

# Increased connectivity will help diversify the South African economy

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Over the past 10 years, South Africa has been dealing with an economic and growing unemployment crisis that has placed the country in a dire situation.



Paresh Soni, director of the Mancosa School of Innovation and Digital Technology (SIDT)

There is a growing need for economic development. However, in the past, the mining industry has been the major economic driver of a country that was once the biggest economy on the continent. However, the sector has faced significant challenges over the past two years, forcing President Cyril Ramaphosa to reiterate that we need to move towards a diversified economy.

## Access to a growing basic need

In the wake of the Covid-19 pandemic, the world is becoming increasingly digitised in order to address some of the main challenges caused by the pandemic.

In South Africa, this has traditionally been a problem. However, the government's desire to increase public access to spectrum, and the various initiatives launched by the private sector to increase for as little as R5 a day is an indication that the country is also on track to increase its connectivity.

"Internet access is no longer regarded as a luxury but a basic necessity for economic and human development. The World Bank estimates that approximately one in three people from developing countries have access to the internet. Recognising the urgent need to bridge the digital divide in South Africa, government has set ambitious targets for achieving wide scale internet access for all South Africans in the coming years. However, at the current rate of progress, it seems that the efforts of the public sector alone will not be successful in bridging the digital divide," says Paresh Soni, director of the Mancosa School of Innovation and Digital Technology (SIDT).

He adds that it is welcoming to see that the private sector has recognised the challenges facing government in rapidly expanding internet access to the majority of South Africans. The private sector is particularly aware of the plethora of benefits that come with a digitally connected society. It is therefore not surprising that private sector entities have begun investing in projects aimed at increasing internet availability and adoption across the country.

## Increased entrepreneurship

Not only will this benefit South Africans, Ramaphosa hopes that it will increase entrepreneurship in a country that would diversify the economy.

"For entrepreneurs who operate in the formal economy, digitalisation serves as both a threat and an opportunity. We must remember that technology to digitise is not cheap. Most of our technology is imported and subject to the strength of our currency. In this respect, digitalisation will serve as a threat to entrepreneurs who do not have the resources to digitise and participate in the digital economy. For entrepreneurs who are able to access the right technologies to digitise their businesses, the opportunities are certainly plentiful. From lower economies of scale and easier access to broader target markets, to product innovation and greater efficiency, the positive role of digitalisation cannot be ignored," says Soni.

He adds that digitalisation, followed by meaningful digital transformation, will certainly set some entrepreneurs apart from the rest, especially as South Africa aims to become a meaningful player in the global digital economy.

But entrepreneurship skills alone won't guarantee success, and certain digital skills such as social media management, digital marketing and IT skills are needed.

“The need for digital skills resulting in higher levels of digital fluency and competence cannot be overemphasised, regardless of the industry or sector that an entrepreneur is operating in. If we look at the 2030 National Development Plan, we have ambitious targets of entrepreneurs creating many hundreds of thousands of jobs. To make any meaningful progress, the ability of entrepreneurs to recognise gaps in the market and cater to these via technology driven solutions, remains critically important. Smartphone penetration in South Africa has breached the 90% mark and this means that the majority of South Africans are able to perform many of their daily tasks on a device that fits into their pocket. These tasks include shopping for products and services, as well as giving feedback to their digital networks, on the quality of these products and services,” says Soni.

He adds that, as an entrepreneur in South Africa, digital skills should not be viewed through the lenses of the past (where only IT fundi's possessed digital skills). Today, entrepreneurs across most industries and sectors are expected to possess a fair level of digital proficiency in order to reap the benefits of technology for their respective businesses.

### **Education is key**

In line with the various programmes to increase connectivity across the country, various schools and tertiary institutions are teaching tech-based subjects to equip learners and students for a digitised marketplace. The Mancosa School of Information and Digital Technology (SIDT) has a unique approach to teaching these skills.

“In conceiving the SIDT, we recognised that, given the nuances of the 21st century digital economy, tech education was necessary for all individuals currently engaged or seeking to be engaged in the labour force. In recognising the continuum of digital skills required, from basic digital literacy to the most advanced levels of digital proficiency, Mancosa's SIDT aims to serve as a school catering to more than the aspiring CIO, tech-fundi and tech-guru. Through our modern learning programmes, we are imagining a better future – one where technology and humans coexist in a purpose-driven equilibrium. The SIDT attracts students seeking to advance their skills and qualifications as technology professionals, whilst also catering to students who may work in a variety of other industries and who are seeking to operate effectively as digital citizens, digital artisans, leaders and innovators,” says Soni.

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