



Chapter 8

Twenty years of media development and diversity



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Lumko Mtimde has over the past 20 years accumulated extensive policy, regulatory, leadership and management experience in the information and communications environment. This he has built up through working first as an Independent Broadcasting Authority (IBA) and then Independent Communications Authority of South Africa (Icasa) councilor, serving on the SABC Board and, until June 2014, acting as the Chief Executive Officer of the Media Development and Diversity Agency (MDDA). From time to time he guest lectures at the University of the Witwatersrand on broadcasting policy and regulations. He is also a member of the Minister of Communication's National Communications Task Team (NCTT).

The 31st of March 2014 marked the tenth anniversary of the Media Development and Diversity Agency (MDDA), a public entity set up as a partnership between the government and the media to support and promote media diversity. Coincidentally, this takes place at a time when South Africa is celebrating 20 years of freedom and democracy. Within the media and broadcasting industry, South Africa is also celebrating 20 years of the independent regulation of broadcasting and 20 years of licensing of community radio services.

The media landscape today cannot be compared to what existed in 1994. Much has changed to accord with the objectives of the legislative framework: the Constitution of the Republic of South Africa of 1996; the Independent Broadcasting Authority Act of 1993 (now the Electronic Communications Act of 2005); the Independent Communications Authority of South Africa Act of 2000; and the MDDA Act of 2002.

During the apartheid era (before the 1994 democratic elections), the white minority government curtailed freedom of expression and ensured that the media industry 'toed the line' in terms of apartheid government policies. Newspapers were forced to apply for registration if they published more than 11 times a year. An arbitrary amount was also required before registration was approved. Government enforced regulations controlling what the newspapers could publish, especially articles and activities deemed to be counter the views of the apartheid system (De Beer, 1998:90).⁶⁷

In 1994, then President Mandela, addressing the International Press Institute's congress in Cape Town, reflected on the press post-apartheid, and laid the founding principles for media development and diversity, and freedom of expression.

Truth does indeed have immense power; yet it remains extremely elusive. No single person,

no body of opinion, no political or religious doctrine, no political party or government can claim to have a monopoly on truth. For that reason truth can be arrived at only through the untrammelled contest between and among competing opinions, in which as many viewpoints as possible are given a fair and equal hearing. It has therefore always been our contention that laws, mores, practices and prejudices that place constraints on freedom of expression are a disservice to society. Indeed these are the devices employed by falsehood to lend it strength in its unequal contest with truth ... Freedom of expression, of which press freedom is a crucial aspect, is among the core values of democracy that we have striven for ... A critical, independent and investigative press is the lifeblood of any democracy. The press must be free from state interference ... It must have sufficient independence from vested

We must deepen the practice of participatory democracy in all spheres of public life.

interests to be bold and inquiring without fear or favour. It must enjoy the protection of the constitution, so that it can protect our rights as citizens ... The tragic absence of diversity in

the South African media has been a matter of grave concern to us over a number of years ... It remains to be seen how these changes will affect both the diversity of viewpoints and address previous imbalances in the access to and control over the press.⁶⁸

Similar principles were reiterated by President Zuma in his inauguration speech on 9 May 2009.

We seek a vibrant, dynamic partnership that is enriched by democratic debate that values diverse views and accommodates dissent. Therefore, we need to make real the fundamental right of all South Africans to freely express themselves, to protest, to organise, and to practise their faith. We must defend the freedom of the media, as we seek to promote within it a greater diversity of voices and perspectives. We must deepen the practice of participatory democracy in all spheres of public life.⁶⁹

Twenty years on and the media and broadcasting industry has been re-structured in a three tier form: public, commercial/private, and community media. The legislative and regulatory framework has created an enabling environment for the growth of community and small commercial media. This is through a licensing regime that requires no fees for community broadcasting; reserving radio frequency spectrum for community broadcasting; prescribing regulations that accommodate this sector of the media; and, creating supporting bodies such as the MDDA which provides financial and non-financial support for community and small commercial media.

The Press Freedom Commission (PFC), the Print Digital Media Transformation Task Team (PDMTTT) and the MDDA reports of 2009 and 2014 confirm the lack of adequate transformation in this industry, noting however that there have been some changes such as the Sekunjalo acquisition of Independent Newspapers and the introduction of the New Age. Despite interventions by the MDDA and the state through their promotion of transformation processes and BBBEE, the mainstream print media consumed daily, weekly and monthly remains owned and dominated by a few individuals and companies.

It is important to review our laws and policies, to discuss the past 20 years and celebrate the good story. This chapter argues that as part of the preparation for the next phase of transformation, we should reflect on 20 years of media freedom and diversity; consider the conclusions of many reports (including those of the PFC, PDMTTT and MDDA); review the policy on media development; and map a way forward for a media that reflects South African demographics and diversity and serves the needs of all sectors of our society.



TEN YEARS OF THE MDDA

Similarly, the commercial/private and public media have grown tremendously in terms of listenership and viewership. Broadcast media has made significant strides in transforming in line with the national Black Economic Empowerment (BEE) strategy, as well as the legislative and regulatory requirements. The print media landscape, on the other hand, has not transformed much with ownership and control mainly being retained by white monopoly capital.

Prior to 1994, community and alternative media, in the form of newspapers and magazines such as the *New Nation*, *South*, *Saamstaan*, *Grassroots*, *SASPU National*, *Vrye Weekblad*, as well as Bush Radio, were the voice of the democratic forces and were largely supported by international donor funding.

In 1995, the community media sector met in Cape Town at the Community Media 2000 conference. Among its recommendations was a formation of an 'enabling support mechanism' or 'media development agency'. This 'Community Media 2000' conference provided an opportunity for the community media sector to respond to the drying-up of international donor funding; to lobby for support and the

creation of a sustainable enabling environment; and to ensure that provisions supporting the sector were included in the Reconstruction and Development Programme (RDP).

During the 1990s, civil society was unable to create the required support mechanism for community media. Already, some community newspapers like *NEMATO Voice* had closed as donor funding dried up. Government was, however, committed to this sector as a means of promoting access by marginalised groups and of enhancing media diversity – and considered that community media would be best served by setting up a media development agency. This was based on a recommendation from the Communication Task Group (Comtask) of 1996 led by Mandla Langa and established through the leadership of the then deputy president, Thabo Mbeki.

This Task Team's further recommendations included that a professional advisory and consultative committee, Communications 2000 be set up to:

- Advise on the subsidy and support mechanisms to be adopted for the promotion of media diversity (Recommendation 37).
- Explore, advise, encourage and consult on avenues for partnership with sectors engaged in information delivery at community level (Recommendation 38).⁷⁰

These and other advocacy processes led to the recognition of three tiers of broadcasting (community, commercial and public) in South Africa which were legislated through the IBA Act of 1993 (now repealed and replaced by the Electronic Communications Act of 2005). Another favourable achievement for the community media sector was the Authorities Position Paper on Community Sound Broadcasting Services of 1997 and the subsequent Community Sound Broadcasting Policy Position Paper of June 2006. Of note also is the Community Television Broadcasting Services Position Paper of November 2004.⁷¹

After extensive discussion and debate, the development of policy positions and enabling

legislation, the MDDA was launched in 2004 to promote media development and diversity. The MDDA Act established the agency and defined media development as transformation of the media environment and infrastructure so that historically disadvantaged communities and persons would have access to the media as owners, managers, producers and consumers. Further, the Act defined 'diversity' with regard to media as meaning access to the widest range of sources of information and opinion as well as equitable representation within the media in general. The objective of the agency was seen to be to promote development and diversity in the media throughout the country, consistent with the right to freedom of expression as entrenched in section 16 (1) of the Constitution, in particular freedom of the press and other media and the freedom to receive and impart information and ideas.

To give meaning and effect to the Constitution of the Republic of South Africa of 1996, the MDDA Act of 2002 established the agency to:

- Encourage ownership and control of, and access to, media by historically disadvantaged communities as well as by historically diminished indigenous language and cultural groups;
- Encourage the development of human resources and training, and capacity building, within the media industry, especially amongst historically disadvantaged communities;
- Encourage the channeling of resources to the community media and small commercial media sectors;
- Raise public awareness with regard to media development and diversity issues;
- Support initiatives which promote literacy and a culture of reading;
- Encourage research regarding media development and diversity; and,
- Liaise with other statutory bodies, such as Icasa and the Universal Service and Access Agency of South Africa (USAASA).

MDDA MTEF 2014-2019 approved strategic objectives

The objectives and strategic focus of the MDDA in its second decade remains informed by its vision 'Access to diversified media for all' and mandate 'Ensuring the sustainable development of a vibrant, innovative and people centred media'.

In the last ten years, there has been an increase in available support for media development and diversity.

	Strategic objective	Linked programmes
1	Ownership, control and access to information and content production by communities.	Programme A: Grant Fund and support Subprogramme A1: Community media
2	Enhancement of ownership and control by independent media entrepreneurs.	Subprogramme A2: Small commercial media
3	A vibrant, innovative and people-centred media.	Subprogramme A3: Research, training and development
4	The strengthening and promotion of a vibrant, innovative and people-centred and diversified media.	Subprogramme A4: Monitoring and evaluation
5	Legally sound contract management and litigation free Agency.	Programme B: Legal and contract management
6	Creation of an environment and capabilities that deliver MDDA value products and services.	Programme C: Human resources and corporate services
7	Enhanced governance and accountability standards of the MDDA.	Programme D: Risk management and internal audit
8	To strengthen, grow and protect the MDDA funding base.	Programme E: Financial management and auxiliary services Subprogramme E1: Finance and supply chain management
9	To standardise the basic IT infrastructure and to ensure that it complies with industry standards.	Subprogramme E2: IT
10	A well-known, valued and reputable brand.	Programme F: Communications, branding and stakeholder management



SUCCESSES AND DELIVERABLES OF THE MDDA

20 years of media freedom and diversity – MDDA celebrates the good story

- Media freedom, freedom of expression and access to information is protected and guaranteed through the Constitution.
- A number of statutes have been enacted to give effect and meaning to the Constitution, creating an enabling environment for media diversity.
- The 20th anniversary of the establishment of independent broadcasting regulation in South Africa (the then IBA was set up in 1994).
- A three-tier broadcasting system (public, community and private) enables a diverse broadcasting industry.
- South African content, languages and cultures enjoy airtime.
- Listenership and viewership has grown since 1994.
- Broadcast coverage has increased.
- There is an ongoing funding partnership between broadcast and print media, and government.
- Ten years of unqualified and clean audits.
- 570 media projects supported through MDDA grants worth R275million.
- Community radio commands more than 25 per cent of total radio listenership.
- Signal distribution costs for community broadcasting are reduced.
- Community television is licensed in more than four provinces, viewership is growing and access to government advertising has opened up.
- Readership of community and small commercial newspapers has increased to more than three million.
- More community and small commercial newspapers and magazines are produced in indigenous languages and spread throughout district municipalities.
- More than 2021 individuals have been trained and skilled.
- More than 247 bursaries have been awarded in media studies.
- More journalists are provided accredited training through the MICTSeta partnership.
- More than R30 million government adspend is allocated to community and small commercial media per year.
- More than 12 per cent of government advertising expenditure, amounting to more than R60 million, has been spent on community and small commercial media from April 2011 up to March 2013.
- State-owned entities are committed to allocating their adspend to community and small commercial media.
- Easy to use toolkits on governance, advertising and marketing have been produced to empower community and small commercial media.
- Research reports are produced and published on www.mdda.org.za.
- Visible efforts to improve media diversity.
- MDDA has received a number of acknowledgements, including being a finalist in the National Business Awards 2013.

MDDA by numbers: 74

Comtask Report

National Action Plan for Promotion and Protection of Human Rights

MDDA Position Paper

Total estimated budget requirements for MDDA over five years (Position Paper 2000)

Expected budget requirements/target in the first five years (Position Paper 2000)

Expected worse case budget target for MDDA (Position Paper 2000) per year

MDDA Act enacted

First board appointed

Inaugural board meeting

First CEO appointed

First staff complement appointed

First request for proposal

First board meeting to allocate grants

Second CEO appointed

Total number of first applications received and processed

First Annual Report

First private partners funding deposit

First allocation (Jan 2004)

Total awarded grants as at January 2014, since Jan 2004

Total number of projects supported in 2004/5

Total number of projects supported as at January 2014, since Jan 2004

Total number of trained people since April 2004

Total number of bursaries to different radio and print media

Total number of directly employed people in projects since April 2011

Total number of indirectly employed people in projects since April 2011

Total MDDA staff numbers as at January 2014

1996

1998

November 2000

R500m

R300m

R60m

24 June 2002

December 2002

January 2003

August 2003

September 2003

November 2003

January 2004

1 July 2006

27

2003/4

August 2004

R12m

R275m

74

567

2021

247

544

1632

24

Funding the MDDA

The MDDA held its first grant award meeting in January 2004, one year after it was established. With the limited resources at its disposal (cumulative total of R275million, as at 31 March 2014) it has had to do more with less. The MDDA is funded through a partnership between the government and the private sector, as tabulated below:

Table 1: MDDA Funding

Income in rands	
Government (GCIS)	20 000 000
Print media	4 000 000
Broadcast media	28 644 876
Interest	4 025 765
Management and admin fee (DoC Project)	
Total Income	56 670 641

Source: Annual Report 2012/13

This public private partnership funding model has been a success. The Electronic Communications Act of 2005 legislates on the broadcasting contributions which, in terms of Section 89, require that Icasa prescribes a contribution from the industry. Icasa has since prescribed that 0.2% of annual turnover

of licensed activities be paid by licensees, and when this contribution to the MDDA is made, the Electronic Communications Act deems licensees compliant.

The real funding challenge is in respect of the print media industry as their contributions are voluntary. Inflation has also decreased the value per media entity (namely Media24, Independent Group, Times Media and Caxton), from R1.2m at the onset to R1m in 2013/14. The print media industry has also opted as from 2014/15 not to renew the agreement until the media development and diversity policy has been reviewed. This review may take 18 months or more to complete, which in effect means that the print media mandate of the MDDA in terms of small commercial media will be negatively affected for at least two years (this is far from ideal, and requires urgent intervention). The only sustainable revenue is therefore through the support that government provides as well as the broadcast media partnership that exists.

Since inception, the MDDA has had a clean audit record, receiving unqualified reports from the Auditor General of South Africa (AGSA). This attests to its sound leadership, financial management and good corporate governance practises.

Ownership, control and transformation of community media

As at January 2014, with its limited accumulative budget of R275 million the MDDA has supported more than 567 media projects in all provinces, focusing on historically disadvantaged communities. Now, more than ever before, community and small commercial newspapers and magazines are owned by diverse media owners and communities and publish in a range of indigenous languages. They are also, according to the Association of Independent Publishers (AIP) read by more than three million people.

Broadcast media has also made significant strides in transforming in line with BEE strategy

and the regulatory and legislative framework. Broadcast media figures reveal that 26% of the total radio listenership in South Africa listens to community radio.⁷² The community radio stations are organised by the National Community Radio Forum (NCRF) and National Association of Broadcasters of South Africa (NAB) while the Association of Community Television of South Africa (ACTSA) organises community television. ACTSA also reports that community television viewership is now more than five million.

The advent of community broadcasting has contributed towards diversification of the media

landscape: in addition to the public broadcasting services and the private commercial broadcasting services, the 52 district municipalities all have access to their communities through community radio. Community radio services are owned and controlled by the communities they serve as per their licence as issued by Icasa.

Although community and small commercial magazines are also available in the 52 district municipalities these are however less developed than the community broadcasting services and some local municipalities are not reached by this media. Local community news and information is therefore not covered by newspapers, even though community members may have access to some local 'knock and drop' newspapers owned by Media 24 or Caxton. The community and small commercial newspapers are organised under the Association of Independent Publishers (AIP) but not all of them belong to the association.

In line with MDDA's initial vision, 20 years on the situation is much better in most district municipalities. Consumers are now able to choose from media that includes community and small commercial newspapers and/or magazines as well as community radio produced in local languages. However, there are still areas with no access due to topographical challenges as the landscape is mountainous. More work is needed to ensure that universal coverage, access and the production of media in indigenous languages is achieved.

One of the major projects is the establishment of the online booking and monitoring system, aimed at improving and professionalising access to advertising income and complying with reporting and accountability. This system will enhance access to advertising by the community and small commercial media and, it is hoped, contribute to the sustainability of the sector.⁷³ The MDDA will continue to pursue this project although the rollout is delayed because of the procurement process and funding.

In the future, once access to affordable broadband is available to all, digital, broadcasting, mobile and online media will mainly dominate the landscape. Support for the online presence

of community and small commercial media is also seen as the vision for the future. Applications for MDDA support will also be made online by those who have access to the Internet – the application forms are already accessible online and in the next financial year they will be activated and made interactive.

Training and skills development

MDDA's developmental approach provides for coaching and mentoring programmes to assist empower and capacitate projects. More than 2021 young South Africans have been trained and skilled, and now form part of the industry. Research work has been conducted and provides a reference point in reflecting our country's media landscape.



The promotion of media literacy and the culture of reading has increased with interventions in four provinces. The Media Literacy and Culture of Reading programme is one of the flagship projects. This project targets learners from historically disadvantaged schools and since 2009 four provinces – Eastern Cape, North West, KwaZulu-Natal and the Free State – have hosted launch summits.

Easy-to-use toolkits and other materials have also been produced and published by the MDDA. These have assisted not only community and small commercial media but

others in the mainstream media too. These toolkits focus on the building of specific skills, such as marketing, advertising and corporate governance.

Through the MDDA/Sanlam Media Awards the acknowledgement and the appreciation of excellence in the community and small commercial media has encouraged skills development and the growth of expertise in the sector.

Advocacy and lobbying

The MDDA's advocacy and lobbying interventions have started to create an enabling environment for media development and diversity. The MDDA has successfully advocated and lobbied for:

- A regulatory environment (created by Icasa);
- Reduction of tariffs for community broadcasting signal distribution by Sentech;
- Printers' discounts for community and small commercial newspapers and magazines;
- Discounts provided by Audit Bureau of Circulation (ABC) for community and small commercial newspapers and magazines;
- Easily available research and information for reference that reflects the South African media landscape;
- Increased support for the MDDA agenda by the mainstream broadcasting industry.

MDDA's passionate interventions have helped build the consciousness of government communicators, political leadership and the private sector towards community media. This has led to an increase of advertising revenue for community and small commercial media, thereby ensuring its sustainability. Over the past two years more than R30million per year has been spent on this sector.

But there is still a long way to go. One of the most serious challenges is that some local government communicators do not realise the importance of using relevant communications platforms. It is not unusual to find an advert about a local meeting in a national newspaper,

whereas this should be placed in the local media in an appropriate language.

There is also a limited understanding of the difference between community and small commercial media, and local media owned by the mainstream media. As a result adspend meant for community and small commercial media is spent in the mainstream media – which works against the country's commitment to media diversity. There is a continuing need for government communicators to be aware of and engage with the community and small commercial media; to communicate in languages spoken by the consumers; and to use media consumed by the targeted audience.

The transformation of the media industry – the 'elephant in the room' - is now an accepted reality, as is confirmed by the PFC and the PDMTTT. The PFC, although focusing on regulation of the press, addressed the issue of media transformation because many of the public submissions received brought this up. The PDMTTT was set up primarily to focus on media transformation within a print and digital media environment.

It is through the hard work of the MDDA that these transformation discussions are taking place. The MDDA, in addition to its financial support, has conducted research on areas ranging from the trends of ownership and control of media to content. MDDA also reported on the transformation challenges in Parliament that led to the public inquiries into the transformation of print media. Of necessity now is the implementation of the recommendations from the PFC, PDMTTT and MDDA research reports.

Research initiatives

The MDDA is working on some key research that includes reflections on the past ten years and the media diversity index. The research outcomes help shape the agency's programme and have been used by stakeholders with an interest in the media landscape.

Achievements against objects of the Act

These are but a few of the MDDA interventions that have had a positive influence on media transformation in the last decade. The MDDA has had a visible impact on each of the seven objectives of the MDDA Act as seen from the table below:

Preamble	Strategic objective	Key Result Area	Achievement/ Output indicator
Create an enabling environment for media development and diversity that reflects the needs and aspirations of all South Africans	To contribute towards improving the operating environment of the community and small commercial media sectors	Advocacy for media development and diversity	Submissions to Icasa, DoC, Parliament etc
	To strengthen, grow and protect the MDDA capital base, accordingly to increase the funding and resource base of the MDDA and its beneficiaries	Fundraising and resource mobilisation	Renewed funding agreement. Increased government and broadcasting funding revenue
	To strengthen, grow and protect the MDDA capital base	Financial management	Clean unqualified audits
Redress exclusion and imagination of disadvantaged communities and persons from access to the media and the media industry	To contribute towards improving the operating environment of the community and small commercial media sectors	Advocacy for media development and diversity	<ol style="list-style-type: none"> 1. Prioritise indigenous language and rural projects 2. Submissions 3. Research reports
Promote media development and diversity by providing support primarily to community and small commercial media project	To contribute towards improving the operating environment of the community and small commercial media sectors	Advocacy for media development and diversity	<ol style="list-style-type: none"> 1. Research reports 2. Submissions 3. Training 4. Grants 5. Toolkits 6. Learning forums 7. Awards
	To enhance and improve programming, production and build capacity in community broadcasting sector	Quality programming and production in community broadcasting sector	<ol style="list-style-type: none"> 1. MoU with DoC 2. Funding IAJ/ABC, Ulwazi/MTC 3. Grants
Encouraging ownership and control of, and access to, media by HDC as well as by historically diminished indigenous language and cultural groups	To contribute towards improving the operating environment of the community and small commercial media sectors	Advocacy for media development and diversity	<ol style="list-style-type: none"> 1. Research reports 2. Grants 3. Training 4. Summits/roundtables/engagements with partners.

Objectives	Strategic objective	Key Result Area	Achievement/Output indicator
Encouraging the channelling of resources to the community media and small commercial media sectors	To contribute towards improving the operating environment of the community and small commercial media sectors	Advocacy for media development and diversity	Funding agreements
	To promote and strengthen the small commercial print and	Grant and seed funding	341 projects funded
	To enhance sustainability of community and small commercial media To strengthen and consolidate beneficiary projects	Capacity building interventions for beneficiary organizations, including mentorship	341 projects funded with R128m
Encouraging the development of human resources and training, and capacity building, within the media industry, especially amongst HDG	To contribute towards improving the operating environment of the community and small commercial media sectors	Advocacy for media development and diversity	1. Training 2. Bursaries 3. Workshops 4. MoU with MAPPPSETA (MICTSETA) / NEMISA
	To strengthen the operational efficiencies of the MDDA so as to deliver sustainable media development and diversity content and impact	Internal business processes	1. PTSS 2. Grants, Funding Cycle 3. Pastel 4. Tight internal controls 5. Policies and procedures 6. Systems 7. Clean audit reports
Raise public awareness with regard to media development and diversity issues	To enhance and position the MDDA as a leader in media development and diversity	Communications and public awareness with regard to the sector and the MDDA in general Partnership and stakeholder management	1. Annual reports 2. COMSTRAT 3. Outreach programmes 4. Publicity 5. Debates 6. Publications 7. Research reports 8. Websites 9. Press office 10. Facebook
	To strengthen relations with MDDA contractual and non-contractual stakeholders		
Support initiatives which promote literacy and a culture of reading	To promote media literacy and the culture of reading	Media literacy and culture of reading	Summits in partnership with key stakeholders
Encourage research regarding media development and diversity	To enhance innovation and learning in the sector.	Research and knowledge management	1. Research reports published 2. Research reports informed public discourse.

MEDIA DEVELOPMENT AND DIVERSITY – THE CHALLENGES

The challenges that affect the sustainability of small commercial and community media, as well as media development and diversity, include: media ownership, control and transformation; the print media value chain; competition; lack of advertising support for community media; and the language of the media. These have been confirmed and detailed in the PFC Report 'Press Regulation in the Media,' the PDMTTT *Report on the Transformation of Print and Digital Media* as well as the MDDA research report 'Trends of ownership and control of media in South Africa.'

SA media: ownership, control and transformation – a bird's eye view

Since 1994, South Africa's media and broadcasting industry has changed for the better, this as a result of the collective and regulatory intervention of the Independent Broadcasting Authority (IBA), Icasa and MDDA.

On the public broadcasting service front, the South African Broadcasting Corporation (SABC) manages 18 radio stations, three TV channels, and a 24-hour news channel (SABC News 24). There are prospects of many more channels as a result of Digital Terrestrial Television (DTT) and Direct To Home (DTH) opportunities.

In the 2013/14 financial year, there were more than; 17 commercial/regional or provincial stations private radio stations; 180 community radio stations;⁷⁵ and, seven community television stations.⁷⁶ The community TV stations include: Soweto Community TV in Soweto/Johannesburg (Gauteng); Bay Television in Empangeni/Richards Bay (KwaZulu-Natal); Tshwane TV in Tshwane (Gauteng); Cape Town Community TV in Cape Town (Western Cape) and the Trinity Broadcasting Network (TBN) (Eastern Cape). A few of the licensees have not been able to take off because of lack of access to not only radio frequency licences but also to funding.

E-tv is the only privately owned free-to-air commercial terrestrial television station. MultiChoice owns: M-Net (Pty) Ltd which broadcasts the M-Net premium channel; the Community Services Network (CSN) targeting special interest communities; and, a Sports and the digital satellite bouquet on DStv.

MultiChoice was the only pay-TV and satellite broadcasting service in the country until 2007. In 2007, Icasa licensed new satellite broadcast services: MultiChoice, On-digital Media, Telkom Media, Walking on Water and eSat. Prior to the 2007 licensing, the only grandfathered service was MultiChoice, as it existed prior to the legislative changes made post-1994.

Currently, with digitisation, there is a move to Digital Terrestrial Television (DTT) wherein free-to-air television services are to migrate from analogue to digital. This is also complemented by direct-to-home satellite television services, an example being the Sentech's Freevision and e-tv's Openview (OVD).

The changes in the broadcasting industry reflect the success of the work of the then IBA (established in terms of the IBA Act of 1993) and Icasa's regulatory and licensing interventions. The criteria to qualify for licensing as enshrined in the law is ownership by historically disadvantaged individuals (HDIs), foreign ownership limited to 20 per cent, and that broadcasting is effectively controlled by South Africans.

Print media is by far the largest media sub-sector in South Africa (in terms of the number of titles). The print media remains dominated by the 'big four', Caxton, Naspers (Media24), Sekunjalo Independent (previously Independent Group) and Times Media Group who own and control a large number of newspapers and magazines across the country. In addition, there are public titles such as *Vukuzenzele*, the *Public Sector Manager, GovComms*; a number of independent newspapers and magazines; and a number of small commercial and community newspapers and magazines as defined in terms of the MDDA Act of 2002.⁷⁷

On the 23 October 2012, Quest Research Services was contracted by the MDDA to conduct research into the transformation of print media in South Africa. This research focused on the lack of black ownership in the industry, and the report – based on consideration of levels of real ownership by black persons and not on the BEE scorecard – confirms that on this level the print media is not doing well at all. (It is worth noting though that the new entrants, *The New Age* and *Sekunjalo* contributed positively to some changes in the ownership and control of print media).

Print and Digital Media SA (PDMSA), instead argues for the BBBEE scorecard to be used as a measure of transformation, as it measures other elements of transformation. The PDMSA's argument implies that if the scorecard is used, then the industry has actually transformed much more than the MDDA has suggested.

In fact, the industry's performance in terms of even the scorecard is very good in some respects and very patchy in others. All four mainstream media houses have scored top marks for the indirect indicators of transformation, namely enterprise development and socio-economic development. Scores for preferential procurement are strong.

Table 2: 2011/12 Figures for 'Big 4' media companies⁸⁰

Media Company	Preferential Procurement (Maximum 20 points)	Enterprise Development (Max 15 points)	Socio-Economic Development ⁷⁸
Media24	18.2	15	100%
Caxton ⁷⁹	15.61	15	
Independent	15.4	15	100%
Times Media Group	7	15	100%

These are unsurprising findings as companies often find these targets easier to meet than the direct empowerment targets. The scores for skills development, however, are poor, with Media24's score being particularly dismal. The low scores imply that managers have slashed training budgets in response to the recession, an unstrategic move as it strengthens the argument that commercial imperatives are driving down journalism standards.



Print media is by far the largest media sub-sector in the country. It remains dominated by Caxton, Media24, Times Media Group and Sekunjalo Independent. Within this environment, the small commercial and community media struggle to survive as they are challenged by issues of affordability and sustainability.

Table 3: Print media owners as at June 2013

Owner	HDI (Max 20 points) ⁹¹	Management Control (Max 10 pts)	Black Ownership	Female Ownership	Total Score	BBEE Status
Media24	20.00	6.10	35.77%	16.66%	71.72%	Level 4
Caxton	0.0	8.44	0.0%	0%	57.94	Level 5
Times Media Group	18.95	4.61	55.64%	0.00%	65.28	Level 4
Independent Newspapers (Sekunjalo Independent Media) ⁸²	0.00	3.25	10.95%	10.58%		Level 6
The New Age ⁸³	18.08	9.00	21.58%	21.58%	75.16%	Level 3
Mail & Guardian ⁸⁴	0.00	8.88	0.0%	0.00%	48.26	Level 6

Source: Individual Company Scorecard

Table 4: Current B-BEE Codes

2007 BBEE GENERIC SCORECARD		
Element	Weighting	Compliance Target
Ownership	20 points	25% +1
Management control	10 points	(40% to 50%)
Employment equity	15 points	(43% to 80%)
Skills development	15 points	3% of payroll
Preferential procurement	20 points	70%
Enterprise development	15 points	3% (NPAT)
Socio-economic development	5 points	1% (NPAT)
TOTAL	100 points	

2013 Revised B-BEE Scorecard		
Element	Code series	Revised weighting
Ownership	100	25 points
Management control	200	15 points
Skills development	300	20 points
Enterprise and supplier development	400	40 points
Socio-economic development	500	5 points
TOTAL		105 POINTS

Source: Amended BBEE Codes of Good Practice 2013.

Transformation must focus much more broadly though – on ownership and control, management, conditions of employment, newsrooms, content and so on. The biggest threat to our democracy is media monopoly as this has a negative impact on the battle of ideas; access to diverse information and therefore informed public participation. South African society is diverse and all views and opinions must find expression in the public discourse and the media narrative. Media ownership and control (like in all other industries) must reflect the demographics of our society if there is to be confidence in its integrity.

Many South Africans, 20 years into our democracy, have become increasingly concerned about the lack of transformation in the print media, the lack of media diversity (in particular) – and the real threat this poses to media freedom. This has been expressed vividly in a number of radio interviews, phone-ins, in parliamentary hearings, and in the submissions made to the PFC and the PDMTTT. The domination of ownership and control of the print media by whites has been confirmed through different reports, MDDA research, the PFC and PDMTTT. Hence we see a convergence of ideas that suggest that transformation within this industry needs to be fast tracked.

In the print media space potential new entrants are challenged by issues of affordability and sustainability. The high cost of printing machines prohibits the smaller media owners from growing into significant operations. For meaningful transformation to take place, the MDDA's capacity must be built so that a viable funding plan is developed which will help new companies to become independent of the big operators.

There is a further challenge with each change of ownership as the gains made in transforming media ownership and control are eroded or threatened. Questions are raised about whether there have been significant changes since the Comtask Report of 1996 and the Human Rights

South African society is diverse and all views and opinions must find expression in the public discourse and the media narrative.

Commission inquiry into racism in the media of 2000. An honest and dispassionate introspection is needed. The envisaged policy review on media development and diversity should deal with the question and inform a more radical approach to changing the media landscape.

The MDDA has a huge task as, in keeping with the requirements of the MDDA Act of 2002, the organisation must give meaning and effect to Section 16 (1) of the Constitution and encourage the ownership, control and access to media by historically disadvantaged communities as well as by the historically diminished indigenous language and cultural groups. This means working together with the industry and the South African citizenry to build an environment where a diverse, vibrant and creative media flourishes and reflects the needs of all South Africans.

Competition and the print media value chain

White monopoly's ownership of the print media extends across the value chain – into publishing, printing, distribution, advertising, research, news agencies and the ABC⁸⁵. This is of increasing concern and any transformation process must therefore focus on the entire value chain.

In the publishing market, printing of newspapers is concentrated among the large media houses. These media groups have extensive printing footprints with established printing capacity that is either in-house or outsourced. There are very few independently owned newspaper printing presses and those that do exist often have standing agreements with the large media houses. This makes it very difficult for the community media to compete.⁸⁶

Recently, the Competition Commission⁸⁷ and Competition Tribunal⁸⁸ investigated complaints related to 'knock and drop' distribution mergers; the use of 'predatory pricing' to drive competitors

out of the market by selling advertising at a low cost; barriers to entry; mergers with publishing companies; and creeping acquisitions. The small size of the firms being acquired often results in the mergers being classified as small mergers in terms of the Act and therefore non-notifiable allowing them to escape competition scrutiny. In this way, the large companies are able to gain control of a range of community newspaper titles. This has a negative effect on the promotion of media diversity.

A number of rulings^{89 90} suggest that there should be an eye-out for 'anti-competitive behaviour' in respect of the entire value chain of the print media.⁹¹ The focus by the Competition Commission on the possibility of anti-competitive behaviour in the print and electronic media will complement the mandate of the MDDA in promoting media diversity.

Language diversity

English is the most commonly used language especially in the print and television media environment. This does not correspond to the language profile of our country and the needs of all consumers are therefore not served.

The broadcasting industry is relatively open, and reflects the country's diversity in respect of languages (as all eleven official languages are represented). The linguistic spread of radio broadcasts (viewed collectively) accommodates all eleven official languages and the Khoisan language which is broadcast on public radio (SABC). More than 80 per cent of community radio stations broadcast to communities in indigenous languages, as per their license terms and conditions. The public broadcaster has also reported full compliance with licence terms and conditions in respect of meeting language obligations as published in the *Icasa 2009/10 SABC Compliance Report*.

There remains an opportunity on television though as not all the local languages are equitably reflected. Commercial broadcasting and almost all formats are predominantly in English. For example, there is no indigenous language talk radio format in existence.

Similarly in the mainstream print media, newspapers are printed largely in English and Afrikaans while most community and small commercial newspapers and magazines such as *Coal City News*, *Pondo News*, *Seipone Xivoni*, *Ikhwezi News*, *Rainbow News*, *Balaodi Publishers*, *Dizindaba News*, *Idikelethu News*, *Bua Sedibeng News*, *Guluva Magazine*, *Isibane Somphakathi*, *Maputaland Mirror*, *Masilonyana News*, *Sebatagomo News*, *Umamgobhozi*, *Ngoho News*, *Skawara* are in indigenous languages. These are spread throughout all South African provinces.

According to the MDDA 2009 research report, 'Trends of ownership and control of media,' the history of South Africa's indigenous language media dates back to the eighteenth century. The origin of the black press is linked to the arrival of Christian missionaries in South Africa. Some of the first indigenous language newspapers in South Africa were *Umshumayeli Wendaba* (Publisher of the News) published in 1837, *Indaba* published in 1862 and *Ikwezi* in 1884. The first newspaper written by black journalists for black readers is considered to be *Isigidimi sama Xosa* published in 1876 (De Beer, 1998:90).

The first black-owned and controlled newspaper was *Imvo Zabantsundu*, published in King William's Town in 1884. It was owned and edited by John Tengo Jabavu,⁹² whose political comments were influential. Jabavu is often described as the first real black journalist in South Africa (De Beer, (1998:90).⁹³

Ilanga lase Natali (The Natal Sun) is another early black indigenous language newspaper which was established by John Dube⁹⁴ and his partners in 1903 (De Beer, 1998:90). The *Bantu World* was established in 1930s, and was later adopted by the Argus Company, a move that initiated the slow death of the independent black press as apartheid took hold of the country (De Beer, 1998:90).

The indigenous language newspapers (community and small commercial media as defined in terms of the MDDA Act of 2002) are faced with major challenges. They compete with

mainstream newspapers that have a healthy business history, huge capital and a competitive advantage. They also compete with local newspapers owned by the mainstream media that publish mainly in English and Afrikaans, languages that seem to be preferred by chain stores who then distribute these. For indigenous language newspapers to attract more readers and advertisers they need to be run like real businesses and to publish quality and relevant content.⁹⁵

The transformation of the print industry must include change within the entire value chain and should result in an enabling environment for the sustainability of these indigenous newspapers and magazines. Indigenous publications are important not only for media diversity but also to stimulate a culture of reading and to promote literacy. Support for indigenous newspapers will contribute towards ensuring an expanding readership base in the future.

Content diversity

Content diversity is key for media diversity but this cannot be altogether de-linked from ownership and control. Content diversity encapsulates language, class, gender, culture, geographical representivity, ideology and worldview. Changes in ownership in the industry may not have had a direct positive effect on diversity of content.

The frontiers of transformation in ownership and control patterns need to be pushed – appointing the editor/sub-editors is the prerogative of the owner and therefore they reflect the owner's worldview. It is in this way the owners indirectly oversee and control operations. Many editors/sub-editors who enter this industry are introduced to the concept of 'editorial independence' and therefore adopt a 'hands-off' approach. Whereas editorial independence is a noble principle in the context of a free media, active involvement and participation by new owners in board activities such as in editorial policy setting as well as in the remuneration and human resources committees will assist in promoting the landscape change and media diversity.

The complexion of owners is the key to transforming those editorial rooms. South Africa needs to package information in sustained creative, colourful and informative ways and this should be shared in a manner which is educational and entertaining.

In broadcasting, there is little substance to the argument that content has not changed significantly owing to commercialisation – the Icasa local content regulations have led to licences being granted based on a requirement to change programming. This has resulted in different programming formats and styles thus enhancing diversity. It is, however, true that reliance on advertising does limit the provision of content that serves public service obligations.

Community broadcasting adds value to media diversity but still needs more work from a content point of view. Change can be effected through a combination of things: regulation; funding; capacity building; awareness at community level, and so on. These areas should be tackled as part of the envisaged policy review process.

Advertising and sustainability

Government, as one of the major advertisers, must start driving the transformation agenda at these media houses. What stops government from taking a decision as an advertiser to not support those media houses seen to be derailing transformation?

According to the GCIS, government advertises in all mediums – in newspapers, in radio stations, television and digital media – reaching a variety of targeted audiences. In the 2012/13 financial year, by the end of November 2012, government had, through the GCIS media bulk buying service, spent R108 million across all platforms – in the process saving about R17 million of public funds.

Table 5: The advertising expenditure on newspapers groups for the past financial years through GCIS⁹⁶

Newspaper Group	2010/11	2011/12	2012/13
Naspers	R7 035 538 (35%)	R19 431 629 (35%)	R16 003 717 (27%)
Avusa	R6 891 259 (34%)	R 15 588 285 (28%)	R16 451 828 (28%)
Independent	R2 726 400(13.6%)	R 7 950 114 (14%)	R 11 681 268 (19.7%)
New Age	R122 700 (0.6%)	R8 850 165 (15.9%)	R6 070 697 (10.2%)
Total	R16 775 897.00	R51 820 193	R50 207 510

Figure 1: Adspend – Media24 top newspapers⁹⁷



Figure 2: Caxton – Top 10 newspapers with high adspend

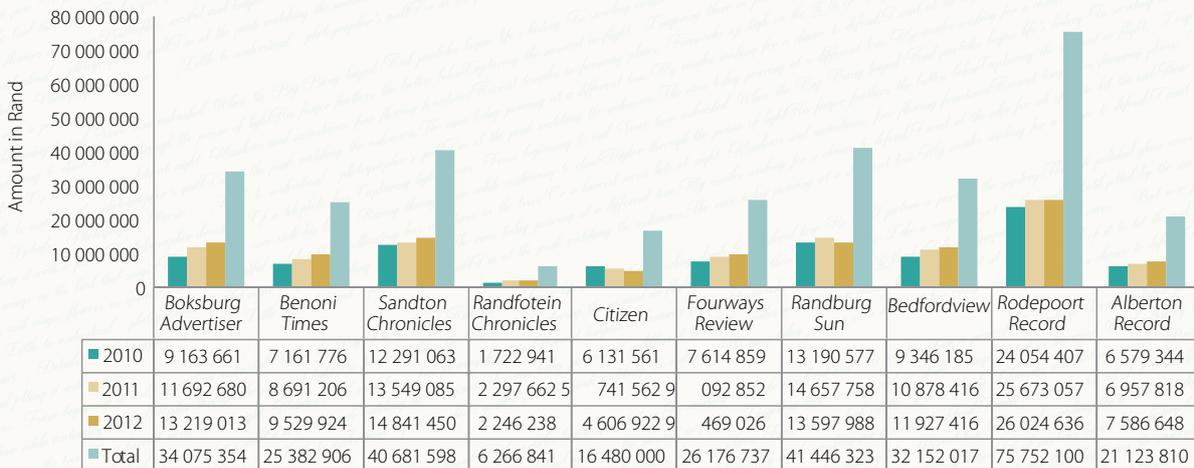


Figure 3: Sekunjalo Independent Newspapers top ten adspend⁹⁸

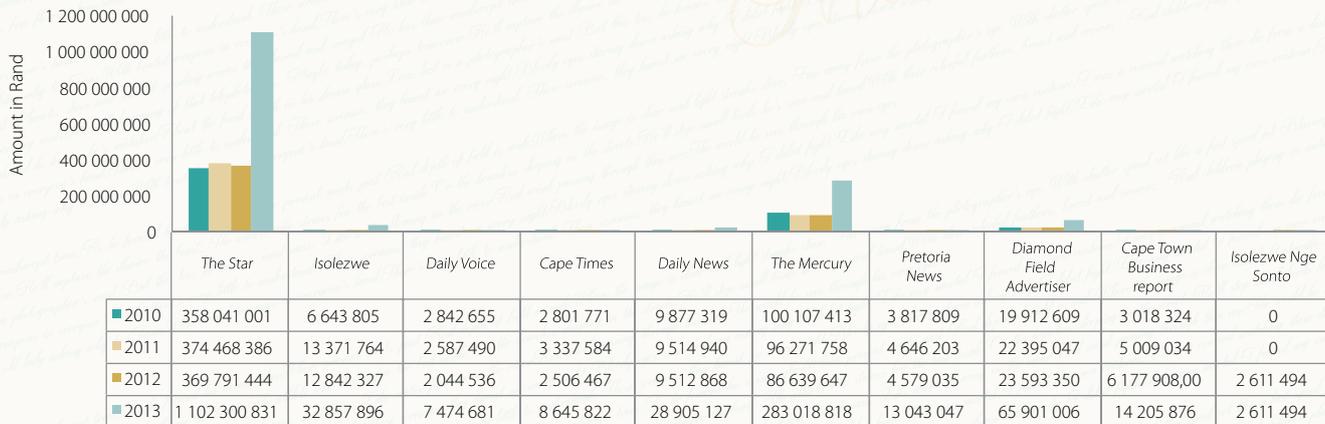


Table 6: National government adspend through GCIS in 2011-2012

2011-2012 GCIS Adspend summary- National government departments booking adverts through GCIS		
Community and Small Commercial Media	Fiscal 2011-2012	% Share
Print	R 2 141 329.87	8.91%
Radio	R19 075 336.44	79.30%
Television	R 2 811 548. 70	11.70%
Total	R24 028 215.01	100%
Mainstream media	R182 099 347. 99	
Total adspend under GCIS management including community and small commercial media	R206 127 563.00	

Source: PDMTT Report p.44

Table 7: National government adspend through GCIS in 2011-2012

2012-2013 GCIS Adspend Summary- National government departments booking adverts through GCIS		
Community and small commercial media	Fiscal 2012-2013	%share
Print	R10 001 150. 29	26. 63%
Radio	R20 497 094. 62	54. 58%
Television	R7 053 833. 78	18. 7%
Total	R37 552 078. 69	100%
Mainstream	R181 693 652. 31	
Total adspend under GCIS management incl. community and small commercial media	R219 245 731. 00	

Source: PDMTT Report p.44

Table 7: Summary of business adspend towards mainstream print media

Media House	2010	2011	2012	Total Adspend
Media24	2, 508, 205, 192	2, 616, 216, 648	2, 551, 067, 163	7, 675, 489, 003
Sekunjalo's Independent Newspaper	1, 901, 207, 889	1, 981, 770, 154	1, 980, 925, 827	5, 863, 903, 870
Times Media Group	1, 418, 935, 194	1, 560, 047, 134	1, 625, 120, 551	4, 604, 102, 879
Caxton4	1, 122, 470, 539	1, 263, 330, 079	1, 278, 339, 667	3, 664, 140, 285

Source: ADEX (Nielsen) 2013

Figure 1, 2 and 3 give an indication of the adspend in some of the newspapers owned by the "Big 4" print media companies.

Even though, in previous financial years, government adspend on community and small commercial media (radio, TV and print) increased to more than R30 million per year, this remains an opportunity worth further exploration. Community and small commercial media connect directly with people at grassroots who are in desperate need for information about developments and opportunities that will help improve their lives.

Government should, in communicating to its target audience (which coincidentally is the audience consuming and desperately in need of this information), be using its adspend to drive transformation and enterprise development, focusing on enterprises owned by blacks. The MDDA must be strengthened and provided with sufficient funds to support black start-ups and new commercial mainstream initiatives, possibly in partnership with the Public Investment Corporation (PIC) and the Government Employees Pension Fund (GEPF). Currently, Section 3 (iii) of the MDDA Act encourages the channelling of funding and resources to only community and small commercial media. This restriction should certainly be reviewed, a new media development and diversity policy be adopted, and amendments to the MDDA Act of 2002 effected in order to strengthen the Agency and to fund new entrants in line with its objectives.

Twenty years on, questions still arise about government adspend – whether this should be used for radical transformation and to support the objectives of the MDDA Act of 2002? National Treasury could even issue a Practice Note/Regulation that provides for no transactions with untransformed media houses, so that the Auditor-General of South Africa (AGSA) through the audit process exposes departments and state owned entities that support a white media monopoly.

As part of the second phase of the transition, it is of utmost importance that radical transformation is seen in the media landscape so as to ensure that an information rich and knowledge based society is created.

Conclusion

As we reflect on the last 20 years, we see that our Constitution (read together with the MDDA Act of 2002) enshrines the principles of a diverse and free media, seen as central for sustaining and deepening our democracy. The question then arises: do we have a diverse media? What effect does the lack of a diverse media have on democracy? What is already being seen is that a dominant and narrow narrative persists in every discourse.

It is envisaged that government will continue to support and uplift the work of the MDDA in order to meaningfully impact and create an enabling environment for media development and diversity. This will be done with an endgame in

mind – to allow public discourse to flourish and to ensure a diverse, vibrant and creative media thrives and reflects the needs and aspirations of all South Africans.

The hope is that government will develop a Green Paper/Discussion Paper on media development and diversity. This should be informed by the research conducted and supported by the Agency, industry research, and 10 years of MDDA experience. Other policy matters identified by the Board should also be discussed.⁹⁹

This Green Paper/White Paper process will inform government proposals on how to initiate any new transformational programmes aimed at fast tracking and ensuring radical change in this industry which holds the key to the building of an informed and knowledgeable society. This could include possible amendments to the MDDA Act of 2002 as the mandate of the organisation is reviewed.

It is hoped that the noble agenda pursued by MDDA of media diversity and plurality of voices and opinions will continue to be supported. MDDA funding also needs to be increased in order to fast track the transformation of South African media. We should build strong partnerships between community media and government, in order to achieve the 100% access to information as espoused in the 2030 vision of the National Development Plan, information that can be enjoyed by all communities, even in deeply rural areas.