Chapter Six
Analysis

6.1   Introduction

The new South African government inherited a media landscape that was primarily white-owned. It was managed, staffed, targeted at and reflective of the views of white audiences. Broadcasting was primarily state-dominated, with inferior services targeted at black audiences. The traditional print media was highly concentrated, both vertically and horizontally. "Alternative" publications serving poor, black, rural and working-class audiences had all but collapsed.

Post 1994 there were a number of shifts. The new South African government moved swiftly to transform the SABC from a state to a public broadcaster. Government opened up the airwaves to competition and facilitated black and foreign ownership of the print media. However, despite these shifts it appears that with some important exceptions poorer, more marginalised communities and languages still remained marginalised.

It is against this backdrop – with these remaining diversity and development gaps – that the community media sector called for the launch of a powerful, interventionist statutory Media Development and Diversity Agency. Through their active lobbying strategies community media activists succeeded in convincing government that "something needed to be done". However, what that "something" was, was a little more contentious.

There were a number of options open to the Government Communication and Information System (GCIS)[41] but broadly these coalesced around two major international schools of thought – the liberal pluralist and the critical political economy of the media schools. The liberal pluralist approach – the dominant approach globally – focuses predominantly on market solutions to diversity and development needs. Liberal pluralists generally fear government intervention. The critical political economy of the media school argues instead that development and diversity issues are not unproblematically

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[41] The department mandated with the setting up of the MDDA.

served by the market and commercially driven media systems - neither are they possible through undemocratic state driven policies and regulations. Critical political economists call for a number of democratically crafted public interventions to deal with the inequalities they believe are inevitably generated by market systems. Their suggestions include interventions such as anti-monopoly regulations, public subsidies for struggling media sectors, and local content quotas. Finally, they call for the development of a core non-commodified, citizenship-orientated and inclusive public service media sector. They argue that the importance of public service media lies in the fact that its mandate includes a particular focus on marginalised voices and marginalised schools of thought. The South African government has veered between these two approaches – ultimately however they have veered closer to a liberal pluralist perspective. The reasons for these choices are explored below.

6.2   Government Communication and Information System's Original Position – A Predominantly Critical Political Economy of the Media Approach

The original proposals captured in GCIS's first *Media Development Agency Draft Discussion Document* in November 1999 adopted all the key underlying community media demands. In fact, ironically, some GCIS thinking regarding development and diversity issues went further than some of the more conservative strands in original community media thinking. (See below.)

The *Draft Discussion Document* is an important milestone in the policy process. It was released as GCIS's original bargaining position. At this point, GCIS's position fell within a social-market, West European press subsidy framework – a framework that included the state imposing levies and taxes on the media industry to fund and support small commercial media. However, GCIS's approach stretched beyond this. Officials' perspectives included a more radical development mandate including the support of and particular focus on community-owned, non-commercial media. Further, GCIS called on the MDDA to look at the media environment as a whole in terms of removing barriers to development and diversity. The Department called on the MDDA to intervene in the regulatory environment to monitor the roles of the Independent Broadcasting Authority, the Competitions Commission and the SABC in terms of their policies regarding media diversity and development. Finally, the document called on the MDDA to "support, encourage and promote media in all tiers (public, commercial and community) and

monitor progress on the path to development and diversity" (GCIS, 1999:10).

At this stage the definitions adopted by GCIS defined "media diversity" as a concept that should not merely focus on the diversity of owners but also on the public having access to different viewpoints and sources of information. Linked to this was the concept of developing a "democratic discourse" i.e. a discourse that encourages a diversity of opinions across the media industry but also a diversity of opinions within one media entity. Further, there was a focus on citizens being actively engaged in the media in terms of debating and expressing their viewpoints.

Although "media development" was not specifically defined in the *Draft Discussion Document* it was nonetheless a key issue for discussion during these early stages. (Interview Pillay, 2004) The term was seen to operate at a number of levels. It was seen to refer to the development of new media projects but also to include the concept of "media for development" including the two intertwined concepts of bolstering the media's "developmental role" in society and the issue of promoting "developmental content".

These approaches fitted squarely within a critical political economy of the media framework. They moved beyond the idea of supporting a traditional representative model of democracy (more closely tied to liberal pluralist perspectives). GCIS officials looked to more progressive models of participatory democracy. The idea was that communities should be actively involved in their own development. Linked to this concept was the idea that citizens should be actively involved in the media in terms of expressing and debating their viewpoints. Further, in terms of diversity issues these approaches included a specific understanding that although a plurality of publications, radio stations and so forth was important, this was only the first step – next steps needed to focus on ensuring a diversity of viewpoints. It was understood that a diversity of viewpoints required government to, amongst a number of initiatives, support different funding sources and media ownership structures.

6.3 Key Stakeholder Bargaining Positions

Several groupings impacted on the Government Communication and Information System's original positions. In terms of government, these included the Department of Finance and the Department of Communications. The major non-government groupings

impacting on the process included the community media sector, the commercial media sector and international donors.

6.3.1 Community media positions – a predominantly critical political economy of the media approach

The community media sector was not always consistent in its approach. Three strands of thought can be discerned – a conservative social market approach, a statist strand and a radical pro-public service media perspective. The more radical pro-public service media strand however was the consistently dominant approach.

6.3.1.1 Conservative social market approach

The social market approach – prevalent in the *Media in the Sunshine* Comtask proposals (NCMF & COMMNET, 1996) – embraced West European subsidy principles but with some differences. The approach adopted was linked to the funding of both community and commercial media. This was in fact a more radical approach than that adopted in Western Europe where small commercial media was the focus. However, in other ways the Comtask proposals were more conservative. This was particularly the case as regards financial sustainability suggestions. The proposals emphasised the need for all media projects (both commercial and community) to become financially sustainable as soon as possible and thus not dependent on the MDDA. It was recognised that some projects – in particularly poor areas – would have to be sustained on a more ongoing basis, but this was to be the exception. In the main, all media (commercial and community) were encouraged to find commercial advertising and sponsorship funding. Also, a number of suggestions were made as to ways to eventually wean the MDDA as an institution from state subsidies. Proposals were put forward in terms of the setting up of an MDDA business arm that could cross-subsidise the MDDA's non-profit work.

Financial sustainability issues, of course, are difficult issues to resolve. However, a few comments are important. Firstly, it is interesting to note that no suggestions were made as to the importance of politically campaigning for ongoing government support to ensure a thriving and diverse media landscape. Secondly, and linked to this, there was no discussion as regards the levying of a government tax on the commercial media and / or advertisers. Potentially a government administered tax was a stable funding source. Thirdly, there seemed to be a naivety as regards the dangers of forcing all media to adopt

commercial funding sources (e.g. advertising) - the fact that this encourages a uniformity of content across all media types (public, commercial and community) was ignored. Finally, these Comtask proposals seemed to overlook the potential dangers of adopting an MDDA governance structure that included a business arm. This proposal was not neutral. For instance what kinds of work would the business arm take on to turn a profit? Would this work compromise the MDDA's vision and mission? Long term what kind of influence would the "business arm" have on the non-profit arm's thinking? And most importantly what would the impact be of the instability of this kind of funding on media and diversity projects? These issues were not sufficiently considered. It is interesting to note that these proposals were not dissimilar from certain commercial media and Department of Finance proposals.

6.3.1.2 Statist approach

Interestingly in contrast to this more market oriented thinking statist tendencies were also prevalent. These came to the fore particularly when the powers of the Minister were being discussed. Initial government proposals talked about the Minister issuing MDDA regulations and appointing MDDA Board members. As Freedom of Expression Institute representative Jane Duncan (Interview, 2004) claimed, this created problems in the sector. She said that there were certain community media groupings that were close to government, they did not want to raise complaints about government powers. Further, many community media projects were in fact dependent on government funding. It is interesting to note that this pro-statist tendency was in fact defeated during the MDDA policy negotiations, at least at the critical point of MDDA board independence.

In terms of the promotion of development and diversity policies, statist tendencies are as problematic as an unfettered market focus. They temper and censor critical voices and information in the media, they impact on the media's diversity and development impact.

6.3.1.3 Radical pro-public service media approach

As discussed the strongest strand in community media thinking was the more radical pro-public service media approach. This approach fell clearly within a critical political economy paradigm. Activists from this perspective pushed for the importance of building a strong, independent, non-commercial media sector to ensure overall diversity in the

media environment. They stressed the importance of including communities excluded by the market. The particular importance of community media – because of its alternative ownership and non-profit nature – was thus emphasised. To achieve these goals, community media activists called for a well-funded, stable, statutory MDDA prioritising support for "new forms of media, new forms of ownership, and new relationships between media and audiences" (*MDA Update*, 2000). Further, they pushed for the MDDA to deal with the broader enabling environment, and in particular the issue of media concentration.

6.3.2   *Department of Finance positions – a predominantly free-market liberal approach with strands of conservative social market thinking*

The Department of Finance's approach fell within a free market framework. In terms of media issues the latter's thinking was initially most closely aligned to a free market liberal variant of liberal pluralist thinking. The focus of this framework was to minimise state intervention and to rely on the free market to effect changes as regards media development and diversity. The Department's main focus was the building of a thriving commercial media industry - the media's specific development, cultural and citizenship role was not given a particular emphasis. Social market thinking however was displayed in the Department's eventual commitment to supporting struggling media sectors via a consensual public-private partnership with the media industry.

6.3.3   *Commercial media positions – a predominantly free market liberal approach with strands of conservative social market thinking*

The Department of Finance's approach and certain strands of industry thinking were closely aligned. Initially the dominant business approach was a strong free market liberal approach. Certain print media owners believed there was no need for any kind of intervention. The editor of the Afrikaans daily *Beeld* felt that "diversity [was] not lacking in South African media" (*City Press,* 23 May 1999). His position was that any kind of government regulation was problematic. His assumption was that policy interventions to advance media development and diversity goals would lead to control of content or subversion of media independence.

Social market positions however were also present. The South African print media body, Print Media South Africa believed that some intervention was required. Officials here acknowledged the fact that small commercial media did experience certain barriers to

entry and they needed a boost. Ideally, the latter wanted a voluntary, non-statutory MDDA. Further, they wanted to support small independent commercial media. They were sceptical of supporting community media. They saw the community media model as ultimately inefficient and unsustainable.

In terms of media development and diversity perspectives business held to the following principles. They believed that creating a plurality of media entities was the ultimate goal. Further, they called on all media to adopt business principles i.e. they believed that all media should be cost effectively produced and that all media should ultimately strive for financial sustainability. "Financial sustainability" was understood here as meaning attracting advertising and sponsorships. No media in the long term, it was agreed, should be reliant on subsidies.

6.3.4   Department of Communication positions – a critical political economy of the media approach with statist undertones

The Department of Communications differed sharply with the Department of Finance and the commercial media industry's focus on building a media industry to deal with media development and diversity issues. The Department of Communications wanted to strengthen the public media sector – including the community media sector – as a distinctive public service, citizenship-oriented sphere. For diversity to exist, the Department argued, a publicly owned system of media was critical. The latter argued that the existence of "many labels all owned by the private sector would not take care of diversity" (Interview, Mjwara, 2004). Officials argued that the public sector fulfilled many goals the private sector could not - it covered critical development issues e.g. information on AIDS, women's, disabled people's issues. The Department argued that the public sphere needed to be preserved, "where citizens could interact with one another as citizens rather than as consumers" (Interview, Mjwara, 2004).

However, underlying this strong critical political economy of the media approach the Department did demonstrate "authoritarian, statist" tendencies. These positions were highlighted in their attitude towards the independence of the media. Officials claimed that the Constitution's guarantee of media independence was sufficient. But the world over Constitutional provisions are not sufficient – it is important for a variety of legislation, charters, policies and so forth to be in place. (See Curran, 200) In terms of media independence it would have been preferable for the Department's community media

infrastructure and programming budget to be channelled through an independent institution such as the MDDA.

6.3.5 *International donors – a predominantly critical political economy of the media approach*

Donors adopted a predominantly critical political economy of the media approach. The Open Society Foundation, the largest community donor in the country, supported a strong, independent MDDA focused primarily on the support of community media. The issue of the MDDA's independence was of particular importance. The Foundation was opposed to the Department of Communication's role in directly funding infrastructure and programming in the sector. They felt that this would lead to compromises as regards the independence of community media projects. Further, they felt that the MDDA's mandate was problematically curtailed. They argued that the MDDA was not able to deal with "structural inequalities in the media environment" and the "perpetuation of inequalities was thus institutionalised" (Interview, Fairburn, 2004).

6.4   The Negotiation Process Unfolds

As the negotiation process unfolded the Government Communication and Information System (GCIS) was faced with serious opposition - both from within and from outside government. A powerful coalition of forces including the Department of Finance and the commercial media sector took the Department head on. Their strength derived from a number of factors. Firstly, the latter was bolstered by the fact that internationally the dominant socio-economic paradigm is a market-driven paradigm. The dominant media systems internationally are commercial media systems. In fact across the world public service media has come under serious attack. (Curran, 2000; Golding and Murdock 2000; McChesney, 1998, 1999, 2004) As discussed, in the past newspapers were seen as part of the market while broadcasting was regulated in order to achieve policy goals such as universal access, media diversity and development, the deepening of democracy and so forth. However, in the 1980s there was a revolution in official thinking – it was argued that broadcasting ought also to be managed by the market. State regulation was now seen as an impediment to innovation. Policy experts argued that entrepreneurs seeking to maximise their own profits were more likely to produce a broadcasting (and print) service that was exciting, audience-driven and genuinely diverse. (Curran and Seaton, 1991; Keane, 1992; McQuail et al 1992)

Secondly, the views of this coalition were significantly bolstered at the national level. In 1996 government adopted a strong market driven macro-economic framework, the Growth, Employment and Redistribution (GEAR) strategy. GEAR's primary concern was to boost investor confidence by adopting the main tenets of free market liberalism. It called for a curtailing of the state's role in development, the prioritisation of the market and the privatisation of state assets. (Adelzadeh, 1996; Bond, 2000; Marais, 2001) In line with this economic framework the Department of Finance was given an important mandate - the simplification of the tax regime. The Department argued that a complex tax regime might discourage foreign investment. (The encouraging of foreign investment was a key government strategy.) A proposal regarding a new industry tax / levy was thus seen as very unpalatable. Eventually, after major negotiations the Department agreed to support a voluntary public private partnership with the media industry, for a fixed five year period. From Finance's side there were in fact many benefits to this kind of partnership – the main one being that government could reduce its financial contribution to media development. The commercial media industry would now pay a portion of the bills.

GCIS's initial proposals thus took a very different position from dominant national and international policy approaches. The playing fields were not level. GCIS faced an uphill battle to get its more citizenship, public service orientated proposals accepted. However, there were gaps and spaces. There were possible partnerships with structures with opposing views. Two groupings offered alternatives – the community media sector and the Department of Communications.

The community media sector certainly worked hard to pull together documents, position papers, workshops and so forth to bolster their approach but ultimately they suffered from a number of weaknesses. Firstly, the sector was weak on the ground. The strong vibrant alternative media of the 1980s had by the early 1990s all but collapsed. This was due to withdrawal of funder support and hostile market conditions. (Pillay, 2003a; Berger, 2000, 2001) Although, new community media radio stations and new community media structures did arise in the 1990s, they were small and fragile. They too struggled in the hostile new market-driven media environment. (Pillay, 2003a) Further, the community media sector suffered from weak co-ordinating structures. The National Community Media Forum collapsed fairly early on in the MDDA policy process. Secondly, the community media sector was not backed by powerful civil society organisations. The

Congress of South African Trade Unions (COSATU) for instance did not get involved in these negotiations. This lack of coalition building on the side of the community media sector was a serious weakness.

Thirdly, the community media sector lacked some of the sophisticated technical skills they needed to argue their points of view. (Interview Duncan, 2004) This technical expertise was particularly important when it came to the issue of the intricacies of the implementation of industry levies and competition law. Since Finance and business were clearly hostile to this perspective, the quality and detail of the community media submissions had to be particularly powerful.

Although the original promoter of a strong statutory MDDA, the community media sector ultimately proved an insubstantial counterweight to the commercial media sector and Department of Finance. GCIS however had one further potential ally – the Department of Communications. In line with GCIS's original proposals the Department supported a developmental, public service media vision for the country. However, a coalition between these two departments never coalesced. The question is why? There are a number of reasons. Firstly, there appear to have been "turf battles" over staff and resources. The Department of Communications had the head-start - they had developed a certain level of expertise as regards community media sector issues – they were already involved in infrastructure and programming projects. Fairly substantial funding was being channelled through the department – approximately R40m annually. Although, never directly articulated there were probably sensitivities around budgets, staffing etc. There was certainly an argument to be made for the Department of Communication's R40m budget to be transferred to the MDDA. (The MDDA's specific mandate was to develop community media and the Agency was a more independent structure.) However, the Department of Communications argued strongly against this - the latter may have feared loss of power and influence.

Secondly, there appear to have been ideological battles between the departments – these were particularly strong in terms of media independence issues. Generally, GCIS was very clear that the MDDA should be an independent statutory body with an independent board.[42] However, the Department of Communications was less shy of government

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[42] The GCIS did lapse from this commitment however. During the MDDA Bill phase the Department put forward a proposal that called for the Minister to issue regulations and appoint board members. This was clearly problematic in terms of media independence issues.

intervention. For instance, they strongly defended their right to channel funding directly to community media programming and infrastructure projects. Their argument was that if Constitutional guarantees for freedom of expression were in place – that was sufficient. GCIS argued that this was only the starting point legislation, policies and so forth needed to back this up. Here GCIS was strongly backed by the commercial media sector, the Department of Finance and community media players. This lack of understanding between the Departments meant that they parted ways. The potential for stable funding to be secured through a levy on telecommunication companies administered by the Universal Service Agency (USA) fell away.

It is important to point out however that while the USA was a lucrative and potentially stable option, there were problems with it. The institution required serious restructuring – firstly, to improve its efficiency and secondly, to secure its independence. However, creative ways may have been found to channel USA funding through the MDDA. These explorations unfortunately were left unexplored.

Finally, it is important to look at the issue of international donors. Although a smaller stakeholder, they were important. At the beginning of the process there was a possibility that they may have come to the party – and with substantial funding. In terms of the *MDDA Draft Position Paper* figures such as R20m a year for 5 years were talked of. The reasons why this funding option fell away are not entirely clear. However, my research indicates that donors were definitely neglected in the consultation process. This major oversight was possibly the result of GCIS's lack of capacity but there may have been other reasons including the fact that GCIS had started to "buy-in" to a more market-orientated approach and thus saw the importance of wooing business as more of a priority than wooing donors – or other stakeholders. However, what is clear it that this neglect resulted in the MDDA losing its donor contribution.

Once the Universal Service Agency option had been discarded and consultations with donors had been de-prioritised GCIS linked up even more closely with business. Still further compromises were made both in terms of funding and the MDDA's mandate.

6.5   Implications for Media Development and Diversity

In the final analysis it is important to assess what was "won" and what was "lost" in the policy process. What was won was that a statutory structure was finally formed, dedicated

to media development and diversity. Further, the body was dedicated to the support of a marginalised under-funded community media sector. However, much was also lost. Funding was made dependent on the good will of the commercial media sector, and was negotiated only for a five-year period with no sense of what would happen after that. Further, levels of funding – both from government and from the private sector – were severely reduced. Also, the influence of the community media sector was reduced through the removal of their representation from the Board.

In terms of the MDDA's mandate, again there were major compromises. The MDDA was not allowed to comment on media concentration or broader media environment issues.[43] The Agency's primary role was reduced to that of a funder, capacity builder and researcher - and this research capacity was limited.

Ultimately the vision for media development and diversity in the country has effectively been reduced from a set of radical critical political economy proposals to a set of fairly conservative social market liberal proposals. Although no one can predict the future, the implications for media development and diversity are possibly as follows. In terms of the print media, structural inequalities will remain. Media concentration will continue. However, the MDDA will ensure that a few small commercial and community print media entities are launched and sustained. This will increase pluralism. However, the MDDA will be severely pressurised to ensure these media entities become financially sustainable. This will have the tendency to push both community and commercial media to adopt commercial principles. Both will be compelled to seek out advertising revenue. This tendency will push both commercial and community media to adopt similar, less critical, more entertainment-focused editorial perspectives with corresponding negative impacts on media development and diversity.

In terms of broadcasting, the environment is more unpredictable. The regional television proposals are exciting – that is, if they avoid authoritarian statist tendencies. But unfortunately, the MDDA will not have much clout in impacting on these proposals, although they may have a say as regards campaigning for a community television window. In terms of community radio, there will probably be a push towards

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[43] MDDA funding was in fact directly effected when Johnnic bought New African Investment Limited's media assets. NAIL's potential contributions to the MDDA fell away and, due to the nature of the funding contracts negotiated by business, no other media entity had to contribute for this shortfall. Interestingly, the MDDA did not make any public comment on this issue.

sustainability – that is, community radio will be pushed to seek out commercial funding sources. Again, there will be strong pressure on community radio, as in the print media sector, to adopt light entertainment and human-interest-focused content.