Chapter 7
Conclusion

7.1   Assessing the Outcomes

The MDDA policy process took close to ten years to conclude.[44] The fact that the MDDA was eventually set up as a statutory institution was a major feat for government, particularly in a developing world context. However, it is important to point out that, the outcome of the process fell far short of the expectations of certain people within government and certainly within the community media sector. Community media activists had crafted the original proposals, and their initial vision for the Agency was substantially different from the final outcome.

7.1.1 The original proposals

In order to assess the final outcomes of the policy process, it is important to look briefly at the original set of proposals. Initially, the Government Communication and Information System, in close alignment with the perspectives of the community media sector, called for a statutory Media Development and Diversity Agency, an MDDA that would "support, encourage and promote media in all tiers" – that is, within the public, commercial and community media sectors (GCIS, 1999:10). They called for an interventionist MDDA – possibly with certain regulatory powers – but at the very least an MDDA that would be able to influence and lobby the Independent Broadcasting Authority (later the Independent Communications Authority of South Africa) and the Competitions Commission to ensure that these institutions utilised and if possible expanded their powers in terms of media and diversity issues. Media concentration was certainly on the agenda.

In terms of funding, government called for the creation of a stable funding base, a funding

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[44] The duration was only six years if you take the resolutions adopted at Comtask in 1996 as the starting point and see the adoption of the MDDA legislation in 2002 as the conclusion. However, there were pre-negotiations, and after the legislation was passed the Regulations still needed to be debated. This was only concluded at the end of 2003.

base that would continue in perpetuity. The plan was to raise funding through a tax on commercial media companies and/or a tax on advertising. Finally, the understanding was that a significant level of resources would need to be dedicated to the institution to ensure the Agency would have a demonstrable impact. Government's original needs analysis talked of a sum of R500m over five years to deal with backlogs. The understanding was that this would be renegotiated at the end of the five-year period to look at ongoing requirements.

This original set of proposals was thus closely aligned with a critical political economy of the media perspective. This perspective calls for a media system in which all spheres – commercial, public and community – are well developed yet distinctive. Further, it calls on the media to play a variety of democratic roles (Curran, 2000). In particular, this perspective calls for a well-developed public service media sector. Public service media is seen as critical due to its inclusive, citizenship-oriented mandate.

7.1.2 Final outcomes

So what did the final package of proposals look like? They were not entirely distinct from community media's original vision and GCIS's initial proposals. The community media sector did win some demands. The MDDA was set up as a statutory rather than a voluntary body. It was dedicated to the support of community media. Further, the institution did have a small research capacity. However, in the main, the community media sector lost a number of their key demands. Firstly, they lost their demand for statutory levies. Instead individual contracts were signed with industry players. These were flexible contracts that ensured that no company would be responsible for the funding of any other company if the latter should run into financial difficulties or be "bought out" as in the case of NAIL. Further, it was agreed that if a company should experience financial difficulties they would be able to ask for an exemption from their contributions. These contracts were signed only for a five-year period, leaving a question mark as to what would happen after this period. Also, the level of funding was significantly reduced – the total of the entire annual industry contribution (both from print and broadcasting) was tagged at a low R10m a year.

The mandate of the MDDA was also significantly restricted. The Agency was reduced to a non-interventionist body, with no regulatory powers, no power to make binding

recommendations and no power to comment on media concentration issues. Its focus was specifically tailored to that of funding and capacity building of community and small commercial media. Thirdly, community media lost its representation on the MDDA Board. They were seen as beneficiaries only. The Board was thus dominated by private sector interests and perspectives.

The final outcome was thus a conservative variant of a social market approach. It was a "conservative variant" because even some of the principles accepted as givens in social market thinking were excluded. A social market approach calls for intervention as regards media concentration issues. Further, there is an understanding that stable, ongoing funding (not just for a fixed period only) is required to ensure subsidies for new and struggling media entities.

7.1.3 Reasons for final outcomes

So why these outcomes? The research uncovered the powerful alignment of forces that encouraged a pro-market approach to take precedent. The Department of Finance, at a critical moment in the negotiations, refused to accept a proposal for compulsory levies on business. They insisted on the Government Communication and Information System seeking out a partnership with business. This substantially weakened GCIS's bargaining position. In their attempts to get business to agree to a voluntary contribution, significant principles were undermined. Business was not a neutral party – a strong, well-resourced, interventionist MDDA was not in their interests. They campaigned successfully to ensure that the MDDA's wings were clipped and to a significant degree they won.

The question then remains were there other options– or was this pro-market approach the only approach open to government? The answer is a tentative yes. An alternative – although certainly less easy – development path was offered by the Department of Communications. The Department had a very different perspective on media development and diversity issues from that of the Department of Finance. They were strongly supportive of public service media and saw the commercialising tendencies in the public and community media spheres as a threat to diversity. Further, they recognised the need for substantial stable ongoing funding for development and diversity issues. The offer they made to GCIS was for the MDDA to merge with the Universal Service Agency, an Agency committed to the roll-out of telecommunications to marginalised

areas. The significant benefits of this approach included the fact that the Universal Service Agency had the potential to cater for convergence issues and the power to levy taxes on lucrative telecommunication companies.

This proposal was backed by the community media sector, which added one critical proviso – the importance of the Universal Service Agency's independence from government. (The Universal Service Agency presently operates under the auspices of the Department of Communications.) With this proviso in place, a critical political economy of the media perspective was again within reach.

What is interesting is why this proposal was scuppered. The research uncovered a host of possible reasons. Firstly, this proposal stood in direct opposition to dominant free market international and national macro-economic policies. The proposal's emphasis was on public-service media and a tax on industry to fund this. The proposal was thus ideologically difficult to sell. Secondly, the community media sector and Department of Communications would have needed to do significant work as to how the levy could be collected, administered and so on. Thirdly, powerful civil society support, outside government would have needed to be in place. (Alliances with major civil society formations such as the Congress of South African Trade Unions would have assisted.) Also, the community media sector itself would have needed to be stronger. Finally, the relations between GCIS and the Department of Communications would have needed to be less chilly. A combination of "turf battles" and ideological differences seemed to have kept the two apart. In terms of turf reasons, both Departments were probably anxious to see the MDDA, with its funding streams, fall within their sphere of influence. In terms of ideological battles GCIS was suspicious of what they called the Department of Communication's "statist authoritarian" tendencies. They claimed that the latter did not have a healthy respect for the independence of the media. GCIS claimed that given the choice of state intervention in the media versus market dominance, the greater evil was certainly state intervention.

GCIS was certainly correct in believing that state intervention was a serious problem. However, creative thought was not put into ensuring media independence while still ensuring a stable funding flow. Of course, criticisms have been put forward as to the present operations of the Universal Service Agency. The institution has not always delivered on its mandate. However, the principle remains that in-depth research and

cooperation might have unearthed ways of restructuring the USA to make it both more effective and independent. In fact, the process of ensuring its independence could have offered an excellent opportunity to rethink its operations.

7.2   Present MDDA Operations

So to date what work has been completed by the MDDA? The question is: are the research's predictions bearing fruit? The answer is progress has been made but with certain difficulties. The Agency's first Board meeting was held in January 2003. At this meeting Board members set themselves five key goals including building the institutional capacity of the Agency, setting up offices and employing staff, researching the status and needs of the community and small commercial media, publishing Regulations as required by the MDDA Act, converting the memorandums of understanding signed between broadcasters and print stakeholders and the Minister in the Presidency into funding agreements, and starting to hand out grants and other support (MDDA, 2004:4). Much of this work was completed within the MDDA's first year. The finalising of the funding agreements, however, took a little longer; they were finally concluded on 15 October 2004 (MDDA Press Release, 15 Oct 2004).

In terms of funding projects, the first request for funding proposals was issued in November 2003. The first two rounds of MDDA grants were awarded in January and May 2004 – 20 projects were funded (MDDA, Press Release, 15 Oct 2004). In August 2004 the MDDA announced its third round of decisions on grants, during which a further 15 projects were approved – five community radio projects, four community print projects and six commercial publications (Press Release, 15 Oct 2004). The MDDA Board also resolved to provide bursaries for staff from six community radio projects to attend a university course on broadcasting management. In addition, the MDDA decided to host workshops for community and small commercial media projects on strategies for resource mobilisation. These workshops were aimed at assisting the MDDA to fulfil its mission to increase the sustainability of media projects (Press Release, 15 October 2004). The MDDA also embarked on an ongoing process to develop a database of potential mentors who could assist media projects around the country with a range of support, including capacity building, management skills and the development of business plans and strategies for sustainability (Press Release, 15 October 2004).

In terms of research in 2003, the MDDA, in partnership with the Human Sciences

Research Council and the Cape-based NGO Mediaworks, researched the needs of existing small commercial and community media. This research identified, among other things, the number of projects around the country and the geographical gaps in coverage by small media. The research, however, did not extend to identifying those groups not currently adequately served by the media. One of the recommendations of this research was to do a study targeting under-serviced areas and groups, including people in rural areas, women and people with disabilities. In line with this recommendation, the MDDA decided to undertake research to analyse the media available for women, children under 16, the elderly and people with disabilities. (MDDA, 2005; Available url: www.mdda.org.za)

This work is certainly commendable. The Agency – with a tiny staff component of four professionals and two administrative staff – has managed to cover an enormous amount of ground. However, there are some serious constraints. Kanyi Mkonza (Interview, 2005), MDDA chair, claimed:

> One of the big weaknesses of the MDDA is that it is based in Johannesburg. It would have been good to have regional offices. We actually need to be down on the ground but we don't have resources to do that. One of the problems is that we haven't received any applications from North West or Northern Cape. We actually need to be pro-active in these provinces. The Act is not stopping us. The problem is lack of capacity.

7.3   The Way Forward and Areas for New Research

At the end of the five-year period, the MDDA funding contracts will be up for renewal. This will be a useful opportunity to re-look at the Agency's mandate and funding base. Once again there is a possibility for putting a Universal Service Agency-type proposal on the table. Also, new opportunities have arisen due to the fact that government has released the Convergence Bill of 2005. The Bill's purpose is to promote "convergence in the broadcasting, telecommunication and broadcasting signal distribution sectors" (Preamble to the Convergence Bill, 2005). Its key objectives include: "to promote the universal provision of communication services and connectivity for all" (Section 2.2), "to promote the empowerment of historically disadvantaged persons" (Section 2.7), "to safeguard, enrich and strengthen the cultural, political, social and economic fabric of South Africa" (Section 2.8), and "to promote a broad range of content services in all official languages providing a diversity of news, views, information and entertainment to

meet the content needs of all South Africans" (Section 2.16). These principles are in direct alignment with the MDDA's (original) vision. As the technology environment develops and as convergence becomes an increasingly critical issue, the MDDA will be dealing more and more with multi-media projects rather than just with broadcasting and print. In this context it makes even more sense for the MDDA to tap into a Universal Service Agency type funding stream.

Proposals linked to telecommunication levies should therefore certainly be researched. Further, more effective lobbying and advocacy strategies should be explored. As my research has uncovered, there were certainly gaps and spaces in the MDDA policy process – and they still are. It is imperative that the community media sector and progressive elements within government are better prepared for negotiations at the end of this five-year funding period. The possibility of implementing a set of critical political economy-based proposals has not altogether faded.