

APPENDIX FOURTEEN

Comments on the Report of Price Waterhouse Coopers

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The report by Price Waterhouse Coopers was commissioned by the Department of Communication, with the object of investigating the viability of a dedicated educational channel in South Africa. Having read the report, I have a number of main points of criticism, some questions and a number of detailed comments.

Using the layout of the report (page 6), I shall try to systematically comment on the following components of the report:

1. Educational channels from relevant international jurisdictions
2. African educational best practices
3. The South African educational environment
4. Current technology enhanced learning initiatives in South Africa
5. Access to technology

I will subsequently make some remarks about the financing of the dedicated educational channel and finally about the methodology of the study.

EDUCATIONAL CHANNELS FROM RELEVANT INTERNATIONAL JURISDICTIONS

PWC has studied twelve educational channels, from which four were finally selected. In the first place, there is no information anywhere about the eight other channels and subsequently no specific criteria according to which the final four were selected. However, it is indicated that these four channels were selected according to similarities with the situation in South Africa and on the basis of favourable results in their own countries. The similarities are not mentioned, and the results given are extremely limited. The selection is actually not representative; it is arbitrary, and based on superficial information, mainly derived from websites.

The terms 'educational channel' and 'dedicated educational channel' are continuously interchanged, which makes the results of the analysis unreliable. In the case of the BBC, the information is given about BBC Education as a complete organization. The BBC only recently launched a dedicated educational channel, the 'Knowledge channel'. There is, however, no experience with this as yet. In Pakistan, the educational channel is hardly operational, and TVO and Nebraska are typical regional examples in North America. The similarities with South Africa hardly exist.

At the moment, there are very few successful dedicated educational channels operating in the world. The only, more or less successful, educational channels are in wealthy countries of North America, Japan, and Western Europe. In Western Europe where the most powerful educational broadcasters in the world are established, most of the dedicated educational

channels are at an experimental stage. The big *difference* with South Africa is that these countries are economically wealthy and have a well developed educational and technological infrastructure.

Both the educational, socio-economic, and pedagogic conditions, mentioned in the report as Benchmarks, are completely different from South Africa in the four international examples and therefore hardly comparable.

It is hardly practical for the Benchmarking process to be based on as limited a number of channels as four. The indicators in the matrix on page 30 provide no in-depth information and have not been elaborated further. This applies not only, for example, to the socio-economic situation in the country, but also to the financial results and the ratings (not the broadcast reach!) of the channels mentioned.

In any case, on the basis of this analysis the conclusion cannot be drawn that a dedicated educational channel is viable in South Africa.

In the 'Implications for the South-African education channel' (page 36), the advice is given to use the relevant best practice scenarios as a model for development of an educational channel in South Africa. The selection of the best-practice examples such as corporate structure, operating policies, funding mechanisms, etc. has been made without a specific analysis of the advantages and disadvantages for the South African situation.

AFRICAN EDUCATIONAL BEST PRACTICES

The selection of 'neighbouring' countries (Egypt?) is completely arbitrary. It is unclear which criteria have been used. Why is there no information about the existing forum 'The African Broadcasting Union'? Egypt is mentioned as a best-practice model without any relation to the information technology or to the educational channels. However, Egypt certainly does have such a type of educational television.

The conclusion on page 35: 'as seen in this section, Africa has still a long way to go in using other channels for the delivering of education. The opportunity, therefore, is for South Africa to establish an educational channel forum. However analysis of the ability to establish the South African dedicated educational channel in a short time, which will determine the advantage that South Africa will leverage from such a forum (e.g. revenue from resale of content)' is too simple and not valid.

The conclusion is drawn that a dedicated educational channel is viable in South Africa on the basis of other African countries lagging behind. Then the opinion is that, by starting a dedicated educational channel in the near future, South Africa can profit economically, which is again jumping to conclusions.

SOUTH AFRICAN EDUCATIONAL ENVIRONMENT

In the description of the South African educational environment, a large number of problems are presented, such as a lack of infrastructure (electricity, telephone, absence of television sets, shortage of training for teaching staff, school management, teaching materials, classrooms and financial resources in general) and the existing inequality in education

between various provinces. This appears to present an extremely unfavourable situation for implementing a dedicated educational channel.

97% of the educational budget is spent on salaries. Therefore only 3% can be invested in basic facilities for schools. One should ask whether the investment by the government of R81.2 million in a dedicated educational channel, would not be better spent on basic facilities in education. It seems to be more efficient to strengthen the development of the existing educational programmes (nest option) of the national broadcasting corporation.

CURRENT TECHNOLOGY ENHANCED LEARNING INITIATIVES IN SOUTH AFRICA

A large number of projects from various organizations are undergoing development in South Africa. The problem will be to combine these initiatives, since the activities are from private and public organizations. It seems obvious to join up with good, successful existing initiatives such as the educational programmes of the national broadcasting corporation. In addition, the many projects in the IT field should be coordinated under the management of a national project group.

ACCESS TO TECHNOLOGY

PWC does not attach any conclusions to the correct choice of technology.

CONCLUSIONS AND RECOMMENDATIONS

The conclusions and recommendations do not give much guidance, and are too general in character. Based on the analysis of the available material, final conclusions can hardly be drawn. The recommendation to develop a dedicated educational channel is absolutely without foundation.

In particular, the financial models and the estimate of the achievable market share of such a channel are not given in sufficient detail.

FINANCING

PWC has elaborated on two financial models: one for the so-called 'nest option' and the other for a 'full option'. The financial details are, however, based on the annual report of SABC. In any case, it is clear that the full option (a dedicated educational channel) requires overall a large additional investment from the government.

The costs per hour for newly produced programmes are about the same for the 'full' and the 'nest' option. The average costs are lower for the 'full option' in connection with the large number of repeats (4 times). That is where the problem actually lies. Because of the large number of repeats on a channel that broadcasts for 24 hours a day, 7 days a week, the attraction for the viewer is less. No estimate has been made of the market share that a dedicated educational channel could achieve in competition with other television channels. There is the risk that such an educational channel would have very low ratings, so that it ends

up in a ghetto situation. The so-called ‘sandwich formula’, a diversity of educational and other types of programmes on one channel, produces higher ratings in all cases because of the so-called ‘through-view’ effect. This has consequences for advertising revenue, which is overestimated in the ‘full option’.

Night-time hours are also unattractive to advertisers. Finally it is of importance that a large number of costs such as marketing, printing, information technology, promotion and distribution are not included in this model. The costs will therefore be much higher.

METHODOLOGY

On methodological grounds, the report by PWC fails to meet the requirements laid down for qualitative research. In general there is a lack of a clear research structure and systematic research approach, no transparent verification was carried out on the basis of previously established criteria, so that the conclusions and recommendations are doubtful.

No valid criteria were formulated to define the parameters of the study. For example, ‘the following four channels were selected based on their similarities to the South African situation and on their excellence for providing educational television to their respective jurisdictions’. Which similarities do these channels have with the situation in South Africa and which criteria were applied?

The selection is non-representative, and there is confusion in the references between dedicated educational channels and channels not dedicated. In short, the information provided is incomplete and not comparable, no analysis has been performed, and there is no translation to the South African situation. The indicators in the matrix on page 30 provide no in-depth information and have not been elaborated further.

On the basis of this information, no conclusion can be drawn with regard to the viability of a dedicated educational channel in South Africa.

The report offers limited, superficial and sometimes incorrect documentation on a basis of web-sites, conferences, and reports. Page 4 of the report states: ‘Among other findings, these studies revealed that a dedicated educational channel is a viable option to pursue at this time, given the current telecommunications infrastructure of the country, its geography and varying economic circumstances between regions as well as the high ownership or access to television sets’ and in the conclusions: ‘there is a need to pursue this initiative with haste in order to benefit full from the momentum gained through recent reports, conferences and this latest round of stakeholders discussions.’

Neither the reports referred to nor the conferences (mentioned on page 4) nor the random selection of stakeholders provide the slightest substantive foundation for such a conclusion. For the decision making about setting up a dedicated educational channel, a minimum of an in-depth and all-embracing financial analysis is necessary, in which various options must be examined. The current financial models supply insufficient insight into this.

Considering the great importance of the decision making about a dedicated educational channel and the associated high investment, an extensive in-depth study among operational dedicated educational channels would be advisable.

The researchers have not familiarized themselves sufficiently with the area of the study (educational media) and do not possess the requisite know-how. This is apparent at several points in the report, for example in the constant confusion between dedicated channels and channels that are not dedicated, and equally so in errors in information that is common knowledge. In the matrix, the BBC is stated as deriving its income from the private and not from the public sector and it is supposedly not known whether support material will be provided.

PWC states that four weeks (which in practice became much longer) was an extremely short time to carry out the commission. That is correct, but is no excuse for the inaccuracies and methodological deficiencies in the study. PWC accepted the commission with the accompanying timetable and is therefore accountable for the results. For these reasons, findings delivered in this form should be unacceptable to any commissioning body in order to take a decision of such importance as setting up a dedicated educational channel.

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