 18 percent

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[10] Moagi, Daniel, "South Africa's National Research and Development Strategy," (Pretoria, S.A.: The Government of the Republic of South Africa, 2002). 15.

[11] Aitchison, John, "Reading and Writing in the New South Africa: Literacy and Adult Basic Education and Training in South Africa," in *Knowledge, Information and Development: An African Perspective*, ed. Christine Stilwell, Athol Leach, and Simon Burton (Natal, South Africa: School of Human and Social Studies, University of Natal, 2001). 135.

[12] A technikon is a non-university, vocational higher education institution in South Africa. Many technikons in South Africa have recently changed their status, being renamed Universities of Technology; however, very few offer Master's or Ph.D. degrees.

[13] Kahn, Michael J. and B. Daya Reddy, "Science and Technology in South Africa: Regional Innovation Hub or Passive Consumer?" *Daedalus, Journal of the American Academy of Arts and Sciences* 130, no. 1 (2001). 40.

of African students were enrolled in general engineering programs, and only seven percent in "cutting edge" programs like computer science.[14]

Even in the late 1990s, these schools were still racially segregated, either being "African" (Black) educational institutions or predominantly "white." Without foundational training for media technology, most citizens might have known how to adapt to technology as consumers, but not necessarily as producers and regulators. They were, therefore, largely exempt from being able to decide which new media technologies were developed, for whom they were developed, and what path development took. The ANC's intial decision had not been to try to immediately try to increase the number of Black students in technical universities. Instead, it was to establish call centers, paging and cellular phone service, satellites with large regional "footprints," and the production of inexpensive battery-powered radios, services that the impoverished might use. But given the commercial character that governs these technologies and the communal experience that dominates the use of them, it is hard to measure just how many disadvantaged South Africans could become intimate with such technologies when even their access to using it was limited.

Very few development funding options existed for the ANC to be able to immediately improve shortcomings in higher education or universal access; the NP had made South Africa an international pariah. Many of the conditioning factors that affected the development of universal access were the result of apartheid and the international community's response to it. But as economic analyst Helen Marais' observes in her book, *South Africa: Limits to Change*, the influence of the global financial institutions did much to reinforce South African disparity, rather

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[14] Ibid., 56.

than improve it.[15] Economic sanctions imposed by several Western nations and the World Bank and the IMF had been in place against South Africa for decades by the time the ANC took over. Moreover, the national history of civil strife and poor economic policies made the nation a significant investment risk; thus, foreign investment was almost non-existent. Ironically, these factors made other alternatives—like the regional initiatives of the Southern African Development Community (SADC) and the African Development Bank—appear much more palatable to the ANC in protecting its goal of universal media access for all citizens.[16]

4.2 SOUTH AFRICA MEDIA HISTORY: ARSENAL OF OPPRESSION OR LIFELINE?

In 2002, Africa supposedly ceased to be the "most isolated" continent on the planet. With a "ring of laser light" made up of a fiber optic telecommunication cable now hemming the African coastline, capable of handling vast amounts of data quickly, the international media predicted that Africa was on the verge of an economic, political, and technological "Renaissance."[17] As one of the richest countries on the continent, South Africa would likely be at the vanguard of this revival. This claim was troubling on several levels, foremost because of its description of Africa as a previously "isolated" continent. Given that for hundreds of years the United Kingdom and Europe had been invasive, exploitative agents that permanently altered

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[15] Marais, Helen, *South Africa, Limits to Change: The Political Economy of Transition* (London: Zed Books Ltd., 1998). 100-131.

[16] Ibid., 146-176.

[17] Whitehouse, David, *Circe of Light Is Africa's Net Gain* (BBCNews, 1999 [cited December 17, 2005]); available from http://news.bbc.co.uk/1/hi/sci/tech/376016.stm.

its socioeconomic and political make-up, Africa has hardly been "isolated." Second, the notion that South Africa has only recently entered a "Renaissance" smacks of a Western dismissal of South Africa's triumph over apartheid, as well as many of its achievements in reversing apartheid's destruction. In his article, "The ANC Perspective: Meeting Expectations" John Hamill describes that representing the needs of South Africa's Black, "coloured," and white populations has been nearly impossible, with need far outstripping available resources.[18] According to South African scholar Shula Marks, the historical inequalities of the nation unfortunately did not disappear overnight just because South Africa elected "a Black president, a Black cabinet, Black members of parliament," or even though there was a swelling of "Blacks in the lower ranks of the middle class."[19] The old divisions between "white affluence and Black poverty remain and are paralleled by an equally stark divide between rural and urban incomes."[20]

As Ruth and Keyan Tomaselli note in their comprehensive research on South Africa, the print media in South Africa that was the first medium to mirror these complex racial and national tensions that have historically plagued South African media.[21] Black South Africans were interested in publishing their own newspapers at least as early as the mid-1800s, when they were inspired by missionaries promoting literacy and education among the native population as a part of their Christian proselytizing. *Umshumayeli Wendaba* (*Publisher of the News*), printed at the Wesleyan Mission Society in Grahamstown from 1837 to 1841, was one of the first South

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[18] Hamill, "The ANC Perspective: Meeting Expectations?" in *The New South Africa: Prospects for Domestic and International Security*, ed. F.H. and E.J. Yorke Toase (New York: St. Martin's Press, 1998).

[19] Marks, "Social Change, Order and Stability in the New South Africa." 26.

[20] Ibid.

[21] Tomaselli, Keyan, Ruth Tomaselli, and Johan Muller, *The Press in South Africa* (New York: St. Martin's Press, 1987).

African newspapers to hire Black South Africans as editors.[22] At the same time, John Tengo Jabavu, one of the most assertive Black missionary editors, believed that a Black press would be best served by being independent from all outside influence, and he resigned his editorship of a missionary-owned newspaper *Isigidimi samaXhosa* to start his own paper, *Imvo Zabantsundu* (*African Opinion*), which was the first to be written, owned and controlled by Black editors. Two other distinct presses developed at the same time to address the needs of the other two main groups in South Africa: English industrialists and Dutch farmers. The more economically powerful of these industries was linked with the pervasive mining industry established by the English and were mostly commercial enterprises; their content was sensationalist and included crime, sport, and "funeral news" rather than political discussions of any merit.[23] The Dutch Afrikaner newspapers, on the other hand, responded to what Afrikaners saw as an overly liberal English press that often talked about abolition, human rights, the Dutch oppression of the Xhosa, as well as the British ambition to colonize the entire African continent. They also often included tracts against Black nationalism, and were against the Black press in particular. Unfortunately, English and Afrikaner interests would prevail as far as the Black press was concerned. Often a lack of human and capital resources plagued papers like Jabavu's, and the white press often acquired them soon after they had printed the first run.[24]

As Afrikaners rose to power and created an authoritarian state in the mid-twentieth century, they were much better able than the English to control the press in South Africa. The result was that both Black and English papers were banned, went bankrupt, were bought out, or

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[22] Ibid.

[23] Ibid., 52.

[24] Tomaselli, *The Press in South Africa*. 47.

changed hands and/or mastheads. Unless they explicitly supported Afrikaner interests, editors and journalists—whether English or Black—were intimidated, threatened, jailed, or saddled with outrageous legal fees.[25] Consequently, coverage of the starvation and disease in the Bantustans where most Blacks were relegated rarely made headlines. On occasion, an English paper reported on Afrikaner government violence against the Black population and sometimes even published in one of the African languages. More common in the English press, however, was coverage of issues like "housing, transport, recreational environments and education," topics that would not get the paper shut down, but would contribute to the stabilization of the Black urban workforce.[26] Tomaselli et al. note that white editors, whether English or Afrikaner, chalked up the dearth of reportage on Black political issues to the idea that "Blacks 'have little interest in politics'."[27] Black reporters were rare and reporting on Black issues was not done unless there was the promise of an exponentially increased circulation. It was only during events like the 1976 Soweto uprising that Black reporters and Black political issues became relevant to the press.

The succession of colonial oppression and apartheid that first dominated and then standardized the exploitation of the majority of indigenous South Africans, also had a significant impact on the national broadcast and telecommunication industries the ANC would inherit. For Black South Africa, both electrical and media systems would have to be built almost from scratch. The original architects of apartheid forced many, if not all Blacks out of urban centers where access to both media and the electricity needed to run them was most plentiful. Masses of

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[25] Ibid., 67-71.

[26] Tomaselli, *The Press in South Africa*. 62.

[27] Ibid., 53.

people were "relocated" to "homelands" or Bantustans, which were actually barren and desiccated tracts of land. Literally and metaphorically the land could bear neither the fruits of agricultural labor nor of a telecommunications infrastructure. Even an electricity infrastructure was rare in most Bantustans.[28] As key South African public policy advocates Willie Currie and P. Eric Louw argued, the medium of radio maintained pride of place in South African, since the network of stations and repeaters were cheap to operate and maintain, because radios could operate either by hand crank or by batteries, and because South Africa's tragically low literacy rates worked to sustain the medium. During apartheid, however, radio programs were not designed to uplift impoverished Black South Africans; most South African radio was designed to serve the needs of the apartheid state. Community radio programming created as a public resource for the average South African would not even be considered a reasonable goal of the leftist movement until the political upheaval of the 1990s.[29]

Although radio started out as the domain of commercial industry when the South African Railways developed the first broadcast network in 1923, the medium was immediately refashioned as an efficient ideological weapon. Within two decades of the first radio broadcast, the Afrikaner National Party had taken over the South African government, and had formed the South African Broadcast Corporation (SABC) to regulate the South African media in favor of whites while subordinating Blacks. Under SABC auspices, radio became a conduit for entertainment, news, and educational programming or propaganda, depending on which of its

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[28] Moholi, Pinky, "Universal Service Obligations for South Africa," in *Telecommunications and Development in Africa*, ed. B.A. and M.C.M Werner Kiplagat (Amsterdam: IOS Press, 1994).

[29] Louw, ed., *South African Media Policy: Debates of the 1990s*. More specifically, see Currie, W., "The People Shall Broadcast! The Battle for the Airwaves," in *South African Media Policy: Debates of the 1990s*, ed. P. Eric Louw (Bellville, S.A.: Anthroppos, 1993).

two very separate populations of listeners, Black or white, was being addressed.[30] According to African telecommunications scholar Chuka Onwumechili, radio was "the most visible communication instrument of the apartheid South Africa."[31] Most programming favored whites; when broadcasts in one of the three local Black South African languages did take place for a few hours a day on "Radio Bantu," the programming was "'used to counteract the statements of popular Black leaders such as Dr. N. Motlana, Chief Gatsha Buthelezi, and Bishop Desmond Tutu'" who often spoke out against apartheid.[32] Yet, it seems that the SABC's goal of using radio as a tool of propaganda was a little self-contradictory. Many Black townships were even unable to receive radio broadcasts. Representing NP policy, the SABC argued against providing these services because they amounted to the "'impression of permanence to urban dwelling at a time when Nationalist government policy was that urban Blacks were a temporary phenomenon."[33] Nonetheless, the absence of both broadcasting and a broadcast infrastructure that addressed the needs of the Black population was demonstrative enough of the NP's manipulations of the truth.

Ironically, even though it was one of the most developed nations on the African continent, South Africa would be one of the last nations on the continent to feature broadcast television. No television programs were broadcast to the general public until 1976. Until then, only closed circuit television for educational, medical, or industrial applications were allowed in

[30] Onwumechili, *Reform, Organizational Players, and Technological Developments in African Telecommunications--an Update*. 159.

[31] Ibid.

[32] Ibid., 160.

[33] Ibid.

South Africa.[35] Forbidding broadcasting served the NP in two ways. The less obvious way was that prohibiting television sets reduced the threat of U.S. and British broadcast penetrating South African airwaves.[36] Although as Tomaselli et al. point out, broadcast programming went far for the British and Afrikaners, who worked together to exploit and stabilize Black Labour, these two groups also competed with each other for primacy, and thus broadcast equality was constantly at issue.[37] The dominant population of Afrikaners did not appreciate an increase in English language programming, even though the Afrikaans-dominated SABC already had a monopoly over all broadcasting and consequently the messages it disseminated.

The second reason for resistance to foreign programming was its potential to have "an agitative political impact on urbanized Blacks who at that time were disallowed from voting."[38] Unfortunately for the Black population, these policies meant that the development of television would mirror their experience with print and radio: it did not meet their needs, nor did it reflect their identity; the idea was just to get "as many black population into the SABC audience as possible."[39] It was not until 1981 that South Africa would broadcast in African languages such as Zulu, Xhosa Sotho, and Tswana to cater to the small Black middle class. Neither these broadcasts, nor the ones in Afrikaans or English, were subtitled, however, based on the

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[35] Tomaselli, Ruth, Keyan Tomaselli, and Johan Muller, ed., *Broadcasting in South Africa*, *Studies on the South African Media* (London: James, Currey, 1987). 84.

[36] Although Afrikaners were mostly on friendly terms with the U.S., after fighting with the English for dominance for over a century, they still held a grudge against the English language.

[37] Tomaselli, ed., *Broadcasting in South Africa*. 39, 94-95.

[38] Onwumechili, *Reform, Organizational Players, and Technological Developments in African Telecommunications--an Update*. 160.

[39] Tomaselli, ed., *Broadcasting in South Africa*. 73.

assumption that most people had no desire to watch programs in another language. This highlights the extent to which the NP segregationist attitude infused almost all aspects of life.

During its initial stages, the SABC funded local program production with licenses issued to each television set owner. However, the SABC eventually found the cost of producing local programs to be prohibitive compared with incoming revenue, and it mostly dumped the British model of broadcast in favor of the U.S.-style, advertising-supported media. The British model allowed the National Party to track television set ownership and perhaps prevent its rapid dissemination into the Black townships, but the cash-strapped SABC found that the British model could do little to support program production. Not only was South Africa compelled to turn to the U.S. to stay afloat, but it also turned to the U.S. for ready-made programming, since Australia and England had imposed a boycott on distributing their programming to South Africa, despite the fact that U.S. programming was in English (which was perceived to be a chronic threat to Afrikaans). On the surface, this decision seemed to suggest that the NP was ready to open itself economically and politically to the international community and potentially face the condemnation of apartheid. This was true only at a superficial level; the NP's real focus was on what they stood to preserve in adopting the more privatized U.S. model. In the late 1980s, the NP had realized that national politics were shifting and that the democratic movement was growing in power and scope. Should the democratic movement, represented by the ANC, ever take the majority of government seats, splitting up the national media industry by selling off parts of it meant that the ANC would never control South African media. Thus, the NP's decision to privatize was more than an economic decision; it was a political strategy as well.

For both the NP and the democratic movement, control of the airwaves and the printed press signified something much greater than just access to producing and disseminating

messages or managing competition and revenue streams in the 1990s. In South Africa, it was openly admitted that the national media industry was a touchstone of political power, and it remained a key point in the debate within the democratic movement about how far the ANC could push for positive change, not only in the media industry, but also in all aspects of South African society. Broadcasting in particular was significant because the ANC believed that the SABC had to be transformed into a neutral institution in order for free and fair elections to take place. According to Horwitz, the democratic movement at large understood that "no challenger to the National Party could contemplate running an election campaign if broadcasting…remained in the NP's pocket."[40] The situation appeared even worse when NP began to sell off parts of the South African national media industry to private corporations. The "'democratic movement' interpreted…commercialization of the SABC as the first step in a process of creeping privatization which would, at a later stage, become an attempt to unilaterally sell the profitable parts of the public broadcaster to the private sector."[41]

According to Willie Currie—the General Secretary of the Film and Allied Workers Organisation (FAWO) and later a key leader of the Independent Communications Authority of South Africa (ICASA)—those vying for the restructuring of South African society were not troubled by the privatization of national industries per se. What they felt they were struggling against was privatization and deregulation as an Afrikaner "pre-emptive" strike that would "prevent any future government having such a centralized national" media infrastructure from which they could broadcast messages in favor of democracy.[42] With an attempt by the "existing

[40] Horwitz, *Communication and Democratic Reform in South Africa*. 9.

[41] Currie, "The People Shall Broadcast! The Battle for the Airwaves." 48.

[42] Ibid.

authorities" to restructure the South African Broadcasting Company "during a period of negotiations" for democracy, more than commercialization of the industry was at stake.[43] With the NP acting in a dual role as government and primary political negotiator or "elite-pacting" in the transition away from apartheid, the ANC felt there could be little hope for a future chipping away at Afrikaner hegemony.[44] For Currie, it was "all the more reprehensible" that the NP was determining the regulation of media technologies and programming for both the present and the future "when it was precisely the public's right to vote and participate in decision-making over such questions which was being negotiated."[45] This strategy was one reason that South Africa's transition period became, to use Robert Horwitz's words, "unusually communication-saturated," with both sides struggling to dominate the media with their own agenda.[46]

Debates around control of the media infrastructure had begun well before the deconstruction of apartheid. The ban on political organizing had been lifted in 1990s, and as the ANC hoped to continue amassing power, the value of media access became crucial. According to Horwitz, the South African media "gives people voice, symbolically and materially."[47] At issue was whether universal access to both production and consumption of the media would help further the democratic movement, or whether it was likely that the media would be more smoothly democratized post-apartheid. Those such as the FAWO and the Convention for a Democratic South Africa (COSATU), wanted to negotiate openly for an independent, impartial board to oversee the development of the South African media industry, for a lift of the SABC

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[43] Ibid., 49.

[44] Ibid., 10-11.

[45] Currie, "The People Shall Broadcast! The Battle for the Airwaves." 49.

[46] Horwitz, *Communication and Democratic Reform in South Africa.* 18.

[47] Ibid., 5.

"ban on films and videos produced by South Africans of different political persuasions," for the SABC to "take action to redress the racial imbalance in skills and responsibilities regarding programme production and management," and for the free organization of media union employees.[48]

Broadly speaking, the official NP response to the FAWO and COSATU requests was to try first to deny the group the right to demonstrate for their demands; the second response was the assurance that the changes at the SABC were being made by experts who were acting on the behalf of share holders and that changes toward commercialization would place "'the SABC on a healthy business footing'."[49] To claims made by democratic protesters that SABC programming was already biased in favor of the NP, SABC officials typically argued that "because all political parties from the far right to the left including the NP attacked them for bias, they were therefore getting the news balance right and were unbiased."[50] Often at the center of the debates around media was community radio, especially since the SABC had been "allocated almost all the available FM frequencies in metropolitan areas." [51] Protesters believed that the airwaves should be opened to other local broadcasters for community radio programming as a means to diversify the political messages disseminated throughout the country. The stage had been set in advance, however. Years before, an NP-appointed Task Group had already granted both the SABC and the independent television company M-Net, license protection for their radio stations for several years into the future.

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[48] Currie, "The People Shall Broadcast! The Battle for the Airwaves." 47.

[49] Ibid.

[50] Ibid., 49.

[51] Ibid., 54.

These grandfathered SABC and M-Net FM radio licenses illuminated a disturbing and pervasive problem in the transition from apartheid to democracy: that often one step toward democracy seemed to require two steps back, and the ANC had to accept that the NP had incumbent power. Although the ANC had taken control of the government, many criticized that, in fact, very little had changed at all, except that a few elite Blacks were now able to share control with a powerful white constituency.[52] Indeed, numerous public calls for action did not stop the sale of parts of the media industry, but some positive regulatory changes did take place. In 1993, the Independent Broadcast Authority (IBA) Act began to lay the framework for an independent and impartial regulation of broadcast content and signal distribution. The IBA was independent because it was not a minion of either the NP or the democratic movement. Made up of representatives from both parties, the IBA was an attempt to balance power. One of its first projects was the Telecommunications Act of 1996, in which it established the South African Telecommunications Regulatory Authority, which as a separate institution, would regulate in the public interest for "a range of economic and social goals including the advancement of disadvantaged persons and communities."[53] Four years later, the technological convergence of broadcast and telecommunications technology that fiber optic cable and satellite represented, compelled the IBA and SATRA to merge into one institution, and the Independent Communications Authority of South Africa (ICASA) emerged as the sole regulator of broadcast and telecommunications in 2000. Given the many handicaps with which the NP had saddled the national media industry, ICASA was not a magic bullet for reform; however, it did signify a shift

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[52] Horwitz, *Communication and Democratic Reform in South Africa.* 18.

[53] International Telecommunications Union (ITU), "Case Study: Broadband, the Case of South Africa," in *Regulatory Implications of Broadband Workshop* (Geneva, Switzerland: International Telecommunications Union, 2001).

away from the NP's racially motivated and incestuous policies for the political economy of the national media industry.

4.3   SCARS ON THE SOUTH AFRICAN POLITICAL ECONOMY

An institution like ICASA was symbolically significant for it made manifest the hope that members of the democratic movement had for ameliorating a dysfunction that seemed inherent to South African society. Comparatively speaking, the story of South Africa is strikingly different than much of the rest of the developing world. For South Africans, or at least Black South Africans, gaining "national independence" did not mean the defeat and subsequent flight of the majority of colonials back to their home countries and a return to an "original" conception of the national heritage in terms of ethnicity, culture, and politics, with an indirect rule or waning influence of the colonial nation like Vietnam. Instead, for Black South Africans, there were multiple layers of colonial oppression to overcome. During the eighteenth century and into the nineteenth century, the English and Dutch worked together to quell Black opposition, and were the primary enemies of Black South Africans. Unlike other post-colonial nations, however, neither colonial oppressor was ever successfully ousted from power; instead, the colonial oppressors eventually became "native" South African themselves and continued to control South Africa's political economy.[54] By the twentieth century, the architects of oppression would no longer be called "colonials," but rather considered themselves native South Africans in their own

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[54] Hentz, James J., *South Africa and the Logic of Regional Cooperation* (Bloomington, Indiana: Indiana University Press, 2005)., 46.

right. Calling themselves "Afrikaners" from the language "Afrikaans" that they co-opted from the native African people into the fabric of the culture that came to be known as "apartheid."[55]

Apartheid became law in 1948 with the election of the National Party. But by this time, oppression and violence had long been part of the daily experience for Black South Africans: they had endured being relegated to the least viable spaces in the country, being an industrial reserve army, having their needs repressed, and living in fear that their voices and their even lives were easily extinguishable. In addition, new technologies became available around the middle of the twentieth century that streamlined the efficacy of this repulsive project. Most odious was the computerized passbook system of surveillance instituted by the National Party. Innovated from the original Dutch laws to become "an automated population register," the system included data on "racial classification, name, sex, date of birth, residence, photo, marital status, drivers license, dates of departure from and return to the country, place of work or study, and fingerprints."[56] At the age of sixteen, every black person was automatically entered into this computer database that "guaranteed one's instant identification and one's history of government opposition."[57]

Especially after the mid-point of the twentieth century when Blacks were not reaping any benefits from the lucrative and growing manufacturing industry and violent protests erupted over this long history of exploitation, the passbook system was useful in quelling opposition. The 1960 Sharpeville Massacre in which 69 were killed, the 1976 Soweto uprising where over 600

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[55] "Apartheid" comes from the Afrikaans term for "separateness."

[56] Chokshi, Monal, et al., *The Use of Computers to Support Oppression* (Stanford University, 1995 [cited December 2, 2005]); available from http://www-cs-students.stanford.edu/~cale/cs201/apartheid.comp.html.

[57] Ibid.

students were murdered, and the 1984 Vaal uprising where 30 people were killed in what began as a school boycott were among those that could be more easily managed with electronic monitoring of Black citizens. According to South African political economist Helen Marais, more than other aspects of society, striking and protest reflected the racial heterogeneity that existed in South Africa. In fact, ever since the rise of the South African manufacturing industry, the protests of the African, white, Indian, and "coloured" working class populations always represented an implied threat of "multiracial industrial action, which could evolve into a more forthright challenge against the system."**[58]** If these passbooks were properly endorsed, the owner had the right to work or live in 'white areas,' and [a] lack of these endorsements or failure to produce the passbook resulted in arrest and jail."[59] Inherent to the apartheid version of capitalism, the passbook allowed the government to limit where Black South Africans could travel, but also to punish Black South Africans if they breached these borders. It also allowed the NP to decide who was "Black" and who was not. The NP felt this was necessary if they were going to keep South African minorities from protesting, keep them out of the urban labor pool, while keeping them ready and waiting in the rural areas when needed by the mining or manufacturing industries.

Since its inception in 1948, the National Party had a history of making decisions that jeopardized Black South African claims to political and economic legitimacy in South African society. Furthermore, these decisions mitigated the initial extent to which the ANC was able to improve these conditions for the majority of South Africans once they took over 50 years later. However, besides Bantustans and the passbook system, two other NP policies were almost as

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[58] Marais, *South Africa, Limits to Change: The Political Economy of Transition*. 11.

[59] Chokshi, *The Use of Computers.*

destructive to the future of the nation. One was the creation and support of parastatals or state monopolies of national industries like telecommunications that lived off of the back of exploited black labor. Another was the refusal to acknowledge the extreme disgust the international community expressed over these exploitative (and even genocidal tendencies) apartheid policies. Rather than being beholden to provide for the interests of South African citizens, the national industries of the NP-controlled South Africa were founded on the exploitation of the majority of its citizens: Black South Africa. Perhaps the most problematic of these dysfunctional policies was the failure to take seriously the ire of the regional and national community that NP policies provoked. Apartheid served to isolate South Africa from the rest of the continent and even most of the rest of the world for almost 50 years. Those in opposition to apartheid, inside or outside the country, could do little to effect change.

Until the end of their reign the National Party relied on the Reagan and Thatcher administrations to help prevent the Communist "invasion" that the South African Communist Party (SACP) represented. The National Party believed, rightly, that the SACP was part of a larger movement to overthrow the government. At the same time, the growing ANC movement relied on the support of the Soviet Union against the repressive, Western-allied National party.[60] But as communication scholar Robert Horwitz points out, the end of the Cold War meant that both sides lost their "value as a proxy in a larger geopolitical and ideological conflict."[61] After the fall of the Soviet Union, Communism could no longer play the ideological bogey for the white stalwarts of apartheid; and materially, the National Party government could no longer expect to receive the support it had tacitly obtained from the West. Agents of the Cold War were

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[60] Horwitz, *Communication and Democratic Reform in South Africa*. 9.

[61] Ibid.

some of South Africa's few sponsors, and this political shift posed a threat to the support of the big national parastatals, whether technical, industrial, or agricultural.

According to economist Vishnu Padayachee, until apartheid caught the attention of the international community in the 1970s, the NP had one more trick up its proverbial sleeve to maintain its destructive political economy. South Africa had "received its first loan from the IMF in 1957-58," and had been "a founding member of the World Bank."[62] During the post-World War period, South Africa had what Padayachee describes as a "rather close and cosy relationship" with these major global lenders, which buoyed the National Party during the slow close of the Cold War.[63] South Africa enjoyed special credits and "special drawing rights" from IMF coffers for at least the next twenty years, and nearly $2 billion flowed into the South African economy from the IMF alone.[64] NP South Africa was fortunate that these special relationships with the global lending agencies lasted until the late 1970s. Knowingly or not, the IMF and World Bank helped the National Party prop up its economy, at least until it could pay back its debts to the IMF in the mid-1980s.

By 1983, however, the global financial institutions finally begun to put intense pressure on the NP by drafting the Gramm Amendment, a law that "required that the U.S. Executive Director at the IMF oppose loans to South Africa, unless the Secretary of the Treasury certifies in person before the US Senate and House Banking Committees that the loan would 'reduce the

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[62] Padayachee, Vishnu, "The Evolution of South Africa's International Financial Relations and Policy: 1985-95," in *The Political Economy of South Africa's Transition*, ed. Jonathan Michie and Vishnu Padayachee (London: The Dryden Press, 1997). 29.

[63] Ibid., 28.

[64] Ibid.

distortions caused by apartheid'."[65] While the rest of the world was becoming increasingly interdependent politically and economically in the later half of the twentieth century, South Africa was the subject of increasing international boycotts and other economic sanctions. Even when the NP began to acknowledge that international tensions were boiling over and that its institutionalized racism was burning bridges to regional and global financial resources, the NP persisted. Rather than taking steps to answer international hostility toward its racist policies, the NP instead invested further in the power of government monopoly as a response to the potential "disruption of supplies of vital communications equipment" that international sanctions represented.[66]

According to Onwumechili, rather than restructuring the nation's political economy and incorporating Blacks equitably into civil society in order to satisfy national and international critics, the NP was more concerned about sacrificing the economic benefits they were reaping from the exploitation of Black South Africans. Instead, the National Party's macroeconomic response was to circle the wagons and create an "intensive local manufacturing of telecommunications equipment."[67] In Onwumechili's estimation, South Africa's "apartheid government had believed that it could survive a global isolation by depending on its internal mechanisms" and on the few relationships it had with "a handful of other states."[68] But even in its relations with neighboring states, the South African government was conflicted. The NP was more invested in South Africa being a dominant regional player by selling its communication

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[65] Ibid.

[66] Onwumechili, *Reform, Organizational Players, and Technological Developments in African Telecommunications--an Update*.161.

[67] Ibid.

[68] Ibid., 162.

services and technology at exorbitant prices to its neighbors than it was in partnering with them toward permanent mutual sustainability of national media industries. The NP plan to remedy the threat global isolation posed to the national media industry was an inwardly focused one. The South African Posts and Telecommunications authority (SAPT) would become the home base for the manufacture of telecommunications equipment for telephone, data transmission, and postal services. In a completely closed national economic circuit, inexpensive Black South African labor would produce the equipment and services and white elite businesses would consume them. However, the NP foolishly underestimated both groups. As for white business, once their demand for products and services was met, they no longer represented a steady stream of revenue for the SAPT. And while the Black industrial reserve army was indeed fairly large, it was also unskilled and thus unprepared to manufacture or maintain the new digital telecommunication infrastructure of which the NP dreamed. As the NP began to accept this principle in the early 1980s, they also began to consider extending access to radio, television, and telephone service to the middle-class Black population to boost revenue. However, this idea would remain in its earliest stage, at least until the NP finally decided it would acquire necessary financial support by both liberalizing and privatizing the national industry.

This was the firestorm into which the ANC walked as they took over the South African government. Relations with regional and international actors were almost non-existent; so were funds that would normally be available from them. Tens of millions of South Africans had supported the ANC because they believed that as a government administration, the ANC would provide them with the rights and privileges that they had so long been denied. And the national media industry was a strange brew of public and private companies that needed to be carefully positioned in the global marketplace if they were going to provide the information Black South

Africans required to take their place in a new society. Establishing a nation-wide digital telecommunication infrastructure to accomplish this goal, including fiber optic cables, satellites, and cellular transmission towers, would be the most cost-effective options in solving these problems. However, it also meant building the national infrastructure from the ground up, especially in impoverished townships. Although this would be an uphill battle for the ANC, their struggle also abrogated claims central to neoliberal thinking about the developing world in the 1990s. Privatization, global lending, foreign direct investment—the "golden straightjackets"—were not compulsory as was emphasized by globalization, especially if there were no multinational corporations, global lenders, or foreign investors willing to get involved in the political problems plaguing a country like South Africa.

4.4   THE IRRECONCILABLE DIFFERENCES OF APARTHEID AND CAPITALISM

Shula Marks cites unanticipated compromises with established Afrikaans power, an overextended bureaucracy, and the "sheer scale of the task" which the ANC had to undertake as possible explanations for the "sluggish pace" of the delivery of provisions, like the job creation, healthcare, education, and universal media access.[69] However, IMF and World Bank prescriptions played a role, too. Once it became clearer that the fabric of apartheid was beginning to unravel, visits from the IMF, the World Bank, as well as prospective foreign direct investors intensified; the IMF and World Bank both produced multiple policy reports for South Africa, advising that macroeconomic changes would be a precondition for further lending.

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[69] Marks, "Social Change, Order and Stability in the New South Africa." 82-83.

Padayachee details that even though the IMF and World Bank met with variety of South African leaders and policymakers in order to produce these reports—labor, oppositional political organizations, and business among them—the global financiers still placed their traditional cookie-cutter emphasis on advocating "a contraction of public sector expenditure" for South Africa.[70] South African development experts immediately responded by questioning the premise of this advice, criticizing the neoliberal "trickle down" economic policy because it privileged "'growth first'" and redistribution for the most impoverished later; it directly contradicted their goals.[71]

The ANC had its own plan in mind, called the Reconstruction and Development Programme (RDP), which contrasted sharply with IMF and World Bank advice. The RDP outlined a radical restructuring of the inequalities institutionalized by apartheid and was the flagship attempt to fulfill many of these promises. The RDP committed the ANC government to the following basic human needs objectives starting in 1994: to spend "the same amount on African children as it spends on white children by 1999; to increase spending on primary health care by 20 percent from 1995 onwards; and to increase the provision of clean water by at least 1 million people.[72] The RDP also had an ambition to increase spending on tertiary education by nearly 70 percent; to increase the number of people with access to electricity by 2.5 million; and to extend the telephone network by four million lines.[73] In the "base document" of the RDP, it was proposed that these goals would increase social spending from 2.5 billion rand in 1994 and

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[70] Padayachee, "The Evolution of South Africa's International Financial Relations and Policy: 1985-95." 31.

[71] Ibid.

[72] Marks, "Social Change, Order and Stability in the New South Africa." 45.

[73] Ibid.

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1995 to 12.5 billion in 1998 and 1999.[74] The new government proposed to gather these funds by a "number of distinct or combined financial options," such as "reallocation of spending between Social Services departments, reducing non-social service spending (e.g. defense spending), and increasing borrowing and raising additional revenue."[75]

Happily, several of these objectives were realized. For example, the national South African electricity provider, Eskom, was "able to meet and even exceed their targets" to extend and update the electrical grid.[76] But, as 1994 wore on and funding sources like national taxes became exhauster, the ANC recognized the sheer economic, not to mention political, magnitude of such goals. At the time, the IMF seemed like the only resource. Since loan conditionality was one of IMF's main tenets of policy, the South African government was obliged to sign a "Letter of Intent." The letter was written by the IMF, and in signing it the ANC agreed to favor "the virtues of 'market forces'" over "'regulatory interventions'" in exchange for IMF funding.[77] Yet, as the history of South Africa would predict, within several years little growth in the area of foreign direct investment had occurred. The market would not be South Africa's savior. All too predictably the IMF responded to South Africa's economic problems by blaming the ANC for South Africa's rising criminal activity, political violence, high wages for labor, and high corporate taxes, conditions which were not conducive to foreign investment.[78] The last two of these conditions were most offensive to the IMF, and it called for tax reductions, a lower

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[74] Ibid.

[75] Ibid., 44.

[76] Ibid., 45.

[77] Padayachee, "The Evolution of South Africa's International Financial Relations and Policy: 1985-95." 32.

[78] Ibid., 36.

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minimum wage, and "further deregulation as a precondition for new foreign investment."[79] ANC MP Rob Davies responded astutely by making the observation that there were State-driven national growth models around the world that were becoming success stories which directly contradicted IMF and World Bank ideals.[80] China's phenomenal growth, he pointed out, stemmed not from deregulation, but instead from a tightly controlled State agenda driving domestic development.[81]

In hindsight, perhaps it was fortunate that funds were not available from these agencies any earlier, since they often required a decrease in state spending for infrastructural projects like the one a telecommunications network represented. Reflecting Western attitudes about development, the IMF or World Bank did not consider it a priority to upgrade the existing system from analog to digital in order to expand radio, television, and telephone access, even though a digital telecommunication network in a country like South Africa represented valuable medical, educational, and political applications, as well as status in the global political economy. At the same time, the failure of the IMF and the World Bank to help South Africa motivated the ANC to pursue other non-neoliberal avenues. Garnering funds from regional development banks like the African Development Bank (ADB) and relations with neighboring states that were also members of the South African Development Community (SADC) would be among these. However, gaining membership in the SADC would be no mean feat for South Africa. Until the election of the ANC, positive ties with the SADC had never been cultivated. In fact, the NP had historically antagonized the SADC by engaging in military forays across the borders of member

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[79] Ibid.

[80] Ibid.

[81] Ibid.

countries and by gouging neighbors for the products and services (like electricity) they purchased from South Africa. In addition, the SAPT was no longer a state-run industry, and private corporations would also have a say in these relationships. However, for the ANC carefully negotiating these relationships was important: telecommunications was the first sector to be taken through the reform process, and it would be a "model for the reform of other sectors" in the commitment to equalizing a kind of social access that had not existed in South Africa for hundreds of years.[82]

4.5   THE SADC: 'UNITED WE BARGAIN, DIVIDED WE BEG'[83]

South Africa had a checkered past when it came to regional alliances. The NP had been determined to disrespect the inherent interdependency between Southern African states, and the SADC had responded by refusing South Africa membership. However, the ANC had worked with leaders in neighboring countries to help overthrow apartheid, and so understood that these relationships were merely damaged not decimated. The Congress also recognized what could be gained from striving to earn a place among its SADC neighbors. In the past, when South Africa and its neighbors failed to cooperate, vital resources were expended. For instance, regionalism scholar James J. Hentz cites that before South Africa's elimination of apartheid, neighboring nations had to resist South Africa's attempts at destabilizing their regional alliance by spending

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[82] Padayachee, "The Evolution of South Africa's International Financial Relations and Policy: 1985-95." 19.

[83] Tshabalala, Thabo, *A Story for Organizing a Shopfloor Workbook* (no year given [cited December 5, 2005]); available from www.cleanclothes.org/ftp/05-africa-booklet3.pdf.

financial resources to the tune of "60.5 billion dollars or 1.5 million lives between 1980 and 1988."[84] On the other hand, when Southern African countries cooperate to combine their resources they all serve to benefit. Thus, "whether" to cooperate regionally was never the question, even when South Africa's overtures were rather coercive. Rather the question surrounding regional alliance in Southern Africa has been "how to" cooperate regionally.

At the turn of the century, the fourteen SADC member countries represented a population of over 200 million people that generated a combined gross domestic product (GDP) of over $175.4 billion.[85] While this seems relatively small compared with other regional GDPs that sometimes climb to over $700 billion, SADC members benefited from combining the few resources that each of them had near the turn of the century. Although the geographic area of the SADC at 4,306,723 square miles was nearly the size of the continental United States, only 7.6 percent of sub-Saharan land was arable. Southern Africa was rich in precious minerals like diamonds and a lucrative industry grew up around a mining infrastructure that was established by European colonials. A munitions industry had also sprung up as a part of the colonial export-led economic practices of the nineteenth and early twentieth centuries. However, very little revenue reached Black Southern Africans from either of these industries. This left a legacy of great regional dysfunction: many of the political systems of SADC countries were highly unstable and many of the citizens living within SADC borders were buried deep in poverty. Yet, since gaining independence from colonialism, the absence of a viable agricultural industries and the lack of control over the mining industries in SADC nations has focused attention instead on

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[84] Hentz, *South Africa and the Logic of Regional Cooperation*. 2.

[85] (SADC), "Southern African Development Community, Subregional Report," (New York: United Nations Department for Policy Coordination and Sustainable Development, 1997).

improving significant research and development (R&D) infrastructures that had grown up around mining and munitions.

Although improving these infrastructures were among the best options most SADC countries had, initially, improvements in R&D infrastructures were best described as a catch-22. Funding an update in personnel, equipment, etc. was tied to establishing a modern economy that by the 1980s would have to be international in orientation and would rely heavily on installing and maintaining new telecommunication technologies like fiber optic cables. However, adopting such modern equipment required a significant investment in an R&D infrastructure. Ultimately, however, SADC countries would have to find a way to adopt the modern telecommunications infrastructure. The harsh terrain and frequently inclement weather of sub-Saharan Africa were not conducive to analog technology; and when they could, black marketeers often stole parts of the networks to sell the copper as scrap in the informal economy. Therefore, new digital media technologies seemed like the answer to many of the problems SADC member nations faced: satellite and fiber optic cable would mitigate the effects of both weather and theft. And since many member countries shared a history of similar problems and ambitions, working together to create a shared telecommunication infrastructure seemed like a political and economic possibility.

Southern Africa has a long and complicated history of attempts at institutionalized regional integration, The Southern Africa Customs Union (SACU) and the Southern African Development Community (SADC) were the most prominent of efforts in this direction. SACU formed in 1969 out of customs trade union arrangement that had existed since the turn of the century between Botswana, Lesotho, South Africa, and Swaziland, eventually metamorphosed into a common market and economic union. The SADC, which formed out of the Southern

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African Development Coordination Conference (SADCC) in 1980s had a few of the same members, but also included Angola, Malawi, Mozambique, Namibia, Tanzania, Zambia, and Zimbabwe, and became an official alliance geared toward building interdependency in 1992. In their earliest days, however, both of these cooperatives reflected the power imbalance that has traditionally rendered regional integration problematic in Southern Africa. SACU was particularly demonstrative of the regional challenges Southern Africa faced; with a few of Southern Africa's poorest countries plus South Africa as its only members, SACU embodied the polarization between South Africa and its neighbors, in which "the most advanced state attracts most of the investment and continues to develop exponentially faster than its partners."[86] This allowed South Africa to exploit the weaknesses of its partners by charging higher prices for its products and services on the common market. South Africa would purchase raw supplies, such as water from the Cahora Bassam Dam in Mozambique, and South Africa's electricity giant Eskom would transform it into hydroelectricity to sell back to buyers in the region. Yet in being South Africa's trading partners, SADC countries "reportedly lost between $20 and $30 million per year in revenue" in buying back the finished products South Africa made from their raw goods.[87] Taking its cue from history, the SADCC deliberately left South Africa out of membership. This meant that South Africa had to spend that much more time and effort cultivating bi-lateral agreements with each country to exchange products and services.

Once rejected by the SADCC, the NP government in Pretoria responded by increasing its "policy of destabilization" in the region, which included "military forays as far north as Zambia," as well as applying economic pressure such as "cutting off gasoline and delaying rail service to

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[86] Ibid., 12.

[87] Ibid.

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Zimbabwe" or "reducing the use of Mozambique's railways and ports," among other tactics.[88]

The NP's response reflects the contradictory nature of South Africa's position in sub-Saharan Africa as both buyer and seller of goods. Even though South Africa traded more with its neighbors than any other market, during apartheid the NP government refused to fit into an alliance whose orientation focused on a state-driven development cooperative, or a tightly-knit interdependency that required each member to sacrifice their national goals for the greater good of the region. Even in the 1980s when South Africa's foreign political economy had "sunk to the depths of its pariah status" after P.W. Botha announced to the world that South Africa's apartheid structure would not change, it seemed as if South Africa would be forced to play fair with its neighbors.[89] Yet, the country continued to be an aggressive regional presence until the NP lost administrative power. By the time the SADCC transformed into the SADC in the 1990s, member nations were well versed in the regional inequality South Africa's apartheid state fostered. It was not until the waning of apartheid in 1994 that the SADC reconsidered South Africa's membership.

The post-apartheid leadership in South Africa was prepared to openly acknowledge the value of regional integration, and in fact in the early days of the transition, the ANC "openly, even pleadingly" tied its future to the "economic development and stability of the entire subcontinent of Southern Africa."[90] The initial position of the ANC in the mid-1990s was that South Africa would cultivate a deep interdependency with the SADC and play fair with other member nations. The ANC's primary political bases, made up of labor unions and smaller

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[88] Ibid., 13, 40.

[89] Ibid., 41.

[90] Ibid., 3.

business owners, happily endorsed this policy because they could benefit from an increase in members or access to regional markets. However, as the most affluent players in South African political economy, big business was opposed to regional economic integration, especially if it meant external influence in national affairs. Large conglomerates only favored a neoliberal version of regionalism: ad hoc cooperation, which consisted of very loose regional ties that could be revised by the moment. When it gained SADC membership in 1994, the eventual ANC decision was to steer a middle course between these two equally influential players; South African participation in SADC would have elements of both a European Union free trade-style of partnership and a developing world interdependency.[90]

As the ANC struggled with this middle course in the mid-to-late 1990s, the IMF and World Bank surprisingly endorsed SADC initiatives. In fact, South African business expected the "World Bank to assist more readily in an economically unified Southern Africa than in the various countries separately," and began to advocate for increased involvement.[91] However, the ANC recognized that being an SADC member at the behest of the IMF or the World Bank had its price. Part of the World Bank's support for further South African integration hinged on favoring South Africa's role in dominating the SADC: South Africa would be rewarded for managing development projects in other member nations like Lesotho, Malawi, Mozambique, Zambia, and Zimbabwe that would liberalize trade and remove "controls on the flow of capital across borders."[92] The ANC acknowledged that its own growth relied on global finance to a certain extent, but the obligation to be the ambassador of neoliberalism for Southern Africa was

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[90] Ibid., 52.

[91] Ibid., 127.

[92] Ibid., 128-131.

unpalatable. In his conclusion, Hentz underscores however that global finance and regionalism made for a strange partnership for the ANC, but he says, "it would be wrong to assume that South Africa had no independence" from these global lending agencies as an SADC member.[93] Therefore, the debate in South Africa was not about "whether to get into bed" with global financial institutions, but "rather how comfortable to get."[94] Despite such setbacks, in the late 1990s SADC member including South Africa states finally were able to begin to formalize a framework for their technology transfer and exchange relationships. The SADC Protocol on Transport, Communications, and Meteorology, which "requires South Africa and other regional states to harmonise their telecommunications regulatory environments, and create similar technical standards, network maintenance and provision…regulatory structures and universal service policies, among other objectives," was exemplary of these first steps.[95]

However, the need to operate satellite communication on an economy of scale forced some member nations to experiment with this process before technology alliances were codified in protocols such as the one on transport and communication in Southern Africa. In 1993, several SADC member states founded the Regional African Satellite Communications Organization (RASCOM) out of this necessity. As a regional treaty-based organization, RASCOM would help develop the region's satellite capability on an improved economy of scale. By 1996, 11 satellites hovered over Southern Africa, which served 17 African countries. Together members of RASCOM commissioned Lockheed to build a single satellite, Intelsat 804,

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[93] Ibid., 139.

[94] Ibid.

[95] Southern Africa Development Community (SADC), *SADC Protocol on Transport, Communications, and Meteorology* (Southern African Development Community, 1996 [cited December 11, 2005]); available from http://www.iucnrosa.org.zw/elisa/SADC-Protocols/transport_protocol.html.

which they launched in order to broadcast cellular telephone, television, and data over the entire African continent, along with South U.S., parts of Europe and the Middle East, and the eastern coast of the United States.[96] South Africa joined RASCOM in 1997 to demonstrate its new-founded support of regional initiatives. South Africa's participation along with other RASCOM members greatly minimized the financial burden each country would have to carry, while it maximized the services these countries could provide to citizens. And more importantly, it would not be a multinational corporation that would launch the first satellite for the SADC region, because RASCOM was a State-driven initiative primarily beholden to provide for national citizens, not corporate profit. Thus, the RASCOM alliance exemplifies that for the SADC "sustainable development is *equity-led growth* within and among SADC countries."[97] Even in the face of IMF and World Bank pressure to maintain loose regional ties that were subordinate to global obligations, South Africa and its fellow SADC members would not forsake the microeconomic priorities of citizens for the macroeconomic neoliberal prescriptions of global finance. Regardless of the face the SADC presented to the foreign investors, it still maintained its position that "[g]rowth strategies which fail to improve the lives and livelihoods of the poor majority are not socially or politically sustainable."[98]

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[96] Perlman, Leon, *Rascom: Satellite Communication for Africa* (University of Pennsylvania, African Studies Center, 1996 [cited December 4, 2005]); available from http://www.africa.upenn.edu/Global_Comm/rascom.html.

[97] South African Development Community (SADC), "Southern African Development Community, Subregional Report." 1.

[98] Ibid.

4.6   TECHNOLOGY IS COLOR BLIND, RACISM IS NOT

Comparing South Africa's technological capacity against many of its SADC neighbors, South Africa seemed like it was overqualified to be a "developing" nation. In its report on broadband in South Africa, the International Telecommunications Union (ITU) enumerated that the Internet community in South Africa is "30 times larger than any other in Africa."[99] Noting how fast this sector emerged in South Africa, the ITU reported that between November of 1998 and end of year 1999, the number of users rose from 600,000 to 1,820,000 to average out to one in 65 South Africans with access to the Internet.[100] Even as early as 1993, the new South African parastatal, Telkom, S.A., had become the "largest telecommunication system in Africa" providing telegraph, telephone, telex, radio, television, and data and fax transmission.[101] Within two years, the telephone system sector of the telecommunication infrastructure was able to provide coaxial and fiber optic cable as well as radio-relay. Private corporations such as Internet Solution, UUNET Africa, and SAIX were allowed to lease these Telkom data lines to provide value-added services for customers "for less than $1000 a month" which provided "64kbps nationally, and 16Kbps on the international link, and a higher priced service ($3000/month) for a full 64kbps on the international link."[102] With a coaxial cable installed under the ocean connecting South Africa to Europe and South U.S., these services could also be extended abroad

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[99] International Telecommunication Union (ITU), "Case Study: Broadband, the Case of South Africa."30.
[100] Ibid.

[101] Congress, Library of, "South Africa," ed. Federal Research Division (Washington, D.C.: Library of Congress, 1996).

[102] balancing Balancing Act, *Afridigital, African Internet Connectivity* (2005 [cited December 15, 2005]); available from http://www.afridigital.net/country_profile.

to generate further revenue. South Africa appeared to be adopting the Western way, and scholars critical of privileging the private sector were crestfallen that South Africa had succumbed to neoliberal principles.[103] Indeed, when the ANC first took over, telecommunications like data transmission, fax, and telex were the domain of South African business. This was not necessarily the same kind of network that best suited other South Africans, who would eventually use the digital network for technologies like cellular phone, Internet, and satellite radio. Yet, the South African media industry was still a work in progress.

In *Prospects for the Digital Economy in South Africa,* Derrick Cogburn suggested that after the long history of the SAPT's heavy investment in both the manufacturing and importation of information communication technologies under the NP, the rapid move to privatization left South Africa with a slightly schizophrenic "society that has elements of both a developed and developing country" well after the dissolution of the NP.[104] A digital telecommunication network to support satellite, broadcast and cellular phone existed since the early 1990s, but only a very small population of South African users was able to take advantage of these new Telkom-managed services. By far, the corporate, white-collar community dominated with 980,000 users in 1999, compared with 280,000 academic users, which was somewhat more racially diverse. While the ITU report offered figures to show the progress of information communication technologies in South Africa, it also went on to explain what the apparently large number of users for the last year of the decade meant: the total population of South Africa was 50 million in

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[103] Sandra Braman, e-mail message to author, December 1, 2004.

[104] Cogburn, Derrick and Catherine Nyaki Adeya, "Prospects for the Digital Economy in South Africa: Technology, Policy, People, and Strategies," (Helsinki: World Institute for Development Economics Research, 2001). 2.

1999; and so 1,820,000 users actually placed Internet availability in South Africa "still well below the world average of 1 in 4."[105]

For Pinky Moholi, a general manager for Telkom, S.A., it was clear why South Africa did not model the Western telecommunication example: over a century's worth of Dutch and British segregation meant that even in the early 1990s, Internet access was highly contingent upon a nexus of race and location. The creation of rural areas, peri-urban informal areas, formal townships, and urban residential areas created by apartheid relocation policies resulted in skewed access to the telecommunication network, with Blacks inhabiting the least viable telecommunications spaces. Low population densities and large tracts of land characterized the telecommunication difficulties for rural areas. Peri-urban areas, on the other hand, had large population densities but were the result of a great influx of unplanned migration to the spaces outside of large urban centers; thus, they had little or no planned public infrastructure. Formal townships (typically Black) also had high population densities and some telecommunication networks, but these were often the most basic and outdated. Urban residential areas had some of the best network access, primarily because a formal infrastructure was already in place. However, like rural residences, urban ones were in places with lower population densities; extending the network to new users was not a Telkom priority, and for the few Black neighborhoods in urban residential areas, it was difficult to get service, even for the households that could afford it.[106] White, corporate users inhabiting urban areas were the most privileged users in South Africa because they could afford to pay to establish or extend the networks

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[105] International Telecommunication Union (ITU), "Case Study: Broadband, the Case of South Africa." 30.

[106] Moholi, "Universal Service Obligations for South Africa." 80.

themselves. Of course, they typically limited the use of the technology to their own commercial

purposes only and other users could not immediately benefit from their networks.

This is why, especially when it was contrasted against the racially and economically

segregated fixed or landline telephone network, the cellular telephone industry proved to be

superior choice for the ANC. In fact, South Africa became one of the most important GSM

(Global Services for Mobile) capable countries outside Europe in the late 1990s, with Vodacom,

Mobile Telecommunications Network, and Telkom providing such services.[107] According to the

ITU, South Africa had 8.9 million users, a little less than half compared with Italy, which was

the world's largest GSM market with about 22 million users.[108] Cellular contracts for GSM

network, in addition to prepaid service, were available nationally. However, prepaid was the

most common form of payment, given the economic constraints that the majority of South

Africans experienced. The GSM cellular telephone network was also popular with national

media industry administrators, given both the difficulty and the expense of installing and

upgrading landlines. Installing copper wiring for landlines was particularly costly because of the

chronic theft of the existing network. Also, in a study done by SATRA in 1997, 40 percent of

those without service "would not even be able to afford the landline rental from Telkom" in the

near future.[109] By comparison, the "footprint" of a GSM satellite represented an economy of

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[107] LaFraniere, Sharon, *Cell Phone Frenzy in Africa, World's Top Growth Market* (The San Diego Union-Tribune/New York Times, 2005 [cited December 5, 2005]); available from

http://www.signonsandiego.com/uniontrib/20050826/news_1n26phones.html. See also Onwumechili, *Reform, Organizational Players, and Technological Developments in African Telecommunications--an Update*.

[108] International Telecommunications Union (ITU), "Case Study: Broadband, the Case of South Africa." 8.

[109] Ibid., 5.

scale that made it a much more palatable alternative for both SATRA and South African citizens. Some strides were made in landline service, with "over 80 percent of all households" having access to a phone within a "30 minute walk" to the nearest one in 2001.[110] Yet, white households still outnumbered Black, with 82 percent compared to 18 percent having service, respectively; and 64 percent of urban households had access while only 9 percent of rural ones had service.[111]

In addition to providing GSM cellular phone service, the ability to broadcast television and radio programming via satellite made satellite one of the most viable ways for South Africa (alongside its RASCOM and SADC partners) to maximize service distribution and access. Besides utilizing its regional satellite, South Africa had also been buying satellite services from PanAmSat and IntelSat over the Atlantic Ocean and the Indian Ocean since 1995. These satellites carried nearly all South African programming, including SABC, 1, 2, 3, E-TV, M-Net, and Bop TV and required only three ground stations to deliver programming throughout the country.[112] After eleven attempts, SunSat micro-satellite—developed by post-graduate engineering students at the University of Stellenbosch—was the first launched from South Africa in 1999. The SAPT proposed using it for amateur radio communications, as well as producing high-resolution photos of South Africa, and experiments for NASA.[113] That year, South Africa had also planned to broadcast satellite radio from these and other future satellites, which would make radio available to those without access to the analog radio infrastructure.

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[110] Ibid., 5.

[111] Ibid.

[112] (ITU), "Case Study: Broadband, the Case of South Africa." 10.

[113] Cellular S.A., *South Africa's First Satellite-Sunsat* (1996 [cited December 11, 2005]); available from http://www.cellular.co.za/sunsat.htm.

At the same time, as many changes moved ahead in cellular telephone and satellite, many others still needed to be made; the issue of ethnic and linguistic representation is demonstrative of this need. A report issued early in the 1990s by the SABC found that only about 17 percent of the population had a "reasonable understanding of English, and only five percent of Afrikaans," and that "80 percent of the Black audience prefers to be served in its own language."[114] Nevertheless, the English language often dominates the public life of South Africans. Native languages are spoken often only in more intimate, private community circles, this in spite of the fact that in the mid-1990s, South Africa declared eleven official languages: Afrikaans, English, Ndebele, Pedi, Sotho, Swazi, Tsonga, Tswana, Venda, Xhosa and Zulu. The SABC has struggled to provide programming to suit the needs of most South Africans via television, radio, and even satellite radio. And yet, a glance at websites hosted by South Africans reveals that English, the language of the business community (whether it is white or Black elite), and Afrikaans, the language now spoken by those in the white middle and upper-middle classes, are still the voices that dominate digital media like Internet in South Africa.[115] However, given that South Africa has been home to a complex, and often conflicted, racial heterogeneity for hundreds of years, it will take more than a decade to change it.[116]

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[114] Raubenheimer, L., "The Position, Structure, Control and Financing of the SABC Must Also Be Placed under the Magnifying Glass," in *South African Media Policy: Debates of the 1990s*, ed. P. Eric Louw (Bellville, S.A.: Anthroppos, 1993).

[115] Afrikaans was originally a language developed by indigenous peoples who were trying to incorporate Dutch into their lexicon. Dutch colonials eventually co-opted the language and designated it as their own.

[116] Wasserman, Herman, "Between the Local and the Global: South African Languages and the Internet," in *Media, Identity and the Public Sphere in Post-Apartheid South Africa*, ed. Abebe and Richard L. Harris Zegeye (Boston: Brill, 2003).

4.7   CONCLUSION

"The test [for South Africa] is to go beyond a mere repetition of the present core regulatory principles of the West." –Onwumechili[117]

The contrast between analog and digital media in South Africa—between traditional television broadcast and satellite, landline telephone and cellular, or even between the kinds of information disseminated by radio and the Internet—underscores that technology, media or otherwise, has been contested terrain for Black South Africans in a way that few Westerners can imagine. During apartheid, the national technological R&D infrastructure was used to manufacture tools of bioterrorism that might restore South Africa's reputation as a technologically advanced nation, and perhaps ultimately could be used against Black South Africans, like "cigarettes laced with anthrax, poisoned chocolate…sugar containing salmonella, and the computerized passbook system."[118] However, in the era that the democratic movement and the ANC inaugurated, national research facilities were transformed into places where new media technologies were developed that would help people manage their health, their education, their economic status, and their political involvement. During a national conference on telecommunications development in 1994, Pinky Moholi indicated that Telkom, the largest telecommunications corporation in South Africa, acknowledged that universal media service

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[117] Onwumechili, *Reform, Organizational Players, and Technological Developments in African Telecommunications--an Update*. 2.

[118] Kahn, "Science and Technology in South Africa: Regional Innovation Hub or Passive Consumer?" 210.

access was a key resource through which the average South African could "attain basic life-sustaining needs…and be allowed to make socio-political and economic choices."[119]

However, as late as 2001 the International Telecommunications Union had grave doubts about whether South Africa would be able to benefit from the economy of scale that new digital technologies offer without a clear national policy framework of its own making.[120] This was in part because in the 1990s, South Africa had spent an average of 0.9 percent of its GDP on R&D, which "compares favorably with other developing nations," and yet, the nation still did not have a national policy institution, like a Ministry of Science and Technology, to manage this important sector until 1999.[121] However, as Michael Kahn, University of Cape Town professor of science, mathematics, and technology education points out, when a developing nation has to depend on "foreign donors" for financial support, technology, and training, "precisely who sets the research agenda in some countries is unclear."[122] South Africa's access to foreign investment was somewhat restricted and its post-apartheid development was even more complicated; negotiations with fellow regional alliance members, global financial institutions, and the still-entrenched Afrikaner bureaucracy were delicate. The trick was not to exchange one form of repression for another, or colonialism for neoliberalism. It was hardly a surprise that establishing a policy framework took at least a decade.

South African business strategy consultant Kelvin Kemm similarly argued that as various sanctions were lifted from the country in the 1990s, "the prospect of renewed foreign

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[119] Moholi, "Universal Service Obligations for South Africa."

[120] (ITU), "Case Study: Broadband, the Case of South Africa."

[121] Kahn, Michael J., "Science and Technology Education and Training for Economic Development," (Johannesburg: Centre for Education Policy Development, 1994). 4-6.

[122] Ibid., 213.

investment" in South African industries presented a conundrum.[123] The investment, he pointed out, meant that an investor typically had its own interests in mind; if somebody wanted to put money in, it was "to get more out."[124] If technology was being offered, strategists like Kemm realized that technology did not "come ready out of a box. Instead, the South African context would be significant to its development, because the technology was the result of local "ingenuity and understanding of local conditions."[125] Much energy would need to be exerted to reshape technologies to suit local needs.

The ANC chose several specific projects that might boost revenue as well as progress toward universal service. For example, its project on e-governance, or the ability for anyone to vote during national elections either at community call centers, from their cell phones, or the Internet exemplified their new-found capacity to privilege local interests. The ability for smaller merchants to conduct credit card transactions over cellular phones made South Africa seem in the vanguard, and was another way for Black South Africans to partake of their economic rights as full citizens of South Africa. Medical applications—like SMS text messaging for complicated treatment regimes for deadly diseases like AIDS and tuberculosis that South Africa has had to manage—were lifelines for many on the socioeconomic fringes of South African society. Community radio has flourished under this system also. Against the conventional wisdom expressed by both development scholars and neoliberalism, this chapter demonstrates South Africa's hard-won ability to manage the vicissitudes of globalization on its own terms, whether they came in the form of finance, technology, or policy. Although results may be more

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[123] Kemm, Kelvin, *Techtrack: A Winding Path of South African Development* (Pretoria, S.A.: Kagiso Publishers, 1995). 7

[124] Ibid.

[125] Ibid.

immediate, relying on the world market or the world economy are not the prerequisites for the sustainable development of national media industries that the globalization rhetoric would have the developing world believe.

5.0   CONCLUSION: THE DEVELOPING WORLD THROWS OUT THE
'WESTERN' YARDSTICK

There is this belief that all those other worlds are only being temporarily prevented by wicked governments or by heavy crises or by their own barbarity or incomprehension from…adopting the Western way of life. Countries are judged on the merit of their progress in this direction. However, it is a conception that developed out of Western incomprehension of the essence of other worlds, out of the mistake of measuring them all with a Western yardstick.   The real picture of our planet's development is quite different. ~Alexander Solzhenitsyn[1]

It is remarkable that Solzhenitsyn made these assertions about Western hegemony in 1978. Reading them thirty years later makes them seem incredibly prescient, particularly to someone who comes relatively new to such proclamations. However, Solzhenitsyn's remarks seem advanced in part because the globalization rhetoric that supports the Western attitudes of which he speaks, works hard to make it seem as if the 'Western way of life' was a phenomenon that like bad weather, sprung forth from a confluence of climactic forces beyond human control. Within Solzhenitsyn's words is the astute recognition that Western attitudes and prescriptions

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[1] Solzhenitsyn, Alexander, *A World Split Apart* (Harvard University, 1978 [cited December 12, 2005]); available from www.columbia.edu/cu/augustine/ arch/solzhenitsyn/harvard1978.html.

about the political economic path the world should take now and in the future are not much more than prejudice, hypocrisy, false morality, and self-interest, dressed in positivist finery. Following from Solzhenitsyn, the ambition of this project has been to pursue his alternative vision of the 'planet's development' in order to reinforce that these 'other worlds' of which Solzhenitsyn writes were by no means backward, barbaric, or otherwise blind to the dynamics of Western globalization in the 1990s. Political economists of communication began this work during the middle of the last century by analyzing the ambitions of dominant economies, yet some tangles of the gordian knot remained.

Wallerstein's world-systems theory goes a long way toward grappling with these last few tangles. In his *Capitalist World-Economy*, he finds there have been a variety of paths to national development over the last 600 years, and these can be categorized into three that are distinct: periphery, semi-periphery, and core. This simple assertion is powerful. From it we are released from having to think in strictly polarized terms: the West versus the rest. And no longer are we obliged to grant the developed world sole power to affect the global political economy; the developing world has room to maneuver in our analyses. While I would not claim that Vietnam and South Africa are exemplary of the developing world per se, they do provide insight into choices the developing world can make under certain circumstances. As Wallerstein goes to great lengths to demonstrate throughout his oeuvre, the global political economy is in constant flux, with agents shifting places as that which constitutes "power" changes definition and locale. Even capitalism is not a permanent and fixed system.[2]

Denying the claims of neoliberal rhetoric and its promotion of the consolidation of the global economy into one system, Wallerstein observes that even if this were to happen, the "this

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[2] Wallerstein, *The Capitalist World-Economy*. 1-36.

does not mean the likelihood of long-term survival of the capitalist world-system.[3] Like a black hole, the contradictions inherent to the system will foster its implosion. First, trying to foment an ever greater mass demand within the privileged of the capitalist system in order to drain and redistribute a surplus has a finite shelf-life; the "tenants of privilege" (as Wallerstein calls them) may not necessarily dispute the system, but they may eventually no longer have the means to go along with it.[4] Secondly, says Wallerstein, when it is the underprivileged or oppositional groups that must be placated to keep the system free from conflict, the "tenants of privilege" who seek "to coopt an oppositional movement by including them in a minor share of the privilege" can only keep the peace in the short run.[5] When opposition arises again, the ante will be upped. Respectively, South Africa and Vietnam represent the contradictions in this system where Wallersteinian crises play a starring role. Neoliberalism was not even able to deliver a viable macroeconomic policy framework that would support timely development in these parts of the world. As the Tupac Amaru Revolutionary Movement affirms,

> "globalizers…have invested huge quantities of money to investigate how to avoid crises and violent uprisings, and that they have achieved a degree of mind control through the mass media, but they have not succeeded in curbing the discontent, which is growing day by day, and every time it becomes more difficult for them to make people believe that this system is not responsible for world problems; in the north they see the waves of immigrants and millions of dollars are sent as humanitarian "aid" to the "under-developed" countries…The imperialist governments justify this by saying that the peoples of the south are lazy and ignorant. Despite

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[3] Ibid., 35.

[4] Ibid.

[5] Ibid.

this, they too have been affected by an incessant rise in unemployment, which although it may be concealed by the manipulation of statistics is still undeniably the case and removes an important sector from the consumer market.[6]

More than anything, new digital technologies—like Internet, cellular telephone, and satellite broadcast—alongside a deliberately managed State-driven policy guiding foreign investment, were agents more conducive to growth in the developing world, especially as far as the national media industries were concerned. This way, even if they were to draw from IMF or World Bank coffers, prioritizing national directives allowed them the flexibility to continue to explore avenues outside of the global funding agencies, while minimal support from the IMF or World Bank could give them the luxury of time. The neoliberal paradigm also that suggested the global financial and goods markets were the spaces the developing world should privilege in its technological innovation plans its goods. However, developing world nations often defied this geographic imperative and ranked regional alliances and regional development banks higher on their list of financial and technology transfer relationships. Regional networks like ASEAN and the SADC were a space in which more politically neutral relationships that maximized the benefit for all could flourish. In contrast to the global (e.g. Western) markets, regional alliances were more mutually beneficial and more flexible.

The issue of temporality has also been implicit in globalization rhetoric. Speed holds pride of place for the West, and its yardstick of success measures how fast "progress" can be made. The pace at which a national media industry transitioned from analog to digital, from

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[6] (MRTA), Tupac Amaru Revolutionary Movment, "Neo-Liberalism and Globalization," in *Globalization and the Challenge of a New Century, a Reader*, ed. Patrick O'Meara, Howard D. Mehlinger, and Matthew Krain (Bloomington, IN: Indiana University Press, 2000). 285.

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landline phone to third generation cellular, or from repeater-style broadcasting to satellite transmission for example, determined whether the country was worthy of note. As it was with the industrial era, the rate of development determined whether a country was "developed" or "developing." Labels like "developing" and "backward" have significant implications for maneuvering in the global marketplace when nations choose to do so. Vietnam has been classified as a developing nation, and yet its literacy rates were consistently in the 90th percentile during the 1980s and 1990s, according to the World Bank.[7] Yet, the VNCP's adherence to communism has consistently raised protest from the West. South Africa was also prone to classification problems because of the polarized political economy with which apartheid left the country, and this has meant foreign investment and loans have run hot and cold during the last several decades. South Africa is still considered a wild card in some circles and its political economic reputation is the barometer investors consider.[8] Even the World Bank and IMF themselves could not determine whether South Africa was developed or it was still developing.

What was not discussed by Western agencies like the IMF and World Bank were the ideological underpinnings of development ratings as a way to define the world; even the notion of "development" is to a certain extent a Western concept. Western notions of progress were implied in both pace and development, which hint at moral judgments about what is "best." A communist nation like Vietnam, whose culture grew around the Confucian ideal of intellectuality, preferred to be deliberate about adopting technologies that would leave indelible marks on the national consciousness. Further, the success of telecommunication growth in

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[7] Klump, Ranier and Thomas Bonschab, "Operationalising Pro-Poor Growth, a Country Case Study on Vietnam," (World Bank, 2004).

[8] Marais, *South Africa, Limits to Change: The Political Economy of Transition*. 120-132,

Vietnam was not determined so much by pace as it was measured by establishing a comprehensive, non-commercial telecommunication network. South Africa, on the other hand, contradicts Western notions of progress in other ways. South Africa has been most commonly known for its poverty and disease since the coverage about AIDS and debt forgiveness, but South Africa was also the fastest growing GSM cellular market in the world, with an "average annual increase of 58 percent."[9] The ANC, along with SATRA and ICASA, directed this growth with firm hands, regulating the private companies that had been allowed a stake in the national industry. Significantly, South Africa indicated that Western capitalist democracies were not always in the vanguard. Therefore, by focusing a critical lens on two nations of the developing world—Vietnam and South Africa that opted for state-led political economies despite neoliberal pressure—the aim of this project also has been to break open the ways in which neoliberal globalization failed to get the developing world to sing to this false Western tune.

Albeit in different ways, this was also the goal of previous chapters. In the second chapter, the field of political economy of communication and its preoccupation with the dominance of Western media was scrutinized, not because the analysis is without merit, but because it inadvertently reinforces the notion of Western superiority. This chapter also highlighted the growth of Western media, as well as the history of its neoliberal principles as they developed out of struggles for dominance that took place in the West—in Europe, the U.S., the U.K. and elsewhere—during colonialism, the early moments of cultural imperialism, the Bretton Woods conference, and the development of telecommunication technology. Chapter two also introduced the ways in which these principles impinged upon developing world national media industries in the 1990s, but also how the developing world responded. Chapters three and

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[9] LaFraniere, *Cell Phone Frenzy in Africa, World's Top Growth Market*.

four hoped to reinforce a critique the iconoclasm of my main disagreements with neoliberalism by analyzing the national media of Vietnam and South Africa as industries firmly outside the West.

The aim of this last chapter is to understand these principles in a comparative context to clarify why a privatized, deregulated, and liberalized media industry was not necessarily a fungible model for the rest of the world. Neoliberals could not prove the efficacy of a market-oriented media industry lightly regulated by a capitalist democracy on their own home turf. As Nicholas Garnham pointed out well before it became conventional wisdom for critical scholars in the field of political economy, most Western national media industries perennially harbored fundamental contradictions "between the economic and the political at the level of their value systems and of the social relations which those value systems require and support."[10] In *Capitalism and Communication*, Garnham privileged the political realm (as many developing nations did), because here the "individual is defined as a citizen exercising public rights of debate, voting, etc. within a communally agreed structure of rules and towards communally defined ends. The value system is essentially social and the legitimate end of social action is the public good."[11] In sharp contrast, in the economic realm the "individual is defined as a producer and consumer exercising private rights through purchasing power on the market in the pursuit of private interests, his or her actions being coordinated by the invisible hand of the market."[12] Western industries more often than not blindly favored the economic. For Garnham, achieving a more healthy balance of these forces would mean recognizing and mitigating the pursuit for

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[10] Garnham, Nicholas, *Capitalism and Communication: Global Culture and the Economics of Information* (London: Sage, 1990). 110.

[11] Ibid.

[12] Ibid.

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political freedom if it began "to override the search for economic efficiency," while at the same time monitoring the level of "material productivity" if it constrained "possible political freedom" of the media.[13]   According to Garnham's definition, it seemed as if the developing world was much more successful at achieving this balance than was the developed.

Whether privileging the economic created contradictions or not, neoliberals were vehement about promoting this palliative as a one-size-fits all answer to what were assumed to be homogenous developing world national media industries.   And the only reason that globalization rhetoric could claim that this macroeconomic phenomenon was sweeping the globe was because its main proponents, the IMF, World Bank, and WTO, required impoverished developing nations seeking financial succor to apply them. That is not to say that the developing world was without its problems.   Neoliberals were correct that growth and development problems did occur across the developing world; in fact, many of them had experienced exploitation, colonialism, imperialism, and neoliberal globalization at some point in the last century or two.   However, the West presented these patterns as symptomatic of a chronic developing world debilitation for which a Western macroeconomic prescription was in order. Since many developing nations chose deliberately not to subscribe to neoliberalism because it was an inappropriate policy paradigm for them, the crime the West committed in pretending to know better was twofold. One, the West ignored that the setbacks endured by many developing world nations were the consequences of past exploitation inflicted by the West itself. Second, the West tried to assert that developing nations were not economically vulnerable because of Western involvement, but because the developing world was inept at managing itself. Absurdly, this would be a rationale for yet further exploitation of the developing world in the form of loans,

[13] Ibid.

liberalization, and attempts at technology transfer. That Western neoliberals seemed to have had temporary success with this project did not so much signify their policy preeminence, as it did our own ignorance about the reality of the developing world.

From our Western-media saturated, and thus woefully limited perspective, Vietnam and South Africa seem to share many similarities when they are generalized. Both have a postcolonial past and have weathered conflicts with powerful Western nations. The sheer demographic and geographic devastation both countries experienced during these conflicts resulted in the need to rebuild national industries and consequently foster national economic growth. But for most of the twentieth century, neither nation was able to hurdle the chronic economic deficit caused by extreme Western exploitation; it only reinforced their vulnerability. One particularly pernicious side effect of these events was a troubled post-secondary educational system for both countries due to the legacy of political corruption the West left behind. In Vietnam, U.S. involvement with South Vietnam left behind a geographically uneven national economy that fostered a black market for political and academic power. In South Africa, the ANC found it difficult to make space for Blacks in higher education after apartheid had segregated the national system for decades. Both countries also fell prey to internal Communist/Capitalist conflicts during the Cold War era, and each was drawn in politically and economically as a marginal pawn between the U.S. and the U.S.S.R; but in the political zeitgeist that followed the Cold War, the powerful global lending institutions took over the role of trying to manipulate both Vietnam and South Africa. As far as their national media industries were concerned, one of the most recent similarities that existed between Vietnam and South Africa was that each of them hoped to protect the goal of establishing a digital media industry that valued national and regional networks more than it did those of globalization.

These historical nodes certainly create the impression of similitude for developing nations thousands of miles apart. In point of fact, regardless of location there were few developing nations around the world that did not have many of these experiences. Developing nations, including Vietnam and South Africa, continued to have experiences in common into the 1990s, and an important one was an attempt to establish an infrastructure for the development of the new digital technologies. There were likely similarities as these innovations began to take place around the developing world. A few of these similarities were: the initial prohibitive cost in exchange for the promise for an economy of scale in the future, the temptation to fully privatize and then hopefully fund the initial installation of the network, and the careful creation of a policy framework to manage this process. But major differences between countries could be found as well. Some countries galvanized their internal resources to pay for the innovation while others looked outside their borders; some countries focused on satellite for radio and cellular phones while others felt fiber optic cable for Internet was more important; some valued digital technologies for their ability to create national macroeconomic growth and others for their capacity to attract foreign direct investment.

In "Recognising Alternative Rationalities in the Deployment of Information Systems," information systems scholar Chrisanthi Avgerou argued that Western attitudes could not accommodate the notion of difference as anything but a deficit. For the West, developing countries "are usually seen as problematic hosts of information and communication technologies," mostly because the West did not take into account "local culture and political regimes" that are related to "country differences in IT adoption and economic performance."[14] Rather than recognition, says Avgerou, the West tried to apply its own "techno-economic

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[14] Avgerou, "Recognising Alternative Rationalities in the Deployment of Information Systems." 1.

rationality of development which stemmed from the western societies' experience of modernity," which was "blatantly unsuccessful in streamlining people's behavior" in the developing world towards these ends.[15] Avgerou advises that information systems professionals working in the developing world "need to be attentive to the historically meaningful alternative courses of rational action…to avoid interpreting them as 'failures'."[16] Vietnam and South Africa highlight Avgerou's point that diverging from the Western model did not necessarily translate into a techo-economic "irrationality" or inadequacy.

Ever since Vietnam expelled the Western influence the U.S. represented, the VNCP was at great pains to reconcile North and South. Vietnam was largely homogeneous in its linguistic, ethnic, and racial make-up. Since 1975, there was also a political correspondence across the majority of the population, which was Communist at least at the official level. This correspondence would not have been possible, however, if the VNCP had not harnessed the national media industry as a means to accomplish this goal. Particularly during the conflict with the U.S. the VNCP recognized the value of using the broadcast infrastructure as often as possible to bolster war efforts and continue to disseminate Communist ideology. Once the war was over, the Communist Party became the sole national political power. Since their wish was to create a national media monopoly, with few exceptions the VNCP also became the only content provider and regulator of all media in Vietnam. Government censorship was an issue for Vietnamese who disagree with the VNCP's stance toward the access of foreign sources of information via media technology. However, control of the national media infrastructure facilitated the VNCP's wish for a unified Vietnamese national identity. Vietnamese programming has rarely missed a beat in

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[15] Ibid., 2.

[16] Ibid.

reinforcing Vietnamese national pride, and the VNCP credits Vietnamese pride and self-sacrifice as responsible for the possibility of the national digital media infrastructure.

The African National Congress (ANC) also sought to unify South Africa using the national media industry, although they did so not to create ethnic homogeneity, but to foster socioeconomic equality. Since 1994, the year the ANC was elected to office, their goal was to represent the needs of the over eleven racial or ethnic groups that make up South African society. Doing so was fraught with complications, however, because during its 50 years in power the Afrikaner National Party (NP) had devastated the national economy by preventing Black South Africans from joining the national workforce as anything but cheap, unskilled labor. Further, apartheid had forced the hand of the international economy to impose sanctions and boycotts that punished whites and Blacks together. The ANC was faced with the need to craft an entirely new macroeconomic policy framework for South Africa, despite little experience in doing so at the national level. The national media industry, which the NP had begun to both privatize and digitize before they were forced to quit office, would also need to be revised in favor of providing for the keystone campaign promise of universal media access. To begin the process a variety of South African interest groups formed the Independent Communication Authority of South Africa (ICASA), South Africa's first independent body regulating the media. In 2000, ICASA began to create spaces within the media industry that fostered an improvement in the quality of life for some of the neediest. Since then, ICASA has compelled broadcasters to provide programming for different ethnic and racial groups in their own national languages; some of this content targets educational initiatives for AIDS prevention and programming for children.

The National Party had a significant impact on what the ANC was able to accomplish toward the goal of universal access, joining the SADC regional alliance provided a set of relationships that helped set the process in motion. During the mid-1990s, the possibility for support from global lending agencies was not a clear option; alongside foreign investors, the IMF and the World Bank were skeptical about South Africa's ability to generate revenue to pay back its loans with interest. Nevertheless, the collective strategies of the SADC helped South Africa defray partial cost for acquiring and laying down fiber optic cable or launching a satellite for both television and cellular telephone. It also provided South Africa with a stable market in which to sell its wares. Although most SADC countries were more economically disadvantaged than South Africa, that did not mean neoliberalism was correct in positing that their membership in a regional alliance was without value. In fact, the significant savings that the pooling of economic, technological, and political resources represented to purchase and implement new media infrastructures, clearly demonstrated the value of regional alliances even between a collective of impoverished nations.

The VNCP's decision to fully embrace a new relationship with ASEAN after 1994 was central to its ability to mitigate the expense of creating a network for satellite, cellular telephone, and Internet also. With cost-sharing and standardization agreements with other ASEAN members, Vietnam was able to set up fiber optic networks and access regional satellite services at its own pace. Fostering these and other regional relationships was also a calculated strategy to avoid the three most powerful neoliberal institutions in the global political economy: the IMF, WTO, and World Bank. Like South Africa, Vietnam had learned several lessons about Western political economy earlier in the twentieth century, and the destruction it left behind galvanized the VNCP's belief that Communism should be central to rebuilding the national identity, the

national economy, and the national media industry. Neither membership in ASEAN nor technological development relationships with countries like Canada, Australia, or Sweden required Vietnam to denounce its allegiance to Communism and forcibly apply market principles to its national media industry. Therefore, it was the best political response to economic imperatives that Vietnam had at its disposal.

In "Regionalisms Compared: The African and Southeast Asian Experience" Boas and Hveem point out that regionalism was pursued by the developing world precisely because it was a space where the state could be a prime mover in response to the globalization "phenomenon."[17] Globalization left the impression that it was "mainly the market" driving the global political economy, a condition that even the most capitalist democracy in the developing world could find frightening because of the absence of a material agent. Throughout the developing world, globalization was perceived as a homogenizing force that subjected nations to the "control of transnational corporations," which mystified that, to some degree, these corporations were coordinated with Western "state power and interests."[18] Technology was also implicated as a factor in this process because of the growth of "sophisticated systems of modern communication," and the development of "integrated international commodity and financial markets." [19]

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[17] Boas, Morten and Helge Hveem, "Regionalisms Compared: The African and Southeast Asian Experience," in *Comparing Regionalisms: Implications for Global Development*, ed. Bjorn Hettne, Andras Inotai, and Osvaldo Sunkel (New York: Palgrave, 2001).

[18] Ibid., 94.

[19] Ibid.

Regionalism, on the other hand, represented heterogeneity in action, a way to avoid the destruction of "cultural, ethnic, economic and political diversity."[20]   In a "broad sense" emphasized Boas and Hveem, regionalism was a means to "enhance national and regional identity" in the face of global political economic pressure.[21]   In their own analysis of the benefits regionalism offered to Southeast Asian and African nations in the 1990s, Boas and Hveem concluded that regionalism clarified that the world was not as "singular" as the West described it. Instead, the world offered many possible alternatives for accomplishing a goal like a national digital telecommunication network.   Even in the face of economic and technological vulnerability, regionalism mitigated the ability of globalization to generate uniform responses in developing nations.[22]   Rather, ASEAN and the SADC allowed Vietnam and South Africa to be dynamic in their ability to deal with the "sometimes hostile global political economy" that globalization created.[23]   In their respect regional alliances, Vietnam and South Africa could take advantage of the benefits of being independent political agents in an economic collective, and this dynamism was crucial to the maintenance of their own internal compasses in creating the possibility for Vietnamese and South African citizens to join in the benefits that digital technologies could offer.

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[20] Ibid.

[21] Ibid., 98.

[22] Ibid, 125.

[23] Ibid., 126.

APPENDIX A

METHODOLOGY

A formal methodology for gathering the more interactive elements of my research for the third chapter of this work—namely interviews with a variety of professionals from the Vietnamese media industries, television, cellular telephone, and Internet—was not easy to follow. I had only succeeded in learning rudimentary Vietnamese in the few months before my impending trip. I could locate no Vietnamese tutors or associations in or around Pittsburgh, Pennsylvania or the University of Pittsburgh where I was completing my graduate degree. The Pimsleur language CD I purchased was a poor substitute for a human tutor. Therefore, I could only conduct interviews with those who could speak English. Luckily, locating English speakers in the upper cadres of the Vietnamese media industries was not impossible; yet, it provides me with a somewhat narrow perspective about the benefits and drawbacks that digital media represents to Vietnam, and using government documents does not improve the situation to a great degree.

Also, I did not carefully write down and follow questions to ask interviewees about their perspective on the media industry within which they worked. Nor did I use a tape recorder to accurately capture these discussions. The Vietnamese expatriates that I contacted before I left

for Hanoi suggested that asking questions about the Vietnamese media industry should be practiced with sensitivity, given that the media is managed by the VNCP, which has again become increasingly concerned with censorship in the last several years.

I learned quickly that people spoke most openly to me when we talked about the Vietnamese media industry in the form of a casual conversation between two media professionals (I had been a journalist in a previous career), comparing the U.S. and Vietnamese models and philosophies. On more than one occasion in Hanoi, people even asked me not to use their name and ended our conversation abruptly with little explanation. On other occasions, interviewees expressed curiosity about my interest in speaking to them as a form of research for my dissertation; a Vietnamese acquaintance explained to me that it was not a common practice to complete case study research for dissertations, and it was likely that I was perceived as either an extremely inquisitive tourist, or as another media practitioner writing a story about the Vietnamese media industry for the U.S. press, regardless how much I tried to protest this and explain my project.

Therefore, I am not able to quote my Vietnamese interviewees verbatim, and I do not use their names in my work. I reference these individuals by their professional titles only, hoping this allows as much anonymity as possible. In fact, I was somewhat surprised that many of my interviewees were as forthcoming as they were, even though the most of the information they shared with me was largely historical, factual, or public relations in nature.

Furthermore, the majority of these interviews take place in Hanoi because I had a more extensive and concrete social network established in that city; the level of trust embodied in social networks is significant in a country where the penalties for speaking candidly about national affairs are applied arbitrarily. One wants to know to whom one is talking and why.

What was even more surprising, though, was that in the supposedly more "Western" and "free" Saigon (also Ho Chi Minh City), I could not obtain even one interview. Towards the end of my stay in Vietnam, I flew down to Saigon to meet up with Vietnam Television's head of programming that I had interviewed earlier in the month, in order to pursue the interviewing process in the South. I chose to travel to Vietnam during this time at the invitation of this influential broadcasting executive because she suggested she could help me arrange interviews at Ho Chi Minh Television; the head of programming at the Ho Chi Minh station was a personal acquaintance of hers. Unfortunately, during my introduction to him, she communicated to me that he had declined to be interviewed because he did not speak English adequately and did not want to embarrass himself; ironically, I had heard him speaking understandable English just a few moments earlier.

That was not my only missed opportunity, as I could not get anyone who had agreed to speak with me earlier to answer my phone calls or emails regarding an interview while I was in Saigon. The rest of my research was then limited to exploring the Vietnamese media from the consumer perspective: I frequented email café's testing the limits of the Vietnamese Intranet, consumer electronics storefronts, cell phone stores, etc. It was not until I returned to Hanoi that another American who was fluent in speaking and reading Vietnamese (newspapers especially) explained why all of my social capital seemed to disappear. The 10th Party Congress of the Vietnamese Communist Party had just begun to meet and it was likely I would obtain no further interviews; many people were worried about an impending increase in arbitrary retribution for speaking openly. I learned that this was also the reason that I had had difficulty obtaining a Vietnamese sponsor to vouch for me in order to gain access to libraries and other research institutions, and why the Department of International Cooperation at the Vietnamese Department

of Posts and Telematics regarded me with great suspicion when I contacted them to visit their offices (although it may have been badly written Vietnamese on my part). Consequently, the picture I paint of the Vietnamese media is contingent upon these and other factors; and there is still much research to be done on this project. What I could not obtain by these means I supplemented with the research of others, reports from non-governmental organizations (NGOs), ASEAN documents, etc.

The methodology for the South African case study is quite different, given that I have not been able to travel to that country yet to interview those working in the South African media industries, and educational centers or to make first-hand observations. In order to try to construct my analysis of this national media industry, I am grateful that plenty other scholars have done a significant amount of work before me. My goal was to attempt to gather that which would provide a companion analysis with my Vietnamese case study. Thus, I have included a cursory history of apartheid policies in order to demonstrate the impact they had on telecommunication networks in the various socioeconomic spaces into which the National Party divided South Africa. But without being able to observe what digital technologies (Internet, cable, satellite, cellular phone) individuals have been able to access more recently in South Africa, I have culled evidence from NGOs such as the International Telecommunications Union and UNESCO, as well as news articles, national government websites indicating recent technology initiatives, and development initiatives that have been undertaken by other nations in conjunction with the African National Congress. The research of scholars such as Christine Stilwell, whose research on community calling centers and kiosks been helpful in being able to describe the public use of technology in South Africa, and Hilda Korsten, who provides documentation on the innovative practice of electronic voting and governance in South Africa.

Since Southern Africa has been the site of numerous regional economic alliances over the last several decades, I have incorporated the research that has been done on those that are most relevant to the history of the SADC (or South African Development Cooperation) since the SADC is currently the most salient regional economic alliance for South Africa. I have also included information published by the SADC in order to represent how the SADC understands its own policy iniatives and practices. There are obvious shortcomings with primarily using the documents of the organization itself, and I would also like to complete additional research at the documentary archives of the SADC headquarters in Gabarone, Botswana to get a more detailed picture. Thus, in order to make my representation of each of these case studies more even, it is my intention to travel to South Africa to speak with professionals in similar capacities as those I spoke with in Vietnam. But in the spirit of acknowledging the significant difference between these case studies, I would also like to incorporate the observations of those working in the academic environment in South Africa since education is so endemic to the technological possibilities South Africa can employ.

Another future hope that I have for this project is to return to Vietnam in order to access public libraries and government facilities, given that I can obtain sponsorship from a Vietnamese organization. There are ethical compromises that come with such a sponsorship, however; among these compromises are having my activities and research under surveillance by the Vietnamese Communist Party. It will also oblige me to participate in government ceremonies and meetings, where I will be asked to celebrate the successes of the VNCP. On the other hand, being an outsider at such ceremonies could provide me with a unique perspective on VNCP party practices. But these are considerations for the future. At present, it is simply my hope that this project has been as useful and interesting for someone else as it has been for me.

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