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Contested spaces: an analysis of the ANC government's approach to the promotion of media development and diversity in South Africa, with a particular focus on the policy process that led to the formation of the Media Development and Diversity Agency (MIDDA).

Skinner, Katherine Mary Alicia

2006-10-26T08:25:00Z
http://hdl.handle.net/10539/1457

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Chapter One
Introduction

1.1 Background to the Formation of the MDDA

> Government should facilitate the process of setting up a statutorily recognized media development agency … which agency will operate a statutorily recognized media development subsidy system for community and independent media (Task Group on Government Communications [Comtask], 1996).

This bold commitment made by the South African government in its now-famous Comtask Report was the beginning of the establishment of the Media Development and Diversity Agency (MDDA).[1] The recommendation echoed the demands of many – both within and outside government – for a statutory institution which would help to ensure that the right to freedom of expression was not just a paper commitment but a reality to people across South Africa, especially those from previously marginalised groups and in previously marginalised areas. (MDDA, 2004a:5) Six years later, after a wide-ranging consultative process, the MDDA Act (No. 14 of 2002) was passed by Parliament and the process of establishing the MDDA as an institution commenced (MDDA, 2004a:5).

Of course the MDDA is not the only mechanism proposed by the South African government to promote media development and diversity in the country. Other mechanisms include the Government Communication and Information System's (GCIS) Multi-Purpose Community Centres Programme, the Universal Service Agency's (USA) telecentres, cyberschools and web-internet laboratories, and the mandates of the South African Broadcasting Corporation (SABC) and the Independent Communications Authority of South Africa (ICASA) to promote development and diversity. However, the formation of the MDDA is the South African government's most focused set of proposals on media development and diversity issues.[2]

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[1] Comtask was a critical moment in the development of policy around information, communication and the media. Comtask's many important recommendations included the creation of the Government Communication and Information System (GCIS), the acknowledgement of the importance of multi-purpose community centres, and the importance of establishing a media development and diversity agency (Hadland & Thorne, 2004).

[2] For a full list of initiatives, refer to Hadland and Thorne (2004:27-8).

The original MDDA proposals were heavily influenced by the community media sector. In line with their vision GCIS - the lead government department in the negotiations - called for a development and diversity agency that would "support, encourage and promote media in all tiers (public, commercial and community) and monitor progress on the path of development and diversity" (GCIS, 1999:10). Documents claimed that this would ensure that the "difficulties of spreading tiers of media across the country would be addressed, that ownership by previously marginalized groups [would be] facilitated and a public discourse [would be] promoted" (GCIS, 1999:10). The issue of a "public discourse" was key. This refers to an early innovative demand to ensure the interaction of a diverse range of viewpoints across the media spectrum but also within individual media entities (GCIS, 1999).

1.2 Rationale for a Media Development and Diversity Agency

While crafting its initial proposals in 1999 GCIS was prepared to critically assess the state of media diversity and development in the country. Politicians and senior officials claimed that though much had been done, much still needed to be done (GCIS, 1999:4). They put forward a detailed critique of the problem areas in the South African media environment, including the failure of black empowerment groups to:

> acquire and/or sustain their shares in commercial media enterprises, . . . concentration of media in metropolitan areas, . . . insufficient resources dedicated to support for the growth of community and small independent (commercial) media, . . . [and limited progress towards] development media and communications, such that news and information meets the needs of the full range of interests and aspirations within South Africa, including those historically marginalized (GCIS, 1999:4).

Further, government noted problems with commercial print media concentration which involved "joint distribution, joint control of the South Africa Press Association, joint purchase of newsprint, uniform pricing, co-ordinated policies on advertising, exchange of information on salaries, joint ownership of nominally rival publications, and/or joint ownership of printing plants" (GCIS, 1999:4). The understanding was that urgent intervention was needed. It was also understood that this could not be left to the whims of the market – government *itself* needed to play a proactive role. International experience was then drawn on to bolster the case.

Government pointed out that since the 1950s many West European countries had put regulations in place in order to safeguard media diversity, which the market alone was failing to provide. They pointed out, “This intervention increased in the 1960s and 1970s, when the closure of newspapers failed to slow down and accelerating concentration of ownership threatened to further reduce the plurality of titles and thus diversity of views” (GCIS 1999:6).

Government argued that while developing countries had not employed direct aid to enhance media diversity, some had employed indirect measures to address some of the problems. Various South East Asian countries (South Korea, Singapore and India), for example, had enhanced diversity through anti-trust regulations and preferential tariffs on essential services, including postage, telecommunications, rail and telegraph (GCIS, 1999). South American countries such as Brazil had used their federal constitutions to prevent foreign ownership and had instituted “regulations to limit cross-media ownership, and provide for public access television channels” (GCIS, 2000:30).

1.3 Shifts in Government Approach

Original thinking and proposals for the MDDA were bold, experimental and creative. They reflected the excitement and promise of the early years of the post-apartheid transition. However, as the policy process unfolded, certain changes were made. Through the study’s initial analysis of government documents and its preliminary interactions with key stakeholders two particular shifts became noticeable – shifts in government's position regarding the MDDA's mandate, and shifts in their approach to the Agency’s funding. These shifts appeared to have placed constraints on the MDDA, impairing the Agency’s ability to fulfil its original vision to ensure "participation by all groups and interests as owners, managers and producers of media", and the creation of "a diverse media infrastructure that provides relevant content to South Africa, Africa and the world" (GCIS, 2000:35)

1.3.1 Shifts in government's approach to the MDDA's mandate

An institution’s mandate is critical - it sets the overall framework for its vision and mission. The *MDDA Draft Position Paper*, gazetted in November 2000, outlined a clear role for the Agency:

> [The MDDA would] help develop a more diverse media industry; promote the transformation of the media industry to reflect the diversity of South Africa; act as a champion and watchdog of media development and diversity issues; and, make policy recommendations to government as well as the private sector and other media agencies (GCIS, 2000:35).

Further, the document stated that the MDDA would "take a proactive interest in media competition issues" (GCIS, 2000:36). A year later, the *MDDA Final Position Paper*, November 2001, appeared to have taken a much softer, "hands-off" approach. The document outlined the MDDA's role as being to help develop a more diverse media industry through support for community and small commercial media. It called for the promotion of research and informed public discourse. A specific paragraph was inserted stating that while the MDDA could make recommendations, after public consultations, to government and the media industry these would not be binding, as the Agency would not have regulatory powers (GCIS, 2001). No further mention was made of the MDDA's role as regards competition issues.

At this point in the research project a number of burning questions arose: Why had these shifts taken place? What were (and are) their implications for media development and diversity in the country?

1.3.2 Shifts in government's approach to funding

In preparation for the November 2000 *MDDA Draft Position Paper*, government embarked on a detailed needs analysis. On completion of this, government claimed that the resources required to overcome barriers to media development and diversity in the country amounted to a total of R500m over five years. Immediately, however, it seems compromises were made. The Draft Position Paper proposed that the MDDA should meet only 60% of these needs, an amount of R300m over five years. Government stated that the funds would be made up of equal contributions from the state, the media industry and donors – each would contribute R20m per year. One year later, in the *MDDA Final Position Paper*, November 2001, government claimed that the resources needed to address the immediate backlog now came to a total of R256m over five years. Also, there were shifts in the configuration of the original three-way (government, media industry and donors) financing arrangement. Donors, and their contributions, had been "dropped" from the arrangement.

After the release of the *MDDA Final Position Paper*, negotiations were held behind closed doors. Individual media companies were wooed to ensure business's input (Pillay, 2003a). New figures were released during the public hearings on the MDDA Bill. GCIS announced that commitments from government and industry "takes us beyond R40m a year" (GCIS, 2002). Despite the bold, confident tone of the announcement, total funding at this stage had actually been trimmed further to approximately R200m. Then one large, final funding cut was made in 2003; government announced at the release of the MDDA Draft Regulations that they had committed R3m to the MDDA for 2002/2003 and R7m for 2003/2004, and that pledges from media owners amounted to some R10m a year for at least five years (MDDA, 2003).

So, in the space of approximately three years, original funding proposals had been whittled down from R500m over five years (original needs analysis), to R300m (*MDDA Draft Position Paper*), to R256m (*MDDA Final Position Paper*), to R200m (Parliamentary Hearings for the MDDA Bill), to a final amount of approximately R88m.This final figure amounted to less than a fifth of the original proposed budget.[3]

But not only had funding been significantly reduced, another critical principle seems to have been abandoned - the issue of voluntary versus legislated financial contributions. In the *MDDA Draft Position Paper*, government highlighted some of the problem areas with voluntary contributions. Firstly, government claimed that press subsidy schemes internationally were most often funded directly by government and that the "levy was legislated" to ensure a secure funding base (GCIS, 2000). Secondly, government pointed to past media development initiatives in South Africa and argued that they had failed mainly due to problems with voluntary contributions.[4] However, the *MDDA Draft Position Paper* (2000) surprisingly stated that discussions with industry had pointed to the possibility of the latter's contribution coming from the Marketing Industry Trust (MIT) levy on advertising. The MIT levy is a *voluntary* industry levy (GCIS, 2000).

[3] I have calculated the amount to include: a special GCIS start-up contribution of R3m in the first year and then R7m every year (including the first year) for a five-year period (i.e. a total of R38m over five years); and an amount of R10m per year from media owners for five years (i.e. a total of R50m over five years).

[4] Here government is referring to two institutions: the ill-fated Independent Media Diversity Trust (IMDT) established by the community media sector and industry players in 1993 and the Print Development Agency (PDA) established by Print Media South Africa in conjunction with the IMDT, the community media sector, the Independent Publishers Association of South Africa in 1998. The IMDT collapsed in 2001 when industry started to withdraw its financial support. The PDA faced a similar fate in 2000. Print Media South Africa claimed that it could not at that stage make a long-term financial commitment. (GCIS, 2000)

From my initial assessment, it therefore appeared that original funding promises had been significantly reduced, and, further, that funding had been made “precarious” – that is, the media industry's contribution was made voluntary rather than compulsory.

These were the two shifts the research wished to track. The plan was to trace them from the original recommendation to launch the MDDA, adopted by the Task Group on Government Communications (Comtask) in 1996, through various Position Papers and legislation, to the final set of MDDA funding regulations adopted in October 2003.

1.4 Burning Questions

The research had one overarching question and a number of sub-questions. The overarching question was: why and in what ways did the ANC government shift its position regarding the promotion of media development and diversity in South Africa, and what were the implications? In terms of specific MDDA mandate-related questions, the research aimed to discover:

- Why were the MDDA's powers to make recommendations to government and the private sector curtailed?
- In particular, why did government exclude competition issues from the MDDA's mandate? (And did competition issues actually matter to media diversity and development in the first place?)
- Why did the MDDA restrict its influence to the small commercial and community media sectors, rather than the media sector as a whole?

Specific questions in terms of funding included:

- After carefully calculating the costs of media development and diversity needs, why did government then ignore this research and significantly reduce funding to the MDDA?
- What were the reasons for funders not “coming to the party”? What were the implications?
- Why did government settle for voluntary contributions from the media industry, and how significant was this?

1.5 Conclusion

This research report tracks the search for answers to these questions. Although some questions still remain partially answered, the findings certainly shed light on important issues. Further, at a more macro level, the research gives an overview of the twists and turns of an important policy-making process in the context of the new South Africa. It highlights the constraints but also the spaces that existed (and still exist) for challenging, exciting and bold reforms.