
**Analyzing Financial Survival Strategies for Public Service Broadcasters in Disruptive
Environments: *A Case Study of SABC and Alternative Funding Models***

By

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Abstract

Following the upsurge in globalization, digitization, and audience fragmentation, public service broadcasting and its legitimacy are often questioned, if not undermined. This study explores the financial survival of public service broadcasters in the digital era. The lack of funding for public broadcasters has a bearing impact, affecting the delivery of public mandate, diversity of content, cultural diversity, inadequate production of television content, and editorial independence due to the lack of funds. In production, producers often need reduced production budgets, thus limiting the quality of the media output and the representation of audiences. Using a qualitative approach, in-depth interviews, and the case of the South African Broadcasting Corporation (SABC), this study argues that traditional public broadcasters need to modernize their business operations and adopt technology and innovation to survive against competition while retaining the public service mandate as its Unique Selling Point (USP). This paper also highlights internal and external organizational impediments that have thus far hindered the successful financial operation of the SABC. This, therefore, leads to questions about the legitimacy and democratic role of public broadcasters.

In response to the financial challenges exerted by poor funding from the government, poor commercial revenues, and TV license evasion, this study argues that public broadcasters can deploy multiple alternative revenue streams to harness revenues to make up for the shortfalls with traditional revenues. As a result, this study recommends four funding models for the SABC to harness alternative revenues: *Services and Commercial model*, *Endowment Funding and Licensing* and *Public Private Partnership (PPP)* initiatives and the *Hybrid model*. This study also reveals that the legitimacy of the SABC as a public broadcaster is hanging on a shoestring until the matter of Analogue Switch Off (ASO), Set Top Boxes (STBs), and Digital Terrestrial Television (DTT) are successfully resolved by the government.

Key Words: Public Broadcasting Services, SABC, Convergence, Public Sphere, Funding Models and Sustainable funding

Declaration

I _____ declare that this research report is my work, except as indicated in the references and acknowledgments. It is submitted in fulfilment of the requirements for the degree of Doctor of Philosophy in Film and Television. It has not been submitted before, in whole or part, for any degree at any university or tertiary education institution

TI Mnguni

Signature

Date

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Acronyms

Abbreviations	Full Meaning
ANC	African National Congress
ASO	Analogue Switch Off
DSTV	Digital Satellite Television
DTT	Digital Terrestrial Television
FTA	Free To Air
ICASA	Independent Communications Authority of South Africa
ITU	International Telecommunication Union
OTT	Over The Top
PPP	Public Private Partnership
PSB	Public Service Broadcaster
PSM	Public Service Media
SABC	South African Broadcasting Corporation
SVoD	Subscription and Video on Demand
TV	Television

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Chapter 1: Introduction

1.1 Background

The purpose of this study is to critically analyze the South African Broadcasting Corporation's (SABC) financial survival in a disruptive broadcasting environment fuelled by competition, digitization, and globalization by multinational companies. In doing so, this study will help explore alternative funding models to aid the SABC in fulfilling its public mandate to educate, entertain, and keep an informed public. This section also explores the critical historical background of the SABC, its financial journey, legislative environment, organizational impediments, and obstacles faced in developing and adopting various alternative funding models. This chapter also presents the research scope of this study and its significance while noting the argument raised by Lowe and Bardoel (2007) about the need for public broadcasters to innovate and agile to survive. This means that public broadcasters have a lot of work to accomplish to remain relevant within the broadcasting market.

1.2 Aims of the Study

This study is exploratory in its nature and approach and, therefore, seeks to address the following objectives:

- Uncover various hindrances to the adoption of various alternative funding models by the SABC
- Explore the democratic role and legitimacy of public service broadcasters in a changing media landscape fuelled by globalization, digitization, competition, and convergence.
- Explore the public service media discourse in South Africa

1.3 Problem Statement

Public broadcasters are an intrinsic part of democracy and an instrumental tool for nation-building, education, development, culture-language preservation, and many others, as proposed by the Reithian model (Fourie, 2003). Public broadcasters must remain independent of political and market forces and be financially sustainable to sustain and protect their public mandate (Ngwenya, 2015; Pickard & Neff, 2021). If public broadcasters continue to be underfunded, it will harm the diversity and quality of content, undermining their democratic role. However, the South African Broadcasting Corporation (SABC), South Africa's public broadcaster, has been plagued by financial instabilities since the advent of democracy after transitioning from a state to a public broadcaster (Barnett, 1999).

Furthermore, the outbreak of COVID-19 and the impact of the national lockdown on economic activities had a disastrous effect on businesses in South Africa and abroad. Consequently, the SABC needed better commercial revenue in 2020/2021, with a net loss of R530 million in 2021 and R600 million in 2022 (Magubane, 2020). Before COVID-19, the SABC reported a net loss of R511 million in 2019/2020. The SABC derives more than 80% of its revenues from commercial activities and receives 16% from license fees, with 4% from government allocation (SABC, 2018). This breakdown indicates that the current funding model is heavily skewed towards the commercial markets. According to Lloyd and others (2010), this is a very risky undertaking, given the instability and unpredictability of markets, as evidenced by the net losses explained. This warrants a need for alternative revenue sources while the mystery of public allocation remains unresolved.

The decline in commercial revenues also had a detrimental impact on the public mandate. In 2019, the broadcaster reported owing R1.8 billion to its creditors, including producers and service providers (Mkhwanazi, 2019). The broadcaster struggled to honour production contracts due to cash flow struggles and poor financial performance. Apart from content and salaries, signal distribution and sports rights are the most significant cost drivers for the entity, with special broadcasts such as election coverage, state funerals, and parliament events depleting commercial revenues. Failure to carry out the public mandate will undermine the SABC's public and democratic role and might lead to its public license being revoked by the regulator. Against this backdrop, this study embarks on the journey to explore alternative funding models that the public broadcaster could use to safeguard its public role and mandate while its funding mystery by the government remains unsolved. This study envisages that through media convergence theory, some of the hurdles facing the SABC could be resolved, thus protecting the SABC's theoretical alignment with a public sphere theory.

1.4 Research Questions

The study seeks to offer a comprehensive response to the three questions below:

- What are the current challenges that impede the financial independence and growth of the SABC?
- To what extent has SABC explored the digital terrain for possible alternative funding models?
- Which alternative funding models are best suited for public service broadcasters?

1.5 The Significance of the Study

Public broadcasters are a fundamental tool for development and democracy, as expressed by Lowe and Bardoel (2007), Duncan (2012), Chiumbu and Ciaglia (2015), and many other scholars. However, little attention is paid to the funding dilemma of Public Broadcasting Service (PBS). At the same time, a large body of scholarly work on PBS is premised on its normative role, cultural studies (framing and representation), and critical political economy (Duncan, 2009; Berger, 2002b; Chuma *et al.*, 2017; Tomaselli, 2008). Very few South African scholars have paid attention to the funding paradigm of the SABC (Fourie, 2013; Kupe, 2005; Nyembezi *et al.*, 2019; Pillay, 2017; Skinner, 2011). This study builds upon the work and foundation laid by these scholars and further examines the internal organizational dynamics that prohibit the SABC from seeking alternative funding measures. The study believes that if the funding matter is not resolved, many public broadcasters will become extinct as they cannot fulfill their democratic role and public mandate. Consequently, it will become difficult for researchers, policymakers, and industry professionals to shape the discourse within public broadcasting.

The study also examines the policy environment, globalization, market forces, and technological constraints hindering the SABC's ability to innovate and effectively fulfill its public role. It aims to uncover internal and institutional challenges that impede the implementation of alternative funding models and the SABC's overall financial independence. It seeks to diversify the existing literature on public broadcasting services (PBS), sustainable alternative funding, and its impact on the democratic and normative role of PBS in South Africa.

1.6 Key Historical Background of the SABC

1.6.1 History of SABC Television

Established in 1936, with the introduction of radio, then followed by television (TV) in 1976, the SABC was used by the apartheid government to enforce its racial and fascist regime of separate but 'equal' development between Black people and White people. The National Party (NP)¹ of the white minority took power in 1948 and orchestrated apartheid as an economic policy to promote the ideology of separate but 'equal' development. The regime instituted

¹ Ruling party during apartheid

radical laws and policies such as Bantu Education², Sexual Immorality³, Separate Amenities⁴, and many other acts to enforce its racist ideology.

The SABC was a state propaganda tool instrumental in silencing dissent. It failed to reflect on political development and humanitarian crises unfolding in the country at the time, i.e., human rights violations, state brutality, shutting down of resistant movements, massacres, and others. During apartheid, the SABC was heavily funded by the government as its mouthpiece and through commercials. The NP government had an overriding authority to appoint board staff and control editorial and programming matters at the SABC (Barnett, 1999b; Duncan, 2009; Tomaselli, 2001; Duncan & Fokane, 2008).

According to Chuma *et al.* (2017), free and independent media is a fundamental requirement for a democratic society. However, looking at the historical past of the SABC during apartheid, the public broadcaster appears to have been denied a democratic role. As Lloyd (2013) explains, in the 1980s, there was a state of emergency in South Africa with growing public resistance against the apartheid government and its policies. The SABC and other private media were banned from covering any public resistance, and failure to comply was met, with media houses and journalists being suspended for six months.

The apartheid regime promulgated a series of laws to suppress media freedom, freedom of expression, and the right to access information. According to Gordimer (1990), the Internal Security Act of 1982 limited the movement, reporting, and coverage of public unrest. The Police Act of 1956 limited report and coverage of police activity, the Defence Act of 1954 limited reporting on defence operations, while the Protection of Information Act of 1982 restricted access to state information and prevailed reporting on state activities.

The apartheid period (1948-1993) was the darkest era for the South African media environment. Scores of journalists were arrested in retaliation to these laws. According to Gordimer (1990), following the third state of emergency in 1989, four newspaper organizations were threatened with suspension, two closed down, and 52 journalists were arrested for covering protests. At that time, the SABC banned 1000 songs and a movie called *Cry Freedom*. During the unrest, the SABC crew and journalists were prohibited from the event scene, limiting airtime to a few political elite leaders. Most anti-apartheid political parties were banned in the early 1960s, including the *African National Congress (ANC)*, the *Pan Africanist Congress (PAC)*, and the

² Enforcing separate education between blacks and whites

³ Prohibit sexual relations between blacks and whites

⁴ Enforce separate rehabilitation facilities between blacks and whites

South African Communist Party (SACP). The SABC became the state's mouthpiece that prohibited and suppressed a counter-hegemonic discourse.

The environment created by the apartheid government led to the practice of self-censorship by journalists, writers, filmmakers, and media organizations (Gordimer, 1990). This analysis indicates that media ought to be free and independent from all forces to discharge all its democratic functions, such as providing platforms for critical deliberations, holding public office bearers to account, and allowing public members to partake in the affairs of the state. This historical analysis reveals that during apartheid, the SABC had no room to be innovative and agile, as Lowe and Bardoel (2007) recommended. During apartheid, the SABC was suppressed by many ideological policies aimed at maintaining the fascist regime while enjoying a monopoly in the market.

Financially, during apartheid, the SABC was a lucrative business for the advertising market and competed with newspapers before M-Net came into play. In 1987, the SABC collected R360 million in advertising revenues and R100 million in license fee collections (Stewart, 1987). The SABC's counterpart, M-Net, South Africa's pay television established in 1986, collected R2.3 million in commercial revenues (Stewart, 1987). Stewart elaborates that the SABC collected more revenues than all daily and weekly newspapers combined.

The outstanding financial performance of the SABC at the time can be attributed to a series of factors, including being a monopoly player in the advertising market, alignment with white capital, lack of public mandate obligation, government support, vertical integration, and many others. According to Collins and Louw (1991), during apartheid, the SABC had four TV channels structured along racial lines. TV1 was a national channel aimed at Afrikaans viewers. TV2 was a Black channel aimed at servicing Xhosa and Zulu speakers, while TV3 dedicated its services to Sotho viewers, and TV4 aimed at White English speakers. This breakdown clearly shows that the SABC needed a more comprehensive understanding of South African citizens, cultures, and languages. In South Africa, there were eleven official languages as codified by the constitution adopted in 1996; during apartheid, the SABC only focused on five languages, excluding Ndebele, Swati, Tsonga, Venda, Tswana, and Pedi; this was a massive disservice to the nation and its population. Somerville and Joseph (2014) argue that even though the SABC was modelled after the British Broadcasting Corporation (BBC), the SABC was never created to serve Black people. This is evident in the regard and disregard of South African cultures and languages by SABC during apartheid. Therefore, it makes sense for its profitability to emanate from a limited public expense compared to the contemporary context. In its current

form, the SABC is expected to compete in a multi-plural market, but it's never done that from its formation until the end of apartheid. For this reason, SABC is struggling as a business because, in the past, it was a puppet of the state that enjoyed a market monopoly.

1.6.2 History of SABC Radio

In 1936, Afrikaans and English radio stations broadcasted through Short Wave (SW)⁵. In 1960, the SABC switched from SW to Frequency Modulation (FM) and introduced native radio stations for the African languages. However, the introduction of the FM band was to entrench further the apartheid ideology of 'equal' but separate development. On the technical front, FM is cheaper to operate than SW and has a limited reach over predefined geography (FEBA, 2022). According to Somerville and Joseph (2014), the NP's strategic intention with FM was to discourage SW reception from independent African states, i.e., Egypt and Ghana, as these countries denounced the white minority regime in Southern Africa, calling for its end. The apartheid government imported cheap FM sets from the market, flooded them across the country and c, and continued its control and propaganda through 'public media.'

The scrutiny of both SABC TV and Radio during apartheid indicates how instrumental the SABC was in entrenching and maintaining the apartheid regime. There is clear evidence that the investment and expansion of infrastructure were to further the regime's racial and racist ideology, i.e., the case of FM vs. SW. FM allowed the apartheid government to control access and flow of information over geographic jurisdiction. According to Collins and Louw (1991), during apartheid, the SABC was vertically integrated and structured into five divisions: TV, Radio, Broadcast Centre, Transmission, and Group function. Due to the economies of scope, the SABC enjoyed a lot of leverage through the ownership of the transmission facility then provided by Sentech, a signal distributor converted into State Owned Enterprise (SOE) in 1996 (Sentech, 2022). Currently, the SABC outsources distribution and pays Sentech heavy fees for distribution.

1.7 SABC Transformation from State to Public Broadcaster

1.7.1 Jabulani Freedom of the Airwaves

Post-1994, SABC transitioned from state to public broadcaster. The Triple Inquiry and Viljoen Report shaped and transitioned the SABC to its current form as a public and commercial

⁵ This means that the apartheid government was able to defend its apartheid regime inside and outside South Africa using the SABC as its mouthpiece (Somerville & Joseph, 2014). SW signal transmits over great distances across oceans and mountains. SW overcomes political and geographic borders, and can be received on a cheap radio set (FEBA, 2022).

broadcaster with a mixed funding model. According to Duncan (2009), the African National Congress and social movements for democracy fundamentally transformed the SABC. Following the media policy conference held at Rhodes University in 1990, the Jabulani Freedom on the Airwaves Conference followed. The convention was held in the Netherlands in 1991 and organized by the African National Congress anti-apartheid radio station Radio Freedom. The African National Congress, social movements, and media organizations, including commercial broadcasters, attended the conference. Coming from the conference, the African National Congress adopted a three-tier broadcasting system: public, commercial, and community as part of broadcast reform. The public broadcaster was tasked as a core and 'standard setter' for broadcasting. The conference also recommended that an independent regulator be appointed to regulate broadcasting in South Africa. Before the conference, the African National Congress's concern was that the SABC would not be able to discharge a democratic function in ensuring free and fair coverage of the first democratic elections, given its background and experience as a state broadcaster. The conference was an intervention to prepare the SABC for balanced coverage of South Africa's first democratic elections (Collins & Louw, 1991).

1.7.2 The Viljoen Report

The Viljoen report results from a task team appointed by the then-apartheid Minister of Home Affairs in 1990, chaired by the SABC board Chair, Professor Christo Viljoen. The team was tasked to look at South and Southern African broadcasting. The report findings and recommendations by the task team were rejected by the African National Congress and social movements such as the Communist Party due to its lack of diversity and conflict of interest among its members. Its panel consisted of the South African Defence Force (SADF), the University of Potchefstroom, National Intelligence, the Department of Foreign Affairs, and M-Net. All these were apartheid government right wings, and the panel was dominated by white male state officials, with one black editor from the Sowetan, Aggrey Klaaste (Collins & Louw, 1991).

However, the Viljoen report recommended unbundling of SABC transmission to reduce barriers to entry in broadcasting and reduce SABC's monopoly. The task team recommended that SABC be publicly funded and that dependency on commercial revenues be reduced—furthermore, the task team replaced the license system with another funding mechanism. Moreover, the task team recommended replacing the license system with another funding mechanism. In addition, the task team asserted the need to adopt a comprehensive broadcasting

policy and establish a regulator to manage spectrum, licenses, and program content in the broadcasting industry. Viljoen's report recommended using PAL⁶ as a technical tool for all video formats of analogue television. The task team recommended the retention of two TV channels from four SABC channels and recommended that SABC keep all its 23 radio stations. The report also indicated a need to unbundle production and commission TV programs from independent producers to diversify content. However, Viljoen's report was silent on language policy and did not address how the then 11 official languages would be treated in the new broadcasting environment as proposed (Collins & Louw, 1991).

Although democracy contenders rejected Viljoen's report, it offered a comprehensive view into broadcasting, ranging from technical standards, funding, license fees, production, and others. However, there is an inescapable question of how much apartheid government interest was at play in tabling out these recommendations, given the formulation of the task team panel and its lack of representativity. Failure to reflect on African languages raised a lot of concerns about the ideological framing and positioning of apartheid hegemony. Another lamenting view is that the report was done secretly without consultations with the public and relevant bodies. However, be it, most of the recommendations emanating from Viljoen's report were implemented and adopted into law by the new government; the shortfalls were later addressed by the Independent Broadcasting Authority (IBA) report on the Triple Inquiry Report.

1.7.3 Triple Inquiry Report

In 1993, as Viljoen's report and Freedom on the Airwaves conference recommended, the transitional government promulgated the Independent Broadcasting Authority Act (IBA) with its regulating body known as the Independent Broadcasting Authority. The regulator was tasked to regulate public interest in a study to bring about transformation⁷ in South African broadcasting, protecting the viability of public broadcasting, universal access, and provision of South African content. The study was finalized in 1995, approved by parliament in 1996, and in 1998, the new government adopted a green paper in broadcasting following the recommendations from the IBA report (Lloyd et al., 2010). The study's recommendations are based on three tiers of broadcasting (public, commercial, and community) as guided by the International Telecommunication Union (ITU) and was dubbed the Triple Inquiry Report. The study, which focuses on public broadcasting, recommended that SABC retain three TV channels, 11 public radio stations, and four commercial stations.⁷ The strategic split between

⁶ Phase Alternating Line,

⁷ 5Fm, Good- Hope Fm, Metro FM, and SABC3

commercial and public stations was to allow a cross-subsidization and prevent commercial influence on public programs (Department of Communication, 1998).

The Triple Inquiry Report recommended a mixed funding model for SABC, with revenues from advertising, sponsorship, license fees, and government grants. The report also indicated the need to unbundle SABC's signal division with Sentech as a signal distributor. The division was converted into a public company separate from SABC (Department of Communication, 1998). Seemingly, there is not much of a vast difference between the recommendations of Viljoen's report and the IBA Triple inquiry. However, the IBA report dismissed the need for SABC public funding and retention of all 23 radio stations. The Triple Inquiry report was clear on language policy. It allocated 11 public radio stations to cater to all South African languages, thus ensuring language diversity reflecting the country's populace. All IBA and Triple inquiry recommendations were endorsed and supported by parliament. This marked and supported the democratic dispensation of broadcasting in South Africa, following a wide range of public consultations before the Triple Inquiry Report was tabled and adopted into policy in 1998 by the democratic government (Department of Communication, 1998; Lloyd et al., 2010).

1.7.4 GEAR Policy and the SABC

In 1996 after the democratic elections, South Africa adopted the Growth, Employment and Redistribution (GEAR) policy. This led to implementing of the Black Economic Empowerment (BEE) policy and privatizing state assets to reduce state involvement in the economy and public expenditure. As per recommendations of the Triple inquiry report, SABC sold one TV channel to a private entity, the channel later became known as e-TV, South Africa's first commercial Free To Air (FTA). Furthermore, SABC sold six radio stations,⁸ the government raised half a billion rand in cash from the deal (Barnett, 1999).

Post 1994, the SABC's role in new South Africa was linked to democracy given SABC's transformation from state to public broadcaster, followed by the appointment of an independent regulator and de-regularization of the broadcasting market as propelled by GEAR. The SABC Charter was adopted to safeguard SABC's role as the public broadcaster, reflecting the roles and responsibilities of SABC following g culture, language diversity, talent, democracy (a plurality of views), universal access, nation-building, and others. As Duncan and Fokane (2008) posit, SABC was the first state organ to undergo a democratic transformation. However, immediately after the first democratic elections, the SABC experienced its first financial crisis

⁸ Highveld Stereo (Gauteng), Radio Jacaranda (Gauteng), East Coast Radio (KwaZulu Natal), KFM (Western Cape), Radio Algoa (Eastern Cape) and OFM (Free State).

in 1997, resulting in many jobs being shed and programs decommissioned. The economic downturn was due to an expanded public mandate and a decline in commercial revenues. In 1998, the SABC had its public funding reduced by the government by 41%, with the government calling for the broadcaster to be self-sufficient. In 2002, the SABC reported a net profit of R7 Million and a profit of R194 Million in 2005 (Lloyd et al., 2010). In terms of sustainability, the public broadcaster succeeded at that time. However, this is no longer possible, given the saturation and digitizing.

1.8 The SABC's financial journey

1.8.1 SABC's finances during President Jacob Zuma's era

To understand the current financial challenges facing SABC, one must unpack two fundamental turning points attached to this: (1) the legacy of then-President Zuma's administration from 2009 to 2018, (2) markets, competition, technology and globalisation. According to Wasserman (2020), the current poor financials at the SABC are due to years of corruption and mismanagement orchestrated by Zuma's administration through Faith Muthambi, former Minister of Communication. The link between SABC and the Department of Communications is that the public broadcaster is the subsidiary of the ministry, with the minister as shareholder and stakeholder.

However, the inquiry into issues of governance at the SABC by the former Public Protector, Thuli Madonsela, revealed that Muthambi, without following due processes, appointed Hlaudi Motsoeneng as Chief Operations Officer (COO), who lacked minimum qualifications to occupy all his previous posts at the SABC⁹ (Public Protector, 2014). Muthambi, Motsoeneng, and the board led the SABC into a series of financial mismanagement and maladministration, leading to the current economic challenges faced by the organization. In support of this, five fundamental reports indicate the collapse of SABC during former President Zuma's tenure, with Muthambi, the board, and former Chief Operations Officer Motsoeneng implicated. These are *the Public Protector Report of 2014*, *Parliament Ad Hoc Committee Report of 2017*, *the Interim Special Investigation Unit Report (SIU) of 2018*, *the Report of Commission of Inquiry into Interference in the Decision-making in the Newsroom at the SABC of 2019* by the Press

⁹ In 2008, Hlaudi Motsoeneng was reappointed (after having left SABC) as Manager for Special Projects overseeing coverage of elections, State of the Nation Address (SONA) and others. In 2009 Hlaudi was appointed Acting Regional Editor for Free State and Northern Cape News. In 2010 Hlaudi was appointed as Executive Manager for Stakeholder Relations, a position created for him and signed off by the board. In 2011 job title changed from executive manager to General Executive (GE) of Stakeholder Relations with revised salary packs while acting as COO, and was appointed COO in 2012 (Krige, 2019).

Council, and the *Commission of Inquiry into State Capture Report* by Deputy Chief Justice of South Africa, Advocate Raymond Zondo of 2022. In the case of the latter report, Deputy Chief Justice Zondo ruled that Motsoeneng and former CEO Lulama Mokhobo need to be held liable for awarding irregular contracts worth millions of rands to the Gupta family, known to be close friends of former president Zuma (Zondo, 2022).

According to parliament's monitoring body on public finance, the Standing Committee on Public Accounts (SCOPA), the SABC lost over R560 million due to financial irregularities such as illegitimate contracts, payments, appointments, promotions, and unauthorized salary increases. These irregularities occurred under the unethically appointed COO Motsoeneng, with Muthambi, the former Minister of Communications, exercising an oversight role as the government shareholder at the SABC (SCOPA, 2019).

The Public Protector Report also notes that the former SABC Chief Operations Officer was also responsible for purging high-skilled employees, causing the SABC to lose money on unplanned pension payouts. Motsoeneng also interfered in editorial matters in the newsroom by banning coverage of service delivery pr; he imposed content quotas for radio and television, a vision which led to massive audience loss and a decline in revenues. The 90/10 local music radio quota across eighteen SABC radio stations caused the SABC a revenue loss of R29 million, while the 80/20 television quotas for local and international content led to a revenue loss of R183 million (Ndenze, 2020).

In South Africa, the Independent Communications Authority of South Africa (ICASA) is tasked with regulating the broadcasting activities of the SABC and other broadcast license holders. The unilateral move by Motsoeneng to impose broadcast quotas and censorship contravened the standard imposed quotas by the regulator and challenged the Broadcasting Act on free and fair communication. This led to many fearing that the SABC was returning to its apartheid days, with ICASA calling for the SABC to scrap its censorship (Nicolson, 2016). In another encounter, Chiumbu and Ciaglia (2015) argue the practice of censorship in the SABC undermines the public broadcasting principles of editorial independence and public accountability.

The SABC also suffered a high wage bill during Motsoeneng's tenure due to bloated staffing and irregular appointments. The former Chief Operations Officer increased his salary three times within a year from R1.5 million to R2.4 million (Public Protector, 2014). The SABC was on the brink of blacking out due to R1.8 billion owed to suppliers and was declared technically insolvent, meaning that the broadcaster could not honour its contractual obligations (Phakathi,

2019). In 2017, the SABC suffered another blow when the SABC board agreed to pay R11.5 million to Motsoeneng, a success fee colloquially known as a golden handshake. The newsroom was also threatened by indirect political interference on editorial matters, and staff were threatened with immediate dismissal to enforce compliance (Thloloe & Tawana, 2019).

President Jacob Zuma's tenure drained many financial resources in the SABC, leaving the broadcaster financially exhausted. To address the losses made by the SABC during Motsoeneng's tenure (2011-2017) through intervention by the Special Investigations Unit (SIU), the South African High Court issued a ruling ordering Motsoeneng to pay back R11.5 million with interest of 15.5% for the irregular payment made to him by the board (Bhengu, 2021). The Special Investigation Unit works with courts and the Asset Forfeiture Unit to recover all illegal proceeds from the implicated parties, which total over R560 million (SCOPA, 2019). The SABC bled out a lot of money, destabilizing its cash flow and leading to the current financial crisis.

1.8.2 SABC's finances during President Cyril Ramaphosa's era

The following section examines the recovery process and the renewal of the SABC under President Cyril Ramaphosa who took office in 2018 and appointed a new board to the SABC, which subsequently appointed a new executive to address issues raised by the Public Protector and Parliament Ad Hoc Committee Report (CFO South Africa, 2019). This section details the SABC's stability under President Ramaphosa's headship and his response to stabilizing the SABC from its financial mayhem. According to the Council of Europe (2020), a viable and financially stable public broadcaster is an essential source of democracy. Therefore, this section must explore all the financial developments linked with the SABC to safeguard its democratic function.

In 2018, President Ramaphosa's newly appointed board and executive team developed a turnaround strategy and a new operational model to rescue the SABC from institutional collapse caused by years of maladministration and financial mismanagement. The SABC's turnaround plan focused on four pillars: governance and economic sustainability, human capital, content and platforms, and digital migration (Portfolio Committee on Communication, 2019). To support this, the SABC completed the retrenchment of 621 workers in March 2021 to reduce labour costs that had been inflated by former Chief Operations Officer Hlaudi Motsoeneng and his team.

The newly appointed board¹⁰ and executive¹¹ restructured the SABC business model to make the organization competitive and efficient. They revised all of its governance policies and put in place cost containment measures such as reducing the number of days for sick leave, scrapping the leave encashment policy, halting salary increments for three years (2021-2023), and disposing of non-core assets (SABC, 2021b). In March 2020, to see the new turnaround plan brought to fruition, the SABC received a bailout of R3.2 billion from the National Treasury (NT); this happened in tranches after achieving targeted milestones set by the NT, such as updating and reviewing governance and broadcasting policies, putting in place consequence management system against employees implicated in wrongdoing, adoption of revenue generation and cost-cutting initiatives, exploring public and private partnership, disposal of non-core assets, and to look at digital opportunities beyond terrestrial (African News Agency, 2022).

From the reports and interventions made against the SABC by the public protector, parliament, and national treasury, none of the efforts address the critical funding issue. The key focus of all interventions is on rooting out corruption and restoring governance without a solid focus on financial sustainability or reviewing the funding model. Despite resolving various matters, the SABC continued to incur financial losses. For 2019/2020, the SABC reported a net loss of R511 million, then R530 million revenue loss for 2020/2021, and in 2021/2022, the SABC reported an annual revenue loss. The biggest cost drivers are signal distribution, sports rights, and content acquisition (African News Agency, 2022). TV license evasion is another issue facing the SABC. There are 9.6 million TV license holders in South Africa, yet only 2.2 million people have honoured this payment (Portfolio Committee on Communication, 2019). An unfunded mandate is another cost bearer facing the SABC; the broadcaster must use its commercial revenues to cover news, elections, and sports. The events of national importance threaten SABC, interrupting the broadcast schedule and leading to substantial colossal revenue loss (National Council of Provinces, 2021).

The financial performance of SABC over the last three economic cycles (FY 2020/21, FY2021/22, and FY 2022/23) echoes the sentiments raised by many media scholars such as Burnley (2017), Pillay (2017) and Doyle (2016), arguing that it is risky for the public broadcaster to rely on commercial revenues for funding because markets are precarious and

¹⁰ Chaired by Bongumusa Makhathini

¹¹ *Chief Executive Officer:* Madoda Mxakwe, *Chief Operations Officer:* Ian Plaatjes, *Chief Financial Officer:* Yolande van Biljon, *General Executives for viz. Sales, Technology, Television; Legal, Human Resources, News, Radio and Corporate Affairs.*

volatile and cannot be regarded as a source of sustainable financing. Currently, the SABC receives 80% of its funding from commercial revenues, 16% from TV licenses, and 4% from state grants (SABC, 2018). This breakdown shows that the SABC needs more public funding from the government and public through TV licenses. Furthermore, the revenue breakdown of the SABC over past financial years raises critical questions about the ‘publicness’ of the SABC if most of its funding comes from commercial activities while other Public Broadcasting Services (PBS) across the globe are funded through public allocation.

Another crucial dilemma facing the SABC is that as part of the SABC, it had to dispose of its non-core assets as part of the pre-conditions for a bailout by the national treasury. The challenge is that one public radio station, XK FM, in the Northern Cape, is operating at a financial loss but is crucial to the public mandate. The station broadcasts in the indigenous languages of Xun and Khwe, with a total listenership of 3000 (Broadcasting Research Council, 2019). The SABC spends R35 million for XK FM operational costs in return for R3 million in revenues, which is a considerable loss. However, due to the mandate, SABC cannot dispose of XK FM as a non-core (Portfolio Committee on Communication, 2019). The SABC only receives an allocation from the government for education; the balance on the public mandate is unfunded, i.e., for sports, news, elections, and state events. The total cost of the unfunded mandate is R4.5 billion, R2 billion for sports and R2.3 billion for Television and Radio (SABC, 2018).

SABC’s annual financials over the last five years indicate zero revenue from digital sources (C, 2018). This is alarming given the uptake of streaming services and video on demand in South Africa, mainly dominated by Netflix, Amazon, and Showmax in the lead (Parraot Analytics, 2018). In 2020, Disney Plus was launched in South Africa, indicating a further expansion of the SVOD offering. This is a new market with a new economy based on demand subscriptions that the SABC can easily exploit with its rich wealth of archives and the inclusion of the existing terrestrial platforms for radio and television. To capitalize on this, SABC entered into a distribution deal with Telkom, a South African network carrier that developed its online streaming platform for its subscribers. The agreement allows Telkom to distribute, on its platform, SABC TV, Radio Channels, and archives for five years for an agreeable amount of R35 million paid to the SABC (SABC, 2020).

The SABC also entered into another similar deal with Open View, a Digital Terrestrial Television (DTT) subsidiary of e-Media, a private company that operates e-TV. According to SABC, it will allow SABC content to reach millions of South Africans using DTT (SABC, 2021a). Currently, more than 2.3 million homes in South Africa have Open View decoders,

while DStv has 8.9 million subscribers throughout the country (OpenView, 2022), (News24, 2021). Telkom and e-Media Public-Private Partnerships (PPP) is a direct response directly responsory pre-condition for the SABC bailout. The first PPP that the SABC engaged in was in 2013 with Multi-Choice, and sealed by the former Chief Operations Officer Motsoeneng and established the SABC 24 Hour News Channel, for a five-year contract period to the value of R533 million payable to the SABC (News24, 2021). In 2018, the new board and executive renewed the deal for another five years (MyBroadBand, 2022).

In November 2022, SABC took over Telkom One and rebranded it as its Over The Top platform, now known as SABC Plus (SABC, 2022). This development allows the broadcaster to play in the digital arena and harness revenues. At the time of writing, there has not been any report on revenues made by the SABC through its streaming platform. However, his development is a step in the right direction. It coincides with the strategic intention of this study and reflects the public service media discourse, which is explained further in Chapter 2.

Given all the interventions, the SABC is still operating at a financial loss mainly due to poor commercial revenue performance. Scholars have warned earlier about the danger of relying on commercial markets to sustain public broadcasting. In addition, this observation puts this study in the centre and indicates the pivotal need for neutral alternative revenues that are not dependent on market and political forces. This study envisages exploring this while protecting the independence and autonomy of the SABC as a public broadcaster.

1.9 The SABC's Legislative environment and its hurdles

1.9.1 Must Carry Regulation

The SABC's legislative framework is another area of concern. Currently, the following legislations apply to the SABC: Broadcasting Act, Electronic Communications Act, Public Finance Management Act (PFMA), regulations for Must Carry, TV License, Sports Rights, and Digital Terrestrial Television (DTT). Until recently, the most cumbersome was the Must Carry Regulation, which mandated private Subscription Broadcasters (SB) to carry SABC channels on their platform as part of ICASA's universal principle at no charge to the SABC. As a result, SABC could not negotiate any exploitation fee as it has done with Telkom, Open View, and Multi-Choice on SABC News deals. In South Africa, Multi-Choice is a private satellite broadcaster and competitor to the SABC and has enjoyed the Must Carry regulation since the proclamation of the regulation in 2008. Multi-Choice carried SABC content and platforms for

years at no cost¹². However, in April 2022, ICASA revised the regulation, giving SABC the right to negotiate for a carriage fee with the Subscription Broadcasters. This promises to improve SABC's financials in the future (SABC News, 2022); with the Must Carry regulation being revised, SABC should be able to generate alternative revenues from the carriage fees. This will aid the study in developing revenue models for the SABC as set on the premise.

1.9.2 TV License Regulation

The TV license regulation is another provision that challenges the broadcaster in the sense that the provision is outdated, limits TV license collection to a physical TV set, and excludes digital devices that carry the audio-visual signal (SABC News, 2022). In July 2021, parliament approved the SABC Bill to repeal the Broadcasting Act; the bill seeks to scrap TV Licenses and replace them with a household levy is out for public comment before being passed into law. The bill intends to make TV license devices neutral. Following the bill's announcement, there has been a significant outcry from the public, with some contenders arguing that the SABC should be adequately funded from public finance through state grants to eliminate collection failures. This is the case with TV licenses (Citizen, 2021).

1.9.3 Broadcast Digital Migration Policy

In 2006, the South African government accepted the International Telecommunication Union (ITU) agreement in Geneva, committing to switch off analogue television by June 2015 to release pressure on the broadband spectrum. In response, the Department of Communication and Digital Technologies (DCDT) developed a Broadcast Digital Migration (BDM) Policy supporting developed regulations for Digital Terrestrial Television to guide migration. However, challenges arose when, during the State of the Nation Address (SONA) in 2021, the President announced that South Africa would switch off the anal signal and migrate to digital television by March 2022 (Government-Communications, 2022). The SABC expressed concerns about the slow rollout of Set-Top Boxes (STBs), digital decoding devices needed by South African households to receive broadcast signals from satellites. A premature switch-off would leave millions of South Africans without public television services from the SABC. Only 165,000 STBs have been installed, while 2.9 million poor households still need them (SABC, 2022).

Considering OpenView and DStv active decoders in South Africa, a premature switch-off will threaten the SABC, given the poor roll-out of Set-Top Boxes. This will question the

¹² SABC 1,2 and 3

‘publicness’ of the SABC mandate as millions of poor South Africans will not have access to public broadcaster’s services. According to Statistics South Africa, there are 14 million TV sets in South Africa; 8.6 million are subscribed to pay television, while the rest are only dependent on Free To Air television. Many households not on the indigent program of DCDT will be left without access to public television (Business Tech, 2021a).

In March 2022, the High Court of South Africa ruled that the analogue switch-off be postponed from the end of March 2022 to the end of June 2022, arguing that the South African government has done enough in its power to help poor households. It urged the government to use the delay to fast-track the rollout of more than 500,000 Set-Top Boxes to households that met the initial deadline for state subsidy applications Set-Top Boxes on 31st October 2021 (News24, 2022). However, the Constitutional Court set aside this ruling in June 2022, citing that the Minister did not consider the impact of the premature switch on the parties implicated. The switch has now been moved to December 2024 (Mabuza, 2022). The SABC will lose millions of audiences and revenues if a premature switch-off is completed. However, the switch-off will give the public broadcaster four more channels apart from the three: SABC 1, 2, and 3 (Business Tech, 2021b). Furthermore, the following channels on PPP platforms will now be housed under one central umbrella on platforms offered by SABC: (1) SABC Education, (2) SABC Sport, (3) SABC News, and (4) Parliament Channel.

At this stage, broadcast digital migration presents opportunities and challenges because there is no threshold to determine how many set-top boxes must be installed in poor households before off. With the SABC depending on commercial revenues, Broadcast Digital Migration poses a significant threat to the SABC's financial survival and sustainability. Scholars like Berger (2010, 2012) argue that this reflects a significant ideological disjunction in communication theory between the global North and South. In Africa, investment should focus on radio and mobile internet rather than Broadcast Digital Migration. In the case of the South, radio is the most used interactive communication medium compared to the proposed Set-Top Boxes, which reflect one-way communication. Berger argues that in Africa, investment should be made in radio and mobile internet rather than Broadcast Digital Migration as espoused by the North. In contrast to this view, Berger contends that Broadcast Digital Migration has much to offer the public broadcaster in terms of multiplatform and multi-content for vast and fragmented audiences.

1.9.4 Public Finance Act

Another legislative hurdle arising from governance policies is the acquisition of TV programs. In this case, the SABC has expressed its biggest concern with the Public Financial Management Act (PFMA), a policy instrument to regulate public finance in public organizations. The broadcaster has made several appeals to the national treasury to be exempted from specific clauses of the Public Finance Management Act, given that the technical application of the policy needs to be revised for the SABC and its creative economy. The Public Finance Management Act makes it illegal for SABC to re-commission shows such as dramas, soapies, and others to the same producer; it deems such practice irregular or unlawful. The policy must understand that SABC works in a creative economy and that Intellectual Property (IP) rights and continuity are fundamental to the creative industry. The Public Finance Management Act wants SABC to go to market once the series is done and reissue a bid for submission to all producers for the concept. If this is done, most of the shows will be off-air, the identity of the show and continuity strands will be compromised, and commercial revenues will be endangered far more as it will be difficult to issue rate cards without a compelling schedule. The discussion on this matter is ongoing with the Ministry of Finance and the parliament portfolio committee on public enterprise (National Council of Provinces, 2021). With exemption from this regulation, it will be easier for the SABC to operate; the regulation renders the SABC null and void and devoid of agility and competitiveness.

1.10 View of SABC Achievements and Challenges After 1994

According to Barnett (1999), South Africa's first democratic elections and SABC's transformation was the most significant milestone, signalling a political and ideological shift from apartheid to multi-party democracy. For this reason, Teer-Tomaselli and Tomaselli (1994) argue that the post-apartheid era offered fertile ground for democracy and media theories, with the SABC providing a context for testing and negotiating ideological conflicts. This shift reflected the newfound media freedom that emerged in 1994 and beyond, a stark contrast to the past. Establishing IBA, which later became ICASA, South Africa's vibrant constitution, and adopting the SABC Charter, among others, was a living testimony to SABC's independence with clear roles and expectations on public mandate.

However, Harber (2022) warns that SABC independence is still as fragile as South African democracy and warns the public to be vigilant and preserve it. Since 1994, there have been many instances where SABC's autonomy has been questioned. According to Davis (2014), the politicization of the SABC post-democracy can be traced back to 2003 when the African

National Congress tried to influence the Portfolio Committee on Communication (PCC) in the nomination of SABC board members. Furthermore, Davis provides that in 2004, other political parties.

According to Davis, in 2005, President Thabo Mbeki replaced Deputy President Jacob Zuma with Phumzile Mlambo-Ngcuka. Following this decision, an ANC rally in the Eastern Cape saw Zuma supporters boo the new Deputy President. Still, the SABC did not broadcast that footage, claiming the SABC camera operator failed to capture it. However, Davis explained that a news outlet from competitor 15 showed the SABC camera at the scene. This incident reflects a direct self-censorship, which, according to McQuail (2005), contradicts media ethics and democracy. It is of questionable interest to know why the SABC would undertake such an action given its historical past during apartheid, where it was denied media freedom by the government. Davis said the SABC Newsroom had taken a political side supporting President Mbeki. This was achieved by appointing Dr Snuki Zikalala as former Head of News; Zikalala was a close ally of President Mbeki. In his tenure, Zikalala instituted drastic measures such as blacklisting opinion makers critical of Thabo Mbeki's administration on all SABC News platforms. Furthermore, Zikalala banned the airing of a documentary commissioned by SABC that was critical of Mbeki's view and denialism of HIV/AIDS, stunts on South Africa's foreign policy following Mbeki's denial of the humanitarian crisis in Zimbabwe, and many others (Davis, 2014).

The Zuma era had its fair share of problems following the legacy of former Chief Operations Officer Hlaudi Motsoeneng and his maladministration of the SABC, as documented by various reports and oversight bodies. President Zuma and Mbeki served two terms in office and indirectly instituted censorship at the SABC¹³; from 2018 until recent, there has been stability at the SABC, with various policies and procedures updated to cushion the company against maladministration, ethics and governance failure, cost-cutting, and others (Portfolio Committee on Communication, 2019). The significant update to note is the SABC's adoption of a revised editorial policy, according to Harber (2022), an achievement since democracy. The policy removes the SABC CEO as Editor-in-Chief and limits the prerogative to the Head of News.

However, even after this outstanding achievement, the SABC still struggles to maintain its independence from political powers. In March 2018, the SABC appointed Phathiswa Magopeni as Head of News and Editor-in-Chief. On 1 November 2021, South Africa went to the polls for

¹³ During Mbeki's tenure SABC blacklisted opinion makers critical of Mbeki. During Zuma's tenure the SABC adopted a no-violence policy shielding government from public scrutiny on corruption and lack of service delivery

local government elections. The ruling party underscored its performance, losing major metros and districts¹⁴. The African National Congress Head of Elections, Fikile Mbalula, attributed the governing party's poor performance to SABC and its Head of News critical stunt against the African National Congress through its current affairs program, *Service Delivery Gauge*. The SABC rejected the claims based on the view that they were unsubstantiated (SABC, 2021). However, in January 2022, Magopeni was fired by the SABC, with the broadcaster citing mistrust on a separate legal matter¹⁵. According to Magopeni, the latter was just an excuse to legitimize her exit and noted that the core issue, apart from the election matter, is her refusal to comply with the African National Congress's request for an unscheduled interview with the party's President, Cyril Ramaphosa. In Magopeni's view, the request violated SABC protocol for election coverage and undermined SABC's editorial independence and integrity. Magopeni also raised concern about the editorial influence on this matter coming from SABC CEO Madosa Mxakwe and Board Chair Bongumasa Makhathini, who were soliciting due influence on the subject in favour of the African National Congress (Magopeni, 2022).

In November 2022, the SABC board, appointed in 2018, completed its five-year term and vacated office. In September 2022, parliament received 37 entries of names that were submitted for the SABC board nomination. In December 2022, parliament approved the shortlist of 12 candidates for the role of SABC board members; the list was sent to President Ramaphosa for approval. In March 2023, the SABC was still without a board with lobby bodies citing that the President was delaying approval because the former SABC Head of News, Phathiswa Magopeni, is also part of the shortlisted candidate recommended by parliament (Makinana, 2023). This development undermines the argument made by Teer-Tomaselli and Tomaselli (1994) that post-1994, South Africa's environment offers a fertile context for media and democracy. The developments in the Mbeki, Zuma, and Ramaphosa eras are at odds with this view.

According to Lloyd *et al.* (2010), the SABC is a microcosm of the policies and politics of South Africa. The South African political sphere is unstable, heavily contested, and ideological. Post 1994, the SABC appears to have suffered casualties from the hegemonic power whenever it asserted its independence. It is for this reason that for most of South Africa's democracy, the SABC has been characterized by an unstable board and executive. Perhaps this indicates the ideological rift between the SABC and political ruling elites. According to Tomaselli & Teer-

¹⁴ ANC lost control over: Ekurhuleni, Tshwane, Johannesburg, Nelson Mandela Bay, eThekweni

¹⁵ Involved airing an investigative episode that had a court interdict

Tomaselli (2008), this undertaking has been dominant since the tenure of former President Thabo Mbeki. Tomaselli indicates that this disjuncture has often led to relations between the SABC and the African National Congress to be that of a tame and compliant broadcaster. Looking at SABC Charter, ICASA Act (2000), South African Constitution (1996), Broadcasting Act (1999), Electronic Communication Act (2005), SABC Editorial Policy (2020), and Broadcasting Amendment Bill (2017), all these measures and controls are created to safeguard the SABC against all forms of power and political influence.

Nonetheless, all the instruments seem to be bypassed and disregarded by the same ruling party that created them, making the SABC vulnerable. For this reason, Harber (2022) urges members of the public to defend the SABC's independence. Similarly, Harber notes that once the African National Congress gains entry into public enterprise internal matters, the ANC discharges its poison, leading organizations into conflict, division, and dereliction.

The SABC commands the most significant share of the radio market (Broadcast Research Council, 2022). Apart from offering robust coverage of the elections in 1994 and beyond, the SABC has played a pivotal role in the coverage of local and international events such as the 1995 Rugby World Cup, 1996 Africa Cup of Nations, 2003 Cricket World Cup, 2010 FIFA World Cup, 2011 UN COP Summit 17, State Funerals, and many others (Mothata, 2022). On the TV and Radio front, the SABC has been leading and dominating in various spheres while commanding a significant share of the radio market in current affairs while serving its public mandate. The SABC's soap operas, such as Skeem Saam, Generations, Muvhango, 7De Laan, Giyani, and Uzalo, remain the most-watched TV shows in South Africa. For TV News, Xhosa and Zulu news on SABC 1 lead in the news market. Radio stations such as uKhozi, uMhlobo Wenene, Metro, and Lesedi FM are also leading.

However, digital migration and premature analogue-off remain looming challenges for the SABC. The SABC's funding dilemma and poor revenues are also ongoing challenges. High signal distribution costs and sports rights add to its challenges. The ordeal of an unfunded mandate remains a crucial challenge for South Africa's public broadcaster post-1994 (National Council of Provinces, 2021).

1.11 ANC and Government Response to SABC Funding Dilemma

Upon assuming public office in 1994, the African National Congress focused on transforming the transformation of state machine. Having learned from apartheid the ANC's focus, the ANC

focused instruments into pillars of democracy and transformation (ANC, 1994)¹⁶. The SABC was the first state entity to undergo a transformation journey (Lloyd *et al.*, 2010). In 2002, the African National Congress initiated a discourse into SABC funding by arguing that the SABC needs a public funding model with cross-subsidization by government entities. This pronouncement occurred due to the African National Congress policy conference held in Stellenbosch. The ANC tabulated further the need for SABC to be an inclusive broadcaster with sign language and close captioning included in SABC programs (ANC, 2002).

Having devoted a lot of its time to reconstructing the country and building a new South Africa, the African National Congress, for the first time, is seen here as being concerned about the well-being and financial sustainability of the SABC, hence recommending a public funding model for the SABC backed up by cross-subsidization. At this t, the SABC was already struggling with pressure from competition, i.e., e-TV and M-Net; in response to competition, ion the SABC moved its SABC3 news bulletin from 21:00 to 19:00 to compete with news screening on the competitor's channels (Fourie, 2003).

In 2007, the African National Congress held its policy conference in Polokwane; resolution 9 was adopted by the party to address the issue of SABC funding. As part of the conference resolution, the African National Congress recommended increasing the SABC public funding from 2% to 60% to allow the broadcaster to fulfill its public mandate¹⁷. In this view, the ANC argued that SABC's overreliance on commercial revenues harms the public service mandate (ANC, 2007). In 2012 the ANC ca, the ANC called for the review of broadcasting and the imposition of 60% local content quotas. However, the Hlaudi Motsoeneng era indicates that the latter is not a viable policy option, given that the SABC lost a lot of revenue when this resolution was implemented by Hlaudi, leading to financial distress and revenue loss at the SABC.

In 2017, the African National Congress submitted the deed to implement 70% local content quotas. By 2022, the ANC had established a clear policy position on the SABC, identifying critical broadcasting needs such as local sport, education, information, rights acquisition, and signal distribution. Furthermore, the ANC calls for removing broadcasting services from the SABC, which confuses the public mandate. The ANC also resolved the need for ICASA to

¹⁶ ANC's 49th national conference resolution in Bloemfontein

¹⁷ The funding was going to be earmarked for programming on indigenous languages, education and development leaving behind sports, news and entertainment.

review the TV license policy, given the high eversion rate and other structural issues (ANC, 2022).

However, the ANC's proposition needs more clarity regarding the cost of fulfilling the public mandate from the national. It overlooks other business aspects such as human resources, support, and management costs. Therefore, dismissing the commercial orientation of the SABC is not rational enough. SABC needs comprehensive funding needs to be that intend. In 2011, immediately after the 2010 World Cup, the SABC went into a financial crisis and sought a bank loan of R228 million, with the government as surety (Parliamentary Monitoring Group, 2011). In 2020, the SABC underwent another financial crisis but received a government bailout of R3.1 billion (SA News, 2020). Indeed, it is evident that there is a need to remodel the SABC funding model. As indicated in both cases, within a decade, the SABC underwent two financial crises, which had a bearing on the policy mandate.

Despite the African National Congress' longstanding position on the SABC's funding model, the government and treasury still need to implement its recommendation, according to Lloyd (2010). Despite the African National Congress' concerted efforts, the resolutions have yet to be implemented due to pressure on the national purse, with priority given to other pressing needs such as health and education. Lloyd and colleagues warn that any funding model for the SABC must protect the public broadcaster from political and commercial influence. This review indicates a need for alternative revenue sources to aid the public broadcaster with cash flow for its operations. This study aims to explore various revenue streams that the SABC could exploit while the public funding matter remains unresolved.

1.12 Conclusion

The SABC funding model remains a mystery, and reliance on commercial revenues is concerning given that the SABC is a public broadcaster entrusted and regulated by ICASA based on its public mandate. The unfunded mandate is costly and detrimental to SABC's financial sustainability. The interim solutions from PPPs, recapitalization through asset disposal, and commercial strategies yield short-term remedies, but the long-term and secured funding model is still not addressed. The Must Carry Regulation, which the regulator has revised, offers a planned strategy for revenue generation but has not yielded any results yet. The emergence of digitization and new markets offers hope for SABC. However, SABC is still not generating revenues from its streaming and online digital platforms. Legislation and governance measures remain cumbersome. This study, therefore, believes that its scope will help alleviate a lot of financial distress experienced by the broadcaster by looking at various

methods in which alternative revenues could be achieved. The study's objectives suggest that this puts the SABC at risk, questioning the public broadcaster's ability to fulfil its democratic function and provide diverse content.

Chapter 2: Literature Review

2.1 Introduction

This section explores and synthesizes key literature about the public broadcaster as a critical agent for democracy and its relevance in the global, competitive digital area where viewers must know what they watch, where, when, and how (Cola & Prario, 2012). With the rise in global private digital media, this section explores how public broadcasters such as the SABC can protect their legitimacy and remain relevant and competitive in a fragmented audience market while also being able to generate revenue. Additionally, this section looks at the impact of COVID-19, with critical learnings to future-proof public media from similar challenges. It also explores the global policy discourse shaping public media regarding revenue opportunities, mandate, and funding while retaining their relevance.

2.2 About Public Service Media (PSM)

2.2.1 What is Public Service Media (PSM)?

According to Vanhaeght and Donders (2016), PSM refers to the newer transformed version of Public Service Broadcaster (PSB), PSM is technologically inclined, digital, and interactive. In support of this, Lowe and Bardoel (2007) argue that for PSB to achieve PSM status, it must first use techniques for cross-media and cross-genre content that can service different fragments of the audience population. Furthermore, PSM calls for PSB to create popular and unique content compared to commercial media offerings and redefine its audiences as partners rather than target audiences. This would allow PSM to be an equal player in a digital and competitive media environment. The scholar emphasizes the need for technological innovation and versatile content that can reach different audiences across various platforms.

By default, this definition presents a challenge to the SABC because it is still on analogue and has been engaged in an ongoing battle with the Department of Communication and Digital Technologies regarding analogue switch-off. Transitioning from analogue to digital would mean an excellent achievement for SABC, allowing the broadcaster to have additional channels, such as SABC Education, News, and Sport, already available on digital platforms. However, the debate on switch-off has been highly contested and challenged by several bodies, given its ripple effect, such as leaving viewers without television (All Africa, 2022). As a result, the government implementation plan for analogue switch or switch-off has broadly been challenged in courts by bodies such as Media Monitoring Africa, Save our SABC (SoS), e-

Media, and opposition parties. This makes it difficult for the SABC to transition to PSM; if switch-off is implemented, SABC will retain more than five million TV sets that are still in analogue equating to 14.3 million families without television¹⁸ (AllAfrica, 2022). Given its heavy dependence on commercial revenues, the switch-off will be a significant challenge for the public broadcaster.

However apart from the reported challenges, analogue switch-off offers SABC cost-saving opportunities apart from the reported challenges. According to South Africa's signal distribution agency Sentech, the SABC will be able to save about 27% of distribution cost a year if switch-off is implemented; this equates to R899 million capital, which could be redirected and invested back into the business (Mzekandaba, 2020). Literature makes it evident that for traditional broadcasters to survive in a competitive and digital market, they need to transform, adopt digital technologies, expand public mandate, and compete with other broadcasters (McElroy and Noonan, 2018). This presents a difficult challenge for the SABC as it bears drastic implications on its audience share and financial revenues. South Africa's commercial Free To Air broadcaster and SABC rivalry, e-TV, has made significant inroads by adopting and implementing digital terrestrial television ahead of South Africa's government, a key custodian and pioneer. In October 2013, e-TV launched its digital terrestrial television under its subsidiary company, Open View, and distributed its Open View decoder Set-Top Boxes to millions of South Africans. The commercial broadcaster cited that a lack of leadership and poor government support led to its unilateral move to adopt satellite television independently (News24, 2013).

The e-TV's journey reflects the hypothetical position of PSM, as reflected by Lowe and Bardoel (2007). It adopted digital television while retaining its analogue TV. In 2021, amid COVID-19 and the national lockdown, the broadcaster introduced its streaming platform, eVOD, thus becoming a digital, multi-platform, and competitive service provider as warranted by PSM philosophy. Despite the poor rollout of Set-Top Boxes by the Department of Communication and Digital Technologies, the SABC is still lagging in digital television. However, in November 2022, the SABC announces its SABC Plus, a streaming platform launched in partnership with Telkom and Hisense. The platform hosts all of SABC's TV and Radio platforms and international content (SABC, 2022b). This puts the SABC in a better position regarding the PSM discourse, i means that the SABC can now compete with Netflix, Amazon, Showmax,

¹⁸ This is based on the premise that there are 2.5 viewers behind each TV set (AllAfrica, 2022)

eVOD, Disney Plus, and many other global and local players in the video streaming market. While this is a great initiative, the broadcaster still faces the massive task of digital migration, which is ongoing and highly contested

Cola and Prario (2012) argue that PSM is the future and that PSB must retain its essential characteristics and undergo a vast transformation. This change will help the PSB to use digital media to extend its public service, expand the content offered, and adopt cross-platform strategies. This allows PSM to retain audience share, develop on-demand services, and reach new audiences. As part of the revolution, this will help PSM strengthen its legitimacy, argues Cola and Prario (2012). One core challenge PSB faces is dwindling audiences due to audience fragmentation, a decline in commercial revenues, and PSB's legitimacy undermined by commercial media (Izquierdo-Castillo & Miguel-De-Bustos, 2021).

With the introduction of SABC Plus, the SABC aligns itself with the argument raised by Cola and Prario. With the streaming app, SABC can improve its audience share, establish and retain non-TV viewers, and improve its commercial revenue through collaborations and partnerships. According to Doyle, the latter is crucial for corporate growth and allows room for diagonal expansion, indicating a move by the company into a new area of business (Doyle, 2013a). Vizjak and Ringlstetter (2001) echo the same sentiment and argue that for traditional broadcasters to survive in the digital era, they need to radically realign and be receptive to new business options, design and implement meaningful partnerships. However, SABC has been a traditional broadcaster for the longest time since its inception the argument by Doyle presents a new undertaking.

The new developments indicate a strong alignment with the literature as part of a partnership, realignment, and exploring new markets are looming questions on sustainability still stand, i.e., what will happen if the deal between SABC, Telkom, and Hisense becomes will the SABC relegate to its role again after so many years of stagnation? It's been 18 years since the International Telecommunication Union announced the switch-off, and the SABC is still lagging behind. There to be no clear direction from the government about when the switch-off will wilt. Partially, the PSM discourse proves to be challenging for the SABC as the government battles with the rollout of Set-Top Boxes and looming court orders. In hindsight, this will give prevalence and opportunity for gradual uptake of Open View Decoders owned by the private broadcaster. In South Africa, the digital television market is heavily saturated and dominated by e-TV and Multi-Choice through DSTV. Failure by the South African government to sort out

the Set-Top Boxes mess will jeopardize the SABC's achieved milestones by transitioning to PSM while questioning the sustainability of the broadcaster as proposed in this study.

2.2.2 Principles of Public Service Broadcaster and Challenges

According to the United Nations Development Programme (UNDP, 2004), PSB plays a crucial role in that it is a fabric of democracy. PSB imparts diverse and non-partisan news and information and promotes social cohesion and national identity. PSB fosters democratic social values, promotes development through education and information, and serves the needs of minority and special groups. However, the United Nations Development Programme also contends that the misuse of PSB is powerful as it can also promote violence and tension. According to the United Nations Development Programme, PSB is driven by six principles: universality (PSB is accessible to all), diversity (representative of all members of the society), independence from the state and commercial interests, it is impartial, promotes national identity, and is funded through public funds; this helps PSB to safeguard its public legitimacy. PSB is also known for setting standards for quality news and programming. Both definitions clearly show that the discourse on PSB is complex and multi-layered. It requires deep scrutiny regarding its versatility in promoting democracy while keeping an engaged citizenry.

According to Gardner (2022), most PSBs are modelled after BBC, following a Reithian model associated with John Reith, the first managing director of BBC. As a result, PSB, under the influence of the BBC, creates an informed citizenry, serving the public interest, democracy, education, and nation-building. Without political and market impact, PSBs have been closely associated with democracy (Pickard and Neff, 2021). This is explored later in this section. According to Tambini (2015), the development of PSB was premised on the issue of spectrum scarcity, which created an immense need for the government to be involved in regulation and licenses to manage the spectrum, a scarce public resource. As a result, PSB have never, from the onset, been independent, and this has continued to evolve to the present, Tambini elaborates. Scholars such as Dragomir (2018) attribute that government media captures are achieved through regulations, legislation, and other tactics such as attacks and funding. With the advancement in technology and digitization, this argument will no longer be a case; however, in the case of South Africa, the delays with analogue switched off are keeping this argument alive.

It is against the backdrop of noble principles, normative cult, and idealism of PSB foundation and function, that PSB have continuously been challenged with many issues ranging from declining audience, funding challenges, independence, legitimacy, and sustainability.

According to Gardner (2022), neoliberalism and deregulation of markets ended the monopoly enjoyed for decades by PSB allowing a window for transnational med, allowing a window for transnational media companies that are heavily concentrated (Maherzi, 1998) funding and expenditure, which drove PSB to rely more on commercial revenues. However, the advent of COVID-19 brought a disastrous impact on commercial revenues, in addition to the pre-existing financial woes fuelled by competition for ad spend among rival parties. It is for this reason that PSB are seen as unsustainable, which is unnecessary given that television can no longer be used as a merit good for the public (Cowling and Tambini, 2002). Other bodies argue that there is no alternative for public funding and if lost that would signal the end of PSB (Corporation Public Broadcasting, 2012). However scholars such as Herzog and Karppinen (2014) dismiss this claim, and argue that the newer PSB presenting itself of PSM are still relevant, competitive and technologically inclined, exerting the same power as their rival counterparts.

In South Africa, there are thirteen languages, the SABC, through its TV and Radio platforms play a centric role in addressing PSB principles. These are universality, diversity, education, national identity, and others. The public broadcaster has a radio station platform demarcated for each official language, excluding sign language, which is included on public television. However, in its history, the SABC, both before and post-democracy, often struggled to retain the non-partisan and impartial claim. This was made more significant during the former Chief Operations Officer Motsoeneng era. During his tenure, he blocked coverage of service delivery protests on SABC News platforms, including TV, radio, and digital.

Furthermore, Motsoeneng was accused of muzzling an anti-discourse against the ANC, the ruling party of South Africa. In 2017, one of the SABC public radio stations, Motswedding FM, cancelled, on the eleventh hour, a scheduled radio interview with retired ANC veteran Khulu Mbatha, author of the book *'Unmasked: Why the ANC Failed to Govern.'* The reason provided for the cancellation by the radio station cited issues with the editorial policy of the SABC; in contrast, the interview was scheduled way in advance (Blignaut, 2017).

As argued by Pickard and Neff (2021), Tambini (2015), and many others, the SABC is struggling to assert its independence from political forces, as argued in Chapter 1, the axing of SABC's former Head of News and Editor-in-Chief Phathiswa Magopeni gives testament to the scholarly position on the public broadcaster and challenges with independence. However, in terms of representation, inclusion and diversity the SABC seem to be reigning in this principle on radio. To cater to people with hearing difficulty the SABC has 100% wall-wall subtitling on its pre-recorded programs, and 100% sign language on its live Television News programs and

current affairs talk shows (source: anecdotal). The South African regulator, ICASA is also playing an instrumental role in making sure that the SABC is representative of South Africa's diversities in terms of culture, language and others through its content and programming. However, the biggest struggle still lies with independence.

During Motsoeneng's tenure, SABC News suffered a great deal of interference from him; he often threatened to fire news staff who were not compliant with his editorial directive as head of the organization. As a result, in 2016, eight (8) journalists were fired by Motsoeneng for opposing his censorship policy. The group was colloquially known as SABC8 (Krige, 2019). Furthermore, the 2019 *Report of the Commission of Inquiry into Interference in the Decision-making in the Newsroom* details a lot of harassment and abuse of journalists in the SABC during its former Chief Operations Officer tenure (Thloloe & Tawana, 2019).

In 2004 during former President Thabo Mbeki's tenure, the SABC suffered a similar encounter of blacklisting certain public opinion makers critical of Mbeki's presidency and the ANC. The former Head of News Dr. Snuki Zikalala, close ally of Thabo Mbeki was held liable for this misconduct and was expelled from the organisation to restore ethical journalism in the newsroom (Maharaj, 2022). However, the positive review of the SABC by the media monitoring body on its coverage of local elections in 2021 indicates that the SABC has achieved impartiality and non-partisanship principles post-Motsoeneng (Media Monitoring Africa, 2022). Nonetheless, given this positive review, a look into SABC's history makes it evident that SABC has never been independent from the start, as rightfully expressed by Tambini (2015).

2.2.3 Public Service Media and its role in promoting Democracy and Public Interest

According to Berger (1998), public media is the best recipe for a vibrant democracy as long as it does not have pressure exerted against it by the government and business. Deane (2005) adds to this view by arguing that the media is a crucial constituent and catalyst for democracy as it provides a watchdog role, guarding public interest, and is afforded a fourth estate role. It is for this reason that Croteau and Hoynes (2006) argue that in democratic societies, free and independent media are entrusted with a lot of complicated roles, such as guarding against the abuse of power, providing independent information to citizens, offering platforms for robust democratic debates and guarding public interest.

According to Venter (2002), public service media is a cornerstone for democracy, given that it provides quality and independent news that enables citizens to make rational choices about critical issues affecting their lives. According to Turner (2018), traditional media are still

trusted for their accurate news and information in the current digital era, filled with digital news infiltrated by fake news. However, democracy depends on civil liberties such as the right to access information and freedom of expression; without these, the media's democracy promotion is threatened (Daniels, 2015). In summary, the review here recognizes the role of PSB in promoting democracy by providing a platform that is neutral and free from market and state pressure.

In South Africa, the normative and democratic role of media is often faced with perplexities. The biggest challenge is that only some have access to the media, and most mainstream media are usually focused on elite audiences for revenue and consumer appeal (Chuma *et al.*, 2017). Another concern is that most South African journalists are severely intimidated, harassed, and abused by politicians, security services, judiciary, and members of the public, making it difficult for journalists to perform their role. Another concern is that due to COVID-19 and its impact on financial sustainability, many news organizations have had to let go of their journalists and cut operational budgets for news (Reid, Daniels & Skinner, 2020).

South Africa's public broadcaster underwent a similar path and laid off its workforce to reduce the salary bill. The SABC condensed its operational structure; in the case of radio, the organization merged radio management and reduced scale codes attached to the roles. See the ad hoc table below for details:

Platform	New Structure	Management
Phala Phala FM, Munghana Lonene and Thobela FM	Limpopo combo	One Manager
SAFM, Lotus FM, and Radio 2000	Fortune combo	One Manager
5FM and Good Hope FM	Public Commercial Station (PCS)	One Manager
Ligwalagwala FM, Ikwekwezi FM	Mpumalanga Combo	One Manager
Motsweding FM and Lesedi FM	Inland Combo	One Manager
Umhlobo Wenene FM and Tru FM	Eastern Cape Combo	One Manager
Metro FM, Ukhozi FM, RSG, and Channel Africa	Strategic Brands	One Manager

These stations share limited resources and budgets per unit allocation, which differs from the previous structure, where each radio station had its budget and resources to govern (SABC, 2022a). Furthermore, as cost containment continues, the SABC amalgamated Free State, Northern Cape, and Gauteng provincial offices into one province managed by one Provincial General Manager (PGM) and retained the other provinces as standalone but with separate PGMs (SABC, 2022a). For radio and provincial offices, the SABC shrunk its operational structure due to financial difficulties yet nobody knows the impact of this on the public mandate and SABC's role in promoting democracy (Dugmore, 2021). Daniels *et al.* (2020) echo that financial sustainability in mainstream media impacts media fulfilling their democratic role.

In South Africa, the first ten years of democracy have been the hardest for the media, given the conflict in understanding which interest the media should serve, between public and national interests (Wasserman & de Beer, 2005). According to Croteau and Hoynes (2006), the difference between private and public media is that the latter is measured based on the principle of public interest and is accountable to the public and government. The former is measured against performance and profit and is responsible to owners and shareholders. Public interest refers to matters that affect the public and relate to health, national security, democracy, and others (Morrison & Svennevig, 2002).

According to Ginosar and Krispil (2016), independent regulatory bodies regulate public interest in public media, and their task is to preserve and advance various forms of public interest. In South Africa, the SABC is regulated by ICASA through a compliance and monitoring mechanism, and the SABC is monitored through a quota system for language and content, inclusion, and diversity. Furthermore, Ginosar and Krispil (2016) argue that there often needs to be a consensus about which public interest the regulation should be preserved. Adding to this, Ginosar and Krispil (2016) argue that most regulation interests are not driven by public interest but rather by the private interests of powerful interest groups, regulators, and industry.

In 2020, SABC News adopted a new editorial policy and made the Head of News Editor in Chief. In favor of democracy, this was an excellent achievement for the public broadcaster; compared to the past, the CEO was the custodian of this role (anecdotal). Previously, this right was misused and abused by SABC's former Chief Operations Officer; the policy gave Motsoeneng powers to have the final say in the newsroom. As a result, Motsoeneng made erratic unilateral decisions that were not good for South Africa's democracy., muzzling service delivery protests, which shielded the government from accountability. The eve cancellation of

Motsweding FM interview by retired ANC veteran Khulu Mbatha shielded the ANC from public scrutiny. Therefore, regarding democracy, the previous editorial policy of the SABC placed the broadcaster in the palm of its management, who used the SABC to peddle ideology in support of the political elites in the ruling party.

Through the new management and board appointed in 2018, the SABC revised all its policies to remedy the erosive past. The result was the adoption of the new Editorial Policy, hailed by many journalists and scholars as a step in the right direction (Harber, 2022). However, this saga and its background relating to the axing of SABC's former Head of News and Editor in Chief, Phathiswa Magopeni, is now undermining the democratic gains made by the SABC post-Motsoeneng (Suttner, 2022). Furthermore, the axing of Magopeni validates the argument raised by Ginosar and Krispil (2016) that public interest is often regulated by private interest, which is the individuals occupying public spaces such as politics and government. In the case of the SABC, as elaborated in chapter one, the ANC lambasted Magopeni for the poor performance in local and municipal elections held in November 2021 due to negative party coverage by the SABC News, formerly headed by Magopeni.

As a result, Magopeni was fired by Madoda Mxakwe in January 2022, citing other reasons for the expulsion. With the SABC accounting to the government as its shareholder and its lack of independence, the SABC's role in promoting democracy is always going to be at risk, resulting in staff casualties, censorship, and political control, as made evident *throughout the Report of Commission of Inquiry into Interference in the Decision-making in the Newsroom at the SABC of 2019* by South Africa's Press Council. The report made drastic findings about the influence of political leaders in the ruling party on SABC's current affairs. Furthermore, South Africa's National Editor Forum also details how Magopeni's case reverses the gain by the SABC while placing the broadcaster in a very compromising position where it only serves the political interests of the ANC (South Africa's National Editor Forum, 2022).

2.2.4 Difference between PSB vs. Commercial and State Broadcasters

A clear understanding and reorientation of the foundational philosophy of theories of the press underpin the emphasis on this subject. 1956 Siebert, Schramm, and Peterson's work on media theories was contextualized, and the press operated under different political environments. Siebert and colleagues pin together four theories that explain its role and functions (Khan et al., 2020). These four theories are: (1) Authoritarian, (2) Libertarian, (3) Social Responsibility and (4) Soviet Communist. According to Nerone (2018), these theories are products of the Cold War. These theories are still relevant today due to the impact and domination they have

established in communication studies and have become a blueprint for journalism studies and practice.

The Authoritarian theory postulates a closed society where rights, freedom, and democracy do not exist. According to Siebert *et. (1956)*, *the press in closed societies serves as a mouthpiece of the state and promotes* propaganda and public deception. In apartheid South Africa, the SABC was equated with the state and political role, disserving millions of South Africans with limited rights and responsibilities. The authoritarian theory reflects a Propaganda Model (PM) advanced by Herman and Chomsky as they argue that in a closed/non-democratic society, the ownership press/media is often left to the monopoly of the state, suppressed with censorship in serving the dominant interest (Herman & Chomsky, 1988). Other scholars have dismissed this undertaking given the advent of digital technologies and social media as alternative media empowering citizens to overlook state censorship and government control in the suppression of civil liberties such as freedom of expression and right to access information (Abbott, 2016), (Larreguy & Marshall, 2019).

The Libertarian theory is also called the democratic theory (Siebert *et al.*, 1956). The undertaking views the independent press as a crucial ingredient for society, given its centric role in advancing democracy, civil liberties, and press freedom while acting as a state guardian. The undertaking views the press as a marketplace of ideas (Nerone, 2018). However, in critical studies, scholars have often distanced themselves from this model, arguing that the liberal press is a servitude of the market, services the needs of its funders, investors, and managers, and cannot account for a clean public discourse (Murdock & Golding, 2016), (Cooper, 2003). Later on a section on critical political economy of private media will uncover more details on this offering.

The Soviet communist theory explains that the ownership and management of the press need to be removed from the hands of the working force, Siebert *et al.* As a result, the press will uphold and reflect the interests of the working class with focused education, motivation, and mass mobilization (Nerone, 2018). With the fall of communism and the end of the Cold War, many scholars have challenged this offering (Kulkarni, 1994). In the case of South Africa during the peak of apartheid, the ANC established a clandestine radio platform operating on a Short Wave (SW) known as Radio Freedom to help maintain communication with all the party activists across the exiles (Somerville & Joseph, 2014). This is how close the model got to South Africa; how. However, the fall of apartheid brought an end to initiatives similar to Bush Radio linked to the communist model.

The Social Responsibility theory is the one seen close to the public broadcaster (Bardoel and Brants, 2003). The model comes in response to private media (liberal theory) by addressing notions of media freedom, plurality and diversity. The social responsibility model accuses private media of sensational and commercially driven news while hindering balance and fairness. The model provides a normative guideline and encourages the press to have an obligation to society and to be truthful, accurate, fair, and objective. The model stresses that the press should be free from commercial and market forces while being guided by rules self-regulation rules of ethics and professional standards. Therefore, public broadcasters are the most suited for this role, as provided by the social responsibility framework (McQuail, 2005). The state's role in this undertaking is to provide a policy framework supporting PSB (Bardoel & Brants, 2003). In a nutshell, these theories are imperative and offer an understanding of how different societal contexts shape the media's function

The comparative analysis given indicates how complex media systems are. However, for this study, the social responsibility model is established with a clear normative understanding of how the SABC ought to operate and govern for it to be different from its historical past as a state mouthpiece political economy, which is to be uncovered further stresses the need and demand for social responsibility theory, as a unique code for the SABC in the diverse, competitive media environment.

2.2.5 Traditional sources of Funding for PSB and its obstacles

The end-of-spectrum debates and a move towards globalization and digitization with the upsurge in the proliferation and distribution of digital technological resources brought to the fore the new reality posing a challenge to the PSB. Organizations such as Public Media Alliance have been very vocal in expressing that funding is the most complex challenge facing PSB (Public Media Alliance, 2022). Furthermore, the organisation explains that most public broadcasters are using mixed funding model viz. public funding and revenues from commercial activities. The mixed model is regarded as the most secure and sustainable. In addition, the global public media body elaborates that mixed models limit dependency on one source of income while protecting the public broadcaster against political instability and market fluctuations.

However, despite the well-thought-out mixed funding model, public broadcasters continue to face financial difficulties. According to Price and Raboy (2011), the introduction of competition transformed the public broadcaster into a volatile, complex entity and has become one of the players fighting for survival. During the competition, Price and Raboy (2011) noted

that the PSB still needs to carry overheads from large production and fulfill the mandate with the funds that are already dwindling. On the other hand, Armstrong and Weeds (2005) argue that PSB's overreliance on commercial revenues hinders its mandate. It cannot deliver distinctive offerings, including minorities, and represents cultural diversities. But delivers on homogenous, low-quality offerings that appeal to mass markets and ignore niche interests. It is seemingly apparent that the financial constraints faced by the public negatively impact its operations, the quality of the content it produces, and its diversity. In one way or another, this threatens the role of a democratic media.

Other scholars have become sceptical of public funding, such as Dragomir (2018), who argues that most governments use public funding to capture the media and use various strategies such as freezing and reducing the allocation. However, other scholars dismiss the argument raised by Dragomir and argue that public funding is the only best option to fund PSB and further assert that limited public funding is also detrimental and risky for the sustainability of public broadcasters (Pickard & Neff, 2021). TV licenses have also come under scrutiny, with scholars dispelling the downfall of the public good theory associated with TV licenses (Dugmore, 2021). Moreover, the emergence of encryption technologies has challenged the merit of the economic theory linked to TV licenses (Armstrong & Weeds, 2005b). Given the socio-economic difficulties, most public broadcasters face high TV license evasion; the SABC sits at an 80% evasion rate (Dugmore, 2021). In contrast, other scholars advocate that PSB be funded through subscriptions to avoid a free-riding and non-paying culture (Booth, 2020).

According to Dugmore (2021), commercial revenues and TV license income are no longer viable for PSB funding, and he argues that these revenues need to be updated and, therefore, call for newer funding models such as media tax, sin tax, and others. The argument expressed here is at the heart of this study, to engage and explore various alternative funding models outside commercial revenues, public allocation and TV licences. According to Burnley (2017), despite technological advancement, a rise in consumer culture, and funding dilemmas, PSBs are still relevant in fulfilling their. However, they need adequate and stable funding to ensure a social, cultural, natural, and democratic fabric of society. Burnley (2017) echoes the sentiment raised by other scholars, detailing that any funding aimed at PSB needs to guarantee both economic and political independence.

2.2.6 The impact of Covid-19 on PSB and what could be learned from this experience

According to Howcroft (2022), before COVID-19, many public broadcasters undertook cost-cutting measures to ensure long-term survival against market fragmentation, license fee

evasion, and the increasing competition from streaming services. However, the emergence of the pandemic added more financial woes to the pre-existing financial downturn. According to Tunez-Lopez *et al.* (2020), most public broadcasters with mixed funding were hit hard by the pandemic due to the national shutdown, restricted movements, and stoppage of economic activities, which resulted in huge revenue loss, this exposed public broadcasters to the dangers of market volatility (Dugmore, 2021). However, apart from the negative impact on revenues, the pandemic also proved the legitimacy of PSB as a credible source of news, information, and education.

Apart from the financial realm, the pandemic also aided and introduced new ways of production, management, and formats. According to Tunez-Lopez *et al.* (2020), the pandemic introduced broadcasters to remote journalism as a permanent alternative for gathering expert opinions. Furthermore, the pandemic introduced broadcasters to the hybridization of platforms. The pandemic forced broadcasters to a remote working environment and introduced employees to a flexible office environment. All these measures have a cost-saving implication.

The pandemic also forced broadcasters to introduce a payment cap on high earners, forcing a salary freeze across all members of the workforce and management. On a lighter note, COVID-19 introduced broadcasters into the culture of collaborations with other broadcasters, sharing the cost, technology, and content and increasing access to global audiences. All these were radical changes forced on PSB by the desire to prevent the spread of the airborne pandemic, not realizing that the impact-induced is for life, with good bearing and cost-saving opportunities. However, this does not dismiss the need to diversify revenue streams and reduce dependence on commercial revenues, argues Espada (2021).

In contrast to the looming challenge of revenue loss during the pandemic, South Africa's commercial, satellite, and digital broadcaster DSTV, owned by Multi-Choice, experienced a sharp increase in revenues and audience share in South Africa and throughout the African continent. According to Ferreira (2022, during the pandemic, DSTV active subscribers grew to 20.1 million, with 8.9 million subscribers in South Africa (larger market)), and 11.9 million from the rest of the continent. Most of these subscribers are located within the DSTV mass market, viz. DSTV family, DSTV access, and DSTV easy view Ferreira (2021). In the same year, the company reported a revenue increment of 4% to R53.4 billion. This is an astonishing accomplishment against dwindling audiences and revenues in the broadcast market. This serves as an inspiration to see that when combined efforts are married to strategy, corporate growth plans, and digitization can often lead to great results.

However, a striking difference is noted below. Dugmore (2021) argued that South Africa has the most significant TV license evasion rate of 80; on the other hand, 8.9 million South Africans were able and willing to pay subscription fees, which were a bit costly compared to the SABC TV license fee, as indicated in the table below.

	Monthly	Annually
SABC TV License	R28,00	R336,00
Easy View	R29,00	R348,00
Access	R99,00	R1 188,00
Family	R299,00	R3 588,00

Table 2: Comparative Cost Analysis between SABC and DSTV (Source: Anecdotal, 2022)

In the interest of this study, these disparities are explored to equip the SABC with skills and strategies to survive in a competitive, digital environment. Seeing that the impact of COVID-19 has not been as drastic to private players compared to the massive harm experienced by PSB, such as the SABC, as it reported a financial loss for the year 2020/2021. However, the pandemic did equip public broadcasters with cost-cutting measures such as remote working, remote journalism, and hybridization of platforms such as the broadcast of e-sports to sports channel Tunez-Lopez et al. (2020). In the case of the SABC, SABC1, and Metro FM partnered and delivered simulcast live music entertainment dubbed #Get2Gether Experience, which gained strong popularity on TV, Radio, and social media, reaching close to 1 million viewers on YouTube and trended a lot on South Africa Twitter market (Source: Anecdotal).

2.2.7 Public Service Media Collaborations & Innovation

According to Doyle (2013), strategic alliances are an integral part of corporate growth in response to the competitive market dominated by transnational media companies. This section will explore collaboration, innovation, and Private Public Partnership (PPP) instituted by the SABC to harness revenues and reduce operation costs. On innovation, Mcelroy and Noonan (2018) argue that PSBs need to be empowered to play in the digital space and expand public mandate through digital technologies and an enabling regulatory framework. Mcelroy and Noonan further warn that PSBs need to be adequately funded and thus be innovative and leverage digital resources.

Rad (2017) argues that the media industry has undergone a significant transformation due to the emergence of disruptive innovation, and this requires organizations to be dynamic and make necessary strategic changes to exploit disruptive innovation. And argues further that polymediation (multi-platform) and digitization have transformed the traditional media landscape. Not far from this argument, Plantinga (2019) defines innovation as improving operational efficiency and reducing operational costs. According to Plantinga, there are four pillars of innovation, viz. 1) collaboration, 2) transparency, 3) participation, and 4) systematic approach. Plantinga elaborates that for innovation to be achieved, two enablers are required: reduction of red tape and bureaucracy and institutional support. Plantinga's approach to governance links itself up with a participatory approach to governance theory.

Looking at the breakdown given above, it is evident that partnership and innovation go hand-in-hand. From the scrutiny above innovation is not a new phenomenon but a reconfiguration of the workspace space into horizontal platforms without barriers aimed at efficiency and cost reduction using digital technologies. For this reason, Baiyere and Hukal (2020) define digital innovation as a digital-enabled process that helps organizations render offerings at an unprecedented speed, scale, and scope. According to Baiyere and Hukal (2020, for an innovation to be considered disruptive, it needs to alter the status quo, reconfiguring the market and industry.

In the broadcasting industry, there have been two successive waves of digital innovation; as argued earlier, digitization, globalization, and technology have ended many years of the market monopoly enjoyed for decades by PSB. As a result, this has weakened PBS's legitimacy, fragmented audiences, and increased competition for audiences and advertisers. Recently the evolution of streaming services such YouTube, Netflix, Amazon, Showmax, eVOD and recently the new introduction of SABC+ are creating a dismantling effect in the broadcast industry. According to Doyle (2013), digitisation changed the audience's viewing culture from leaning backward to leaning forward. Therefore giving new viewing patterns such as one-to-one through Video-on-Demand (VoD), and a dismantling effect on the traditional business model viz. subscriptions, pay per view, niche market, local and global consumers. However, in South Africa, TV consumption still largely remains with the traditional TV set (Rich, 2019). However, the SABC still needs to transform into a digital, multi-platform service provider as warranted by PSM discourse.

In response to digital innovation, scholars are encouraging PSB to transform to PSM, to compete in the global market. The transformation requires PSB to rebrand as multi-platform

service providers, adopt digital technologies and compete in digital markets, while carrying out its PSM values (Juanatey-Bonga, *et al*, 2018). Seemingly, in its true sense digitisation has a huge impact in practise and study of television theory. The SABC announcement of its streaming application appears to be aligning with these theoretical underpinnings as much as collaboration, multi-platform carriers. According to the SABC, the streaming app is a result of a partnership between the SABC, Telkom and Hisense. These tripartite relations reflect what Doyle (2013) calls strategic alliance. The SABC revealed that it acquired the streaming app through a deal with Telkom, South Africa's parastatal for telecommunication and mobile networks. The addition of Hisense, a global company for home appliances serves to aid with distribution of the platform as part of its digital television market sales and mobile devices seeing the delays associated with digital migration (SABC, 2022b).

For this reason, Sylvie (2007) argues that broadcasters must use innovation to the company's advantage. In this case, one would add partnerships as well, as it aids in reaping the benefits of innovation, such as rapid growth in speed and scale (Baiyere and Hukal, 2020). Failure to adopt digital technology and innovation Sylvie (2007) warns that broadcasters must brace themselves for stagnation and a non-competitive future leading to its slow death. With this reference in mind, one can safely argue that the SABC is off to a great tangent, ignoring its discourse on digital migration.

The SABC, Telkom, and Hisense case warrants a look into understanding the Public Private Partnership (PPP). According to Fife et al. (2008), PPP refers to the mechanic of bringing different parties together to pursue similar goals and interests. However, Moszoro (2010) expresses a different sentiment that PPP transfers skills and knowledge from the private sector to the public sector. At the same time, Witters et al. (2012) argue that apart from sharing costs, risks, and benefits, PPP is the driving force behind innovation. It is clear that without partnerships/PPP, the SABC could not have easily carried the mammoth task of going into a streaming environment for this large amount of data servers, robust application infrastructure with a content management system, rights management, billing, and many others. In all, this is a niche environment in terms of technical skills, Telkom launched its streaming app in 2020 (Ferreira, 2020), and has gathered sufficient experience and exposure on the streaming market. Through PPP's philosophy, the SABC will benefit from skills transfer from Telkom to the public broadcaster while enjoying global distribution via Hisense through its smart TV sets and mobile devices.

2.2.8 Public Service Media and Models of Management

According to Njegovan and Radenković (2010) the future of PSM depends on their use of new technology as part of business strategy while providing linear and non-linear broadcast. Njegovan and Radenković (2010) warns that PSB needs to also maintain its high-quality programming so that it can resist pressure from the competition. The sentiment raised here rests on two factors viz. innovation and high-quality output, and therefore frames this view within the branch of classical management school of thought. According to Nendauni (2014) the classical theory of scientific management and its approaches have been a relevant tool used to study and understand broadcasting as a Cultural Industry (CI). This section will explore the underpinning thought behind the scientific management theory as an analytical tool and explore the way it can be used to enhance the subject of PSB sustainability in a competitive digital era. In addition, explore the administrative and bureaucratic management theory as sub-disciplines of classical management theory (Nhema, 2015). This study will first attempt to understand PSB as cultural industry.

According to Adorno and Horkheimer (2006), cultural industry refers to demand production processes with standard products aimed at meeting the countless needs of consumers/viewers in various locations. Furthermore, Adorno and Horkheimer continue to argue that the production of cultural products (television programs) happens in a few production sites with widespread distribution. This requires thorough organisation and planning of all the activities by those in control. According to the United Nations Educational, Scientific and Cultural Organization (UNESCO) (2012), the cultural industry produces two impacts through its cultural product: economic and non-economic. The former refers to direct contribution to the economy through employment, tax, investment, and others. The latter rests on social cohesion, including marginalized groups, enforcement of social values, and others.

In the case of the SABC the view raised above applies, based on the view that the SABC's non-economic impact is regulated through mandated regulation by ICASA. While the SABC's financial journey as covered in Chapter 1 reflects the economic position of the SABC as cultural industry. UNESCO (2012) posits that the economic impact of cultural industry can also be gauged on three levels; (1) contribution to GDP, (2) employment, (3) business activities. All these have a bearing to South Africa's PSB as discussed in chapter one. Linking PSM and cultural industry with classical management theory is the view raised by Hadisi and Snowball (2017) that cultural industry is a source of economic growth, innovation, and job creation. According to Vitkauskaitė (2015) TV, radio, music, publishing, cinema, advertising, and others are the constituencies of cultural industry. According to Nadrifar *et al* (2013), classical

management theory rests on three approaches, these are: scientific management, administrative management and bureaucratic management. Taylor (1911) argues that the principles of scientific management apply to all kinds of human activities i.e. from the simplest individual act to work done by large organisations.

Taylor adds that when the principles of scientific management are applied, astounding results are guaranteed. Taylor posits that with a scientific management approach, the objective of the management is to ensure maximum prosperity for the company by using scientific methods, allowing the business to develop to its highest state of excellence with permanent prosperity. Adopting scientific management will double productivity and efficiency, with the management style based on training (development), initiative (hard work), and the option of scientific methods to enhance productivity, Taylor argues. Scientific management also encourages the implementation of an incentive system (high payment) to motivate workers to go beyond companies' target on output (reward) while making a clear division of labour between managers and workers (Kitana, 2016).

When juxtaposing the rational offering of scientific management against the SABC, the only concern emerging from the literature seems to lie with the incentive system. As discussed in Chapter One, the public broadcaster seems bewildered by a lack of financial growth and stability following many years of abuse and mismanagement by the previous administration. In addition, the public broadcaster has also shed more than 600 workforce members to reduce the salary bill, revised salary packages on new offers, scrapped the leave encashment policy, merged regional offices, and disposed of all its non-core assets as part of its cost-containment strategy as discussed in chapter one. All these points pose a threat and challenge to Taylor's incentive strategy as means to operational efficiency. Regarding Taylor's view on training, the SABC has an internal learning and development unit tasked with implementing the company's skills development plan; the SABC achieves this through outsourcing external service providers accredited for developmental skills and training (Source: Anecdotal). However, the question on how effective is the SABC's Learning and Development division following the financial instability of the public broadcaster, accompanied by various cost-containment strategies still need to be addressed under a different scope of a separate study. With the incentive system not being addressed by the SABC, Taylor's view on workers initiative (hard work) hypothetically seems weakened in this case. The SABC financial position and its cost-containment strategy are the greatest hindrance to Taylor's view of scientific management in the workplace because they signalled SABC's lack of finances to fulfil the underpinnings raised by Taylor.

The administrative management approach is another core of classical management theory developed by Henry Fayol in 1916, focused on the organisation. In support of organisational efficiency, Fayol introduced the four functions of management and defined management as the hub of the organisation tasked to accomplish the objectives of the company (Kitana, 2016). The administrative management theory lists planning, organising, leading and monitoring as crucial functions of management. In chapter one there has been a radical review of SABC management with questions relating to mismanagement, fruitless and wasteful expenditure, abuse of power, irregular appointments and salary increments and many others.

The SABC oversight body, i.e., the board, failed to detect, halt, and correct issues of poor governance emanating from the SABC, as indicated by various reports discussed in chapter one. The SABC board plays a crucial role in monitoring the activities of the executive while accounting to the Minister of Communication as the main shareholder. Scholars such as Lloyd *et al.* (2010), Davis (2014), and many others have cited concerns about the lack of autonomy for the SABC board and indicate the capturing of South Africa's PSB by the political interest of the ruling party; this signals the greatest challenge of SABC's take on the normative approach to the administrative theory of classical management due to poor monitoring by bodies such as the SABC Board. The report by the Public Protector (2014), the press ombudsman report by Thloloe and Tawana (2019), and the case of the former Head of SABC News give sentiment to the argument raised the concern about SABC's board and management's lack of autonomy in executing tasks and functions as entrusted by legislative bodies, i.e., broadcasting act, ICASA act, and many others.

The bureaucratic theory of classical management draws its inspiration from its founding scholar, Max Weber from his work on social theory. Weber theory focuses on organisational structure, hierarchy and authority as means to organisational efficiency (Nadrifar *et al* (2013b). The administrative model is centred on discourse viz. rules and regulations that govern the organisation. The application of Weber's model to the SABC presents various hindrances. As part of discourse the SABC is regulated by ICASA, and some of the regulation proves to be cumbersome. As noted in chapter one, the SABC licensing act is outdated and fails to account for digitization, new media and development of encryption technologies to mitigate public debate on spectrum scarcity, thus calling for the TV licence to be revised. The sports rights regulation is another cumbersome discourse for the public broadcaster, as discussed in chapter one the regulation fails to prevent a hoarder's behaviour on sports right by private media i.e. SuperSport, leaving PSB behind due to issues of affordability (Taylor and Thomas, 2017). In short, ICASA has introduced various regulating instruments to help the SABC fulfil its public

mandate while regulating communications in South Africa. However, some of ICASA regulations are not best suited for the SABC, as they promote stagnation, which is in contrast with the sentiments raised by PSM scholars calling out PSB to evolve and compete with private media to survive. However, the bureaucratic management theory is a difficult offering to the SABC given all the factors on the table.

The classical management theory and its proponents offer a great prism to the study of South Africa's PSB. In reference to the scientific management approach, the SABC lacks behind with digital television, distribution of Set-Top Boxes and digital migration. All these undermine the provision raised by the model as it encourages the adoption of scientific methods to enhance operational efficiency. Corruption, mismanagement, poor oversight and abuse of power (see chapter 1) indicates a further challenge for the SABC with the administrative model, while the implementation of Weber's approach on discourse proves extremely challenging for the SABC as discussed earlier. However, the chapter on finding and analysis will help in shaping a clearer view on the normative framework of classical management theory.

2.2.9 South Africa's Television Ecology and Audience Fragmentation

Apart from the SABC as South Africa's public broadcaster, the South African television market is structured based on a three-tier system, viz. community, commercial and public media. Furthermore, in terms of regulation South Africa's TV market is arranged according to Free-to-Air (FTA)¹⁹ and non-Free To Air²⁰ as regulated by ICASA. The SABC as South Africa's public media is Free To Air. In 1998, eTV was also introduced as South Africa's commercial Free To Air, then in 1995 Multi-Choice introduced DSTV as South Africa's non-Free To Air commercial broadcaster with a host of community TV platforms i.e. Soweto TV, Tshwane TV, KZN TV, Bay TV and others.

South Africa's Free To Air market is dominated by SABC and eTV. According to Mybroadband (2022) in December 2021 SABC's *uZalo* drew 6.9 million viewers, with *Generations* drawing 5.5 million viewers. Then followed by eTV's *Scandal* with 5 million viewers, with *House of Zwide* and SABC's *Muvhango* and *Skeem Saam* averaging 4 million viewers per show. For DSTV the most watched TV show for the period in reference was *Gamora*, which had 1.3 million viewers. This breakdown gives a clear view of the competitive TV landscape in South Africa, with the public broadcaster fighting for its market share against private competition. This signals the sentiments raised by scholars such as Doyle (2013),

Bardoel and Lowe (2007) and many others about the outright end of market monopoly by PSB, and hence calling out for the latter to transform and transition into a competitive and technological inclined media player. The combination of *Generations*, *uZalo*, *Skeem Saam* and *Muvhango* averages gives the SABC a far more competitive advantage in reference to market dominance in both Free To Air and non-Free To Air markets.

However, apart from the television shows outlined here, the SABC has numerous programs with different formats across different genres, a question needs to be asked as to why these other shows not perform and command a great market share like the flagship programs indicated. A far worse view is painted by SABC's commercial TV channel SABC3, with the lowest performance averaging 588 thousand viewers as its high performance, this is a least performance when measured against SABC1, 2, eTV, and DSTV (Broadcast Research Council, 2022). This indicates the need to revamp the channel and make it more competitive. This provides further reasons for this study to understand how the SABC can survive in a competitive and disruptive broadcasting environment in South Africa and abroad.

2.3 Critical Political Economy of Private Media and role in promoting Democracy

The founding scholars of CPE argued long ago that the ownership (concentration) and funding of media organizations have a traceable impact on the democratic role of the media (Schiller, 1978), (Golding & Murdock, 1979). To this day, the same philosophy remains valid as McChesney (2015) contends that the results of rich media are often poor democracy and that private media are profit-driven and advertiser-orientated and frequently use degraded journalism standards such as brown envelope journalism to drive a persuaded narrative. According to Golding (2017), the commodification of cultural goods by media industries has a detrimental impact on democracy. It limits active citizenship and restricts access to information by focusing on the elite community crucial to the advertising market.

Independent and uncensored media are crucial for democracy. However, media concentration, monopolization, hyper-commercialism, and profit pressure threaten democratic media (McChesney, 2015). Another vast concern about commercial media is that it disregards public interest, promotes cultural imperialism (Mirrlees, 2015), and does not adhere to the principles of normative media theory in liberal democracy (Litschka, 2019). A democratic media is built on a universal principle of a free press, access to information and participation, watchdog normative, and respect for human and minority rights (Berger, 2002).

Post-democracy in South Africa has seen a radical shift in the ownership and transformation of media. However, the ownership of media in South Africa remains predominantly white male-dominated regardless of mergers, buyouts, and Black Economic Empowerment deals (BEE) (Tomaselli, 2021; Harber, 2014). In South Africa apart from SABC News, the country has the following independent news outlets for television: eNCA, the now defunct African News Network (ANN), and the newly established Newsroom Africa launched in 2019. The eNCA has been involved in several casualties arising from journalistic ethics. In 2016, eNCA news reporter for arts and entertainment Nontobeko Sibisi filed footage for transmission celebrating Africa Day, however, the footage was pulled off the air because she recorded the insert while wearing a *doek*, which is a traditional African head wrap (TimesLive, 2016).

In 2021, eNCA was involved in another public spat when one of the outlet's senior political journalists was doing a live crossing outside parliament post-budget speech. At the time, South Africa was at the peak of the Covid-19 pandemic, and wearing a mask was mandatory. However, the journalist did not enforce the regulation when interviewing a white politician and only enforced it when she was about to interview a black politician; the outlet was accused of

racial bias by the Economic Freedom Fighters²¹ (EFF), who issued a public plea to boycott the channel (Mitchley, 2021). The outlet has been charged several times by the Broadcasting Complaints Commission of South Africa (BCCSA) for false news ranging from Covid-19 conspiracy theory (Global Freedom of Expression, 2022) and factual inaccuracy in covering the outcome of the Supreme Court of Appeal (SCA) ruling on the Public Protector (PP) against the Democratic Alliance²² (DA) and civic organization. The court dismissed the appeal and held the PP personally liable for the administrative cost of 15%; however, eNCA reported that the court ordered the PP to pay 85% of legal fees, making the story sensational (Anchored-in-Law, 2022).

The African News Network (ANN), an independent broadcaster with a short lifespan, was launched in 2013 and closed in 2018. ANN was closely associated with former President Jacob Zuma's allies, owned by the Indian Gupta family who were given South African citizenship by former Minister of Home Affairs, Melusi Gigaba without following due processes. During the Commission of Inquiry into State Capture, it was discovered the Gupta family drained South African public entities of most of their public funds through illicit and irregular tender deals with the state. ANN assumed a pro-Zuma stunt and shunned a lot of negative criticism against the ANC and maladministration by the government (Harber, 2018). Newsroom Africa was launched in 2019, replacing ANN; it is three years old and has not yet suffered public scrutiny based on Critical Political Economy.

The news outlets for television in South Africa are heavily concentrated and dominated by the SABC, eNCA, and Newsroom Africa. The analysis of eNCA validates some of CPE's claims, viz. The *doek* scandal directly reflects cultural imperialism and failure to understand cultural diversity as espoused in the principles of public media. The Broadcasting Complaints Commission of South Africa ruling against eNCA validates CPE claims of poor journalistic standards and ethics in the private press, as argued by McChesney (2015). The case of ANN informs a critical position made by CPE scholars that funding and ownership of media have a traceable impact on the editorial and framing of news. In reward for special treatment and state benefits, the Guptas used ANN to protect former president Zuma and his administration. This reflects a total infringement on media freedom and journalistic values for a free press. The case of eNCA and ANN teaches that the SABC as a public broadcaster is critical for democracy in South Africa because it has diverse platforms, represents all the languages and cultures in South

²¹ South African opposition party to parliament

²² South African opposition party to parliament

Africa, and is not subject to cultural imperialism. However, the SABC must be financially sustainable to continue and sustain this claim.

2.4 Public Service Media and Funding to Execute the Public Mandate

According to Oye (2020), the focus on neoliberal principles by the government and media industry led to the marginalisation of public service media. Oye (2020) warned that if public media is not re-imagined and protected against market forces through legislation that recognizes digital media, then public service media is more likely to deteriorate in serving its mandate and lose its legitimacy to competition. According to Neff and Pickard (2021), PSM executes its public mandate role optimally when it is best funded. Most public service media use a mixed funding model viz public and commercial funding (Warner, 2019).

Public funding is directly collected from TV licenses, income generated from advertising, sponsorship, product placement, and other commercial activities such as global distribution (Warner, 2019). The biggest challenge facing public service media is that it has limited funding options due to restrictions posed by operating licenses and that any new funding model will require a change in the legislature. The permissible funding model for public service media has enough share of challenges. License fees are often evaded, sometimes increased, reduced, or frozen.

Furthermore, administrative funds to enforce payment are often costly and increase financial liability for PSM. Government funding is risky and subject to annual reallocation and is sometimes used to enforce political interest or punish PSM through budget cuts for failing to act on political directives. Relying on advertising is not sustainable, the advertising market is risky and volatile, and not viable for long-term resource planning. Closing his review Warner (2019) warns that PSM needs to look for a new funding model to future proof its financial sustainability.

The SABC offers a direct reflection on the literature. The SABC's legislative framework, including TV license regulations, must be updated. The directive limits TV license collection to physical ownership of a television set. The regulation must recognize that convergence and digital technologies enable digital devices like laptops, computers, and smartphones to consume SABC audio-visual content online. Therefore, the scope and definition of TV license collection must be expanded (SABC, 2018). Currently, the SABC's public mandate is underfunded; the Department of Communication and Digital Technologies (DCDT) through the National Treasury only provides allocation for education mandate and excludes sports, news, and special government events such as state funerals, parliamentary events, i.e. State of

the Nation Address, Annual Budget Speech, and others (Gerber, 2018). The SABC must use its commercial revenues to fund public mandates and manage operational and human resources costs. Should premature Broadcast Digital Migration be implemented, the dwindling SABC revenues will take much further strain, thus requiring a careful review of the SABC funding model or exploration of other options as envisaged by this study.

On the other hand, funding from TV licenses does not work for the SABC. South Africa has the highest TV license evasion, coupled with high unemployment and most people living in extreme poverty margins (Dugmore, 2021). Dugmore argues that most countries are abolishing TV licenses due to drastic evasion rates and replacing them with statutory taxes. For Dommering (2022), the TV license logic needs to be updated. It is based on the old scientific fact regarding broadband scarcity, which is now addressed by the digital spectrum. At the same time, encryption technologies now resolve the public good nature of television and its impact on commercial revenues, indicating that it is risky for SABC to rely on commercial revenues for funding (SABC News, 2020). If commercial markets cannot be trusted, TV licenses will not be sustainable, and government funding will not be adequate. This echoes a call for the SABC funding model to be carefully re-examined. Currently, the SABC receives 80% of its funding from commercial revenues, 16% from TV licenses, and 4% from state grants (SABC, 2018). While at the hands of the market, the SABC is overwhelmed and constrained by market forces. As stated in the principles of PSB, South Africa shouldn't be overwhelmed by market pressure; this drastically alters the 'publicness' and uniqueness of public media.

2.5 Public Service Media and Legitimacy in fulfilling the public mandate

According to Izquierdo-Castillo and Miguel-De-Bustos (2021), the legitimacy of PSM is in crisis. This is because of the threat exerted by commercial media using digitization to address principles of public service media, i.e., in the case of universalism, private media uses digital media to allow audiences to access digital content without geographic constraints. Another concern affecting the legitimacy of PSB is its inability to transform, digitize, and compete with private media due to financial constraints and resources (Fourie, 2003), (Keana, 1995). In addition to sports rights, TV license evasion, political attacks, decreased public investment, and technological challenges, PSM's legitimacy still needs to be questioned.

In March 2022, the High Court of South Africa ruled that the analogue switch-off should be postponed until June 2022. If a switch-off is implemented, millions of poor South Africans who rely on Free To Air will be without public television. Broadcast Digital Migration poses a real massive threat to the legitimacy of the SABC. Failure to migrate will also undermine the

universal principle of the SABC. South Africa has 14 million TV sets, 8.6 million are subscribed to pay television, and the SABC's legitimacy is already at stake with most households on pay television. The Broadcast Digital Migration saga must be resolved without putting the SABC legacy and legitimacy at stake.

2.6 Global PSM policy discourse on revenue opportunities, mandate, and funding: the case BBC²³, CBC²⁴, EBU²⁵, ABC²⁶, and Sub-Saharan Africa-Southern Development Community

2.6.1 The Case of BBC

The British Broadcasting Corporation (BBC) was established in 1922 through a Royal Charter and is funded through TV licenses and public grants. BBC has both public and commercial operations. However, since 2010 BBC has experienced a decline in audiences due to audience fragmentation and a rise in Subscription and Video on Demand (SVoD) services. However, since the outbreak of the COVID-19 pandemic, BBC has experienced severe challenges such as budgetary constraints, license evasion, and a change in government policy to reverse TV license subsidies for senior citizens, leading to a decline in revenue collection for TV license United Kingdom (UK) government is also considering decriminalizing TV license evasion, which harms revenues and will increase evasions (House of Comms Report, 2021). BBC is also experiencing declining revenue income from advertising sales due to Covid-19 (National Audit Office, 2021).

As part of policy development, the UK government is considering scrapping TV licenses and replacing them with general taxation. The latter will allow the British to pay proportional tax, where the rich pay more. The sentiment behind this proposed development is that TV licenses are burdensome to low-income people but play a crucial role in creating a bond between BBC and Britons. However, the concern is that general taxation will break the bond and undermine the sacred independence of BBC (Cammaerts, 2022). In response to budgetary constraints, BBC had to cut down its commissioning budget by 150 million pounds due to a drop in the advertising market. It also introduced cost-saving measures such as salary reductions and suspended bonuses (House of Comms Report, 2021). To make up for young, declining audiences, BBC introduced iPlayer, an Over The Top (OTT) platform, yet still, Netflix,

²³ British Broadcasting Corporation

²⁴ Canadian Broadcasting Corporation

²⁵ European Broadcasting Union

²⁶ Australian Broadcasting Corporation

Amazon Prime, and YouTube are the most dominant streaming services and command significant market share (National Audit Office, 2021).

2.6.2 The Case of CBC

The Canadian Broadcasting Corporation (CBC) was established in 1936 and broadcasts in English and French. CBC receives an annual allocation from the government and makes revenues through commercial activities such as advertising and subscriptions. CBC television allows for advertising, while CBC radio prohibits adverts. In 2016, CBC proposed to the Canadian government that instead of annual allocation, CBC should be funded for a five-year cycle linked to the length of the broadcast license; CBC also proposed that the five-year allocation should be aligned with the inflation rate, as this will allow for predictable and stable funding. However, the Canadian government must still respond to this request (Forgan, 2018).

2.6.3 The Case of EBU

The European Broadcasting Union (EBU) is an alliance of public broadcasters from member states affiliated with the European Union (EU). EBU was established in 1950; the following countries will be examined. Norway, Denmark, and Ireland. The Norwegian Broadcasting Company (NRK) is Norway's public broadcaster. The entity is funded only through public funds, i.e., license fees, and does not allow commercial advertising according to Norway's Broadcasting Act of 1992. Danish Broadcasting Corporation (DR) of Denmark is the national broadcaster, is only funded through licenses, and no commercial revenues are allowed. The Ireland Broadcasting Company (RTE) has mixed funding from license fees and commercial revenues (Forgan, 2018).

2.6.4 The Case of ABC

The Australian Broadcasting Corporation (ABC) was established in 1932, 91% of ABC's budget is from public grant allocation while the remaining variance is derived from specific commercial activities. ABC receives a three-year budget allocation from the government through the Department of Communication (Forgan, 2018). Both EBU and ABC seem to have a similar funding structure, where commercial revenues are limited and not permissible to some extent. Whilst BBC and CBC seem to be sharing similar traits of dual funding. The issue of the proposed general taxation to fund BBC, and the decriminalisation of license evasions, strongly indicate that there is no stable funding model to fund public media. The CBC's request for long-term funding from the government further supports this view. This, therefore, brings the SABC into the same fold and validates the essentiality of sustainable funding. What is more

concerning is the view that the SABC is the only PSB that is heavily dependent on commercial revenues to fund its operations.

2.6.5 The case of Sub-Saharan Africa and Southern Development Community (SADC)

According to Kupe (2003), African national broadcasting institutions were once sites for propaganda used by colonial regimes, but new governments inherited them after independence. Furthermore, Arndt (2019) echoes the same sentiment and argues that national broadcasters are a standard feature in Africa due to the colonial history and command of the media landscape with an unmatched geographic reach. However, Arndt contends that national broadcasters are state-owned, managed, and editorially controlled by most African governments. Nonetheless, Arndt concludes that the exception is only with the SABC in South Africa, as it still enjoys journalistic freedom and editorial independence while executing its public mandate.

Wasserman and Benequista (2017) contend that following the first democratic wave many African countries have experienced a slow erosion of democracy and press freedom. The drastic impact of this is felt widely by African media and its struggle for financial sustainability, political support, failing business models, abuse of journalists and others. Santos (2021) argues most public broadcasters in Africa are still threatened and abused with no legislation such as the promotion of the Access to Information Act to promote media freedom and democracy as is the case in Namibia, Botswana, Eswatini and Malawi. Santos argues that the African media landscape is characterised by attacks on freedom of the press and journalists, a decrease on public grant and media funding, high internet costs, and prohibitive media laws. While Ndlela (2007), Mano and Milton (2020) decry the heavy role of the state in broadcast policy formation both as a response to local and global pressure. However, the latter is much more evident in South Africa following the publication of a draft policy on audio and audio-visual content services policy framework, issued in November 2020, in response to technological innovation and transformation in the broadcast market (Department of Communication and Digital Technologies, 2020). In terms of the policy framework and outside digitisation there is a clear indication that broadcast policy in the region is still centred on the normative i.e. media freedom and democracy. Outside South Africa there seems to be a policy vacuum on key tenets of public media such as technology, partnership, revenues and innovation.

The draft policy framework on audio and audio-visual content services in South Africa indicates a big gap in media policy between South Africa, its region, and sub-region. The proposed legal instruments such as the protection of Access to Information Act was achieved by South Africa in 2000. According to State Media Monitor (2022), most public broadcasters

in the Southern Development Community i.e. Botswana, Lesotho, Namibia and others are funded by the government through communication ministries. However, the organisation reports that in South Africa and Zimbabwe, the national broadcasters derive most of their revenues from commercials and license fees. Both national broadcasters in South Africa and Zimbabwe are under financial pressure and are set to negotiate with the government for direct funding from the fiscus²⁷. The State Media Monitor also reports that most public broadcasters in the sub-region often lack autonomy and are in direct control of the government. Wasserman and Benequista (2017), Garman *et al* (2021) draw parallel observations in support of Arndt (2019), Santos (2021) and others.

In summary, there are no clear formulae on resolving the funding dilemma of public media in South Africa, Africa and abroad. However what is more common across all broadcasters except for SABC and Zimbabwe Broadcasting Corporation (ZBC) is that most public broadcasters across the globe are funded from the national purse, however, in the case of SABC and Zimbabwe Broadcasting Corporation, this argument ensues a different dogmatic approach. Therefore this study unfolds in a time where financial sustainability for public media is at the centre stage across different corners of the world. It is therefore important that a project of this nature be deemed fundamental and monumental as it helps provide a better way forward on the subject matter.

2.7 Digital migration in Southern Africa (SADC)

As part of the PSM discourse, this study believes that the Digital Terrestrial Television subject matter, as explored in chapter one, needs to be unlocked further with a point of view from the global South and outside South Africa's context. This will help enrich the PSM discourse as it unfolds in the region. According to the International Telecommunication Union (2021), Digital Terrestrial Television refers to the evolution from linear to non-linear TV services, i.e., mobile TV services. Furthermore, the International Telecommunication Union alludes that Digital Terrestrial Television responds to changing market trends, needs, and demands. Earlier on, Vanhaeght and Donders (2016) and Lowe and Bardoel (2007) alluded that PSM refers to a newer version of PSB; the latter is adaptive, technologically inclined, and interactive. This means that the DTT subject captures this essence as the International Telecommunication Union argued that DTT offers broadcasters and consumers increased choice and quality in channels and of, i.e., audio description. International Telecommunication Union also elaborates that DTT offers high-quality encoding standards, i.e., MPEG-2, MPEG-4, and HEV move from

²⁷In South Africa the negotiation have not yield to any success, see chapter 1 for further details

Standard Definition (SD) to High Definition (HD) edition (HD)(HD) and Ultra High Definition (UHD).

From the account given above it is clear that there is a distinct link between DTT and PSM discourse. Now looking in the region according to Appolus (2022) following the announcement of Analogue Switch Off (ASO) by the International Telecommunication Union with the deadline of 31 December 2015. In 2009, the Southern Development Community region and its affiliate country members committed to achieving Analogue Switch Off before 31 December 2013, two years before the International Telecommunication Union deadline. According to Appolus (2022), the attempt by the Southern Development Community was hailed by the International Telecommunication Union concerning being the only region with coordinated efforts in support of digital migration. However, it is only Tanzania and Mauritius that were able to achieve the Southern Development Community and International Telecommunication Union deadline. In most parts of the region, the subject matter has been ongoing until today coupled with infrastructural development, awareness campaigns and Set-Top Boxes roll-out.

According to the International Telecommunication Union website, after Tanzania and Mauritius, Southern Development Community countries have completed Analogue Switch Off: Malawi, Lesotho, Zambia, and Eswatini. For South Africa, Zimbabwe, Mozambique, Namibia, Angola, Botswana, Madagascar, the Democratic Republic of Congo, and Seychelles, the process is still ongoing (International Telecommunication Union, 2021). According to the International Telecommunication Union, an Analogue Switch Off is a costly exercise requiring upgrade and acquisition of new transmission material, end-user Set-Top Boxes, consumer awareness campaigns, and collaboration with stakeholders. In the case of South Africa according to Thorne (2023), the former Minister of Communication Khumbudzo Ntshavheni failed to consult sufficiently with broadcast stakeholders in SA, i.e. Free To Air broadcasters, civil society bodies such as Media Monitoring Africa (MMA), Save Our SABC (SOS) and others. Furthermore, Thorne alludes that there are not enough TV viewers on Digital Terrestrial Television should Analogue Switch Off be completed as envisaged by the government. The author adds that the public interest discourse will be at stake should the government go ahead with Analogue Switch Off pending poor roll out of Set-Top Boxes as explained in chapter one. According to Appolus (2022), many people in the region do not see the need for Set-Top Boxes given that the decoder market is already dominated by DSTV decoders as is the case in South Africa, Namibia and Botswana. However, Appolus (2022) also adds that Zambia offers an ideal model for how migration ought to be planned and managed. The country in question has

supplied 1 million Set-Top Boxes to members of the public, installed 250,000 satellite decoders in peripheral areas to maximize access, and then completed Analogue Switch Off.

As indicated in Chapter 1, the Analogue Switch Off debate in South Africa is long, complicated, and fuelled by our challenges. Nonetheless, it is seemingly apparent that the SA government needs to resolve stakeholders' buy-in and support issues and speed up the roll-out of Set-Top Boxes, as in Zambia. However, the sooner these matters are resolved in South Africa, the better, as this will help ascertain the PSM discourse in the country and protect the public interest while exploring the window for alternative revenues as envisaged by this study. The countries remaining with Analogue Switch Off in the Southern Development Community indicate the vital need for the argument the International Telecommunication Union put forward regarding stakeholder support, distribution of Set-Top Boxes, and acquisition of relevant technology. In the case of Namibia, Appolus (2022) reports that the country needs to resolve its faulty Set-Top Boxes, which were primarily faulty and returned to manufacturers by consumers. In countries like Zimbabwe, migration is hindered by infrastructure development and availability of Set-Top Boxes. Countries like Swaziland achieved Analogue Switch Off; however, it is challenged by the availability of good quality content.

However, Berger (2010) explains that in Africa Digital Terrestrial Television and Analogue Switch Off discourse is not paramount, but aspirational driven by the need to keep up with the rest of the world. Furthermore, Berger (2010) adds that in Africa there is no signal dispute as is the case in Europe and needs International Telecommunication Union intervention services which will no longer be available post switch off. Moreover, Berger (2010) argues that even if such was the case, its impact is not detrimental as it adds to content diversity on local TV screens. This view by Berger goes against the ethos of this study as Appolus (2022) explains that DTT will reduce broadcast distribution costs drastically, given that DTT uses one frequency signal to host multiple channels at no extra carriage fee. In Chapter 1, this study indicates that the biggest cost driver for the SABC is signal distribution. Therefore DTT will aid a lot in improving analogue broadcaster's cash flow such as the SABC by reducing expenditure cost, therefore it is paramount that DTT and PSM discourse be taken seriously in the region while dismissing the argument put forward by Berger.

2.8 Load shedding and its Impact on South African Media

The South African energy crisis cannot be left untended given its impact on the economy inclusive of the media industry and other sectors. Following the failure to incur sufficient power supply on the national energy grid, the South African government has introduced load shedding

to manage the energy crisis. According to Eskom (2023), load shedding is a controlled manner used by South Africa's energy utility company, Eskom to make sure that the national power system is stable and avoids a countrywide total blackout. According to the power utility, there are eight stages of load shedding used to manage power outages, i.e., stage 1-2 (mild), stage 3-4 (severe), and stage 5-8 (extreme). The table below indicates how load shedding is distributed in the country.

Stage #	Power Shed	Hours of Rotational Blackout per day	Over how many Day
Stage 1	1000 MW	2 Hrs x4	4 Days
Stage 2	2000 MW	2 Hrs x6	4 Days
Stage 3	3000 MW	2 Hrs x9	4 Days
Stage 4	4000 MW	2 Hrs x12	4 Days
Stage 5,6 & 7	5000-7000 MW	4 Hrs	4 Days
Stage 8	8000 MW	8 Hrs	4 Days

Table 3: Load shedding stages in SA (source: Citizen (2023))

The table indicates how load shedding is executed in SA. However, according to Igamba (2023), the history of load shedding can be traced back to 2007, with the first national blackout. In Igamba's view, 2021 was the worst, with darkness amounting to 1165 hours (49 Days) without power. According to Naidoo (2023), in 2022, South Africa has endured close to 200 days without power. According to Lenoke (2017), Nowakowska and Tubic (2015) directly impact economic growth.

Mzekandaba (2023) alludes that due to load shedding in South A, Africa's signal distributor Sentech has spent more than 2 million on backup diesel generators to keep its operations. According to Adams (2023), load shedding is responsible for the death of primetime television in South Africa, with some viewers migrating to online services via mobiles. Business Tech (2022) argues that the impact of load shedding on media companies such as the SABC cannot be ignored, as it affects viewership ratings and rate, and the latter is a currency used to trade airtime to advertisers by media houses and play a centric role in revenue generation via commercials. Therefore, it is also important to note that the current literature on load shedding and its economic impact is mainly dominated by commercial studies, i.e., Lenoke (2017) and Goldberg (2015). There is a need for scholarly literature from media studies, film, and television disciplines to unlock the impact of load shedding on audiences and revenues.

As argued earlier, the PSM discourse is driven by technology and digitization; therefore, it is clear that the energy crisis in South Africa undermines the proposed discourse. Load shedding affects network and satellite reception. The impact of load shedding is far more dreadful for broadcasters like the SABC whose main income is commercial revenues via audience rating. This means that during load shedding many viewers without alternative energy cannot switch their TVs on and consume the linear offerings. This is regardless of efforts made by Sentech to make sure that their broadcast signal is distributed. Both e-TV Open View and Multichoice DSTV also suffered a hit due to load shedding, Mcleod (2022) and (MyBroadBand, 2023). In this view, it is clear that load shedding is an environmental factor and constraint that is outside the control of the case study but has a drastic impact on the case and its ability to generate revenue while maintaining and growing audiences. However, Nowakowska and Tubic (2015) argue that South Africa needs to resolve its energy crisis to safeguard its economy. However, as it may be, load shedding does not take away the value and significance of this study, given that the case still needs to execute its mandate, serve the members of the public, and navigate alternative revenues amid the energy crisis.

2.9 Governance Theory

Given that the SABC is public broadcaster and is regulated by statutory frameworks therefore it cannot be studied in isolation without reference to governance theory, which paves a better understanding of public entities. According to Bevir (2011) the concept of governance has been used widely in diverse academic disciplines such as economics, international relations and others and broadly means to regulate self-interest. However according Katsamuniska (2016) governance refers to the capacity of public institutions to provide public good to the citizens of the country in the manner that is effective, transparent, impartial and accountable subject to the limited resources. From this definition it is clear that the discourse of governance provides a normative framework in which public bodies ought to operate following a pattern of rules. However with the SABC there are a number of hurdles with the legislative framework governing the broadcaster and limiting its ability to be financial sustainable this includes the must carry regulations, and the public finance act.

In response to this, it is argued that governance requires governing strategies that link people across the levels of government while mobilizing various stakeholders. Furthermore, the author argues that governance arrangements are often hybrid practices, combine administrative systems with market mechanisms, and are not profit-driven. Looking at the arguments advanced so far by both authors; it's clear that entrance is a regulatory tool that voids self-

interest through explicit rules to guide the behaviour of stakeholders. Furthermore, it is evident that the concept of governance spreads across departments, is hybrid in form, and is driven by the market.

According to Katsamunskaja (2016) there are four types of public governance theories these are: (1) Weberian public administration theory, this theory is mainly focused on rationalization, formality and legality. It is heavily driven by the presence of the state with its focus on administrative law. In this theory the state is the main actor and provides services to the society, in this framework there is high level of bureaucracy and hierarchy its downfall is that it fails to adapt in a changing society. Classically the SABC falls under this category for it is driven by a lot of statutory frameworks making it rationalised and bureaucratised with its national outreach this is in order to make sure that it expands on its democracy role while protecting its legitimacy.

(2) New public management theory, according to Katsamunskaja (2016) this model is client centric and apolitical. Its key focus is on efficiency and effectiveness of the economy thus grants the state a minimal role by focusing on privatization, deregulation, decentralization the downfall of the model is that it allows for the erosion of democracy and its constitutionalism while promoting corporatism. The SABC is quite the opposite it is heavily regulated by ICASA through the Department of Communication which in a sense protects the democratic role of the public broadcaster.

(3) Neo Weberian state, the model emerged late in the 1990's according to Katsamunskaja (2016). Furthermore the author argues that the model is focused on the role of the state in the market by removing market defiance's and promoting efficiency and effectiveness with the state protecting balance between private and public interest. With the fall of apartheid the SABC had to transition from state to public broadcaster signalling an end of Afrikaans rule on the airwaves. The SABC had to make sure that it reflects the cultural diversity of the country through its platforms while trying to find means to make broadcaster financially sustainable given the increased mandate that is not funded and having lost its dominance in the market.

(4) Good governance, Katsamunskaja (2016) argues that this model is a hybrid and infuses all the other models. Furthermore the model was developed in the early 2000 and based on participation, transparency, legal certainty, responsiveness, accountability and efficiency. The author argues further that the role of the state is to partner in decision making. During the Hlaudi Motsoeneng era the SABC struggled a lot with this model the details on this are covered

in chapter 1. Currently the SABC management is working towards a good standing within this framework.

2.10 Conclusion

Funding and financial sustainability are the most challenging obstacles facing public broadcasters worldwide, and the SABC is no different. The SABC is still in financial distress after rebooting and adopting change management strategies, warns that there is a need for the government to examine the current funding model carefully. Simultaneously, the public broadcaster explores various means for alternative revenues, as this study envisages. However, regardless of market and technological innovations used by private media, PSB remains significant mainly as it promotes democracy and addresses questions of inclusivity and cultural imperialism while upholding ethical journalistic standards. This is good in terms of the study objectives. The advent of COVID-19 and load shedding places the public broadcaster under dire strain, showing beyond a doubt that it is not desirable for public broadcasters to rely on commercial revenues for funding. Competitors like MultiChoice doubled their earnings in a subscription market during a hard lockdown; however, loading shedding undermines gains made. In exploring modalities for alternative revenue, the SABC must attempt to exploit the critical lessons during COVID-19 and the opportunities presented while not ignoring issues linked with governance theory.

Chapter 3: Theoretical Framework

3. Introduction

This study uses a triangulated theoretical framework as its prism. The seminal work of Jurgen Habermas (1991) on the *Structural Formation of the Public Sphere* is used to understand the democratic role of the SABC and its ability to strengthen democracy in South Africa. The work of Henry Jenkins (2006) on *Convergence Culture* is used to understand media convergence and its impact on traditional media such as the PSB. Borrowing from Fourie (2013), the SABC needs to transform, adopt new digital technologies, and move past linear television. Jenkins' work is central in guiding SABC's transition to a multi-media platform service provider that is profitable and sustainable. Both theories are crucial because Habermas' theory is linked to the SABC's social responsibility role in promoting democracy through its mandate (Lefa, 2021). Jenkins' theory provides a new broadcasting landscape for the SABC to explore and exploit in response to digitization audience fragmentation. It is envisioned that both theoretical perspectives will help address the study objectives.

3.1 Public Sphere

According to Lander (1984), in the Industrial Revolution before the 18th century, society was fragmented into two realms: public and private. The public sphere consisted of men with social and material access to resources and enjoyed uninterrupted access and participation in a public discourse, thus shaping social life. While its counterpart viz. The private sphere was subjugated for women, with a critical focus on domestic discourse and a limited focus on family issues. However, this study focuses on the public sphere, its critical review, and its application to the South African public broadcaster.

3. 1.1 Public Sphere and its Primary Meaning

According to Habermas *et al.*(1974), the public sphere refers to realm of social life where public opinion is formed and accessible to all citizens. Habermas coined this concept in the 18th century in Europe after seeing the rise of social clubs such as coffee houses and saloons where working-class members of the community converged to discuss public issues and inform public policy. Habermas termed this the bourgeois public sphere free from feudal authorities. According to Habermas, rationality is used to resolve conflict in the public sphere, and he argues further that the public sphere is a realm free from private interests. On the other hand, De Angelis (2021) defines the public sphere as a communicative domain with communicative interactivities between members of the public, leading them into the path of social and political

emancipation. Deane (2005) defines the public sphere as the network of communicating information and points of view. The public sphere refers to a communication activity across stakeholders from these definitions.

Theoretically, there is evidence that the public sphere is a forum in which social and political discourse is utilized. In Habermas' view, it is clear that the discourse of a public sphere has a long history that is traced back to Europe. However, the model provides a template in which the discourse is exercised and informs a democratic discourse in which freedom of expression, opinion, and thought is centric. These values are also enshrined in the South African constitution, thus indicating that the discourse of the public sphere is relevant to the South African context and its political realm.

However, the SABC can be linked to the discourse on public sphere given its recent positive review by Media Monitoring Africa (MMA) on the role played by the SABC in covering the 2019 local government elections, giving coverage to all political parties to communicate their manifestos and engage with audiences who are members of the public (Media Monitoring Africa, 2022). However, if this definition is to be looked at in conjunction with SABC's role during apartheid and former Chief Operations Officer Motsoeneng's tenure the public sphere theory will prove limited, given the control and limitations imposed on the broadcaster by its authoritarian elites. Post-democracy in South Africa has seen several concerns about SABC's independence from political authorities and its editorial integrity questioned (Tomaselli & Dunn, 2001; Fourie, 2003; Duncan, 2009b).

Habermas' theory has also been subject to public gaze on its shortfall and limitations. Adut (2012) argues that even though Habermas' concept is celebrated for its idealism and normativism, it fails to account for dialectical relations between politics and public spaces. In the case of the SABC, this was made evident by the 2019 *Report of the Commission of Inquiry into Interference in the Decision-making in the Newsroom* and the case of the SABC8. These cases make it obvious that even in democratic societies, the public sphere is not a neutral public space and can be subject to political bulldoze, as argued by Adut, and it needs to be protected.

3. 1.2 Principles of the Public Sphere and Application to the SABC

According to De Angelis (2021), the public sphere is an inclusive and rational domain that requires community members to put aside their belief systems to achieve rational discourse. In his view at the time of conception, Habermas argued that a public sphere is a political space

comprised of members of the political community discussing political issues without restrictions:

“Citizens behave as the public body when they confer in an unrestricted faction, that is with the guarantee of freedom of assembly and association and the freedom to express and publish ...public opinions about matters of general interest” (Habermas et al .1974 Pg.49).

With freedom of expression protected by the South African Constitution, the SABC News editorial policy embodies the freedom of expression principle as its guiding principle. The broadcaster commits itself to ensuring freedom of expression, journalistic freedom, and editorial and programming independence (SABC News, 2020). According to SABC News, one of the primary objectives of the public broadcaster’s editorial policy is to promote public and national interest while reflecting South African ideas and opinions. The argument by SABC embodies Habermas’ view on unrestricted faction as supported by the PSB editorial policy provision as indicated.

According to Fraser (1990), there are two fundamental requirements for a democratic public sphere. Fraser argues that the public sphere needs to be accessible and available to all to be regarded as a democratic sphere and must ensure equality and diversity of viewpoints. In the case of SABC News, the division has three media platforms. TV, Radio, and Digital. All the platforms have vast current affairs programs, delivered in all South African official languages (both on TV and Radio) with national coverage addressing the issue of equality and diversity. However, even though the SABC delivers vast programming across all languages regardless of geography, age, class, race, culture, and gender, one questions the viability of audience participation. Fraser believes equal access to and participation in the public sphere is vital. All the SABC News programs are formatted; a typical format includes an introduction to the subject matter, background to the subject, current development on the subject, expert advice on the subject, right of reply by the department concerned, Q&As from the public, with the government official replying, and closure (source: anecdotal).

The news format has cost implications attached to it for viewers; to call in on current affairs programs, audiences must have airtime and then compete with other viewers to access the platform; once on the platform, they need to give concise questions and input on the subject, then allow response by an accounting department official on limited time due to constraints exerted by slot duration and format. Again, for audiences to participate on the SABC News digital platforms, they must have data. Therefore, it appears that access to the SABC public

sphere is made possible on condition that members of the public fulfill the economic precondition of data and airtime, then compete for technical access to the platform, and limit their freedom of expression to safeguard time and allow other viewers access to the platform. This forces the SABC to have a public sphere that is economical, with competitive access and time constraints affording audiences limited liberties attached to the traditional public sphere as envisaged by Habermas. For this reason, Asen (2017) argues that the public sphere needs to be free from neoliberal dogma and its limiting impact in terms of equal access and participation. Budiyanthi *et al.* (2022) argue further that the classical public sphere is not ideal as imagined by Habermas, viz. inclusivity, egalitarianism, and pressure-free. However, it argues that it provides a normative framework and guide for democratic discourse, as indicated by the case of SABC.

Susen (2011) writes that Habermas' theory on the structural transformation of the public does not provide an adequate theoretical framework to understand the public sphere in modern societies, where the latter are more complex and have a polycentric public sphere. Susen argues that there is more than one public sphere in contemporary society. With this in mind, one can say that in the case of SABC, the PSB has multiple public spheres across all its platforms for diverse South African publics. Susen further critiques Habermas' public sphere arguing that it is exclusively focused on bourgeois public life and excludes non-bourgeois. With its more comprehensive access to all members of the public and owing to the economic character of being a public good, the case of South Africa's public broadcaster is dismissive of this view, with its regional and national editors ensuring that the SABC is representative of its populace without discrimination with set regional and national news quotas to achieve this (source, anecdotal).

Having observed that the Habermas' public sphere is ideal and offers a normative construct of how a public sphere ought to be, Fraser (1990) and Susen (2011) critique of Habermas' seminal work makes it evident that the traditional public sphere premised in this study needs to be ramified and made inclusive of members of the public that are diverse and enjoy equal access and participation, keeping at bay the politics of airtime and data, and media literacy for digital participation. The case of the SABC News offers a positive response to the exclusivity critique. It ramifies itself by addressing issues of diversity and inclusivity across class, race, gender, language, geography, disability, age, and others. Credit for achieving this needs to be given to the economic theory of public good embodied by the SABC as a public broadcaster. However, structural limitations in terms of access and participation are noted. Habermas' theory can still

used in this study to aid in understanding SABC's contribution to democracy in South Africa using key references and foundations set by Habermas and democracy scholars.

3. 1.3 Public Sphere and its link with Democracy

According to Sanli (2016), there is a direct link between a public sphere and participatory democracy in that deliberation and participation in policymaking require public involvement to legitimize decisions. The public sphere provides an arena for participatory democracy where public opinions and solutions to societal problems are formed. The public sphere offers a transparent space to discuss democratic issues while making political decision-makers account for their actions. Therefore, the public sphere is a precondition for democracy (Sanli, 2016).

According to De Angelis (2021), the public sphere is a legitimate element of a democratic society and democratic communication. Urla (1995) labels the public sphere as a democratic theatre for free and equal participation in public debates. For Gillwald (1993), the public sphere offers a realm that is independent and accessible with an equal voice where democratic decisions are made. For Habermas *et al.* (1974), the social welfare state mass democracy requires a liberal public sphere model that respects the public's normative claim of access to information. Held (1994, Pg.15) defines democracy as “*a system of decision-making about the public affairs in which citizens are directly involved.*”

Dehghan (2009) defines democracy as the people's will expressed through representation, consent, and participation. The link between democracy and the public sphere is evident, given that both discourses are centred on access and participation in the public. Both discourses are fuelled by independent thought and opinion as warranted by the scholars in reference. Using all its current affairs programs across TV²⁸, Radio²⁹, and Digital³⁰, the SABC provides a platform for participatory democracy. The availability of SABC's 24-hour News Channel through PPP and SA FM³¹ as dedicated and full-time platforms for current affairs intensifies the SABC's role in promoting democracy in South Africa. SABC Radio News provides daily half-hour news bulletins, hourly bulletins, and current affairs news features in the morning and afternoon across all public radio stations (source: anecdotal). Television and digital news in the South African public are regularly updated with news and information. It can derive an informed public opinion against the government and its activities, i.e., policy formulation and

²⁸ SABC 1,2,3 all have current affairs programmes

²⁹ 18 Radio station stations, both PCS and PSB

³⁰ YouTube, Facebook, Twitter, Website and Mobile App

³¹ SABC Talk radio

implementation is what Gamson, Rucht, and Ferree (2002) argue that democracy focuses on accountability and government responsiveness in the decision-making process while the public sphere focuses on public communication that facilitates the democratic process.

The case of the SABC8 Inquiry Report to the SABC Newsroom indicates that the relationship between democracy and the public sphere is not normative as prescribed by Habermas but is constantly antagonistic between both media and the political sphere. One of the SABC8, Foeta Krige, penned his experiences in the SABC newsroom and shared how much political interest politicians have in the SABC and the impact this has on the newsroom. For Krige, there are four types of journalists serving the SABC viz. (1) those that are loyal to the party in charge, (2) those loyal to the leader regardless of the party whose interest is to protect salary and pension, (3) independent journalists with no affiliation, Krige terms this journalist's true public broadcasters, (4) the mercenaries whose interest is on political favours in return for a better position, power and higher salary (i.e., Motsoeneng) (Krige, 2019). This informs that a liberal public sphere is only guaranteed when dominated by independent journalists who are not aligned with political organizations and leaders but are only interested in serving the public wholeheartedly.

3. 1.4 Different Types of Public Sphere

According to Habermas (1991), three types of public spheres can be distinguished: political, literary, and representative. The political public sphere refers to the submission of political control to the democratic demands of the public in which there is access to public information for rational discourse. In this realm, there is criticism of the state through public opinions that impact the law-making bodies. Habermas warns that public opinions only come into existence when a reasoning public is first established; this realm is unique from the private realm, argues Habermas.

When the former SABC Chief Operations Officer Motsoeneng banned coverage of service delivery protests, it was a great danger to the political public sphere. Many journalists felt the SABC was returning to the apartheid era with heavy censorship and political control in the newsroom (Thloloe and Tawana, 2019). The directive was also in contrast to the SABC editorial policy on informed citizenship and public accountability. Banning coverage of service delivery protests meant that the public could not see issues of maladministration, corruption, and government incompetence linked to the protests. The no-violence 'policy' was the biggest threat to South African democracy as it curtailed freedom of expression. However, the regulator ICASA ordered the SABC to reverse the censorship 'policy' following complaints from the

public (Business Tech, 2016). With the censorship ‘policy’ reversed, and the adoption of a newly updated editorial policy, coupled with new management and board, and the implementation of inquiry recommendations and positive reviews through monitoring bodies, the SABC has a safe and protected political public sphere.

The literary public sphere refers to the realm of the media which is dominated by newspapers owing its significance to literary journalism. In this realm, the newspaper changed from being an institution of a news publication to a bearer and leader of public opinion (Habermas *et al.*, 1974). In this case, newspapers become weapons of party politics, transforming the business of newspapers from being vendors of recent news or medium of consumer culture to public institutions crucial in mediating and intensifying public discussions. The representative public sphere refers to a realm in which there is the display of spiritual power or dignitaries before the audience argues Habermas.

Looking at the breakdown of different types of public spheres, there is an evident link between the political and literary public sphere. Both spheres are premised on accountability and political discourse. However, the literary realm appears to have some sort of diversion and exclusion for the illiterate who cannot read and write, thus marginalising the affected populace. It is for this reason that Dahlberg (2005) accuses the Habermasian public sphere of being premised on exclusion and domination while marginalising alternative voices. The political public sphere is much more suited for this study since it is premised on rational discourse, and centred on what Fraser (1990) views as a fundamental role of the public sphere which is to make the state accountable to its citizenry. With the SABC the quest is to see how SABC News and its current affairs programs on TV, Radio, and Digital exercise their role and function in making sure that the government and its officials account to the people of South Africa.

3.1.5 Public Sphere and Social Minorities

The critique of Habermas’ concept for the Classical theory of the public sphere has been made widely by scholars such as Fraser (1990), Budiyaniti *et al.* (2022), Wright (2007), Piras (2020), Beech (2022) and many others across different periods. Various variables have been put forward by these scholars, indicating various concerns for inclusivity, egalitarianism, patriarchy, hegemony, and others. However, this section will focus on three minority cases, viz. disability, sexuality and culture, children, and non-elites, with a critical focus on their context in the debate and their application to the SABC and the premise of this study.

3.1.6 Disability

According to Keskin (2022), approximately 15% of the world's population comprises people living with disability. Statistics South Africa (2011) reports that South Africa had a national disability prevalence rate of 7.5 % in the country's population of 51.8 million at that time. Keskin (2022) argues that people living with disability are so underrepresented in various forms of social life including film and television. On the other hand, Addlakha *et al* (2017), and Boer (2015) argues that people living with disability are often discriminated against and excluded in public discourse due to stigmatisation and lack of education on disability. However, according to Hasfi and Rahardjo (2020), the evolution of the internet, digital technologies, and the rise of the digital public sphere ended the marginalization of people living with disability in public discourse. Hasfi and Rahardjo (2020) warn that this achievement is also threatened by the political economy associated with the digital divide.

It is important for the SABC as South Africa's public broadcaster to embody total citizenship in its broadcast and uphold all constitutional rights afforded to the disabled while also supporting other local, regional and international instruments advocating for disability rights. In 2015, the SABC reported that it broadcasted 235 minutes of content relating to disability across all its platforms. This included wall-to-wall subtitling on all dramas and documentaries interpreters for all news bulletins on TV and programs that profile people living with a disability on TV and radio (SABC, 2015). The inclusion of sign language and subtitling indicates that the SABC is trying to be a representative public sphere that includes people living with a disability. However, this achievement is, to a certain degree, given that the SABC has still not implemented audio description and closed captioning as ICASA requires following the adoption of the *Codes for Persons with Disabilities Regulation*, promulgated in 2021. Once the SABC can fulfill the remaining obligations of the regulation, it can claim a total public sphere on disability.

3.1.7 Sexuality

Habermas' public sphere has been denounced for its exclusion of sexual minorities from participating and shaping public discourse, and the seminal work in question is said to be rooted in patriarchy and hegemony (Fraser, 1990). Many scholars have called for the public sphere to be revisited and made to reflect modern society following the transformation of the public sphere due to technology, the rise of gender, civil movement, globalization, mass media, and others (Telleria, 2021). According to Lipari (2002), liberalism and rhetoric rights have come under fire over recent decades owing to the rise of feminist, queer, communitarian, and critical

political theorists, arguing for the assimilation of diversities in the making of public discourse in pluralistic democracies. Therefore, the inclusion of sexual minorities in the public domain has become vital in modern democracy.

In 1996 after transitioning to democracy South Africa adopted a new constitution with the Bill of Rights aimed at protecting and guarding fundamental freedoms. Chapter 2 of the South African constitution made provision for equality clauses, committing the government not to discriminate both directly and indirectly based on gender, sex, and sexual orientation. As argued by many scholars, Habermas failed to take into account the inclusion of sexual minorities in the formulation of the public sphere. Notwithstanding that, the South African public broadcaster has been advancing the inclusion of sexual minorities in its public realm. According to Gallagher (2019), the SABC undertook to include and represent sexual minorities in its programming starting in 2004 on *Zero Tolerance*, a police drama that featured a lesbian police officer. Gallagher argues that many other shows such as *Yizo Yizo* (2004), *Isidingo* (2004), *Society's* (2007), *After Nine* (2007), *Generations* (2009), *Intersexions* (2013) and *Generations* (2016) featured a transgender character. The audit given here indicates the role played by the SABC in building an inclusive public sphere using its television programs. According to Lefa (2021), the cultural text produced by the cultural industry assists in enhancing the quality of political engagements in the public sphere. Lefa argues that entertainment television programs can portray a democratic way of life as part of everyday life, thus creating a social reality that aligns with the democratic public sphere. The view given here indicates that the South African public broadcaster has ramified the shortfalls associated with the traditional public sphere as imagined by Habermas.

3.1.8 Culture, Children and Non-elites

According to Roy (2011), the traditional public sphere as perceived by Habermas is no longer a result of physical domains such as town hall, but it is now facilitated by cultural industries through mass media. Furthermore, Roy (2011) explains that this is achieved by packaging conventional ideas and concepts for consumption by the public. In this case, culture has become dominant in the revised public sphere. According to Beech (2022), neoliberal politics and consumer sovereignty often promote elite culture, homogenization, and exclusions based on social inequalities.

Critical theorists such as Hohendahl and Silberman (1979) have maintained a critical view of Habermas' public sphere and its bourgeois culture dominating the public realm. However, Fraser (1990), Budiyaniti et al. (2022), and Lee *et al.* (2017) argue that Habermas' public realm

is a contested domain with colluding interests and counter-hegemonic discourse. Recently, SABC radio stations were hailed for preserving South African culture and music. According to Seapolelo (2022), all SABC's public radio stations have exceeded a mandated 70% quota of playing local music, with XK FM sitting at the benchmark of 90%. ICASA also requires all public radio stations to broadcast 100% African languages per station. This is a significant milestone for the SABC and shields SABC radio from a critical review of critical theory from hegemony and one language domination in the public realm. As argued in Chapter 1, South Africa has 11 official languages, and they are all restricted into a national radio platform to advocate for the cultural interest of the targeted audience populace.

But in Television this argument is different. Since 2017 there has been a social mobilisation campaign heralded by Thando Mahlangu, a *Ndebele* cultural activist calling for a fair representation and inclusion of *IsiNdebele* language on SABC Television programs. The campaign is hoisted under the banner, "*We Need Amandebele on TV, Vuka Ndebele*," dispelling the exclusion of the minority cultural group at the SABC. Furthermore, the campaign voices that there are no *Ndebele* actors on SABC Television programs or drama offerings targeting the group as other tribes are. According to the campaign activist, if the SABC fails to include and represent the *Ndebele* language on its visual platforms, there is a risk of the *Ndebele* language dying out in the mediated public domain offered by the SABC. In addition, the *Ndebele* social movement contends that since the advent of democracy, the SABC has only commissioned one drama series targeting the *Ndebele* group³², citing that this was due to intervention by the government, in the former premier of Gauteng, Nomvula Mokonyane. In 2018, the SABC commissioned *iKani*, a 13-part drama series, which was decommissioned following its first run due to poor audience and revenue performance (Thabene, 2022).

Apart from the *Ndebele* culture, the Swati and Khoisan cultures are also on the same bandwagon about cultural representation on SABC television (source: anecdotal). The analysis here references early critical claims made by Fraser (1990), calling for the traditional public sphere to be revisited due to its lack of fair representation and inclusion of marginal groups. In the same vein, SABC Television needs to reconfigure its public sphere and reflect the modern and constitutional South Africa with its diverse culture and heritage. Failure to do this will

³² The offering in reference was titled *iKani*, commissioned in 2018 by SABC1, the series follows a journey of a young girl on the path to self-discovery, learning about *Ndebele* culture, its system, values and attributes (TV SA, 2018)

undermine the gains made by the SABC in correcting Habermas' public sphere concerning sexuality and disability.

The “*We Need Amandebele on TV, Vuka Ndebele*” campaign established a counter-public sphere with DSTV, SABC's competitor, which commissioned a new *Ndebele* drama series now awaiting transmission (Thabene, 2022). This indicates that the colluding interests in the public realm are solely responsible for creating what Budiyaanti *et al.* (2022) and Lee *et al.* (2017) term a counter-hegemonic discourse as referenced in the case and debacle of the Ndebele cultural group. In South Africa, there are 11 official languages, with IsiZulu spoken by 25.3% of South Africa's population, followed by IsiXhosa (14.8%), Afrikaans (12.2%), and Sepedi (10.1%). The second most spoken languages in South Africa are Setswana (9.1%), English (8.1%), and Sesotho (7.9%). The following are the marginal languages spoken in South Africa: Xitsonga (3.6%), SiSwati (2.8%), Tshivenda (2.5%), and IsiNdebele (1.6%) (Galal, 2018).

However, it is only isiNdebele that is underrepresented by the broadcaster as submitted by the movement this therefore undermines the democratic nature of the public sphere at the SABC and questions the legitimacy of the public broadcaster. In 2019 SABC introduced *Giyani*, a Xitsonga drama series currently sitting at season two. In 1997 SABC introduced *Muvhango*, a telenovela presented in Tshivenda and still on air. Taking into account the resistance voiced by the Ndebele movement and the rhetorical discourse on the critique of Habermas' public sphere, the SABC needs to address its underrepresentation of minority groups such as Ndebele and Swati, and prevail over the need for these subcultures to establish an alternative public sphere to service the needs and interests of these cultures. As argued in Chapter 2, the SABC is a national public broadcaster tasked with the social responsibility to administer social cohesion, nation-building, and foster participatory democracy. Failing to resolve the matter on hand will be detrimental to the SABC and undermine its public role. Morales-Galvez (2017) argued that a shared public sphere is a prerequisite for any democratic regime. It requires equal recognition of languages used in the political community and non-discrimination of people based on language.

On the quest for child exclusion in Habermas' public sphere, Fraser (1990), Dahlberg (2005), Susen (2011), Gillwald (1993), and others have vocalized the need for the theory to be revisited and made to reflect the society and all its constituencies. According to Kulynch (2001), the move by the United Nations (UN) to adopt the United Nations Convention on the Rights of the Child (UNCRC) in 1989 signalled a move towards an inclusive democracy that is diverse and representative of all members of the political community. The previous public sphere, both

public discourse. However, according to Farrow (2016), article 12 of the convention revolutionised the traditional public sphere by granting children freedom of expression and the right to be heard. According to Jovchelovitch and Priego-hernández (2013), the participation of children in the public sphere fosters a vibrant democracy and it helps create a strong link between the child and society while promoting social justice and equality.

The SABC did not fall away from the sentiment raised above, 1996 after transiting into a public broadcaster the SABC formulated SABC Education and Children, which was set against the SABC mandate and its license condition by ICASA. The SABC, since democracy has been responsive to the need for a children's public sphere, and has produced many shows targeting children i.e. *YoTv*, *Takalani Sesame*, *Yizo Yizo*, *Shift*, *Daily Thetha* and many others to date (Phalakatshele, 2022). Further to this, both SABC Radio, News and Digital deliver children's content. The need for children's involvement in the public sphere has been prioritised by local and global governments. Further to this, in 2003 South Africa adopted a Children's bill strengthening the sentiments raised by the United Nations Convention on the Rights of the Child. It is perhaps for this reason that Kulynch (2001) argues that children are essentially equal players within a political community and should not be excluded in the public realm.

Because of classism Calhoun, (2010) argues that a public sphere is a field of power framed based on materialistic exclusion, thus in essence undermining the publicness of the sphere. Many scholars, as indicated earlier have argued and motivated for a transformed public sphere that is inclusive and representative of all publics, i.e. Kulynych (2001), Fraser (1990), Dahlberg (2005), Susan (2011). The SABC being a public broadcaster driven by a public mandate aids in resolving the materialistic debates and exclusion of non-elites in public discourse. The segmentation of SABC platforms into public and commercial aids further in filtering the elite discourse. With the bulk of SABC radio stations serving a public mandate across the 11 official languages supported by television channels and digital media, the SABC is best positioned as a non-elite broadcaster, mandated and monitored based on the principles of a public broadcaster by ICASA, with watchdog bodies such as Media Monitoring Africa, Save Our SABC, and Parliament, holding the SABC to account on its public mandate.

3.1.9 Public Sphere and Gender

According to Moghadam and Sadiqi (2006), the traditional public sphere is changing due to greater participation by women, with the proliferation of feminist movements and their lead in initiating public debates and national dialogues, as well as access to various media platforms. This view dismisses early critical views made by Fraser (1990), who lamented the exclusion of

women in the Habermas' public sphere. The exclusion of political community members in the public sphere has severe consequences as argued by Piras (2020) that such exclusion produces a dialogistic injustice, with a public discourse that is not representative and is in violation of democratic principles.

From Habermas' vantage point, the 18th-century public sphere reflected a neutral space where members of the society, regardless of social hierarchy/status, deliberate on social issues. However, many critics and feminists, such as Fraser (1990), denounced this offering, arguing dissent with the silent, dismal treatment of women and other marginalized groups. It is for this reason that Ellis (2001) contends that women were spectators of the public sphere and relegated to gendered social roles in the private sphere, thus perpetuating conservatism and cultural ideology that was skewed towards patriarchy and, according to Lander (1984), the 18th century produced a gendered public sphere that was male-dominated, with aristocratic privileges and monarchical rule.

To this day, many feminist scholars still hold a view that in most democratic societies, women's political participation is lower than men's due to gendered roles such as child-bearing, nurturing, household duties, and others (Zybura, 2018) (Ellis, 2001) (Ozbey and Bardakci, 2019). In South Africa post-1994, the South African government adopted a progressive constitution, with the equality clause in Chapter 2 guaranteeing equality and non-discrimination based on gender. They further created constitutional institutions to support the provisions and commitments made by the Constitution. In South Africa, the following constitutional frameworks are available to help enforce the realization of gender-related rights. They are colloquially known as chapter nine institutions, i.e., the Human Rights Commission and Commission on Gender Equality. The South African constitution affirms the autonomy and independence of these institutions in carrying out their constitutional function.

The SABC as a public broadcaster is moulded on the provisions of the constitution and other instruments such as the electronic communication act. South Africa's regulatory body, ICASA is also a chapter nine institution. Therefore this indicates the gender parity and discrimination discourse raised here has less application on the mediated public sphere that is ushered by the SABC.

3.1.10 Public Sphere vs. National Security, Internet and Counter-Publics

In Chapter 1, it was revealed that during apartheid, South Africa, through the lenses of the SABC, had an undemocratic public sphere propelled by apartheid regime policies that fostered self-censorship. Furthermore, it was revealed that even after democracy and attaining

fundamental freedoms and structural autonomy, the SABC continued to have a censored public sphere, i.e., the Zikalala and Motsoeneng era. In addition to this, the ANC has tried other means to control the SABC and its mediated public sphere. In 2011, the ANC introduced the Protection of State Information Bill (POSIB), aimed at regulating the flow of information between the government and the public. However, the bill was dimmed a severe violation of democracy and curtailed the flow of information by restricting access to state information. Many journalists, scholars, and civil society members have challenged the bill and its proposed tribunal. However, due to public pressure, the bill and appeal tribunals were withdrawn by the government, Wasserman (2020), Reid, Daniels, and Skinner (2020). Gagnon (2002) contends that governments have been imposing rules dealing with national security at the expense of enhancing democratic values. This is the very sentiment used by the ANC in support of its previous intended bill. However, other critical watchdog bodies such as the Right to Know campaign (R2K), South Africa's National Editor Forum (South Africa's National Edit Forum), and others argued that the bill was an attempt to shield the governing party from public scrutiny on issues of maladministration and corruption. At the same time, the ANC cited problems of national security (Mnguni, 2014).

However, an emerging scholarship dismisses fears and security threats linked to the public sphere. This scholarship recognizes and celebrates the intangible power of the digital public sphere achieved through networks and digital technology. According to Friedland *et al.* (2006), network communication allows for an organized public sphere in an open environment accessible to all for discourse contribution and resistance to elite discourse. According to Vincent (2010), new media offers a new gateway in response to authoritarian regimes and state control over the public sphere and communication outlets. Furthermore, Vincent (2010) argues that new media allows for a transnational counter-public sphere, which transcends beyond national borders, dissenting from the ideologies expressed.

According to Dahlgren (2015), solidifying macro-network communication and active users reflects the emergence of a global public sphere. Sampedro and Avidad (2018) argue that social mobilizations coordinated via digital technologies show the emergence of an alternative digital public sphere, which is counter hegemonic, expressing alternative discourse to those of the official public sphere. The view and scrutiny of a digital public sphere unpacked above shows a fundamental shift from the original concept of the public sphere, which was mainly limited to physical spaces with actual human presence. The emergence of networks has revolutionized Habermas' classical notion. Hence, Telleria (2021) joins the call made by many scholars for

the review of the traditional public and the need to contemporize the undertaking into account globalization, technology, and transformation.

On the other hand, social media platforms have been a critical driver of the digital public sphere. Iosifidis (2011) states that social media has transformed the public into a multi-layered sphere. Iosifidis also argues that the PSM, which is a transformed version of PSB (see chapter two), contributes to a recreation of an online public sphere by extending broadcast content online for further civic engagement. However, according to Wright (2007), the digital public sphere is also not equally representative due to access, affordability, and literacy issues. According to Gerhards and Schäfer (2010), the politics of the online and offline public sphere are the same and argue for the need for co-existence across both platforms.

Looking at arguments for and against the digital public sphere, there is no outright solution to compensate for the shortfalls associated with the traditional public sphere. However, the digital public sphere offers a better competitive advantage over the conventional public sphere, taking into account globalization, technology, transformation, and the ability to cater to the diaspora communities in the public discourse of their original communities. However, the issues of access and the digital divide should be taken seriously, particularly in South Africa, a country vexed by perplexing and extreme inequalities with firm historical grounding³³ (Kaarsholm, 2009. Gerhards and Schäfer (2010) argue that a mixed public sphere is better than a unilateral sphere.

In the case of South Africa's public broadcaster, SABC News seems to be well-fitted and balanced within the scholarly debate about the online and offline public sphere. Apart from TV and Radio platforms, SABC News also enjoys a presence on social media platforms, with the following subscriptions: Facebook (1.6M), Twitter (2.5M), YouTube (1.7M), Instagram (75K), TikTok (1.4K), and SABC News app (100K downloads) and webpage (these stats are dated October 2023). In short, SABC News has close to 7M followers across all its social media platforms. This is a great spread, giving the SABC a fair stake in the digital public sphere. However, according to the study conducted in 2018 by Media Monitoring Africa, South Africa's National Editor Forum, and other parties, only 10.4% of the South African population have internet access at home, with Western Cape and Gauteng provinces in the lead-out of the nine provinces. At the same time, 64.7% of South Africans access the internet via public spaces such as schools, work, internet café, and public areas (Media Monitoring Africa *et al.*, 2019).

³³ See chapter 1 regarding apartheid

The viewpoint raised by Gerhards and Schäfer (2010) on the issue of access in the digital public sphere is firmly alive in South Africa. It requires a concerted effort between the government and private sector to resolve and ensure that issues of equal access are resolved. Once these obstacles are resolved, maybe SABC News digital platforms will gain far more popularity, interactivity, and further public support and perhaps enjoy the prevalence of a global public sphere that transcends beyond national borders, as explained by Vincent (2010) and Dahlgren (2015). It makes no sense to have almost 7M digital audiences with national access to the internet that is only concentrated in two provinces. By default, this automatically makes the digital public sphere as exclusive as its former counterpart.

3.2 Media Convergence Theory and its Application to the SABC

In his book *Convergence Culture, where the Old and New Media Collide*, Jenkins (2006) paints a critical evolution of how the principle of digitization and convergence has radically reformed media ecology. According to Jenkins (2006), convergence refers to the collision between old and new media, the intersection between grassroots and corporate, and the meeting between producers and consumers. Jenkins explains that convergence blurs media, i.e., post, telephone, telegraph, and mass media (press, television, and radio), into a single physical mode. As a result, convergence has reduced production and distribution costs, expanded the range of delivery platforms, and allowed consumer interactivity and a participatory culture. Furthermore, this led to a concentration of the media sector into multinational conglomerates dominating all entertainment sectors with the promise of new opportunities and market fragmentation.

However, according to Madhurima (2017) media convergence is underpinned by *Three-C's* denoting Computing, Communication and Content. Madhurima adds that the contemporary media landscape constantly changes due to evolving technologies, new platforms, genres, formats, and audiences. He explains that digitization convergence has reduced operational and distribution costs by using the same team to produce content for TV and digital media. Madhurima (2017) says that converged operation increases product quality and customer satisfaction, leading to larger audiences in a fragmented market.

Looking at the account given by Jenkins (2006) and Madhurima (2017), media convergence is not a technical principle but a comprehensive phenomenon. For this reason, Klarin, Suseno, and Lajom (2021) argue that convergence is a complex phenomenon involving interaction between industries, firms, users, policy, technology, and the market. As proposed by Jenkins,

the blurring of lines is the primary defining factor that allows old and new media to intersect. Again, as noted by Jenkins and Madhurima, convergence has also reduced operational and distribution costs while increasing product quality and customer satisfaction. This is why Zuo (2021) contends that for conventional media to remain competitive, it needs to correspond and cooperate with new media, which has become a force to be reckoned with. Failure to adopt convergence will result in huge revenue and market loss. This is evident in the case of the SABC, as indicated in Chapter 1, that for the last five financial periods, the public broadcaster has been operating at an economic loss, as disclosed on the company financial statement on the organization's corporate website. SABC's competitor, Multi-Choice, has reported huge revenue gains across all its digital platforms in both local and foreign markets, with the period of COVID-19 and national hard lockdown being the most incredible year.

According to Wu (2022), media convergence is defined by the following principles: timeless and borderless accessibility, interactivity with active audiences, the ability to cater to niche interest groups, unlimited flow of data and communication, and real-time information sharing. In the same vein, Wu *et al.* (2001) argue that the explosive growth of the internet leads to an increase in demand for multimedia content, leading to the rise of video streaming, which has received attention in both academic and industry. As argued in Chapters 1 and 2, since 2015, South Africa has been experiencing an uptake of streaming services, following the launch of Showmax in 2015, followed by Netflix, Amazon Prime Video, eVOD, Disney Plus, and the newly launched SABC Plus, indicates that apart from digital television, convergence has transformed the consumption of online media. This reifies Jenkins' view that convergence has transformed the media landscape into a heavily concentrated multinational conglomerate. It should be noted that on the list made, only Showmax, eVOD, and SABC Plus are South African companies.

It is good to see that SABC finally adopted convergence by introducing SABC Plus in November 2022 because of the view made by Zuo (2021) that for conventional media to remain competitive, it needs to correspond and cooperate with new media. This gives hope that the SABC will reap the benefits of convergence, such as reducing operational and distribution costs while increasing the quality of services offered, customer satisfaction, and audience growth. Since its inception, the SABC has continued to be a linear broadcaster, pending the challenges and political economy of digital migration, as explained in Chapter 1. However, the SABC is aware of the need to explore and adopt alternative revenues to remain relevant in a competitive and digital broadcast environment, as envisaged by this study and Zuo (2021).

Holmes (2009) defines convergence as the relationship between mediums giving rise to a mono-media world led by the internet. For Lowe and Hujanen (2003), convergence is a complex construct, given that it affects the mutual identity of different media, including their legitimacy and political and social roles. However, for Jenkins (2004), media convergence is more than a technological shift, as its impact alters relationships between existing technologies, industries, markets, genres, and audiences. Jenkins argues that the convergence rate is uneven, and the affluent and technologically inclined become early adopters while other population segments need help to catch up. With the SABC launching its streaming service almost a decade later, it is clear that the public broadcaster needed help catching up due to the poor finances that Jenkins envisaged. Expanding further on his view, Jenkins states that convergence represents expansion opportunities for media conglomerates and exploitation of content in different markets and platforms (trans-media storytelling) as some of its benefits. From this view, it is clear that SABC now has an opportunity to expand its offerings beyond linear while exploiting its content and platforms to the digital universe accessible to all globally. Jenkins's seminal work on convergence culture is central to the premise of this study.

3.2.1 Different Types of Convergence

Jenkins (2006) lists two types of convergence: corporate convergence and consumer convergence. The former refers to convergence between media companies to exploit revenue opportunities, broaden the market, and reinforce viewer commitment; the latter refers to controlling media flow and consumer interaction. According to Hay and Couldry (2011), convergence can be expressed in four ways: (1) horizontal alignment of media companies, (2) multiplication of platforms, (3) technological hybridity/folding of the use of separate media into one another, (4) mixing of genres for content. According to Daidj (2011), convergence does not produce a revolutionary change in content. Still, it creates room for economies of scope by allowing the existing content distribution to be faster, flexible, and responsive to consumers' demands.

Signal distribution is the most significant cost driver for the SABC. The convergence theory will prove resourceful in helping the SABC cut distribution costs, given the associated benefits. The SABC remains largely traditional with its operational scope and platforms still on analogue, with multiple delays on digital migration regardless of mechanism and policies put in place to fast-track the transition. However, seeing these shortfalls the SABC has entered into commercial partnership deals with Telkom, and OpenView DTT to aid with digitization, convergence and horizontal alignment. With the Must Carry Regulation being revised, the

MultiChoice deal will also follow into the platform and content exploitation category, adding further to the horizontal alignment scope. The newly launched SABC streaming platform in partnership with Telkom and Hisense, aids with the multiplication of platforms and technological hybridity. In short, the public-private partnership adopted by the SABC with relevant stakeholders is now a saving grace; however, these are just temporary measures. On the latter, the SABC has explored a lot of formats and genres over the years with award-winning shows such as *Yizo-Yizo*, *Intersexions*, *Home Affairs*, *Siyanqoba- Beat It*, *Brothers for Life*, *Shift*, *Daily Thetha*, *Yo-Tv*, *Zone-14*, and many others.

According to Doyle (2013), technology is now intrinsically part of the media. Doyle argues that companies failing to transform in response to technological changes will either erode or ultimately be destroyed. Doyle adds that technology yields two results: 1) economic success and 2) advances in the production, distribution, and consumption of media output. According to Doyle, no matter how costly it is to transform, it must be innovative and adapt to survive and compete in the free market economy. As argued earlier, Zuo (2021) also validates this sentiment.

Media companies can use three corporate growth strategies: horizontal, vertical, and diagonal integration (Doyle, 2013). Doyle explains that horizontal expansion occurs when similar media firms combine forces to rationalize resources and expand market share of scale. Vertical expansion refers to media companies expanding forward into succeeding stages of production or backward into proceeding stages; both moves allow the company to reduce transaction costs associated with the value chain while gaining better control of the operational environment. Diagonal expansion refers to firms diversifying into new business as a cushion against market failure while exploiting niche markets, Doyle elaborates.

Looking at SABC's partnership with Multi-Choice for SABC News Channel hosting and distribution, it is clear that the public broadcaster is exploiting a horizontal expansion strategy, leveraging Multi-Choice resources and expertise while monetizing the deal. Telkom and eMedia PPP reflect SABC's forward move toward vertical expansion, allowing the public broadcaster to play in the digital market and balance its portfolio between linear and non-linear television. Noting the great strides made by the SABC in exploiting corporate growth strategies as prefaced by Doyle, a looming question on sustainability still stands, viz. what w, what will happen when all PPPs formed by the public broadcaster reach contract maturity and there is a deadlock in negotiations for renewal, failure of this will set the SABC back, therefore this study

deems it crucial to explore and exploit sustainable means aligned to strategies labelled by Doyle.

According to Jenkins, consumer convergence refers to the ability of audiences to use different digital technologies to access information and share it amongst themselves; Jenkins also terms this as participatory culture. According to Doyle, convergence has altered relations between producers and audiences and allowed two-way communication from passive to active audiences. Doyle adds that because of convergence, television producers are now better at understanding the audiences' needs. Convergence has changed the dynamics associated with media consumption culture. Social media sites such as X, Facebook, Instagram, TikTok, and YouTube have replaced traditional mail, email, and telephone communication. Audiences are empowered to share in social commentary on open platforms and influence public opinions. SABC News has a dedicated digital media platform attached to the division and features as part of programming content for both radio and TV. In this sense, participatory culture has also greatly impacted the SABC. However, the offering by participatory culture could further be exploited in diagonal expansion, allowing SABC to venture into content for niche markets such as current affairs and non-current affairs programs.

3.2.2 The Relationship between Digitisation, Convergence, and Broadcasting

Convergence is a premise and digitization platform, explains Lowe and Hujanen (2003). According to Storsul and Stuedahl (2007), the Internet and digital media diffusion stimulated convergence and resulted in digital integration. Hence, Tuomi (2013) argues that convergence is deterministic and technologically based. Storsul and Stuedahl (2007) argue that media convergence results from digitization and the possibilities afforded by digital signals and networks. Storsul and Stuedahl state that, when digitized, any network can transmit digital signals depending on the speed and bandwidth. According to Doyle (2016), digitization and the internet have changed the distribution and consumption of media and led to the development of new financial and business models, viz., the rise of multi-territory Subscription and Video-on-Demand services (SVoD). The argument raised by Doyle offers a crucial foundation for this study by looking at various digital means that the SABC can use to harness alternative revenues.

Until November 2022, the SABC was a traditional broadcaster fixated on analogue television until it launched its streaming platform. The battle between the government and the stakeholders on implementing digital switch-off is ongoing. This means that the SABC is not yet able to explore and exploit the benefits associated with convergence and digitisation in

digital terrestrial television, which is currently dominated by Open View and DSTv. The political economy of Set-Top Boxes is another hindrance polluting the uptake of government digital decoders to transmit the SABC feed. For this reason, South Africa's public broadcaster has still baffled with digital migration discourse for close to two decades now.

In short, the subject of digitisation and convergence is a very complicated phenomenon for the SABC irrespective of government policy on Broadcast Digital Migration of 2008, and ICASA regulations on Digital Terrestrial Television of 2012. Both policy documents are clear about the benefits of analogue switch-off, such as easing pressure on the spectrum, increasing the number of channels transmitting via satellite, increasing coverage of digital signal throughout the country while increasing quality output, and creating room for new players (Berger, 2012).

Nonetheless, South Africa is still on analogue and missing out on the euphoria and utopia associated with digital convergence. According to Sumartias and Hafiz (2017), most governments are reluctant to switch to digital broadcasting due to the high cost of replacing analogue broadcasts. Berger (2010) supports this view and argues that switching from analogue to digital is costly.

With the poor rollout of Set-Top Boxes, as argued in Chapter 1, since 2008, South Africa has been on the verge of an analogue switch-off. It has yet to catch up with the International Telecommunication Union deadline, which was set for June 2015. Only five South African provinces have switched off analogue signals, viz. North West, Northern Cape, Mpumalanga, Limpopo and Free State. The significant provinces viz. Western Cape, Gauteng, Eastern Cape, and KwZulu-Natal are still on analogue, and there has been an ongoing battle between South Africa's Minister of Department of Communication and Digital Technologies, private media (e-Media) and Non-Government Organisation (NGO) led by Media Monitoring Africa contesting government switch off citing poor rollout of Set-Top Boxes. The South African High Court has dismissed two switch-off dates (March and June 2022), ruling in favour of Media Monitoring Africa and e-Media (Business Tech, 2023).

According to Lowe and Hujanen (2003), broadcasting must be recognized in the convergence debate due to its relevance in terms of application and cultural implication. With its history based on a limited public spectrum, television networks may invent themselves as multi-platform and online distribution media. Because of convergence, traditional media faces disruptive models posed by digital media as new players in the media ecosystem (Izquierdo-Castillo and Miguel-De-Bustos, 2021). According to Mcelroy and Noonan (2018), technology, network society, and digital discourse are concepts similar to PSM values on universalism,

inclusion, and plurality. However, for this reason, Lowe and Bardoel (2007) argue that PSM needs to adjust to new technological realities and respond to changing social realities by redefining their remit and extending the range of content provided. This study engages the SABC on a self-discovery and renewal journey with the hope that the SABC will transform and address its shortcomings and move beyond being a traditional broadcaster with limited PPPs to a competent and financially sustainable PSM.

3.2.3 Convergence, Regulation and Democracy

On the subject of regulating convergent media, many scholars share divergent views on the matter. According to Lorentz (2016), convergent media ought not to be regulated to encourage innovation and economic growth. On the other hand, Akalili (2020) argues that most regulation attempts are focused on traditional media, and regulation policies need to be revised to include convergent media. Ridwanullah and Bala (2022) contend that due to poor regulation of convergent media, journalistic and professional standards have degraded, followed by uptake in disseminating fake news.

Other scholars, such as Park (2019), acknowledge that regulating convergent media is complex due to the need for one-to-one relationships between the converging technology and the regulating entity. Park argues further that another challenge is that converging technology creates a new sector where the regulating entity is not defined. This is particularly true in the case of South Africa. Recently, the South African government proposed a policy amendment with ICASA to regulate streaming services that have flocked the South African market, i.e., Netflix, Disney Plus, Amazon Prime Video, and others. South Africa's ruling party is imposing local content quotas, licenses, taxation, and Black Economic Empowerment requirements (Nyide, 2022). The debate is still unfolding in South Africa following the complaint launched by Showmax (a local streaming service) with ICASA regarding the free reign exercised by non-local streaming services. While at the same time it is subject to taxation and Black Economic Empowerment policy.

In support of this argument, South Africa's minister of communication, Khumbudzo Ntshavheni, was cited as making this remark, *"South Africa cannot have international competitors in the domestic industry that don't pay tax, neither have license requirements nor local content obligations"* (Nyide, 2022, pg.1). The remarks by Ntshavheni validates the argument put forth by Park (2019), as he elaborates that convergent media is complex to regulate as it creates a new industry where regulation is not defined, this appears to be accurate in the case of South Africa and its streaming services. However, countries such as the United

States of America (USA) and Europe have successfully regulated the over-the-top market created by convergent media.

On the other hand, Okpodu (2021) argues that the lack of regulation of convergent media presents several shortfalls, such as undermining the public service remit and lack of regard for social responsibility norms. Okpodu adds that deregulation also results in degraded information quality standards, creating a politically disengaged citizenry. This argument lands itself in the argument presented in chapter two, looking at the application of CPE in SA commercial media, where it is clear that private media short-change democracy and nation-building for profits (McChesney, 2015; Harber, 2014; Asen, 2017).

According to Mansell (2017), convergent media requires a policy regulation that is responsive and compatible with cultural, social, political, and economic environments. In a nutshell, this justifies the policy position proposed by South Africa's communication ministry with the need to regulate the streaming market dominated by non-local service providers. The imposition of local content quotas will also aid in expanding the democratic and social responsibility framework of the streaming industry that is now booming in South Africa. Furthermore, Mansell argues that the regulatory framework needs to be understood within the historical context and the disruptive and revolutionary context. This is very true coming to South Africa with the historical based on marginalization, discrimination, and oppression. Therefore, it would be irresponsible of the South African government to adopt a regulatory framework that does not pay attention to the prescription of Black Economic Empowerment in an attempt to address the historical past; this needs to be supported by local content quotas. According to Nyide (2022) South Africa's ruling party is proposing a 30% local content quota on streaming services provided by non-local players.

Looking at the arguments advanced by Akalili (2020), Ridwanullah and Bala (2022), Okpodu (2021), and South Africa's Ministry of Communication, it is evident that convergent media needs to be regulated. This will help promote democratic values and redress the historical past, as Mansell (2017) alludes. However, this does not need to undermine the innovative potential and economic growth proposed by Lorentz (2016). There needs to be an understanding that convergent media and its industry do not operate in a vacuum, but are embedded in a socio-political context that is cultural and historical and therefore technological determinism needs to work hand-in-hand with social constructivism as Feng (2022) argues; both perspectives are equally responsible to shape modern society.

3.2.4 Convergence, Covid-19 and Digital Creative Economy

According to Handke and Towse (2013), the rapid development of digital devices and digitization has a considerable impact on the creative industry such as transforming how creative work is generated, distributed and used. In the case of convergent media, the impact has been fundamentally significant with Jenkins (2006) arguing that mobile phones are a central part of convergence. According to Nyide (2022), convergence as depicted by streaming services has shaken the television industry to its core and laid to waste cinema, blurred lines between film and television and rewrote business relations between independent producers and commissioners. The intersection between (the creative) industry and digitization led to new conduct and business practices known as the digital creative economy. According to Handke and Towse (2013), the digital creative economy is based on the view that creativity and product productivity capabilities activity through digital means.

According to Nurse (2020) COVID-19 sought an uptake on digital creative economy with players such as Netflix, Amazon Prime Videos, YouTube and others reporting diversified earnings from streaming, subscriptions, advertising and data monetization. Nurse argues that the outbreak of COVID-19 accelerated the need for a digital creative economy highlighting its economic value. Given this development, Jenkins (2006) argues that convergence offers expanded opportunities for media companies to broaden successful content offerings across other platforms. Looking at SABC's newly launched streaming platform (SABC Plus), most of the content is from successful and top-performing programs on linear TV, such as uZalo, Skeem Saam, Generations the Retros, and others. Therefore, convergence is indeed a force to be reckoned with, as it appears that SABC will derive alternative revenues through subscription and advertising services offered by the platform.

According to the United Nations Educational, Scientific and Cultural Organization, (UNESCO) (2012), the post-industrial era sought the emergence of a knowledge economy which comprised cultural industry. The discourse of knowledge economy was first discovered by Adam Smith, a father of modern economics (Hippe and Fouquet, 2018), the subject was fine-tuned by many scholars, including the seminal work of Powell and Snellman (2004), who argue that the critical component of knowledge economy is its reliance on intellectual capacities rather than physical input or natural resources. Hippe and Fouquet (2018) say that the knowledge economy is a source of economic growth and the cornerstone of future economic development. This argument appears to be true in the case of South Africa and Showmax (Business Tech, 2022). On the other hand, SABC is reported to have only received 18% of TV licenses and a net loss of R608 Million for the financial year of 2022/2023 (Ferreira, 2022).

As argued by Nyide (2022) the streaming industry and DSTV have shaken the SABC to its core. As discussed in Chapters 1 and 2, it is evident that SABC's reliance on the commercial market for revenues is no longer reliable. Furthermore, high TV license evasion also exacerbates SABC's financial loss. The streaming market seems to provide economic opportunities, as explained by Hippe and Fouquet (2018). With SABC Plus in place, perhaps given time, the SABC finances might look better with alternative revenues regenerated from its streaming platform and other sustainable revenues that this study will explore.

3.2.5 Media Convergence, Concentration and Democracy

According to Knoche (2021), media concentration is a defining feature of capitalist economic formations. However, Knoche warns that media concentration endangers the democratic foundations of liberal societies and contradicts the ideals of competition and journalistic diversity. Baker (2007) echoes the sentiments and argues that media concentration threatens press freedom and its capacity to deliver on democracy. Baker explains that this is due to influence from the sources of power such as the government, private interest from media owners and a pressure advertising market. Dohnanyi and Moller (2003) argue that media concentration limits a variety of opinions, reduces media plurality and hinders the watchdog role afforded to democratic media.

Having celebrated the emancipatory power of media convergence as supported by Jenkins (2006) and others, it is alarming to see this celebration being short-lived. There are ethical and normative issues that the celebrated discourse on media convergence fails to take into account. Not ignoring the need for democratic media, it is now clearer that Jenkins's theory on convergence culture is mainly focused on the economics of media and detached from the media normative role such as providing a marketplace for ideas, for public opinions and being the Fourth Estate as Mufune (2015) explains. It makes sense why Johnson (2012) argues that media ownership patterns affect media pluralism and diversity of voices, which are critical for a democratic sphere, as uncovered in Chapters 1 and 2. Horwitz (2005) validates this claim and argues that corporate mergers and ownership consolidation have long been a concern among media scholars.

According to Knoche (2021), media concentration is achieved through mergers, acquisitions, joint ventures, and strategic alliances. According to Doyle (2013), these adventures change the market formation of the media industry by inducing a concentrated market. Knoche (2021)

distinguishes between economic³⁴ and journalistic concentration and argues that the latter results from horizontal expansion amalgamating all journalistic resources into one room servicing different platforms. According to Knoche this promotes homogenisation of content and reduces the diversity of views. In the same vein Loisa and colleagues (2020) argue that convergence in news media is driven by replication of partial content into online multi-platforms. Jenkins' transmedia discourse is not equally recognized nor celebrated by democracy scholars.

However, Stuhmeier (2019) dispels the notion raised against transmediality of convergence and argues that media concentration does not necessarily offer less pluralism but helps promote competition. Many scholars, such as McChesney (2015), Garnham (1997), Murdock, and Golding (2016), as argued in chapter two, validate the claims raised against media convergence. However, the sentiments raised here are based on the imperatives of commercial media. In Chapter 1, we learned that the SABC is a very concentrated organization and has suffered great democratic injustice before and after democracy. Post-democracy the misuse and abuse of the SABC happened against established regulatory frameworks such as ICASA regulations on public mandate, Public Finance Management Act that governs public finances of the SABC as a public funded entity, and the oversight bodies in parliament. Responding to the critical response raised by Knoche and others, this study also explores how social media and citizen journalism can be used by public broadcasters to counterbalance critical views raised on media convergence and democracy, but not dismiss the economic benefits associated with convergence. On the other hand, Horwitz (2005) argues that a mixed media model is the only solution to ensure democracy and plurality of voices amid media convergence. South Africa already uses a three-tier mode, as explained in Chapter 1.

Again, it needs to be brought to attention that this study is purposed and focused on harnessing revenue streams rather than profit, seeing that most of the sentiments raised in media concentration are regarding profits. According to an accounting journal, there is a difference between sales revenue and profit. Hayek (2018) explains that revenues are solely based on the income received as per the income statement, while profits refer to an income earned after the deduction of all expenses. As revealed in Chapter 1, the SABC has been operating at a financial loss for years; thus, the purpose of this study is to explore alternative revenue streams to help reduce loss and help with financial sustainability without setting focus on profits, given that the

³⁴ Horizontal (moving to same market), vertical (successive market), diagonal (interconnected sector) and conglomerate (different sector), to read more see Doyle (2013) and Knoche (2021)

latter goes against the mandate and ethical ethos of PBS as justified by its public funding rationale, see chapter two.

3.2.6 Convergence, Social Media, Citizen Journalism and Democracy

According to Flew (2009), the shift in the 20th century from mass communication to convergent and web 2.0 resuscitated the public sphere based on citizen journalism and participatory culture principles. According to Wall (2019), citizen journalism is about an active role played by citizens in the production, distribution and consumption of news facilitated through the use of digital platforms such as social media. Citizen journalism represents the under-represented voices and serves as an important reminder of how professional journalism fails in responding to the changing nature of public communication. Citizen journalism therefore creates new spaces for new actors to negotiate and compete with traditional journalism Wall explains.

In support of the argument raised by Wall, Apen, and Ifeanyi (2017), citizen journalism has emerged as a robust phenomenon against mainstream journalism and broadens access to various news items that are often neglected in the newsroom. However, according to Mpofu (2019), citizen journalism platforms such as social media offer an alternative public sphere and counter-hegemonic tool to express dissent against hegemonic political ideologies. Looking into the arguments raised here, it is clear that citizen journalism offers a remedial framework for the shortfalls associated with a convergent newsroom that produces content for multiple multi-platforms. Furthermore as tabled by Flew and Jenkins convergence and its offering on participatory culture are extreme fundamentals of convergence media. While according to Moyo (2015) citizen journalism is a journalistic practice that is de-professionalised and de-institutionalised driven by ordinary members of the public. In support of this claim, Korson (2015) contends that social media platforms like Twitter are a medium for citizen journalism given their decentralised nature.

The above arguments indicate that convergence, centralization, professionalism, and institutionalism belong to the same cluster. As indicated earlier through arguments raised by Johnson (2012) and others this grouping is not good for democracy, even though it offers vital economic benefits. It is seemingly clear that social media and the practice of citizen journalism is of vital value as it reinforce the element of participatory culture-centric to Jenkins' sentiments. Furthermore, according to Wahid *et al* (2021) and Johnson (2012) many television broadcasting companies are converging with social media in the generation of news content thus exercising content convergence. While according to Wall (2015), citizen journalism has become more recognized during the crisis, with media outlets relying on citizen journalism for

on-the-ground updates with helpful facts and information, thus producing collaborative journalism. According to Usher (2017), the cooperative relationship between citizens and professional journalists has long been an aspiration for many media scholars. Apen and Ifeanyi (2017) argue that there needs to be synergy between mainstream and citizen journalism to allow for effective and efficient journalism.

With fears of media convergence and democracy being addressed through citizen journalism and social media, it is clear that the theoretical discourse on media convergence is still relevant to this study. As indicated earlier, SABC News has close to seven million users across its social media platforms. Through social media, South African citizens are actively involved in consuming news content generated by the broadcaster. The SABC has also infused social media content into its news programs and other programs on both TV and radio. This enforces the argument made by Wall (2015) and Apen and Ifeanyi (2017) on the need for collaborative journalism. Therefore, without convergence, social media and citizen journalism democracy would have been a threat with commercialism in the lead.

3.3 Application of Convergence Typologies in South Africa

According to Olawuyi and Mgbole (2022), convergence has inspired many new forms of communication that allow for personalized mass communication and standardized individual communication. According to Latzer (2013), convergence involves an interplay between technological innovation, corporate growth strategies, political reforms, and changes in media. All these and more will be explored in this section and their application to the context of South Africa. Olawuyi and Mgbole (2022) and Kim (2019) distinguish between four types of convergences that unfold in the level of infrastructure, content, services and application. These are: technological, market, industry and policy convergence. The breakdown of these is given below.

3.3.1 Technological Convergence

According to Kim (2019) and (Latzer, 2013), technological convergence sets the initial stage/lead for the convergence process. According to Olawuyi and Mgbole (2022), technological convergence refers to combining previously separate media, viz. data, voice, and video, into one. Jenkins (2006) refers to technological convergence as the collision between old and new media. While Hay and Couldry (2011) regard technological convergence as technological hybridity. On a broader scale, Olawuyi and Mgbole argue that technological convergence relates to the Information Communication Technology (ICT) sector. They further add that technological convergence looks at technology and development and their impact on

changing the nature of communication, not ignoring its benefits, opportunities, threats, and challenges.

According to the analysis, technological convergence is based on the infrastructural and application level. Furthermore, it is evident that technological convergence is a central force behind Jenkins' convergence theory and sets the stage for other forms of convergence. While the SABC is still a traditional broadcaster and still armed with digital migration and poor rollout of Set-Top Boxes, the launch of SABC Plus, the SABC streaming platform available on <https://sabc-plus.com/>, became a game change for the broadcaster, allowing for the integration of all SABC TV and Radio platforms into one, with local and international content on offer. This means that the public broadcaster can now play in the linear and non-linear market, giving South African audiences greater flexibility in accessing and consuming SABC's content.

As proposed by Jenkins (2006), Doyle (2013), Olawuyi and Mgbole (2022), and many others, technological convergence has inspired many media organizations to explore and adopt multimedia delivery and convergent media. SABC Plus is the only free streaming platform in South Africa; it integrates all of SABC's 19 radio stations and six TV channels at no cost. In short, it is clear that technological convergence presented SABC with various opportunities to allow them to play in a dual market, viz. linear and nonlinear; perhaps this will also resolve SABC's financial struggles, seeing that most viewers are moving towards digital streaming, as indicated earlier. In the case of the SABC, technological convergence is king.

3.3.2 Industrial Convergence

According to Kim (2019), industrial convergence depends on technological convergence. According to Nadaf (2019) as a result of convergence the media industry underwent a massive transformation indicated by cooperation and collaboration between diverse media forms that were previously not connected. Nadaf explains that industrial convergence is defined by a change in ownership, the evolution of corporate collaboration and cross-ownership. Industrial convergence intends to generate greater profits and reduce operational and expenditure costs.

According to Lozic (2019), the convergence of production and distribution of media content has directly influenced the business paradigm of the media industry resulting in new media markets. Lozic adds that convergence in the media industry is observed through strategies of vertical and horizontal diversification. Nadaf (2019) argues that industrial convergence allows for the exploitation of media content and is supported by transmedia storytelling across sister platforms. This helps to attract advertisers for cross-promotion and cross-selling with packages that are relatively cheap, leading to higher revenues and profits. According to Doyle (2013)

most media firms are traditionally known to have concentrated ownership, with activities spanning numerous sectors and transnational boundaries. The rationale behind this strategic set up is to exploit common resources and skills, increase market share, maximise profits, and develop niche markets, Doyle explains. According to Albarran (2010) the media market is constantly evolving due technology, globalisation and deregulation.

Looking at the breakdown above, it is clear that the industrial convergence of media sectors offers benefits linked to profits, efficiency, and market command. Park (2017) argues industrial convergence induces innovation and economic sustainability. However, more central to this analysis is the argument raised by Nadaf (2019) on media industry convergence and transmedia storytelling. The latter is crucial to the body of work by Jenkins (2006) critical to this study. There are a lot of opportunities and economic benefits linked with transmedia storytelling. More importantly, this is related to media organizations operating in a dual-product market—strategies of cross-promotion and cross-selling, as presented by Nadaf, are essential for revenue extraction. Furthermore, as argued by Doyle, industry convergence is vital as it aids in developing niche markets. Therefore, industrial convergence through vertical, horizontal, and diagonal expansion would not be possible without technology.

The SABC is arguably the most concentrated media company in South Africa (Angelopulo *et al.*, 2016). The analysis of SABC Plus given earlier strongly supports this view. South Africa's public broadcaster can now operate in global and transnational media markets, meaning South Africans across the diaspora can now access their public broadcaster without limitations and barriers. Earlier, a view was made on the lack of content and representation of marginal groups such as the Ndebele, Swati, and Khoisan communities. With SABC Plus on board, SABC should be able to address this shortfall, executing the view made by Doyle regarding industrial convergence and niche markets.

As indicated earlier, SABC Plus is a result of a partnership with Telkom and Hisense. This suggests that South Africa's public broadcaster is cognisant of corporate expansion strategies and opportunities presented by industrial convergence. The SABC's strategic alliances with the parties concerned indicate a diagonal expansion given that Telkom³⁵ and Hisense³⁶ are in different markets and the SABC is the sole party in the broadcasting market. Using convergence opportunities linked with each party, the SABC appears to have been able to strike a distribution

³⁵ Involve in telecommunication industry

³⁶ Involve in electronic appliances market, i.e. smart Tv

deal for digital terrestrial distribution of SABC plus with Hisense³⁷. While Telkom helped the broadcaster to play in the streaming market and move beyond analogue. Therefore industrial convergence is indeed a powerful undertaking.

Furthermore, in support of Jenkins' dogmatic framework, it makes sense for the assertion made by Doyle (2013) that traditional media organizations need to adopt technology convergence to survive or face a slow death. Given SABC's repeated financial loss year to year, and constant bailout by the government it is clear that SABC was on the verge of succumbing to its death. Now it appears to have been rescued from this ordeal, however, more opportunities need to be explored to save the public entity from future failures.

3.3.3 Market Convergence

According to Dowling *et al.* (1998), market convergence is focused on the service market and customers' needs. According to Kim (2019), market convergence refers to the blurring of markets that lead to a bundle service market. Mantena and Sundararajan (2004) argue that digital convergence increases the value and flexibility of products and services. Gambardella and Torrisi (1998) share that technological and market convergence are inseparable. The leading view made so far indicates that market convergence is mainly focused on the service level different to its counterpart reviewed thus far. According to Rajagopal (2012), convergence has driven customers to become active consumers and co-creators in developing products and services. According to Jenkins (2006), media convergence has allowed every story to be told, every brand sold, and every customer need to be met across multiple media platforms. This means that market convergence enables media firms to be ubiquitous. Riding on this motion the SABC plus tagline is titled, "*everywhere for everyone, always.*" This is a strong indication of the ubiquitous power of media convergence which has transformed the consumption culture of media content creating new markets.

According to Doyle (2013), technology eroded the old mass market with niche markets where the mass audience is fragmented across different platforms. Furthermore, this has transformed the media service model from one-to-many (which has been the norm for many years), to one-to-one. This alters power relations between channels and audiences, as signified by the move from mass to niche market. As Doyle explains, convergent media grants the audience power and control over schedule; this is afforded by search tools and algorithms built within convergent media. The move from traditional to convergent media changed a lot of relations

³⁷Notwithstanding delays of digital migration at the helm of DCDT, the migration should be completed in 2008, however this has not been realised to date

between audiences and broadcasters. The move from supply to demand market has stripped traditional broadcasters of much power, seeing that audiences can no longer be tamed by schedule.

Furthermore, the delays with digital migration since 2008 have resulted in a great loss to the significance of the SABC. This means the public broadcaster could not participate in the DTT market, which Multi-Choice now dominates through DSTv and eMedia through Open View. In South Africa, the DTT market is a primary evolution of media convergence, which has now evolved into a streaming market (OTT), afforded by the advancement of smartphone penetration in the mobile market and network.

From the analysis above, media convergence has clearly altered traditional markets. According to Albarran (2010), for media firms to become multiplatform enterprises, they need to establish strategic alliances with players in the value chain and agree on the revenue-sharing model. With convergence media, firms can explore new business models driven by advertising, subscription, and pay-per-view, Albarran explains. SABC Plus is based on the freemium and subscription market; members of the public can also manage their TV license account. Kim (2019) calls this offering a bundled service market. According to Rajagopal (2012), convergence media gives customers a higher competitive advantage based on customization³⁸, community³⁹, channels⁴⁰, competitive value⁴¹, and choice tools⁴². According to Labuschagne (2023) between the South African-owned streaming platforms such as Showmax, eVOD and SABC Plus, the SABC platform is the only entity that offers six TV channels and 19 radio stations for free thus giving South African consumers a higher competitive advantage as argued by Rajagopal (2012). Furthermore, the SABC platform has flexible pricing options for subscriptions ranging from daily, weekly, weekends and monthly whilst Showmax and eVOD only offer monthly subscriptions (Labuschagne, 2023). Convergence has allowed the South African public broadcaster to exploit its linear platforms and content in a multimedia environment with zero marginal costs and a higher competitive advantage. This allows the public broadcaster to play in linear and digital markets, excluding the DTT market and delays with digital migration.

³⁸ Ability to offer customised messages and offerings

³⁹ Ability to create online communities in service of niche interests

⁴⁰ Ability to converge all channel with easy access at a click

⁴¹ Ability to offer competitive value with flexible pricing

⁴² Ability to offer quick easy search tools

3.3.4 Policy Convergence

According to Kim (2019), policy convergence refers to integrating tradition and previously separated government, laws, and regulators to reflect media convergence regarding technology, market, and industry. According to Flew (2014), changes in the media environment imposed the need to review media policies, considering media convergence, globalization, and blurring of boundaries between media form and industry. Flew states further that the review is also forced by the changing nature of audience culture⁴³ and the availability of digital platforms for distribution. In support of this view, Gillwald (2003) argues that governments across the globe are grappling with appropriate policies to optimize the benefits linked with media convergence. According to Moitra *et al* (2022), the regulation of the media industry has always been fragmented until the evolution of media convergence.

The scholarly arguments raised above indicate the power and radical impact of media convergence in the policy landscape. The blurring of boundaries between media, markets and industry enforces the need for the government to review traditional policies to accommodate radical changes in the media landscape. In 2019, the South African government, the Department of Communication (DoC), Department of Telecommunications and Postal Services (DTPS) merged and established the Department of Communication and Digital Technologies (DCDT). The intention of combining both ministries was to streamline the communication activities of the country and exploit benefits linked with Information Communication Technology (ICT), such as economic development and inclusive information society (Government-Communications, 2019). The merger of both entities reflects the magnitude power of media convergence in South Africa based on the premise of digital technology. According to South Africa's President, Cyril Ramaphosa the merger will reduce government size (cost), and promote operational efficiencies and alignment between both ministries linked to the future of the economy in the context of the Fourth Industrial Revolution (4IR) (Hunter, 2018). Convergence is a primary reason that led South Africa to merge its communications departments as explained by Kim.

In chapter two it is indicated that the SABC undertook various PPPs to play in the convergent market, the Telkom deal before SABC plus was one of the items discussed. It is clear that the merger has allowed efficient and strategic operational relations between Telkom and SABC. Furthermore, the merger gave both parties the power to leverage on strategic alliances while exploiting benefits linked with convergent market and vertical integration. This means that the

⁴³ Audiences can now produce and distribute their own content i.e. YouTube, TikTok and others

response by the South African government to media convergence is now paying off. This is validated by the case of the SABC entering the streaming market using Telkom's skills, technology, and experiences gained from running Telkom One, now known as SABC Plus.

In terms of policy, in October 2020, South Africa, through the Department of Communication and Digital Technologies, released a draft paper on the *Audio and Audio-Visual Content Service Policy Framework*. According to Grealy *et al.* (2020), the policy is an attempt by the ministry to bridge the gaps between existing regulations and digital technology. According to de Lanerolle (2011), in South Africa, there has not been direct relations between broadcasting and telecommunication policy and regulation. de Lanerolle argues that both telecommunication and broadcasting are treated separately by ICASA leading to poor media convergence policy. However, the proposed white paper redresses this by proposing a technologically neutral regulation for both linear and non-linear content services. The draft policy document recognises the irrelevance of existing regulations and policies given that technology/4IR has changed business models and distributions (Department of Communication and Digital Technologies, 2020).

One proposition raised in the white paper is the introduction of license requirements with content quotas for both linear and non-linear platforms. The draft policy states that licensing will aid with public interest regulation in support of local content, national sports, disability, and language. To achieve this, the policy proposes that all existing broadcasting licenses be repelled by the draft paper when adopted into law. The policy suggests that video sharing platforms like YouTube, TikTok and others be exempted from licence requirements but not from content regulation viz. hate speech and protection of minors (Department of Communication and Digital Technologies, 2020). The policy is in a draft stage and awaiting revision after receiving public comments from local and non-local submissions.

As argued by Flew (2014) it is clear, it is clear that convergence has forced the South African government to relook at its media regulation policy to reflect the dominant solid impact of media convergence, which has altered the South African media markets and regulations to see that the proposed draft policy by the Department of Communication and Digital Technologies recognizes the encounter and addresses the shortfalls as raised by de Lanerolle (2011) and Gillwald (2003). Moving from platform-specific to technological-neutral regulation will help resolve the conflict between industrial players while promoting fair competition. Another significant milestone that needs to be brought forward is that the policy recognizes the SABC as the only South African PSB and the critical role player in the television market, permitting

it to negotiate retransmission deals after repelling the must-carry regulation. The latter is highly significant to this study and will allow SABC to harness further revenues from local and global markets, both on linear and nonlinear levels. Therefore, the media convergence policy is an excellent tool for resolving SABC's historical financial sustainability dilemma.

3.4 Conclusion

Undoubtedly, the public sphere and media convergence theory are critical tools that will aid the study of understanding the democratic role of the SABC linked with Habermas' democratic philosophy. The breakdown between traditional and digital public spheres indicates how much Habermas' democratic conception has evolved, with many scholars calling for a relook at the seminal work of the German scholar. However, the robust debates indicate that traditional and digital public spheres must co-exist as a mediated public sphere by the SABC. Furthermore, the digital public sphere also aids as a counter-hegemonic tool, as Vincent (2010), Dahlgren (2015), and many others argue. This indicates that Habermas' theoretical grounding on democracy is still a relevant analytical tool for this study.

Jenkins' (2006) classical conception of media convergence is fundamental to this study, as it provides guidance and understanding of a digital multi-media offering that replaces traditional linear platforms. The convergence of media presents many opportunities with some key challenges. Apart from the evolution of transmedia with transnational markets based on viewer demand and participatory culture, the convergence theory also presents several challenges to democracy as raised by scholars of critical political economy accusing corporate and convergence media of homogenization of content, pro-market and poor democracy, cultural imperialism, and others (McChesney, 2015). However, the advent of convergence tools such as social media and citizen journalism provides enormous tools and resources to counteract hegemonic discourse, as argued by Mpofu (2019) and Wall (2019). It offers collaborative journalism between mainstream and citizen journalists.

Having resolved the debate between democracy and media concentration, South Africa has adopted several radical changes in response to media convergence. This includes merging government departments (Department of Communication and Department of Telecommunications and Postal Services), drafting of convergence regulatory policy, SABC-Telkom partnership, digital migration policy and others. Therefore Jenkins' offering is deemed critical in this study as it offers a wider perspective on the convergence of technology, industry, markets and policy as argued by Kim (2019). Furthermore, Doyle (2013) asserts that failure by media firms to adopt convergence technology will ultimately result in a slow death. These

views appear to be valid when looking at the historical financial performance of the SABC, which is defined by a series of poor revenues, audience loss, and lack of multimedia approach centric to Jenkins' (2006) convergence framework. However, adopting SABC Plus has corrected SABC's lack of media convergence. Nonetheless, digital migration and DTT are still looming challenges facing the SABC, as explored in Chapter 2.

In closure, both the public sphere and convergence theory allow this study to exercise theoretical triangulation, which according to Carter et al. (2014),) provides a researcher with a comprehensive understanding of the subject in its natural setting. Using both theoretical tools the study is aware of South Africa's public broadcaster as a vehicle for democracy and nation-building, and not dismissing that it is also an industry that is competing in a convergent media market. This study is also mindful of other regulatory mechanisms such as ICASA content quotas, regulatory frameworks, oversight bodies, and public funding (which is not adequate) and others helping the SABC to oblige to its public role. The issue of funding and revenues is central to this study.

Chapter 4: Research Methodology

4. Introduction

This study uses qualitative design as its methodological orientation. According to Yilmaz (2013), qualitative research is inductive, interpretive and uses a natural approach to studying people, cases, phenomena, processes, and others in a natural setting to reveal descriptive meaning that is attached to people. According to Atkinson (2017), the purpose of qualitative research is to help researchers gain insight into the processes involved in the construction of meaning and lived experiences. What is evident in both offerings is that qualitative research is premised on the creation of meaning and understanding of the subject matter or phenomena in its natural setting. Therefore, context matters, meaning that one cannot study the subject matter without paying attention to the setting.

Chapter 1 provides the historical, political, financial context of the SABC. The chapter also provides a vivid picture of the economic downturn, struggle with commercial revenues, unfunded public mandate, and the quest for ethical leadership as signalled during the Hlaudi Motsoeneng and Faith Muthambi era. This undertaking gives a transparent historical background of the SABC and its context as forewarned by qualitative research and its pursuit to study the subject matter in its natural setting. In short, this means that one cannot study the SABC without paying attention to its natural context; this has been curated in chapter one, prefacing the pre and post-1994 context.

Studying the SABC in its natural setting is very important. This will allow the researcher to gauge the impact posed by political, economic, technological, and environmental variables that hinder the SABC from exploring and adopting alternative revenues. Qualitative research will help provide a holistic understanding of the research interest, viz. alternative revenues. It is for this reason that Atkinson (2017) argues that the open-ended responses afforded by qualitative research allow the researcher to understand and present the world as experienced by the participant while offering long and detailed findings with variable content. The interview guide used in this study helps achieve the view Atkinson put forward. The researcher made this viewpoint very clear during the interview process as he explained to participants that he was looking forward to their insights and perspective on these questions on his interview transcript in appendix 2). In this case, the researcher encouraged the participants to represent their world and experiences as argued by Atkinson (2017).

According to Ospina (2004), qualitative research is a systematic empirical inquiry into meaning and follows set rules agreed upon by members of the qualitative research community.

According to Maharaj (2018), qualitative research offers various benefits such as allowing for a collection of rich and detailed information. Using open-ended questions to reveal new and unanticipated ideas while broadening the field of enquiry. Maharaj explains further that qualitative research is inclusive and representative and allows the researcher to collect data on complex issues.

The argument painted by Ospina is very crucial about data collection, the key primary goal for this study is to explore various alternative funding models for the SABC, questions three to seven are instrumental in this case because they allow for a rich collection of detailed information about alternative funding models that could be explored and exploited by the SABC. In this case, using open-ended questions and empirical inquiry with participants will help unearth various alternative funding models and the motivation behind them as envisaged by the study. Again the sentiment raised by Maharaj about the abilities of qualitative research aids this study in collecting information on difficult issues such as the willingness of the board and executive to experiment with digital innovation and new funding models as foregrounded by question two of the interview guide (see Appendix 1).

Questions one to four (see Appendix 1) of the interview guide allow the researcher to probe tricky questions about the SABC's financial position, the ability of its board, and management to explore various funding models and benefits linked with digital innovation. Qualitative research enables the researcher to probe and gather detailed feedback on these critical questions, which would not be easy to explore under normal circumstances. This is escalated further by questions five to seven, zooming into challenges facing the SABC and the mitigation plans required. These questions are heavy and pedestrian knowledge on these is not enough. However, the use of qualitative research allows this study a privilege to explore these hard issues.

It is evident that qualitative design offers a rightful approach to this study and will allow the researcher to gain deep insight into a proposed area of research interest, viz., alternative revenues. The benefits posited by Maharaj are central to this study and will aid in fulfilling the study objectives and help respond to the proposed research questions. This study follows the set of rules of qualitative research, which includes informed consent, protection of privacy, usage of the interview guide, and recording of interviews for data collection and analysis.

According to Aspers and Corte (2019), qualitative research questions the pre-given variable to make new distinctions regarding the phenomenon by coining new concepts and identifying new variables. The assertion by Aspers and Corte (2019) is very important and addresses the

fundamental objective of this study where exploring alternative revenues addresses the pre-given variable of financial sustainability which in this case the variable linked with alternative revenues will be derived. The structure of the open-ended questions presented in the interview guide and the coding of data will aid in achieving the argument put forward by Aspers and Corte.

However, according to Creswell *et al.* (2007), qualitative research is a scientific investigation that addresses philosophical questions such as why a phenomenon is occurring. Creswell *et al.* add that qualitative research follows pre-defined procedures to answer the question, thus consenting to Maharaj's view about qualitative research capabilities. The research design collects textual evidence and produces findings that are not predetermined and applicable beyond the inquiry's immediate boundaries. This means that even though a study is rooted in exploring alternative revenues, there is room to identify other factors linked with the phenomenon in question. It is for this reason that scholars such as Busetto *et al.* (2020) praise qualitative research for its flexibility, openness and response to the context.

According to Mack *et al.* (2005), qualitative design uses semi-structured methods such as semi-structured interviews used in this study. The author stresses further that the analytical objectives of qualitative research are to describe and explain relationships, individual experiences and variations in relation to the phenomenon. Having performed 20 in-depth interviews the viewpoints raised by Mack and colleagues were witnessed and carried to task during this study. As a result, this study has uncovered its study aims at hindrances hindering public broadcasters from adopting various alternative funding models. Furthermore, the study has also uncovered that lack of innovation, agility and many other hindrances in the public service media discourse in South Africa, while the heavy saturation of the market and delays with digital innovation threatens the legitimacy of the SABC as the public broadcaster. The study aims would not have been unearthed, had the rules linked with qualitative research not been followed. In short, the adoption of qualitative research has been of fundamental value to this study.

To conclude Hammersley (2013) argues that qualitative research cannot be understood if its methodological philosophies are not put to the table. In short, Hammersley contends that qualitative research is ontological, meaning it studies the phenomena in their natural setting. Hammersley adds that qualitative design uses interpretivist epistemology, which means that it is centered in the production of discourse to debunk phenomena. Again without these guiding

foundational values of qualitative design, this study would not have been able to take shape and yield results.

4.1 Research Method: Case Study

In this study, a case study method is used. South Africa's public broadcaster viz. SABC is used as a case study. According to Rebolj (2013), the case study is largely used in social sciences and more valuable in practice-oriented fields such as health, education, communication and others. However, Rebolj defines a case study as an exploration of an individual, group or phenomena. Njie & Asimiran (2014) adds further to this view by defining case study as a phenomenon of some sort occurring in a bounded context. In addition, Njie and colleagues argue that the purpose of the case study is to get in-depth details about a phenomenon and allow thick description and analysis.

Eisenhardt (1989) defines case study research as a research strategy that focuses on understanding the dynamics present within a single setting. According to Gillhan (2000) the case study method investigates and answers specific research questions and achieves this by interacting with different kinds of evidence present in the case setting. Gillhan also explains that the evidence abstracted is collated and analysed to get possible answers. Both Eisenhardt, Gillhan and Yin (1993) distinguish between single-case and multiple-case designs. However, this study is focused on a single case.

On the other hand Burawoy (1998) defines a case research as a method that deploys participants observation and takes into account the intersubjectivity of a researcher and the subject of study. It is for this reason that the author distinguishes between two types of science when it comes to case research. This includes reflexive science which is normally used in case research, this scientific offering recognises the intervention, process, structuration and the reconstruction theory in case research. However, it is limited by power effects as it silences objectification and normalization, Burawoy argues. Another scientific tool used in case research is positive science powered through surveys and the separation of power between the researcher and the subject examined. However, this scientific tool is limited by its lack of context, interviews, and the field. Reflexive science is used to help the researcher be immersed in the study so that he can develop alternative funding models for the SABC.

The literature reviewed above indicates that a case study can only be conducted within context. Later in this chapter, this study will suggest how its sampling method is a direct response to the argument put forward by Gillhan by ensuring that different kinds of evidence were extracted from multiple participants used in this study. Furthermore, the coverage of the SABC context

in chapter one also plays a central role in aiding the significance of case study research as a chosen and preferred design for this study, with the view that it will assist in addressing the proposed research questions.

4.2 SABC as Case Study

From the broader definitions given above, it is clear that a case study method is a research strategy that is carefully selected to underpin a phenomena within the context that is presented (real-life context). This is done to probe and solicit feedback in response to the research questions. According to Schoch (2020) a case refers to an individual, group, organization, community and others. The study has chosen South Africa's public broadcaster to address issues of alternative revenues while responding to research questions and study objectives as indicated in chapter one. However what is more evident from the definitions given is that the case study research explores the phenomena in its natural setting, therefore lands itself with the tradition of qualitative research as pre faced earlier.

According to Schoch (2020) case study research is only appropriate when the context is relevant to the phenomenon. For this study, this is necessary, correct and applicable given that the case under scrutiny has suffered great financial losses, fuelled by the saturation of markets, audience fragmentation, digital disruption, public mandate, unfunded mandate and others (see Chapter 5). The backdrop of the environmental context facing the case provides a clear need for alternative revenues to help promote and safeguard the sustainability and competitiveness of public broadcasting in South Africa. So, this account marries the argument and provides a clear view of the interlink between the phenomena and context in case study research.

The study uses the SABC as an individual or group to study the phenomena of alternative revenues following challenges with the current funding model and its challenges. Through in-depth interviews conducted with members of the SABC, this study was able to gather thick descriptions on the subject matter of alternative revenues and render a thorough analysis of the proposed interventions. Furthermore, Njie & Asimiran (2014) argue that a case study consists of a detailed investigation with data collected over a while within the context of a phenomena. From this argument, it is clear that a context in case study research is pivotal. In Chapter 1, a financial journey of the SABC has been prefaced, giving context to the financial difficulties faced by South Africa's public broadcaster. In alignment with the argument raised by Njie & Asimiran, data collection from in-depth interviews was carried out over two months between October and November 2022 with the SABC presenting itself as a context of phenomena.

4.2.1 Four Phases Linked with Case Study Research

According to Rashid *et al*, (2019), there are four phases linked to case study research, these are:

1. Foundation phase where philosophical and epistemological considerations are addressed. In reference to this study, this translates to a research quest for alternative revenues, the study questions and objectives amplify this further, see Chapter 1.
2. The Pre-field phase is a secondary phase that addresses protocol and procedural issues such as formal documentation used in preparation for empirical material collection i.e. research questions, interview guide, ethics clearance, approvals, and others. The pre-field phase was achieved in this study as referenced in the appendix section.
3. The Field phase refers to empirical material collection and analysis, in the case of this study this refers to a transcript. As evidence for data collection, a sample script is attached in the appendix section.
4. The Report phase refers to sound report structure reporting on the case, participants, field protocols, empirical material interpretation, analysis and conclusion, this report as whole reflects the report phase.

Rashid *et al*, (2019), Eisenhardt (1989) lists four phases linked with case study research, these are: step one, which involves the definition of research questions thus allowing the researcher a well-defined focus that will aid in collecting specific data. According to Eisenhardt this phase provides the researcher with a clear focus. The study achieved this step during the proposal phase, where the research questions and study questions were pruned and cultivated by both internal and external examiners before granting the candidate official approval for this study. Therefore it was easier for researchers to focus the study and specific information during the in-depth interviews.

Eisenhardt (1989) regards the specification of the population as step two. He argues that this allows the researcher to have control over the environment and helps to reduce extraneous variations, as a result, this phase clarifies the domain of focus in which the sample size is drawn. This study has achieved this from the beginning with the research title that is reflective of the target case. This sets a focus for the study and limits external variation and influence of commercial broadcasters dominating the broadcasting market. Furthermore, this study draws its sample size from the assigned population as supported by Appendix 6.

The crafting of instruments and protocols is what Eisenhardt regards as step three. In this phase, the interview guide, observations and archival sources are exercised as qualitative instruments.

Furthermore, the protocol instruments such as ethics clearance, institutional authorization, informed consent, information sheet and others were also achieved before this study could engage in fieldwork (see Appendix section). According to the author, sometimes both qualitative and quantitative instruments are combined or used separately. As indicated in the opening of this chapter, this study embarks on a qualitative agenda and has offered sufficient motivation for the undertaking and its benefits.

The concluding phase is data collection and analysis. According to Eisenhardt, field notes and running commentary are critical during data collection. As indicated in the next section on data collection, this study uses probing as part of its interview technique. The field phase in this case is instrumental as it allows the researcher to trace areas that need probing, prompting and follow-up questions. During virtual interviews, the researcher had a notepad recording all key points raised during the interviews and noted points that needed follow-up or further testing in response to the question. In short this links with the analysis phase, in this case, Eisenhardt argues that the case method uses a cross-case search for patterns as its analysis strategy. According to the author, this allows the researcher to look at data in many divergent ways by using categories and dimensions of similarities and differences. The dimensions can be suggested by research problem, literature or researcher, he explains, the section on data analysis provides a clear look at thematic analysis as a tool used by this study for an analysis phase.

The methodological approach of case study research is prudent for the proposed undertaking. Moreover, the approach allows the researcher to engage the phenomena under scrutiny within its natural setting, aiding the study with quality research. The case study research steps as explained by Rashid *et al*, (2019) and Eisenhardt (1989) have been followed as provided and supported by the correct appendix. In addition, the researcher also completed online ethics training for social science and humanities research with Macquarie University in Australia and obtained an ethics training certificate⁴⁴ as part prerequisite for ethics clearance⁴⁵ by Wits University indicating the achievement of a pre-field phase as argued by Rashid *et al*.

4.3 Data Collection

4.3.1 In-depth Interviews

Hackett et al. (2016) state that in-depth interviews are one-to-one interviews between the researcher and the participant. Boyce and Neale (2006) define in-depth interviews as intensive individual interviews with few participants to explore their thoughts and perspectives on a particular issue. According to Guion *et al.* (2011), in-depth interviews are discovery-orientated and allow the researcher to examine the respondents' feelings, thoughts, and opinions on a particular subject. The authors argue that in-depth interviews are a valuable tool for qualitative research and can be used for various reasons linked with the study, such as issue identification, strategic planning, program assessment, etc.

From the account given above, in-depth interviews are indeed a relevant tool to aid this study in soliciting perspectives on various alternative revenues that could be deployed by the SABC in response to the need for financial stability and sustainability. This is the issue that the study undertakes to explore as indicated in chapter one. Therefore perspectives of the participants, in this case, will help to unearth and uncover the intended objective of this study thus consenting to the discovery argument put forward by Guion and colleagues. Again the method will help fulfil the explorative agenda set by this study as indicated in Chapter 1. The intensive engagement nature of the in-depth interviews will afford the study quality output and robust undertaking while addressing the core premise of this study. According to Guion and colleagues, in-depth interviews use open-ended questions and follow a semi-structured format while seeking to understand and interpret perspectives and experiences gathered in response to the study questions.

The main aim of in-depth interviews is to allow the researcher to probe respondents' feedback, beliefs, attitudes, and opinions to facilitate broader understanding and meaning, Boyce and Neale explain. Furthermore, Hackett *et al.* (2016) warn that in in-depth reviews, the researcher should not say much apart from introducing the topic or interjecting if there is a need for clarity or probing to solicit more feedback from the participant by using phrases such as *"it is interesting to hear you say that, can you tell me more, "Uhm, can you explain what you mean by that?"* In this case, the researcher inspires the participant to say more without imposing their opinion.

The researcher used this technique with all the participants, for example, see the sample transcript in Appendix 2. Furthermore, the technique was used as a follow-up to question two with P07 and the researcher made the following probe “*Hmm, and do you think the new board and executive experimented with new funding models for the SABC?*” With this probe, the participant was able to elaborate further on their feedback. The technique was used again with P11 when answering question four in relation to the success of SABC’s top-performing shows, the participant replied that the featured programs talk to the heart, so the researcher had to intervene and ask P11 to elaborate on what she meant. The participant was able to motivate her answer giving the researcher more clarity on the initial response made. The technique has worked in enticing all participants with the courage to go beyond. As argued by Hackett *et al* these interjects are useful in soliciting more information from the participants and have proved to be prudent during the course of the study.

According to Boyce & Neale (2006), in-depth interviews provide detailed information compared to other data collection methods such as surveys. Furthermore, Boyce & Neale add that in-depth interviews provide a more relaxed atmosphere for information collection i.e. people are more comfortable having conversations rather than filling in a survey form. According to DeJonckheere & Vaughn (2019), in-depth interviews consist of a dialogue between the researcher and participant, guided by a flexible interview guide, supported by follow-up questions, probes and comments. In this study the interview guide was used as indicated in Appendix 1, the guide was an instrument conduit for conversation between the researcher and participants; probe, prompts and follow-up questions were used.

Furthermore, DeJonckheere & Vaughn (2006) argue that in-depth interviews allow the researcher to collect open-ended data to explore the thoughts, feelings and perceptions of the participant. In addition, in-depth interviews help the researcher collect exploratory data about the research topic. The latter is crucial as this study explores various alternative funding models. Therefore, ear that the proposed instrument is relevant to this study and has allowed the researcher to examine multiple alternative funding models as premised. Using qualitative research it is now clear that this study will explore thoughts, feelings and perceptions drawn from the participants in relation to the subject matter linked with alternative funding avenues. To solicit more feedback from the participants this study used various probing skills such as remaining silent after asking the question, and summarising input made by participants encouraging them to give more details. The extract below (with TM denoting the researcher)

with P15 to question two of the research question captures the usage of probing technique as envisaged by DeJonckheere & Vaughn:

4:48 P15: ...as they are sitting there, they would love everything to work and explore everything, but I believe the reason why they cannot explore all that of the finances with the SABC...

05:34 TM: So, in short, you are saying that the new management is willing to experiment with funding and technology but is limited by finance, right?

05:44 P15: yes

05:45 TM: Can you give me an example indicating an attempt by management to try new funding models and technology? Do you have any examples that you can reference for me?

06:02 P15: currently, as we are sitting, there is a new graphics system that is there, is part of new technology, and not only on graphics but in many other parts as well; when you go to line records, there is a new system on the pipeline so they are trying to move with the times, but then again the huge constrain is that we have all these systems, but are we able to pay the minds that will be able to use these things and put it out there and have us competing on international standards because even our people that we have, whom we can groom and have brains but again they feel like it's a waste of their time sometimes to go overboard and do exceptionally well whereas they are not being recognized within the organization

Figure 1: Interview Transcript with participant #15

In the extract above the researcher was able to summarise and test feedback given by the participant as indicated at 05:34, and 06:02 the participant was able to provide detailed feedback in support of the probe made. The technique was used throughout the study and was able to enhance the collection of data across the participants featured. Furthermore, as part of probing the researcher was able to use affirming words such as *hmm*, *yes*, encouraging participants to say more. In other instances, the researcher asked participants to elaborate or explain particular points and ask leading questions where needed as indicated by DeJonckheere & Vaughn. This is reflected in the extract below:

01:34: P01: Ohh, I think there is too much red tape at the SABC, they need to be more agile, and they need to look at new business models. If you look at business models when you work with distributors or even if you look at the e-TV model, producers buy

their own airtime, they bring in the sponsors, then e-TV sells that time in between and makes double the money. Whereas with the SABC if you bring in a sponsor they charge him so much money and they run away and they don't have the audiences, so yeah, I'll take a bigger example, program XXX that we doing with e-TV

02:13 TM: Hmm

02:14 P02: we pay 2.5 million Rands for the airtime, and we got in 15 million Rands in for sponsorship

02:20 TM: Hmmm

02:21 P02: So we make the show and paid the 2.5 million, and they pulled the airtime around that, so they make a lot of money

Figure 2: Sample Interview Transcript with participant #02

However, Hackett *et al* (2016) warns there are limitations linked with in-depth interviews such as interviews can only be conducted in a quiet place where participants feel at ease. Furthermore, in-depth interviews only reflect the opinions of the selected individuals and excludes the broader social group. The use of virtual interviews aided in making sure that the interviews are done in a quiet place. Furthermore, the chosen sample size is already familiar with the remote working conditions and offsite meetings which require a quiet working environment. Moreover, this study acknowledges the view raised by Hackett *et al* that in-depth interviews represent the opinions of selected individuals. To mitigate this view the section on sampling and population will indicate how this study has used diversity and representativity across departments, role, gender, race and others to make up for this fall.

4.3.2 Virtual Interviews

The study resolved to deploy virtual interviews given that the chosen sample size has been working remotely since the outbreak of Covid-19. At the time of this study, the participants had not yet returned to the SABC offices. This forced the study to resort to virtual interviews. According to Roberts *et al* (2021), the opportunities linked with virtual interviews need not be overlooked in qualitative research. Robert and colleagues argue that virtual interviews provide a great potential to conduct high-quality, rigorous and ethical research. The authors add that virtual interviews give a clear and equal opportunity for qualitative research in crisis and beyond, as witnessed during the pandemic. On the other hand, Keen *et al.* (2022) provide that virtual interviews offer numerous advantages such as flexible scheduling and real-time captioning, override barriers of geography and travel expense, and lessen the institutional influence since the interviews are conducted remotely. Saarijarvi and Bratt (2021) argue that

virtual interviews are cost-effective because they are performed from a distance and promote inclusion and equality in research.

The argument put forward by the writers above is fundamental to this study. As indicated earlier, the selected sample size has been working remotely since the outbreak of the pandemic. As a result, this study was able to exploit the opportunities linked with virtual interviews. For that reason all the interviews were done online using various platforms such as Zoom, Microsoft Teams and WhatsApp. It is for this reason that a lot of time and resources were reduced for logistics linked with in-person interviews. Given that the sample size is professional and managerial in their role within the SABC, this study was able to apply rigour and used probing techniques to solicit more information. The virtual interviews did not derail this study from the conventional approach linked with in-depth interviews nor undermine the philosophical orientation of qualitative research as explored earlier. The figure indicates the most used digital platform during this study was Zoom in the lead given that most external stakeholders of the SABC do not have access to Teams. On the other hand, WhatsApp was used as a backup during load shedding.

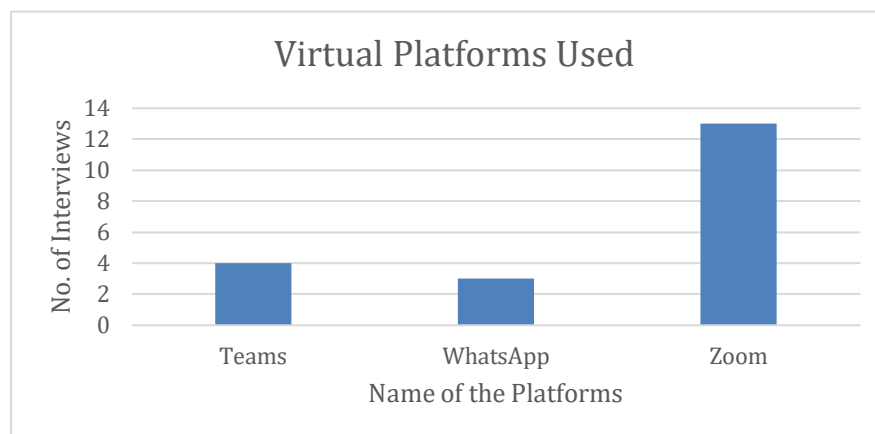


Figure 3: Digital Platforms Used for Virtual Interviews

Keen *et al* also recognises the challenges linked with virtual interviews such as technological elitism, challenges with consent and confidentiality, fatigue and fewer body language cues. However, in the execution of this study, these were not barriers nor a direct threat as raised by Keen *et al*. In response to technological elitism the sample size selected is already exposed to remote work and the technology/work tools required i.e. computer, internet and home work space for privacy (source: anecdotal). Since the outbreak of the global pandemic, the sample size was accustomed to the new normal, which includes remote work and others. With regard to consent and confidentiality, the participants were sent consent forms in advance to sign, the

interviews were recorded and downloaded onto a personal computer thus ensuring confidentiality and as part ethics requirements required by the University.

On the matter of fatigue and fewer body language cues. Starting with fatigue, the researcher circumvented this by ensuring the interview session was short, and this was made explicit in the participant information sheet and consent form (i.e., can withdraw and pull out at any time); however, in this case, the researcher indicated to the participants in advance that the session would be 30 to 40 minutes long. So, there was an excellent level of preparation, and the participants expected duration to elicit fatigue. According to DiCicco-Bloom and Crabtree (2006), in-depth interviews usually last 30 minutes to an hour. The illustration below indicates the duration spent during virtual interviews. It is improbable that e-interviews were within the proposed time frame with a range of +30 to 60 minutes, while the remaining 25% had a range of +20 minutes. Therefore, this study maintained the conventional duration used for in-depth interviews. The figure below indicates the time spent and duration achieved in this study for the interviews.

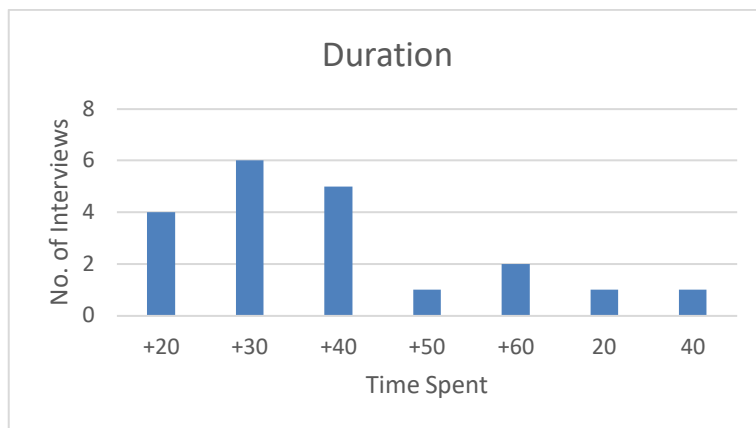


Figure 4: Interview duration

In terms of less body language cues, this was not much of a concern since this study is not ethnographic nor medical. However, the researcher depended on more on the use of silence analysis to gauge whether or not to probe, prompt or raise follow-up questions, Hancock *et al* (2009) support this view. According to Bengtsson and Fynbo (2022) the use of silence in qualitative research has largely been neglected, the attention is largely fixated on the spoken word during dialogues. Bengtsson and Fynbo warn that silence is a strong tool that researchers can use strategically to encourage quiet participants to talk. The dialogue below indicates how the researcher used silence to probe and gather feedback from the participant:

18:18 TM: *ohh I see what you mean, now with the very same question in mind, so how can the SABC use technology to reduce the operational costs?*

18:31 P12: *reduce operational cost? ... (Long silence)*

18:37 TM: *for example the move from tape to Dalet so do you think that is working for the SABC? It is much better financially to have stuff on digital than tapes i.e. no need to buy betatape anymore?*

19:03 P12: *I do believe so, there is a sense of spending less money getting tapes, when the producer is able to upload something on Dalet or Aspera in order to get it to the SABC*

19:27 TM: *So in short you are saying the SABC has used technology to simplify processes at the lower cost and improve operational efficiency at the same time.*

19:52 P12: *yes*

Figure 5: Interview Transcript with participant #12

4.4 Sampling and Population

4.4.1 Purposive Sampling

Given that the researcher is an employee of the organisation, a case study familiar with some stakeholders within and outside the organisation was used, therefore this study deployed purposive sampling as its sampling strategy. According to Omona (2013), purposive sampling is a non-random sampling where the end goal is to gain insights into a phenomenon. In this case the researcher purposefully selects individuals, groups, and settings that maximises understanding of the phenomenon. Furthermore, the participants are selected based on a view that they are information rich. According to Guarte & Barrios (2006), purposive sampling is subjective given that the researcher relies on personal experience and judgement in the selection of participants. Guarte & Barrios continue to argue that purposive sampling remains very popular in social science research as it allows for great depth into the subject.

According to Rivera (2019), there has been general concern about the usage of random samples to generate data. For quality research, scholars have been reverting to non-probability sampling methods such as purposive, convenience and sample matching techniques, Rivera explains. However, according to Palinkas *et al* (2015), purposive sampling is a technique of identifying and selecting individuals or groups that are knowledgeable or experienced with the subject matter. But dependent on the availability, willingness of participants to participate, and their ability to communicate experiences/opinions in an articulate, expressive, and reflective manner argues Palinkas *et al*.

The researcher has been working for the public broadcaster for close to a decade at the time of this research and is familiar with strategic units and stakeholders that will enrich this study with their perspectives and experiences concerning the phenomena under scrutiny. Therefore it is in reference to this view that Campbell *et al* (2020) argue that purposive sampling helps to improve rigour, the trustworthiness of data and results by engaging the services of an experienced sample. The sample size selected in this study will help to deliver on the premise linked with purposive sampling, given the respondent's experience and contribution to SABC's financial value chain and the broadcaster's public mandate.

The study conducted 20 in-depth interviews with SABC participants across different departments. The following structural units from the SABC have been purposefully selected: (1) platform management, (2) content management, and (3) support and operations management. The motivation behind this selection is to provide a holistic and comprehensive view that is representative of stakeholders critical to the SABC TV financial value chain and will aid in sharing their perspectives on what they deem as suitable alternative revenues that could be explored and exploited by the broadcaster. The study targets five participants across the units; the essential defining feature about the targeted stakeholders is that they are all in managerial roles, ranging from low to middle management inside the SABC and top management outside the SABC (viz., executive producers and producers).

Below is the breakdown and functional roles of the targeted participants:

Core	Function	Stakeholders	Proposed No. Interviews
Platform Management	They decide on the buying power of the channel, oversee and maintain the channel schedule and oversees the generation of revenues through competitive programs that are mandate driven and aligned to the scheduling strategy	Head of Platforms/ Program Managers/ Assistant Program Managers	5

Content management	They acquire and manage content on behalf of the SABC, they are gatekeepers who makes sure that all the checkboxes are done both for editorial, broadcast and digital	Assistant Commissioning Editors, Commissioning Editors, Genre Manager (Department Managers).	5
Support Management	Provide broadcast support in terms of audience growth, revenue generation using traditional and non-traditional means	Channel Brand Managers, Program Sales Manager, Airtime Sales Manager	5
Operational Management	Oversee the production of the Tv show, and makes sure that the program is competitive, and aligned to the SABC's Editorial Policies and strategy of the channel	Executive Producers/ Producers	5
		Total	20

Source: Anecdotal

Table 4: Proposed Participants and Divisions

The graph below depicts the relations between the stakeholders:

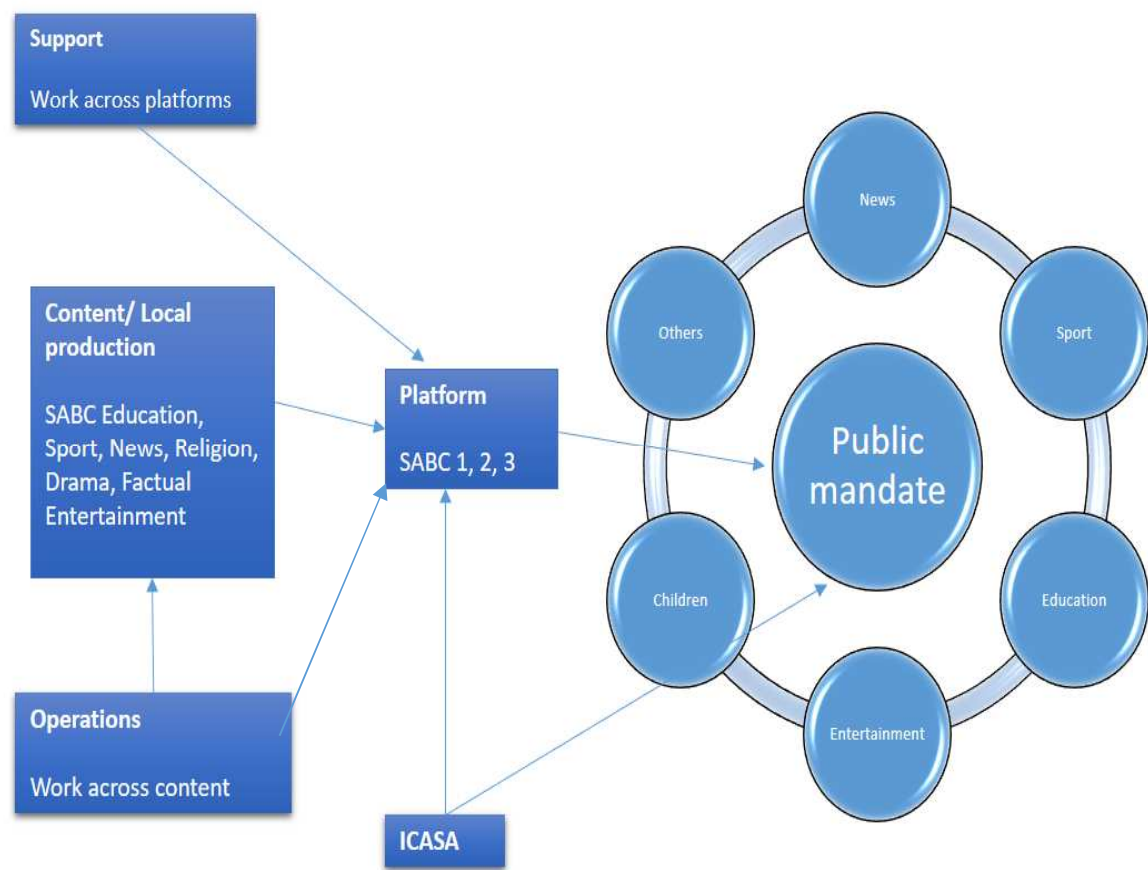


Figure 6: Relations between SABC stakeholders

As argued by Palinkas. *et al.* (2015), the critical driver of purposive sampling is the availability and willingness of participants to participate and offer experience and knowledge on the subject matter. On the 24th of October 2022, the researcher sent an invitation email to all the targeted participants across various divisions, inviting them to participate in study⁴⁶. The email contained an authorization letter from the SABC⁴⁷ to undertake the study, a participant's information sheet⁴⁸, and an ethics clearance letter⁴⁹. Participants who responded to the call were then scheduled for interviews with interview guide⁵⁰ and consent form⁵¹ sent in advance. Below

⁴⁶ See Appendix 5, Invitation for Participation

⁴⁷ See Appendix 6, SABC Authorization Letter

⁴⁸ See Appendix 7, Participant Information Sheet

⁴⁹ See Appendix 4, Ethics Clearance

⁵⁰ See Appendix 1, Interview Guide

⁵¹ See Appendix 8, Consent Form

are the units represented in the study, with participants who consented to participate and signed a consent form.

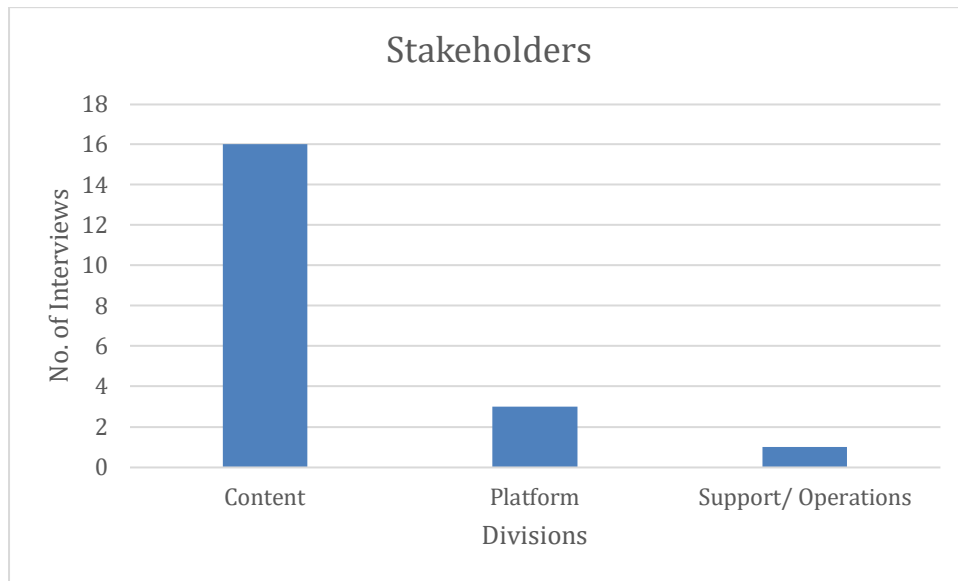


Figure 7: Actual Divisions and Stakeholders that participated in the Study

The study received more participation from content stakeholders, with 16 participants in various roles, such as commissioning editors, news editors, and assistant editors. The spread above informs what Etikan (2016) and Omona (2013) call a maximum variation or heterogeneous sampling, where the subject matter is explored from various angles to achieve a greater understanding. The content unit is an extensive and diverse division represented by internal and external stakeholders such as executive producers, producers, commissioning editors, etc. The response and participation from the platform and operations unit add further to this view. However one cannot denounce the argument raised by Palinkas *et al* (2015) indicating the strong impact of availability and willingness in rendering purposive sampling, the poor response from platform and support units validates this view. The illustration below shows the role of participants within the public broadcaster, and commissioning editors and executive producers played a centric role in shaping this study's direction. Both parties are crucial in developing broadcast content and implementing mandate requirements set by platforms; in this case, their dominance has a centric value.



Figure 8: Participants Role represented in the study

To help enrich the study, the stakeholders selected, helped unpack various hindrances facing the SABC regarding adopting alternative funding models. Furthermore, the stakeholders aided in exploring the democratic role of the SABC and its legitimacy in the changing media landscape. While aiding in exploring the epistemological orientation and ontology of public service media discourse in South Africa, the participants helped explore the financial, political, and organisational challenges facing the SABC and its ability to innovate and modernise its business models. According to Omona (2013), in qualitative research, the sample size ought not to be too small, making it difficult to achieve saturation. Omona adds further that the sample should not be so large that it becomes difficult to do a deep case-oriented analysis. The selection of 20 participants for in-depth interviews allowed the researcher to obtain rich information and narrative in response to research questions. Furthermore, the sample size used in this study was diversified in terms of population dynamics in reference to race, gender experience, role and others, as indicated below:

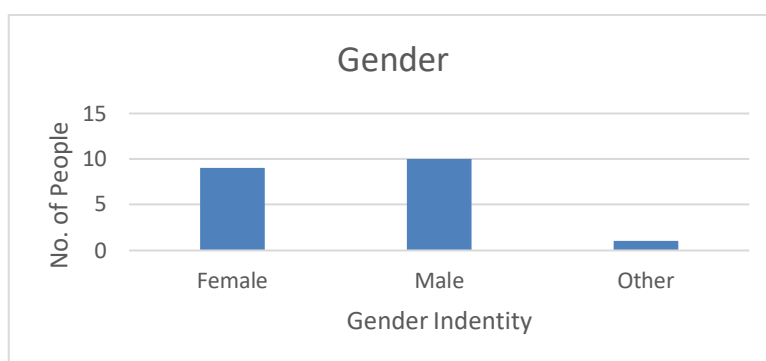


Figure 9: Sample size in terms of Gender

Regarding gender parity, the study had an almost equal split between male and female participants across all races, with different years of experience and roles in the SABC TV value chain. The sample size also included one participant identifying as a non-binary in terms of gender. Therefore, in terms of gender, this study was equally representative and inclusive. The graphic below indicates a racial spread in reflection of the participants. The majority of the participants were black and represented various roles in the organisation. Only a few whites and Indians were presented. However, the racial outlook has no bearing on the subject matter and its outcomes,; a critical sentiment is the participant's strategic role within the broadcaster. Below are the reflections about race:

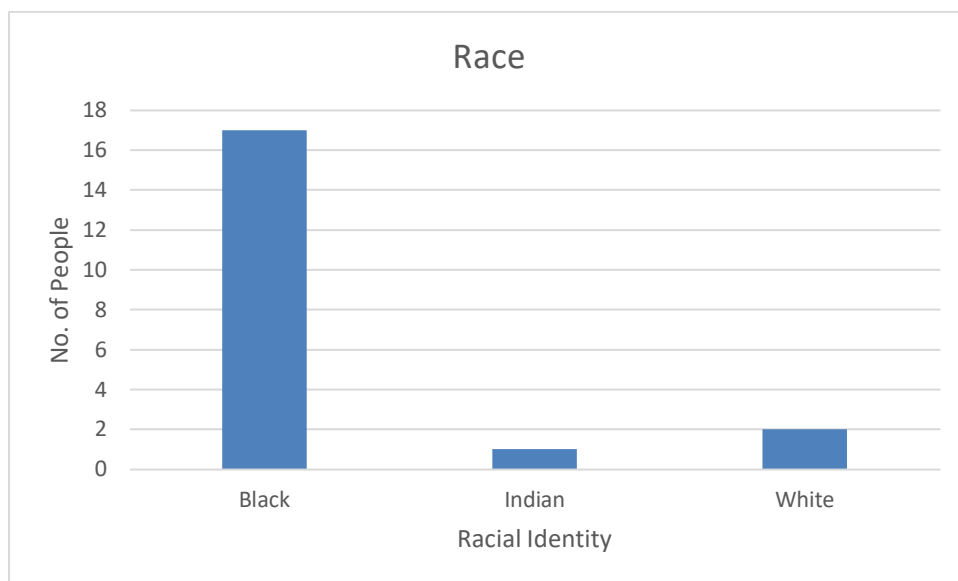


Figure 10: Sample size in terms of Race

The figure below indicates the years of experience of the sample size. The account is for years of experience within the public broadcaster. The figure below indicates such a distribution, which is critical for this study as it allows for thick perspectives and rich perspectives within the sample size.

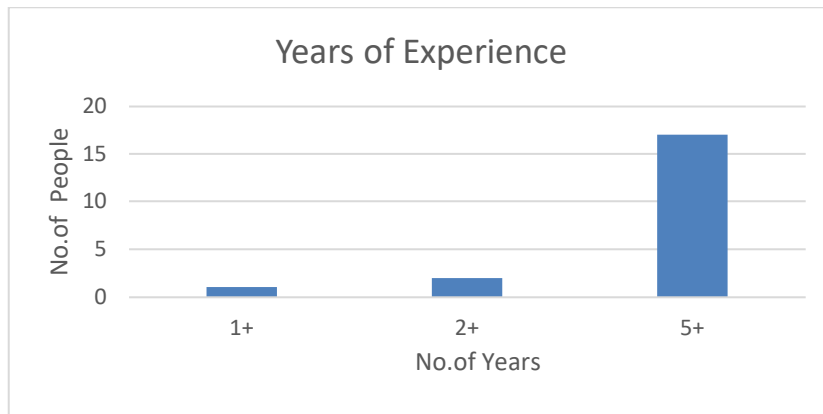


Figure 11: Sample size in terms of Years of Experience working in and with the SABC

According to Rivera (2019), the sample size used in qualitative research needs to be representative. This study has tried to achieve that by making sure that there is representation and diversity in the selected sample size to harness different views and heterogeneous sampling as indicated earlier. A look into the figures above indicates the diversity and representation achieved by this study in terms of divisions, roles, gender, race and years of experience. In conclusion, Rivera argues that recently in social sciences there is a growing concern about reverting to non-probability sampling methods to achieve quality research. The usage of purposive sampling by this study aids in achieving this view.

4.5 Data Analysis: Thematic Analysis (TA)

In analyzing primary data gathered from in-depth interviews with participants, Thematic Analysis (TA) is used. According to Anderson *et al.* (2006), TA offers a flexible theoretical approach to analyzing qualitative data and provides rich, detailed, and complex accounts for data analysis. Anderson and colleagues define TA as a method of identifying, analyzing, and reporting patterns within the data. According to Anderson, a theme captures essential data concerning the research question and represents pattern responses within the data set. However, according to Clarke and Braun (2017), TA is also about identifying, analyzing, and interpreting patterns of meaning with the data set in qualitative research.

According to Dawadi (2020), TA requires the researcher to familiarise himself with the data set before discharging the TA method. However, from the definitions given above, it is vivid that the TA method is rooted in identifying data patterns and summarizing them using themes. According to Lochmiller (2021), TA values the recollections made by participants and envisages this to be worthy of exploration. Mohammed (2012) praises TA for its flexibility in providing inductive patterns for grounded theory and deductive patterns for interpretivism. Mohammed also praises TA for its ability to analyze data and explore the relationship between

variables. Chapter 5 provides more clarity on this and indicates how different variables from the political, technological, managerial, cultural, social, and other environments hinder SABC from adopting technologies and innovating its business models while harnessing alternative revenues. Using TA, the researcher has explored challenges and opportunities linked to SABC's financial survival in a competitive and disruptive broadcast environment.

While in search of patterns from interviews TA uses the following steps in rendering its approach. (1) readers familiarising themselves with the data on hand⁵², (2) generation of codes⁵³, (3) sort overarching code into themes⁵⁴, (4) review and refining themes⁵⁵, (5) defining and naming themes⁵⁶, (6) writing up and report production. According to Anderson *et al.* (2006) in TA the analysis is not linear but more recursive, meaning that the analysis does not occur at the end but right from the beginning when the theme is applied.

According to Braun & Clarke (2019), TA does not summarize data content but identifies and interprets key features of data as guided by research questions. Furthermore, Braun & Clarke argue that the purpose of TA is to produce rigorous and high-quality analysis by providing a systematic procedure of generating codes and themes. In addition, TA can be used to analyse data sets from small to large participants, in both homogeneous and heterogeneous samples, contends Braun & Clarke.

According to Kiger & Varpio (2020), themes are actively constructed patterns drawn from the data set in response to research questions. Furthermore, Kiger & Varpio argue that themes can be generated both deductively and inductively, both scholars praise TA for being a powerful and flexible method of analysing qualitative data. Kiger & Varpio indicate that TA is most appropriate to use when the intention is to understand experiences, thoughts or behaviour across a data set.

With this study rooted in exploring various alternative revenues with research input emanating from in-depth interviews generated by SABC stakeholders, it means that TA is an appropriate tool that will aid this study in attaining its research goal. The six steps of TA were followed thoroughly thus making sure that the results are trustworthy, precise and consistent as envisaged

⁵² First transcription of verbal data is required, then followed by the reader immersed to depth and breadth of the content searching for meanings and patterns

⁵³ Process of coding is part of analysis, this phase involves the production of initial codes from the data, coding can be done manually or through a software programme

⁵⁴ uses visual representations to sort different codes into themes i.e. table, mind map (thematic map)

⁵⁵ some candidate themes are not really theme i.e. not enough support data, and other theme might be broken down into separate themes

⁵⁶ start after developing a thematic map for data, then you further refine themes that will be used for analysis

by Nowell *et al* (2017). According to Braun, Clarke and Weate (2016), TA is mostly guided by research questions and adds further that TA will not work if the research is based on personal stories and narrative accounts, but recommends TA is best used when the intention is to explore people's experiences and opinions on a subject matter/phenomena. For this study, qualitative data analysis software is used to render TA following on the guidance of Braun, Clarke and Weate (2016) and many others as indicated in this section.

4.6 Computer-Assisted Qualitative Data Analysis Software (CAQDAS) and QDA Miner

In executing thematic analysis, as explained in section 4.4, this study uses CAQDA to unravel its analysis. According to O'Kane *et al.* (2021), many scholars have called for qualitative research to demonstrate transparency and trustworthiness in its data analysis process. The author argues that using CAQDAS has helped qualitative researchers present findings and analysis transparently and enhances the trustworthiness of qualitative research. As the name suggests, CAQDAS refers to various software packages used in qualitative research. In this study, QDA Miner is used as a preferred CAQDAS.

According to O'Kane *et al.* CAQDAS. CAQDAS presents opportunities to enhance quality research. This includes the ability to drag and drop text highlighted for coding. CAQDAS provides easy retrieval of coded segments and helps organize data with an audit trail and rapid text search. The researcher witnesses a lot of these opportunities while using QDA Miner. LaPan (2013) defines QDA Miner as a qualitative data analysis software that codes textual data. CAQDAS follows the steps linked with T, as they were explained earlier. However, CAQDAS simplifies the process and allows the researcher to apply rigour and vigorous analysis.

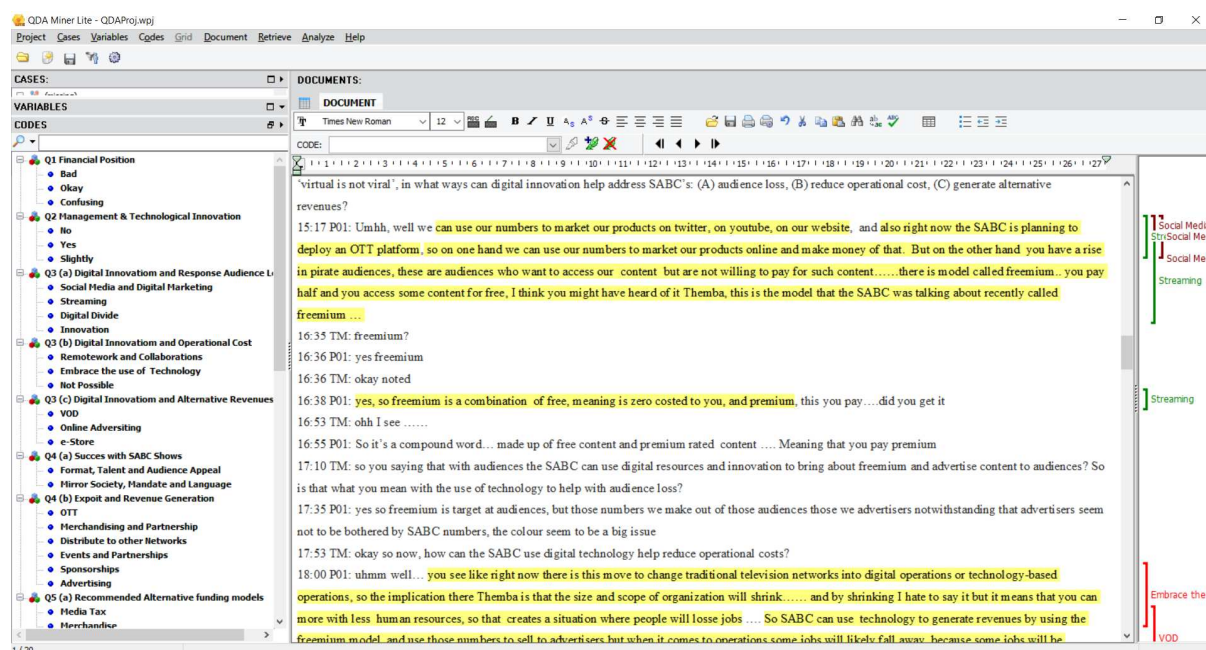


Figure 12: Screenshot from QDA Miner

The figure above indicates the path followed by the researcher in CAQDAS to achieve thematic analysis. Using TA, all the transcripts were loaded on QDA Miner as cases. The researcher undertook an intense reading process to bond with data, then began to look for codes in response to the interview questions. The codes were then grouped as themes. Some overarching themes were later refined by merging with other and renamed where needed. As a result, this undertaking has fulfilled the argument Maher et al (2018) raised that deep and insightful interactions with data are a fundamental requirement in interpreting qualitative data. The figure above clearly indicates the qualitative data has been interpreted with insights and visualisation to back up the interpretation.

As indicated earlier, there have been concerns about the lack of transparency in qualitative research. However, the use of CAQDAS has addressed this shortfall, by providing means for audit trails. Appendix 9 indicates the robust and transparent nature of qualitative research built on transparency, rigour and trustworthiness. O’Kane *et al* de. define transparency as the degree of detail and disclosure in scientific research and define trustworthiness as the quality of interpretative qualitative research. This is why Paulus (2023) argues that CAQDAS is extremely powerful and flexible to serve as central componential research workflow.

4.7 Qualitative Research and Transcription

According to McMullin (2021) and Azevedo *et al* (2017), most studies in qualitative research use interviews as methods for data collection. However, both McMullin and Azevedo *et al* warn

that most literature fails to recognise transcription processes as part of data collection and analysis, and argues that transcription processes are often taken for granted. According to Bailey (2008), transcription is the first step of qualitative data analysis and helps to represent data from interviews. According to Azevedo *et al* transcription refers to the transformation of oral speech into written and meaningful text that can be analysed. Azevedo and colleagues add further that transcription allows the researcher to immerse and familiarise themselves with data that is shared with others for re-use and re-examination.

Looking at the reference above, we see that transcription is a delicate process, especially in research. However, as crucial as this process is, it has yet to receive the attention and treatment it needs, as argued by McMullin, Azevedo *et al*. Therefore, we hope to remedy this observation by recognizing the strategic value of transcription in qualitative research. In this study, once the 20 interviews were complete, the researcher undertook a delicate process of transcribing and transforming the oral speech into written text, see Appendix 2.

According to McMullin (2021), there is no set of rules for transcription. However, decisions made during the process must be made with an interest in the research questions of the study and its approach. In the same vein, McMullin argues that transcription is an interpretative and political process where decision-making is always in the foreground. McMullin distinguishes between two types of transcriptions: naturalized/intelligent and denaturalized/complete transcript. The former pays attention to the written language norms, corrects mistakes, and edits grammar, and simultaneously, its counterpart includes errors, utterances, repetitions, and grammatical mistakes. McMullin argues that most scholars have been gravitating towards intelligent verbatim (naturalized) fixing and correcting the transcription to get closer to the intended meaning. Furthermore, intelligent verbatim allows for direct quotations from participants in the written work and is more readable, warns McMullin.

Moving on, McMullin argues that to ensure meaning is not lost, the transcriber must also include nonverbal cues such as laughter, silence, and others to convey meaning. The transcriber must use time stamps to reflect the conversation against the original audio. This study follows the intelligent or naturalized transcription model. Appendix 2 reflects on this choice; the attachment showcases many instances where nonverbal cues are indicated, i.e., laughter, giggles, nods, throat clearing, and others shown against the timestamp; this is a standard set and used across all 20 transcripts. As part of ethics and transparency, the transcript needs to indicate the transcriber's name to build on the research's trustworthiness, as McMullin argues.

McMullin enlists that transcription can be completed by the researcher or by acquiring the services of research assistants or commercial service providers⁵⁷. However, the first choice is more acceptable, warns McMullin, for it helps increase the coherency and accuracy of data. At the same time, in the case of external services, the researcher needs to spot-check the transcript to check accuracy, missing words, style, and formatting, Witcher (2010) adds the same. However in this case all transcriptions were completed by the researcher, and I have enjoyed the opportunity to immerse and familiarise myself with data collected as argued by Azevedo *et al.* Furthermore, self-transcription added so much value in carrying out thematic and data analysis as explored in the next chapter.

According to Stuckey (2014), the researcher must first obtain ethics clearance from the university body before an interview can be conducted. This study has achieved that (see Appendix 3 and 4.) When carrying out transcription, the phase involves de-identifying data and removing variables that link participants with data. In this case, the research did not reveal the names and details of participants by using a generic numbering system. This study uses pseudonyms to help de-identify participants and humanize its findings without compromising confidentiality.

According to Bailey (2008), transcription is underpinned by three processes: (1) the call for deciding between naturalized and denaturalized transcription and which nonverbal cue to include. The study has indicated its position on the matter and motivated its choice. (2) Data interpretation is an iterative process in which meaning is synthesized and conveyed. (3) Data representation reflects on framing, coherency, and accuracy. These phases have been central to this study and have aided in guiding the transcription process.

Not ignoring the advances of technological innovation, transcription has also evolved to reflect these developments, argues McMullin. However, according to *Speak Write*, a transcription company based in the United States, two types of transcriptions must be carefully understood. These are Artificial Intelligence (AI) and Human transcription. According to the organization, AI transcription is very efficient and inexpensive, and it can transcribe long hours of conversation in minutes. However, there is a growing concern about the quality of AI transcription and its ability to read content and nonverbal cues. The organization warns that human transcription stands a better chance because it enhances the quality of data and trustworthiness. Furthermore, the human model can understand accents and industry-specific concepts. Nevertheless, human transcriptions have a high accuracy rate with a rewind function

⁵⁷ Furthermore in this case the Non-Disclosure Agreements (NDA) need to be signed, warns McMullin.

to re-listen to difficult sections, even though it is time-consuming (Speak Write, 2022). As a result, for this study, human transcription is used with the task carried out by the researcher.

4.8 Data Management, Confidentiality, and Anonymity of Participants and Research Reliability

4.8.1 Data Management

All recorded interviews, research chapters, and supporting docs are stored on a personal computer that is password protected, and the files are also backed up via cloud viz—Google Drive. The researcher used Mendeley Desktop (open source) to manage all research databases and citations; the offline application is regularly synchronized with the online server provided by Mendeley. Therefore, in the event of technical damages, theft, or loss of the computer, the entire research database and material will remain in a specific virtual project folder that is password protected. The interviews were recorded using Microsoft Teams, Zoom, and WhatsApp; the interviews were recorded and stored digitally and archived in a virtual project folder as a backup. They will be kept until the project is handed over to the University for Archives. All files are easy to retrieve and share should they be required for reliability tests. All the transcripts are also stored in a personal computer that is password protected and backed up online.

4.8.2 Confidentiality and Anonymity of Participants

According to Allen (2017), confidentiality and anonymity are ethical to qualitative research and are designed to protect human privacy when collecting, analyzing, and reporting data. In June 2020 the President of South Africa signed into law the Protection of Personal Information Act (POPIA), which requires both public and private bodies to respect and protect private information and make sure that private information is stored safely and not accessible to individuals that may misuse the information (Western Cape Government, 2022). Both the South African law and ethics protocol in qualitative research require the protection of the identity and personal information of participants. To ensure the confidentiality and anonymity of participants, the following Pseudonyms were used:

No.	Pseudonym	Gender	Race
1	Tiniko	M	B
2	Alletta	F	W

3	Lufuno	F	B
4	Sizwe	M	B
5	Thandeka	M	B
6	Nomzamo	F	B
7	Tau	M	B
8	Ishaan	M	I
9	Katekani	F	B
10	Ditsego	M	B
11	Busisiwe	F	B
12	Fezeka	F	B
13	Thabiso	M	B
14	Noxolo	F	B
15	Rendzani	M	B
16	Naledi	F	B
17	Siphamandla	M	B
18	Mduduzi	M	B
19	Malerato	F	W
20	Ntombenhle	F	B

Figure 13: List of Pseudonyms

4.8.3 Research Reliability

The candidate of this study is an employee of the public broadcaster, used as a case study for this project. Therefore, the candidate undertook an ethics training course to ensure research reliability and credibility and obtained ethics clearance from the University. Furthermore, the candidate obtained permission from the SABC to undertake this study and interview its workforce. The participants were purposely selected and granted consent forms to sign. The interviews were scheduled in advance, with participants sent consent forms and an interview guide and information sheet in advance. According to Haukas & Tishakov(2024) there are advantages linked with sharing the interview guide in advance, this includes enhanced participants engagement, reduces anxiety, and allow for thoughtful responses. However the authors also raises concerns that this could also allow for potential bias and pre-determined answers. Nonetheless given that this study is framed in a professional environment the latter does not have a stronger standing. To enhance reliability, all the interviews were recorded and

transcribed accordingly. All ethical requirements and research protocols were followed. See the appendix section for all the protocol references.

4.9 Conclusion

This project unfolds at a critical time when PSBs across the globe are undergoing a severe transformation in terms of funding and revenues. The SABC is not immune to these developments; hence, this study is proposed. This study will aid a lot in contributing to literature looking at the SABC and its role as PSB, and how best it can sustain its mandate while being financially sustainable. This study aims to look at the role and legitimacy of PSB in the evolving media landscape fuelled by globalisation, competition and digitisation.

The rich and diverse viewpoints collected from participants contribute to the public media discourse. The use of SABC as a case study anchors the study on a strong framework within qualitative research that is epistemological and interpretative. The use of purposive sampling harnesses the study with expert and professional opinions on the subject matter under scrutiny. While the use of TA and QDA Miner aids in rendering a robust and critical approach to qualitative data analysis, the ability to fulfill all the ethical requirements and the execution of in-depth interviews with precision warrants this study the attention and value it deserves.

Chapter 5: Findings

5. Introduction

This section presents findings collected through in-depth interviews with the 20 participants. Their views and points of position on converging and diverging views are explored while

responding to the interview questions. The interview questions are sub-sectioned with feedback thoroughly elaborated and supported through extracts and paraphrases to draw a picture indicating participants' views and perceptions.

5.1 Response to Question 1: In your view, what is the current financial position of the SABC, keeping in mind audience share and market performance?

According to Tiniko, the SABC financials are in a dire state; Tiniko argues that a decline in revenue and market share accompanies this. Tiniko also contends that this is not unique to the SABC but a universal challenge across all broadcasters and explains:

“So we are seeing a trend toward convenience viewing over scheduled programming. So in other words viewers of late tend to view content at their own time, rather than a scheduled time. That creates a problem in so far as audience share is concerned because our measurement relies on people who view on the linear network, i.e. a small TV, at a particular time....fragmented viewing creates a problem in terms of AR and share.”

However, Alletta says, *“I think the SABC is in trouble, they have been struggling to get themselves organized, to have enough cash to run their own business and also to ensure that they make great content for the viewers. It’s a very hard market at the moment, there are a lot of team players coming into the market and if there is no good content you will not have people advertise or you will lose all your viewers.”*

Looking at the feedback gathered from Alletta, there seems to be a consensual agreement between both participants regarding the dire state of SABC’s financials and its associated operative environment, as labelled by Tiniko that there is a disjuncture between scheduled and convenience viewing. Lufuno, Sizwe and Thandeka also agree with the submission put forward by Tiniko and Alletta. Lufuno argues that SABC’s current financials can only be understood in reference to dynamics linked with the target audience's buying power. According to Lufuno, advertisers look at these dynamics before purchasing airtime or placing an advert with the broadcaster. Lufuno gives the following analogy to express her position regarding audience dynamics and buying power, she says, *“If you have 10 million people, and out of that 10 million only two or three million people have disposable income to actually spend. That means, even with advertising the only people who will benefit from advertising will be for core products for example, and not for luxury stuff i.e. cars and other things like that....”* In Lufuno's point of

view the dynamics linked with audience purchasing power hinders the SABC from playing in a luxury commercial market with high return on revenues as is the case with 94.7 FM, the respondents explained. Lufuno says that the station in reference, targets high-income earning listeners opposite to the SABC, which leads the SABC into poor commercial revenue collection.

According to Sizwe, the SABC's weak financial position can be attributed to global trends such as an uptake in Netflix. Sizwe contends that this is not a new phenomenon and says BBC and Sky News are on the same trajectory as the SABC regarding audience loss. In support of Sizwe, Thandeka explains that the TV landscape is changing rapidly, with many options afforded to viewers, including lower data costs and more affordable subscriptions. Furthermore, Thandeka says that broadcasters are now contending for viewers more than before in response to the changing media landscape. Nomzamo and Tau support the view on the dire state of SABC's financials and claim that this is exacerbated by the economic downturn leading most corporates to reduce marketing budgets. However, Nomzamo expresses concern about the management's lack of transparency regarding the actual financial status of the SABC. She says there are many shows with high audience ratings and does not understand how that doesn't translate into revenue.

However according to Lufuno as referenced earlier, the impact of audience buying power and its links with high-end commercial revenues ought to be taken into account to understand SABC's financials. In this case, it means that the concern raised by Nomzamo is determined by the kind of advertisers attracted by the broadcaster, as Lufuno argued in the case of 94.7 FM. This means that the lower audience buying power equates to lower revenues. Then again, Ishaan says the SABC's financial position is okay and not bad enough to lead the public broadcaster to close down.

According to Katekani in support of Nomzamo, it is sad that the SABC has the most top performing shows in terms of audiences but do not translate into revenues. According to Ditsego the SABC's financial position does not reflect SABC's audience landscape and its dominance. This is the same argument put forward by Nomzamo and Katekani in trying to understand the link between audience share and revenues. Ditsego maintains that even though the SABC is in the lead, the impact of Analogue switch-off (ASO) cannot be downplayed for its effects on the SABC's audience share. In support of Ishaan, Busisiwe claims there is nothing

wrong with SABC's finances and only learns about the dire economic state when reading newspapers. Busisiwe says that in all her dealings with the public broadcaster, there has never been an instance where an invoice from her production company was not paid due to a financial crisis, as reported on the news.

According to Fezeka, the SABC financial crisis has been ongoing since 2008, when she was a student. Fezeka warns that the SABC is a public broadcaster and should not be profitable. Still, it must make enough revenues to sustain itself, pay salaries, maintain production, and commit to new investments without relying on bailouts. Regarding financial sustainability, Fezeka is the first respondent to bring the sustainability matter to the fore. In support of Fezeka, Thabiso debates:

"I've done content for the SABC for the long time as an individual, freelancer and working for other companies, I started working with SABC in the 1990s... SABC was owning the space, which I feel it did not take advantage, they did not become innovative, and got so used to the norm. So when other players came to market and started to compete, the SABC started to feel the pinch. I remember I was part of the march in 2008 with artists and producers because at some point SABC couldn't pay producers or production companies because they were in a financial strain. I was hoping that would be sorted out and find the solution."

From the feedback brought forward by Thabiso, it is clear that the SABC has a history of financial struggles. Nonetheless Thabiso notes other factors contributing to SABC's financial position including the economic impact of Covid-19. In this case, most commercial activities were halted. With the SABC relying heavily on commercial revenues, the pandemic in this case appears to have contributed to the financial downturn of the SABC. Thabiso also notes that the TV market is no longer saturated like before, meaning there are now many players offering multiple options to audiences. Thabiso also notes the direct impact of the talent leaving the SABC to competition as another contributing factor to audience loss.

For Noxolo, SABC's financial position is confusing, considering the balance between SABC's market share and revenues. Noxolo spells the same argument that it makes no sense for the public broadcaster to maintain the lead on audience share, and yet suffer poor financial revenues. The argument on this narrative has been explored earlier with Lufuno offering insight into how this imbalance is feasible. In response to the question on hand, Rendzani says that looking at the SABC's on-air, there are a lot of promos flagged compared to commercial

advertises; in this case, Rendzani explains it makes sense why the SABC is in a dire financial state. According to Naledi, the SABC's financial position is confusing given that not so long ago, the SABC management made a presentation to staff indicating improved finances, but on another occasion, management reported that the company is under austerity. For Naledi, this is confusing because the SABC just came back from restructuring and let go of many staff members to reduce the salary bill. So, in short for Naledi the developments regarding SABC's current financial struggle is not justified.

Siphamandla echoes the same sentiments raised by Naledi and says that not so long ago the SABC received a government bailout. Siphamandla says that he was shocked to learn a couple of months ago that the SABC is in a financial crisis and had asked producers if they could be paid late which means that there is no money, he explains. Mduduzi supports the argument put forward by Siphamandla and says that SABC suffers a lot of financial mismanagement and has been rescued by the government several times. However, Malerato and Ntombenhle attribute SABC's poor economic performance to the infiltration of the market by other players such as streaming platforms leading to audience decline which echoes the argument raised by Tiniko. following section explores participants' feedback to Question 2.

5.2 Response to Question 2: From 2018 to 2021 the SABC has been operating at a financial loss. Do you think there is sufficient willingness from the new executive and board to overhaul old systems, 'turn the ship', and experiment with new funding models and technological innovations?

In response to this question, Tiniko contends that the board and management in question did not experiment with new funding models and technological innovation and says that:

"I don't think they understand the market or business that they preside over, especially the outgoing board. I think they are educated in their own right, but I don't think they had the competency to turn the SABC around. If you looked at what they focused on during their tenure, it was mostly administration stuff, which anyone can do, anyone can walk into any company, fire and hire some people, rename this and that over there. Long story short, I do not think they had the competency. I am basing this on what they have been doing since they came on board. Their biggest project was section 189, which was about firing people, reducing the salary bill, but all of those things failed according to the

latest reports. All those efforts failed and didn't yield the results they had hoped for. [This is] in terms of the core business, attracting audiences, expanding the network, providing compelling content, I also feel in that area they failed....they were most likely appointed for political reasons.”

According to Tiniko the SABC board and management failed to experiment with funding models and digital innovation. Tiniko states that the SABC leadership was mainly focused on administrative and operational issues such as cost-cutting measures and not paying attention to fundamental issues such as growing audiences, business and content offerings. Alletta agrees with the feedback raised by Tiniko and says that the SABC has not experimented with new funding models. Alletta believes that the SABC is not able to experiment with new funding models and technological innovation since the broadcaster is a state entity that is overwhelmed with red tapes and policies that hinders innovation. However, for Lufuno SABC management did not execute the task in question but rather focused on the wrong things such as section 189 (retrenchments). Lufuno claims that SABC management failed to resolve the issue of repeat fees, which the public broadcaster pays in perpetually. In Lufuno's view, the repeat fees debacle will save the SABC a lot of money if resolved, and explains that currently the repeat fees are paid continuously to the principal cast, or immediate families if a key member is deceased. Concerning technological innovation, Lufuno states that:

“On the issue of technology, we are far behind with a lot of things that will help us going forward, whether it be digital media or technology of the content that comes in; for example, our content is not international standards, it becomes very difficult to exploit it, this would be another way of bringing in revenue, there is a lot of technical specifications required when you sell to international clients, for example, the M and E tracks, remember we do sell content to people who want to dub content into other languages, so to sell something like that you should have mixed and effects tracks so that they are able to do the dubbing for example, we don't do that, we forcing the production house to do that, but they not getting it right, they don't know how to do it, so its smaller stuff [like that] for example. A lot of content sent to us has built-in subtitles, for example, so if you get someone who wants to dub your content, they like to get a clean version because they would like to dub their own thing into that content. Now you have to fight, go back and spend money because most of the time those productions

have closed down or the season is closed. So for you to get help you have to pay for it, again like I said, you are spending money that you shouldn't be spending."

Looking at the argument raised above by Lufuno, it makes sense why the respondent argues that SABC management focused on the wrong things, and ignored bread and butter issues that are crucial to the question in reference and the survival of the SABC. The argument raised by Tiniko in reference to the lack of competency by management appears to resonate with the argument raised by Lufuno as she makes a presentation regarding the cost-saving and revenue-generating opportunities missed by the SABC. However, for Sizwe, SABC management has a clear plan to address funding models and technological innovation. Sizwe says there are two phases in which management works to save the company: recovery: and growth phases. According to Sizwe, the recovery phase looks at the SABC's critical challenges and puts financial systems and internal controls in place to curb mismanagement and maladministration. While the growth phase looks at revenue generation opportunities, according to Sizwe, the SABC is still in its recovery to Thandeka, Nomzamo, and Tau; there is an attempt by the SABC to experiment with alternative funding models and technological innovation. According to Thandeka, the discussion by the SABC in moving to the Over The Top space and on-demand market indicates SABC's willingness to explore alternative revenues. While Nomzamo acknowledges that such discussions are at the strategic and executive level and not open to general staff, Tau states that SABC management has built High Definition (HD) studios for TV and Radio, thus signalling technological innovation, but raises concern about the archiving system used in news operations and says that it is still manual and not digitized. According to Ishaan apart from the Telkom deal the SABC has not explored technological innovations. Ishaan reasons that the deal is not marketed to the public to create appetite and buzz like Netflix did.

Katekani supports the argument made by Ishaan and states that SABC management and board has shown sufficient willingness to explore alternative funding models and digital innovation. The respondent cites the Telkom One and VIU deals made by SABC management as a step in the right direction but warns that further support is required from the government to address the issue of the unfunded public mandate. The respondent adds that SABC management presented the submission on an unfunded mandate to the parliament portfolio committee on communication. According to the respondent, this shows a concerted effort made by SABC management in response to the question on hand.

However, Ditsego appears to be indecisive about the question and says that he is concerned that the SABC Board only attended to the alternative revenues and digital innovation issue in 2022, four years after his appointment in 2018. Ditsego makes this argument:

“It’s only now that we see them trying to do something, but it’s too late, their term is over, now that their term is over they are trying to get OTT implemented; the very same year they are leaving, this raises a lot of questions. Was the role of the board from 2018 until now, to make sure that we innovate and generate revenues or was it to make sure there is a bit of stability and create a path of whoever will come after them take the reins further? Here is a typical example, we know our business model, at the moment when it comes to distribution we do not make any revenues and that’s the biggest thing we are supposed to challenge as an organization, say if our vehicles that takes all the content and drops it off in Randburg [DSTV] and comes back empty handed, I am just using a figure of speech as a metaphor, and they take our content and distribute it to people’s homes and get more income, it makes you wonder why we are not challenging that distribution, why are we not up in arms to make sure we get what is due to us....”

What appears to be central to the argument put forward by Ditsego is that the SABC Board failed to challenge the must-carry regulation that allowed Multi-Choice to carry SABC content and platforms at no cost. According to Ditsego, the board should have challenged this narrative to generate revenues from distributing SABC content. In this case, there seems to be a direct link between Ditsego and Tiniko argument, as he argued that SABC management presides over a business without competency, as distribution is a core aspect of a broadcast business model. But Busisiwe confirms that SABC Education has encouraged producers to explore digital avenues such as social media. Therefore, Busisiwe argues that SABC management is willing to explore digital innovation and entice younger viewers to the brand/program. Busisiwe also adds that there needs to be a budget line item for social media in the production budget.

In response to the question on hand, Fezeka says that the SABC board and management have not done enough to experiment with funding models and digital innovation because they inherited a broken system that needed to be fixed and maintained in order not to collapse. Thabiso supports this view and claims:

“I do archive research, I’ve made a lot of money for SABC, but they not making it easier for people like me to bring more customers so that they can create this revenue, they don’t see that, they don’t take that opportunity, the board does not know what is going on down there ... so I don’t think there is sufficient willingness from the board and executive to turn the ship around.”

When asked further by the researcher to explain what he means by existing opportunities in Archives Department, Thabiso responded:

“Let’s say I am looking for certain archive material, you cannot go to the SABC website, find the archives that I want, click and send an email to the person responsible to say this is the archive that I want. You have to go through the process that has been going on since the 90’s, where you have to go personally to the SABC, in most cases the machines are not working, for example last week I had an appointment at the SABC and when I got there the tapes were not there, and the person who had to help me is not there, I wasted my time which is very discouraging. If I was working for the client and I come back and say I don’t have the material that I was going to source at the SABC, do you think that client will go back to the SABC? No they won’t, it is made so difficult for us and you have to pay and the SABC charge in foreign currency, we are a South African company, telling South African stories and they want to charge us ridiculous amounts of money for footage that has been seen hundreds of times i.e. footage of Nelson Mandela’s release from prison, who has not seen that?”

According to Thabiso, the SABC is missing out on archive revenues due to failure to adopt technological innovation. According to Noxolo, due to delays in moving to the SVoD market for over three years, the SABC has not done enough to experiment with funding models and digital innovation. Nevertheless, Rendzani says that there is a new graphic system that has been acquired in the News department, and there are talks of new line records in the pipeline, so in short, Rendzani argues that SABC management has tried to experiment with digital innovation but is limited by finance issues. However, according to Naledi apart from the section 189 process, the SABC board and management did nothing profitable for the SABC and also gave rumours that the company is under austerity.

Siphamandla adds to the view that the SABC board and management did not experiment with new funding models and says that the board needs to understand broadcasting and its business and says the SABC decommissioned shows that had good ratings and were making revenues. Siphamandla says that this was done on the pretext that the SABC wants new shows, but this reasoning is not substantial enough and is against the industry norm and references shows such

as the *Oprah Winfrey* talk show and *Idols SA* which have been running for the longest time due to revenue appeal. Mduduzi also joins the same argument made by Tiniko that the SABC is led by management that does not understand the business nor the industry and there has not been any change. Both Malerato and Ntombenhle agree with Thabiso that the Board and Executive management need to do more because they have not resolved historical challenges such as filling vacant executive posts like Head of Technology, Procurement, and others. Malerato adds further that SABC management had to deal with wasteful expenditures, financial challenges, historical debt, analogue switch off and audience loss. The following section explores participants' feedback on Question 3.

5.3 Response to Question 3: In what ways can digital innovation help address SABC's: (A) audience loss, (B) reduce operational cost, (C) Generate alternative revenues?

According to Tiniko digital innovation can help the SABC to market its shows on social media platforms. Tiniko argues further that digital innovation can be used to deploy Over The Top to curb piracy on YouTube and introduce funding models such as freemium, meaning that content is available to the public at no cost in return for commercials. According to Tiniko, Over The Top will allow convenience viewing patterns as opposed to scheduled. In his view on digital innovation and operational costs, Tiniko says:

“There is this move to change traditional television networks into digital operations or technology-based operations, so the implication on the size and scope of the organization will shrink... and by shrinking I hate to say it but it means that you can do more with less human resources, so that creates a situation where people will lose jobs”

In this view, Tiniko says that digital innovation will help the SABC reduce operational costs linked with human resources. At the same time, Tiniko expresses a concern that will lead to the loss of many people's jobs. According to Alletta the SABC must be open to change and follow the suite of Amazon, Disney and Netflix with good technology that is easy to use. With regard to operational costs, Alletta argues that the SABC ought to use modern technology such as drones for aerial shoots. Alletta adds further that back when helicopters were used for aerial footage it was a costly exercise. However, the introduction of drone technology has made this easy and affordable. Alletta advises that SABC must play in the streaming world to generate alternative revenues.

According to Lufuno, the SABC is lagging with the adoption of technology and hence struggles with audience loss. Lufuno says that the SABC needs to use technology such as Over The Top to make up for audience loss on linear. Both Tiniko and Alletta are of the same understanding regarding the use of digital technology to address audience loss and reduce operation costs and alternative revenues. However, Sizwe states that digital technology will aid the SABC with statistics and analysis (intelligence) of the audience's consumption pattern and afford the SABC a better understanding of its content supply and demand. Sizwe states that such technology is not available at the SABC, and that the public broadcaster gathers its performance manually through secondary organizations. In terms of revenues, Sizwe claims the SABC must continue to pursue deals similar to VIU and Telkom One. In reducing operational costs Sizwe thinks that the SABC must employ rightful and skilful people who will help the broadcaster with innovative solutions that are revenue generating. According to Sizwe the SABC has already undergone that process with section 189 and its restructuring process.

In response to the use of digital technology to curb audience loss, Thandeka argues that *"we've got a pool of great content; young people, our primary youth audiences honestly are not always home watching TV, so how we use WhatsApp and TikTok etc. in making sure that we draw audiences from all these different online spaces back to our linear offering is imperative, in future we need to be making short film content in bite-size to attract audiences to come and check out what we have."* This view, Thandeka advocates for using the social media market to draw audiences to the SABC's linear platforms. Thandeka argues that the SABC can also use Over The Top to curb audience loss.

The argument presented by Thandeka reflects the argument made by Tiniko regarding the question on hand, both respondents support the use of social media marketing and Over The Top as digital tools to curb audience loss. In response to reducing operational costs Thandeka claims that, *"automating certain functions especially systems would definitely take down operation costs, we are still paper heavy, we duplicate a lot of functions, for me the SABC will save a lot of time and cost if we automate a lot of functions that are being done by people so that we have people to focus on content and groom the quality of content that we have."* In Thandeka's view, automating business processes will help the SABC reduce a lot of costs. In Tiniko's view, this will downsize and downscale SABC staff complement. Thandeka adds that SABC must license its content to streaming platforms across the globe to generate more revenues.

Nomzamo contends that the SABC needs to have a presence both linear and digital to curb audience loss and make sure that the SABC leaves no one behind. Nomzamo says that the SABC must maximize its digital strategy just like it does with TV and radio, and will give audiences more flexibility in case they miss appointment viewing. Concerning operation costs, Nomzamo states that it is not easy to reduce operational costs with terrestrial operations because the operations require a lot of workforce. However, Nomzamo says that digital operations at the SABC can reduce operation costs by investing in good quality technology for streaming that will carry the SABC for a long time. According to Nomzamo, this will help the SABC save a lot of money because there will be no need to fix broken equipment from time to time, thus reducing SABC's operational costs. The argument regarding good quality technology for streaming is not new; Alletta also presented a similar argument. Nomzamo says that the SABC can generate digital marketing revenues if it has a presence across digital platforms.

On the other hand, Tau presents a different case and reasons that given the unemployment, poverty, and digital divide, the SABC will not be able to use digital technology to curb audience loss. Tau states that millions of South Africans depend on social grants, therefore data for streaming is an unaffordable luxury. Tau indicates that very few people are employed whilst unemployment, pension and child support grants do not afford people the luxury of consuming online virtual media. In addition, Tau argues that reducing operation costs is not possible because the SABC must still invest in infrastructure, technology, talent and human resources. Tau says that the SABC can use digital technology to generate alternative revenues by playing in a SVoD market, and argues the issue of digital migration and Set-Top Boxes should be resolved and completed and says, *“by catering for television viewers and for those using digital media, I think the SABC need to cast its net wide and not leave success to the competition.”* In Nomzamo's view, the SABC ought to leave no one behind.

Ishaan and Katekani argue that the SABC must have digital platforms such as Over The Top to curb audience loss. Both respondents say that the move to digital operations such as Dalet for broadcast file management and analog witch will help the SABC reduce its operational costs. On the other hand, about generating alternative revenues Katekani says that the SABC must repurpose its content for other platforms (viz. licensing). For Ditsego social media through influencer campaigns and paid partnerships will help the SABC address its audience loss. Ditsego gives the following example to demonstrate his case, *“Yummy Me, a cooking show for kids under SABC Education, you go online and find an influencer or content creator that*

specifically caters for cooking or want to be a chefs and you skill them to promote our shows to their audiences and that becomes a targeted and specialized approach to audiences, so from a digital perspective that's how you rope in more audiences." Ditsego gives a demonstrable action on how social media marketing can be used to curb audience loss. Several respondents such as Tiniko, Thandeka and Nomzamo favour the use of social media as a tool to curb audience loss.

Just like Tau, Ditsego believes that it is impossible to reduce television operational costs since, TV production remains a traditional process in terms of cast and crew. Ditsego makes this submission in support of his argument, *"from a technological point of view there is not much we can do because there is no new technology beyond linear...."* In short, Ditsego means that with filming you still require lighting, camera, sound, wardrobe, make-up and others hence the use of digital technology is not able to assist here in curbing operational costs. With regard to alternative revenues, Ditsego contends that:

"At the moment we at the SABC do not monetize our platforms, that's the biggest issue, I have tried to bring it into conversation but it got lost somewhere. We need to start monetizing our platforms i.e. our social media platforms, SABC I Twitter page has over a million followers, on a normal day when you have a social influencer with more than 1 million followers, they charge per post a minimum of R30K upward with brand collaborations, so what's stopping us at the SABC, taking our linear ads and saying to the advertiser your ad will play on linear at XX time, and how about I charge you an extra R50 000.00 for a 5 or 10 second ad banner attached to the digital promo that will play on SABC I Twitter page with +1 million viewers, that is what competition is doing, if you look at Mzansi Magic or Mnet, before you view a Gomora promo there is a short Inkomazi ad that will come on the very same promo, that's the space we should be playing as the SABC, also use the data itself i.e. at the time we post, these are the people we are attracting and inform the ad agencies, we need to stretch, use analytics and see how they can assist."

In short, Ditsego says that the SABC must use digital marketing to generate revenues. Busisiwe also advocates for the use of social media marketing to curb audience loss. Busisiwe references her own experience on her production and notes that after integrating the social media marketing program XXX sought a gradual increase in viewership on linear. Busisiwe also

acknowledges that she is not sure how digital innovation can help SABC reduce operational costs. Busisiwe supports Ditsego's view on the use of digital marketing to generate alternative revenues. According to Fezeka it takes over a year to get an air show and believes that digital innovation such as the digital commissioning portal proposed by the SABC will help because most shows lose relevance when they go on air due to long delays. Fezeka says, *"It does not help to commission a show in 2018, only for it to go on air in 2022, so what relevancy will it still have?"* In response to operation cost Fezeka says the move by the SABC to Dalet and Aspera has helped the SABC and does not spend money on acquiring analogue beta tapes like it did in the past. Fezeka supports the need for the SVoD market as a digital avenue for alternative revenues.

According to Thabiso, the SABC may curb audience loss by moving into a streaming environment (OTT). Thabiso references his experience on shows that he filmed across the African continent and says most of the people across the continent wanted to watch the show but could not. He also argues that the SABC can use digital technology to widen its access by audiences. Regarding reducing operational costs, Thabiso says that the SABC should implement remote work as it did during Covid as this will help bring down running costs i.e. water, lights and others without hindering efficiency and productivity. Concerning alternative revenues Thabiso says that the SABC in respect of archives, should copy BBC Gallery and its deal with Getty Images. In this deal, BBC outsources Getty Images to handle and commercialize its archives across the globe through the e-store accessible to all.

Both Noxolo and Rendzani support the use of social media marketing to curb audience loss by having an online presence across platforms and redirecting online social media users to linear for appointment viewing. Regarding operational costs, Noxolo argues that the SABC has already achieved this due the remote work arrangement introduced during Covid. Just like Tau and Ditsego, Rendzani believes that it is not possible to reduce operational costs because TV production remains traditional. However, Rendzani claims that moving to digital will help the SABC curb operational costs; Rendzani says it costs over R 50 million a month for the SABC to broadcast its three television channels via analogue signal distribution, a service provided by Sentech. Both Noxolo and Rendzani are in favour of the Over The Top and SVoD markets as means for alternative revenues.

According to Naledi, Siphamandla, and Mduduzi, streaming through Over The Top and social media marketing will assist the SABC in addressing the issue of audience loss. According to Naledi and Siphamandla, streaming and digital broadcasting will help the public broadcaster

curb operational costs. As argued by Rendzani to broadcast via analogue is a costly exercise, however for Mduduzi, the move by the SABC to a digital file delivery system such as Dalet and Aspera has helped the public broadcaster to cut down some of its operational costs. Both Naledi, Siphamandla and Mduduzi are in support of the streaming and SVoD market as a tool for alternative revenues.

According to Malerato, to curb audience loss the SABC need to meet the audiences where they are. Malerato debates that audiences are on their gadgets and consuming the content they want. However, Ntombenhle disputes this argument and says that digital innovation is not a solution to curb audience loss; Ntombenhle joins the argument made by Tau that in South Africa, there is a lot of poverty and unemployment, so access to data is an ongoing challenge, Ntombenhle agrees with this view. Ntombenhle also says that in the rural areas of South Africa there is no network so people cannot access virtual content. In reducing operational costs Malerato argues that the SABC must collaborate with social media users to source content on real-time events. Malerato makes the case of SABC News and explains that instead of the regional office in KwaZulu-Natal dispatching the newsroom team to cover service delivery protests, for example at Amanzimtoti, the division can source the footage from the people on the ground and flight on air.

In this case, Malerato says that the SABC could curb operational costs linked to traveling while gaining immediate news from the ground caught in real-time. Malerato argues that if the SABC newsroom were to travel to cover the story, due to traveling time, they would miss out on the first-hand experience of the protests. Malerato says that the technology on the phone has a good quality picture and sound equal to the professional team that would be sent to the SABC. In this case, Ntombenhle explains that digital innovation allows for collaboration on content development between the SABC and members of the public, thus curbing operational costs.

Concerning operational costs, Ntombenhle argues that *“Dalet and Aspera have helped a lot in reducing operational costs. When we were still on analogue we had to repair the beta machines that were constantly breaking, which impacted our financial standing...moving online has saved some costs.”* Many respondents applauded the SABC for moving into a digital file delivery environment, and Ntombenhle joined the same band wagon. While Malerato says that the SABC need to move into SVoD market to generate alternative revenues, Ntombenhle says that the SABC must get rightful people with expertise to help the SABC generate alternative revenues by using digital means. The next section explores feedback made to question 4.

5.4 Response to Question 4.1: According to the Broadcasting Research Council Website in July 2022: *Uzalo*, *Generations*, *Skeem Saam*, *Zulu News*, *Muvhango*, *7 De Laan*, *Hlala Kwabafileyo*, *Kwa Mamazala*, *Twilight*, and *Serengeti* were the top 10 performing programs in the SABC. What do you think is the secret behind these successful shows?

According to Tiniko, the secret behind these shows is ‘*cultural resonance*,’ Tiniko says these shows resonate with South Africa’s majority population, the black people. Tiniko also credits brand loyalty as another reason people watch the SABC and remain loyal to it. However, Alletta argues that these shows are popular because they are scripted and that more people enjoy series and telenovelas. Alletta references *7 De Laan*, *Generations* and *Skeem Saam* in support of her argument. Lufuno credits language as a secret behind these shows because they are mostly Nguni, a mainstream language in South Africa. Sizwe and Thandeka agree with Tiniko that the success of these shows is due to resonance, meaning that most people can relate to their local content. In support of this view Nomzamo debates:

“The secret behind those shows, I’d like to believe, is that the shows are for the people, when you look at shows like Uzalo, for instance, it is done in a location where people live, it reflects daily lives of people, with shows like that people relate, they reflect and they see their lives in the characters of those shows, therefore the way these shows are structured is that, they are not only drama entertainment but also have educational elements. For example, there was a character in Uzalo who was gay, and then people started talking, especially in our black societies, that when a child is gay you don’t need to discriminate against them, because this is what can happen, because they see these things happening on the show. So those are for the people, they speak about lives of ordinary citizens, and those ordinary citizens are our target audience, these are shows that speak to people because they are relatable, shot in their locations, and people relate when they see themselves in those shows”

From the extract above, it is clear that according to Nomzamo, entertainment and education are drivers behind the success of some SABC shows like *Uzalo*. However, what is more evident is that resonance is a critical primary driving force behind the SABC’s successful shows. However, according to, language, proximity, format and talent also contribute to the success of SABC shows. Tau alludes that *Uzalo* being shot in KZN in the township of Kwa Mashu, on its own appeals to the large Zulu speaking nation of the South African population. Tau indicates

that the *Uzalo* narrative is similar to uKhozi, which is a leading radio station due to the IsiZulu language, which is widely spoken. Tau suggests that the character of Mbatha in *Uzalo* also appeals to many young and middle-aged people whose lives are centred on the church. Ishaan supports this narrative and argues that characters and storylines also contribute to the success of these shows.

Katekani and Ditsego support the resonance argument with Ditsego saying “*We know how people get called Jack Mabaso on the street because of storylines, with Skeem Saam whenever they have a high school storyline it draws a lot of numbers because of relevancy, Nguni news works because of the language....*” From the viewpoint presented by Ditsego it is clear that the issue of Nguni language, characters and storylines play a fundamental role in ensuring success behind these shows. Ditsego argues further that nostalgia is another reason for the success of the SABC shows in reference, the respondent cites the case of *Kwabafileyo* an old SABC TV drama series produced in 1992.

All the same Busisiwe, Fezeka and Thabiso continue to support the resonance argument and alludes that many people connect to the shows in reference. The respondents explain that many people in South Africa relate to the storylines of the titles in reference. In response to the question on hand, Noxolo says that “*SABC programming shows a holistic view of who South Africans are, and does not bracket everyone into Instagram life and tries to find solutions in some of the issues and not only show a problem.*” Noxolo echoes the very same argument that has been presented by Tiniko, Lufuno, Sizwe and others regarding resonance. While Rendzani and Naledi join the same band wagon and argue that SABC shows reflect on ordinary South African lives and not only glamour that is represented on social media platforms like Instagram. This means that apart from being inclusive, SABC shows are representative of South Africa’s public life. According to Siphamandla, the format is to be credited on the success of SABC shows and argues that:

“Any drama or movie will perform...when we started program XXX (talk show) between 2016 and early 2021 program XXX was the most watched show in a mid-morning slot. In 2022 it went down when the SABC moved the show to a morning slot, when you check the current slot we compete with 7 De Laan on SABC 2, drama series on SABC 3... so if you have a show that is performing and you put it against long formats, that show will suffer...with long formats you are able to follow the story every day.”

Siphamandla narrows the argument further and pins it down to long format i.e. dramas and soapies with a continuous storyline. A quick audit on the shows in reference indicates that the

following titles are soapiers viz. *Uzalo*, *Generations*, *Skeem Saam*, *Muvhango* and *7 De Laan*. While *Hlala Kwabafuleyo* and *Kwa Mamazala* are drama series. While *Twilight* is a movie, *Serengethi* is a docu-reality on nature with *Zulu News* as the current affairs. The argument put forward by Siphamandla is justified given that most of the titles contained are soapiers. Mduduzi supports the argument on relatability and claims that some of the shows are used as meme's on various social media platforms. Malerato and Ntombenhle also support the argument on resonance, culture and language as keys to success for the shows in reference.

5.5 Response to Question 4.2: Using the top ten performing shows from SABC 1, 2 & 3, how best can these be exploited for further revenue generation outside traditional revenue streams on linear?

According to Tiniko the SABC ought to explore various merchandising opportunities through various avenues such as the online e-store or partnership deals with chain stores such as Ackerman's. According to Tiniko the SABC can partner with manufacturing companies and produce a clothing range linked with *Skeem Saam*. Tiniko says that other companies such as Nestle have already exploited that avenue. With its TV programs Tiniko argues that the SABC need to play in the demand market through avenues such as Over The Top and states, "*make [the shows] available online for people to consume, binge or download as series at a fee, so you can have your own online platform where people do their own convenience viewing but at a fee....*" In Tiniko's point of view merchandising and going Over The Top will aid the SABC in generating alternative revenues outside linear.

For Alletta the SABC must play in a distribution market and exploit its programming to other markets. Alletta says, "*[SABC] doesn't exploit its programming, they repeat and repeat and repeat and repeat. But what they should be doing is not only targeting their programming for South African audiences, but content should be good enough to distribute to anywhere in the world*" It is clear that according to Alletta the SABC is missing out on distribution revenues due to its repetitive cycles of repeats and lack of focus on international distribution. Lufuno argues that the SABC needs to play in events and partnerships where event organizers pay the SABC a fee for its talent to appear at events. Lufuno also joins Tiniko regarding the Over The Top matter with Lufuno arguing that the SABC should develop its own Over The Top platform and put some of its content behind a paywall. According to Lufuno the SABC could copy the same model currently used by VIU in its partnership deal with the SABC. Lufuno says that on

VIU people pay as little as R2 or R3 to access SABC content. According to Sizwe and Thandeka the SABC needs to expand to the Over The Top space in order to generate revenues. Thandeka argues that the SABC can play in the distribution market with its programming dubbed for foreign languages. In this case, Thandeka expands on the argument made by Alletta on international distribution, Thandeka makes it clear that SABC content warrants flexibility for foreign dubbing.

Nomzamo argues that the SABC needs to exploit the sponsorship market, and gives an example on *Skeem Saam* and the gay storyline. Nomzamo argues that gender equality organizations can sponsor the storyline thus cementing their course and advocacy work. Nomzamo rightfully says, *“I’ll go back to the scene of the gay guy so there are a lot of organizations that speak on gender equality for instance, so those are the people that can come in and sponsor the program, because whatever they are doing will live off on that platform”*. However, according to Tau the SABC has to negotiate for better and affordable advertising deals that could be exploited during omnibus. Tau cites that the SABC has no online catch-up services and uses its omnibus as catch up, therefore Tau states that the SABC must exploit its omnibus broadcast with better deals for advertisers. According to Ishaan, Katekani and Ditsego the SABC should exploit its offering on a digital market through Over The Top. Ditsego states that the SABC can also play in a distribution market, but says that it must first resolve the technical requirements such as media and effects application (allows for dubbing) which need to be enforced by the SABC. According to Ditsego without the enforcement of this application, SABC content will not be able to be dubbed into foreign languages because of the lack of technical requirements in question. Ditsego puts his argument as follows, *“the issue of M&E track plays a huge role, we need to make sure that there is a proper SOP engraved in our DNA so that we can sell content with ease, that will help more streams of revenues...”* But according to Lufuno the media and effect matter has been resolved by the SABC and there is a policy in place attached to the digital file delivery of broadcast material and is enforced across all productions. However, according to Busisiwe and Thabiso digital streaming/OTT will allow the SABC to harness revenues outside traditional streams, while Fezeka supports the distribution market as another source of revenues to exploit the SABC’s top-performing shows.

Noxolo supports the Over The Top argument and argues that, *“the SABC has to get into SVOD space, with people catching up, they have to take the shows online and have an operational SVOD so that all our content is available on linear and online, appointment viewing is not something that is going to work much in the future, demand culture is on the rise for audiences who have access to better fibre, have side hustle and want to consume at their own time”*. While

Rendzani argues that the SABC needs to play in the digital marketing space and make revenues on all its social media platforms, Naledi supports the distribution argument. Siphamandla, Mduduzi, Malerato and Ntombenhle supports the Over The Top argument, with Ntombenhle arguing that, *“it would be great if these programs will continue to live beyond linear television, giving audiences more content that was cut short for the on-screen duration, now goes on with more nuggets, creating and sparking some debates days after TV, then we can generate revenue because of talkability.”* According to Ntombenhle, there are more outside revenue opportunities linked with Over The Top, such as access to exclusive content that did not make it on linear due to time constraints. Ntombenhle says that Over The Top allows for talkability outside linear screen and this could work to the SABC’s advantage in terms of reaching out to more new audiences. The next section explores feedback made to question 5.

5.6 Response to Question 5.1: What alternative funding models would you recommend for the SABC to be financially independent and sustainable?

According to Tiniko, the SABC should be funded from a national fiscus like any other government department. Tiniko alludes that alternative funding will not work and cites that alternative funding is just *“flowery... [and] a pie in the sky.”* But at the same time Tiniko further argued that a media or telecommunication tax can also be considered but expressed concern about the shrinking tax base in South Africa and deemed this alternative challenging. However, for Alletta the SABC ought to make its sponsorship more agile and remove the trade exchange policy red tape. According to Alletta, the SABC trade exchange policy does not allow for sponsorship once a production contract is signed. Alletta maintains that this on its own is limiting and that producers are not able to do great shows like they did 10 years ago. Nonetheless, Alletta recommends that SABC explore the merchandising market and follow the suit of Super Sport, i.e., it has a lot of merchandising deals and makes more revenues out of that. However, for Lufuno the SABC must exploit both online and classical advertising revenues. Lufuno indicates that the SABC can use Over The Top to generate online revenues for advertising while continuing with its classical revenues on linear. For example Lufuno indicates that while SABC1, 2 and 3 were streaming on Telkom One, on that platform there were different commercial ads tailored for Over The Top, while linear TV had its own ads.

According to Sizwe with TV licenses not working, a media levy would be the best alternative funding model for the SABC. Sizwe gives an example of the church and argues that it is

sustained by the funding that comes from its members, and therefore the same applies for the SABC. Just like Tiniko, Sizwe and Nomzamo argue that the SABC needs to be funded directly by the government, just as any other public entity does. Nomzamo argues further that the SABC should monetize its public feed for national events to private broadcasters, at the moment, legislation does not allow this. Thandeka states that the SABC can alleviate its funding pressure by exercising co-production partnerships, this will aid the public broadcaster to share its risks and costs with the partners and parties involved. For Tau the SABC can be funded through statutory media tax collected by the South African Revenue Service (SARS). Tau recommends SABC/Department of Communication partner with the Department of Social Development in deducting TV license fees on liable social grant recipients. Ishaan and Katekani advocate for government funding and merchandising as argued by Alletta. Ditsego, Busisiwe, Noxolo, Rendzani, Naledi, Siphamandla, Mduduzi and Ntombenhle argue that the SABC must exploit partnerships such as Co-productions, Pre-sales, Advertiser Funded Programs (AFPs) and Corporate Social Investment (CSI) deals. For AFPs, Ditsego argues that SABC's Commissioning Editors need to partner with sales divisions and target specific brands. According to Ditsego the SABC has already created a conducive environment for AFPs and Pre-sales, Ditsego says that the commissioning process of pre-sales and AFPs is much faster and quicker compared to unsolicited commissions. However, Naledi says that the SABC can monetize its services such as leasing out unused offices spaces, and upgrade its studios and bring some productions internally. Apart from News, Sport and Radio, all the SABC television content is outsourced.

According to Fezeka and Thabiso Over The Top and SVoD market can aid the SABC to be financially independent and sustainable. Alternatively, Thabiso says that there has to be a way to encourage people to pay their TV license. Thabiso argues further that in many informal settlements, there's a lot of Mutli-Choice satellite dishes which indicates that people are willing to pay for content they consume, Thabiso states there should be no exceptions with TV licenses because DSTV subscribers know that if they do not pay, they get disconnected. Malerato states that TV license and government funding remain the appropriate funding models for the SABC.

5.7 Response to Question 5.2: Why would you say these models are not being implemented?

According to Tiniko, the suggested funding models are not being implemented by the SABC due to political neglect and explains:

“Department of Communication neglected the SABC, the political executive neglected the SABC, and the government of the day neglected the SABC... white people who command the advertising purse choose to advertise with private white-owned companies and not the SABC. So there seems to be an investment protest, if I can call it that; in other words, capital chose not to advertise with the SABC.... Capital understands and accepts that the SABC commands the biggest market share but for some reasons they choose not to advertise with the SABC....”

When asked to elaborate further on what he means by political neglect, Tiniko replied:

“The black government seems to have a new direction in terms of what is important and what is not, so the white too commands the advertising spent, are not finding that well. For instance, whites believe that there should be accountability in the manner public money is spent in the SABC, but the black government seems not to value the importance of accountability, so they appoint people who the market might see as uneducated, people who come and loot SABC’s money, so white capital is of the view that we can’t continue to invest in government when government takes money and wastes it at the SABC, and not hold people accountable....”

Given the response by Tiniko there is a disjuncture between white capital and politics, which in turn affects the classical commercial imperatives of the SABC as much as advertising is concerned. However, Tiniko also noted the government’s neglect because the SABC cannot expedite alternative funding mechanisms such as government funding. According to Alletta the SABC is a big ship and lacks innovation and flexibility. Alletta argues that the SABC is rigid and functions on rules and regulations, making it hard to innovate. Alletta says that the SABC is not flexible enough to allow Trade Exchanges which are crucial to produce good content.

Lufuno supports the argument made by Alletta that it is challenging to bring new changes in the SABC partly because the SABC workforce has been with the organization for the longest

and is already accustomed to the organizational culture and deterring anything out of the ordinary. Lufuno argues further that, as a result, there is resistance to technological change and gives an example that SABC marketing focuses on traditional marketing, ignoring other avenues such as billboards and digital. Lufuno adds further that it is for this reason that SABC moved in late to Over The Top space, and says that the SABC has always placed a primary focus on linear broadcasting while the world was moving and changing.

Sizwe argues that the alternative funding models in question need to be implemented due to the lack of decisiveness and innovation and cites the case of Over The Top as referenced by Lufuno. In support of the argument brought forth by Sizwe, Thandeka says that the SABC became insular and disconnected itself from the world and cites further the Over The Top argument. For Nomzamo, the model for monetizing the public feed has yet to be implemented due to the public mandate and legislation concerned. As a result, when covering presidential events, Nomzamo explains that SABC News needs to have two feeds: one clean feed for the world without running commentary and one feed for the SABC with commentary and graphics. According to Nomzamo, this is double the cost with no return on investment and claims that the mandate does not allow for the monetization of the world feed linked with presidential events.

Tau and Ishaan cite lack of decisiveness from SABC management to implement policies in support of innovation and revenue generation ideas. Katekani argues that policy hinders the SABC from merchandising its programs. Ditsego supports the argument brought forward by Katekani and argues that policies such as the Public Financial Management Act (PFMA) hinder the SABC from being innovative and agile. Due to the Public Finance Management Act, Ditsego says that the SABC cannot be responsive and robust because it must follow all the guiding principles of the act as far as procurement is concerned, the result is the SABC cannot be agile. However, according to Busisiwe, the economic climate limits the SABC from exploring Corporate Social Investment partnerships because most corporations have cut down on their marketing budgets.

According to Fezeka the SVoD and digital marketing idea is not implemented at the SABC due to lack of decisiveness and innovation in the SABC. For Thabiso, people are refusing to pay for TV licenses because of entitlement culture; according to Thabiso, this is similar to the South African culture of not wanting to pay for water and lights. According to Noxolo, Pre-sales and

Advertiser Funded Programs need to be adequately implemented at the SABC due to staffing issues. Noxolo says that the offices responsible for these acquisitions are understaffed and led by one person who does everything from administration to management. Rendzani says he has yet to learn why SABC is not entering into co-production partnerships with other media companies. According to Naledi, SABC policies are its worst nightmare, with a lot of red tape that makes working with SABC very cumbersome. Naledi cites a case where a sponsor walked away from the deal due to many restrictions linked to the agreement. Siphamandla and Mduduzi also cite a need for more innovation because the SABC cannot play in the Over The Top market.

According to Malerato the SABC is not able to play in the SVoD market due to policy and mandate and argues, “...*there is contention when it comes to the role of the public broadcaster, so I don't think the intention is to have public broadcasting content with a fee attached to it....*” The argument presented by Malerato indicates the universal access principle linked with PBS hence Malerato argues that it is for this reason that the SABC is not playing in a SVoD market. While Ntombenhle says that lack of decisiveness by the SABC is a lead cause of the public broadcaster not being able to move to the Over The Top space. The next section explores participants' feedback to question 6.

5.8 Response to Question 6: What organizational hurdles would you point out as a challenge to SABC's financial independence?

According to Tiniko, TV license eversion and politics are the biggest hurdles facing the SABC. Tiniko explains that the SABC is under siege through investment protests by white capital, hence it is challenged by poor commercial revenues. Tiniko explains that politicians are neglecting the SABC by not following the national government agenda with favourable coverage. However, according to Alletta the lack of agility is another hurdle facing the SABC and argues that it takes too long to get a production contract at the SABC. With less room for flexibility, this results in most producers and advertisers not being willing to work with the SABC citing rigidity. In support of lack of agility Lufuno states the SABC still focuses on traditional methods of making revenues. Lufuno claims that the SABC adopted technological innovation late and at a slow pace. Lufuno notes management as another hurdle and argues:

“Right now the management that is there, my problem is they act like SABC people who have been there forever... it's very difficult for you to change their minds, [they not

warm to new ideas] for example, section 189 ... they went ahead and did it, even though people advised them that it may not be the best way to get to where we going, and people left, now they starting to see that posts that were made redundant are very important for the SABC. We got top management coming from outside forgetting that we are a government institution... meaning that there are policies and procedures that are not necessarily SABCs but governments which SABC need to meet. So they come with mentality from DSTV... they would say at the DSTV this is how the hierarchy looks like i.e. you only need CEs you don't need supporting structures, you only need these people in technology, you don't need this one, but they didn't come and ask why are these people there in the first place, had they done that before, they would have found out why certain people are there in line with regulations and all those things... one of the biggest hurdles is that HR is concentrating in certain departments and not looking at other departments as well, and don't understand that departments are linked... and need each other, forgetting that without support departments, sales will not be able to do its job."

What is evident from Lufuno's view is that the autocratic management style used by the SABC is a hurdle, and further expresses a lack of equal treatment by Human Resources department (HR) in serving the organization, and states that the division only gives a priority focus on revenue-generating structures instead of servicing the whole organization, therefore leading other departments to be understaffed. Lufuno also says that section 189 retrenchments is another hurdle and claims that the SABC lost key and skilled workers because of the process and says that the process was done without proper consultation with staff. Lufuno argues once more that lack of collaborations is another hurdle facing the SABC and gives an example that SABC Technology acquired its Set-Top Boxes 10 years ago but refused to spread campaign messages about the registration and distribution of decoders citing that the mandate to market belongs to Department of Communication as a leading government entity. Thus the SABC refused to allocate marketing budget for DTT awareness. In Lufuno's view if SABC Technology had partnered with radio, television and Post Office the SABC would not find itself in the situation it is in right now viz. losing audiences due to analogue switch-off. Lufuno blames poor internal collaboration for DTT hurdles.

In response to the hurdles facing the SABC and undermining its financial independence, Sizwe claims:

“Number 1 is the mandate..... some of the content that we acquire is simply just to fulfil mandate even if it does not bring any return on investment, that's a big challenge we have to look at that secondly...it's some of the ICASA regulations...they bind us... i.e., language durations, which impact how we strategize and plan to offer our audiences what actually works. Lastly, I think it is simply because of our previous history we had as an organization that led us to lose some credibility when it comes to certain partnerships that we had.....so it becomes some form of challenge to a certain degree in terms of decision-making; it takes longer to make decisions because we have to go through the red tape and make sure that we tick all the boxes when it comes to being able to meet the financial requirement before we fulfill a procurement/SCM process.... for example, we have been trying to launch a scheduling system, a Media Asset Management (MAM) system for a while and the reason why the Media Asset Management system hasn't been acquired is that it takes us far too long to finalize the tender process. You'll find that by the time we finalize the tender process the service provider will tell us that the requirement we have its outdated, the market has moved on from that.”

For Sizwe, ICASA regulations and mandate requirements prohibit the SABC's freedom to have flexible content and a competitive schedule. Sizwe argues that SABC's history of mismanagement and maladministration led the public broadcaster to introduce more red tape for compliance, which reduced SABC's ability to be agile, as indicated by the case of the Media Asset Management System. Thandeka supports the argument raised by Sizwe on the lack of agility. Nomzamo points out that this reduces SABC's ability to be agile and competitive as she explains:

“There is a lot of red tape in terms of us acquiring content, and us airing content, and even after service when the content has been on air, we have a lot of red tape. And I think that is something that doesn't allow us to be agile and competitive.”

Nomzamo says that wasteful expenditure is a hurdle facing the SABC; Nomzamo cites executive packages and benefits as an example. Nomzamo points out that there is no call for executives to fly business class when conducting business on behalf of the public broadcaster; Nomzamo alludes that flying economy will save the SABC a lot of money. However, from Tau, the following hurdles are noted:

“Not enforcing TV license payment and wanting to do it themselves, the pay your TV license drive is very weak, and that is why we are not collecting money...I remember the former CEO of the SABC said that we reject programs that can do well at the SABC because of the licensing conditions, and Randburg takes them, i.e. Date My Family, it was proposed at the SABC but looks like it’s a flagship program on Sundays... there is this thing of us not investing in presenters we think if we are fighting with and we get another one if it doesn’t work, if you have Vinolia Mashego doing Jam Alley, when she goes and Jam Alley dies, it means we don’t have this thing of reconciliation because if we can let Robert Marawa go because of something that went wrong in the office and we fire him through an SMS that is an indictment on us, why are we doing that? If you can have Vuyo Mbuli on Morning Live and we don’t think that one day he won’t be there, what is our success? Morning Live is no longer the same whether you bring Leanne or Sakina... we don’t have a succession plan... We need to be a system that is operated as a whole not as individuals or in silos, so we have news, programs, technology, legal and finance, we need to come together as committees and talk about these things and include unions so that we know when we are getting something wrong or right, let’s call each other out and say guys you are not doing right when you doing this.”

Tau reaffirms the argument made by Sizwe and Thandeka regarding ICASA regulations and mandate by citing the case of *Date My Family*, a TV dating show on DSTV, which the SABC rejected due to its license conditions and public mandate. Tau notes poor talent management as another hurdle facing the SABC. It indicates this by demonstrating the case of the SABC music variety show *Jam Alley* and its presenter, Vilonia Mashego, who the SABC fired and then, years later, the show died. Tau also notes another talent management case involving Robert Marawa and Vuyo Mbuli, the late presenter for *SABC News Morning Live*. In the case of Vuyo Mbuli, Tau argues that the SABC has no succession plans to address incidents similar to those of Mbuli. In addition, Tau and Naledi agree with Lufuno regarding the silo work culture and lack of collaborations within the SABC. Ditsego supports Tau's point of view regarding poor license collections as a challenge facing the SABC.

For Ishaan, Katekani, Naledi, and Siphamandla, lack of agility is another hurdle facing the SABC, and the lack of *Over The Top* as a case indicator. Katekani, Ditsego, and Malerato also stress a challenge with the unfunded public mandate; Ditsego says that the SABC only receives 3% of budget allocation from the government, which is alarming given the scope of the public

mandate assigned to the broadcaster. Katekani cites the need for more planning by management as an obstacle and argues that the SABC has constantly played catch up. However, for Busisiwe and Thabiso, the economic downturn is one obstacle facing the SABC and accounts for poor commercial revenues. For Fezeka, poor staff morale and staff redundancy detrimentally affect the SABC; the staff is overworked, underpaid, and not happy, resulting in staff using the company's time to pursue activities linked with personal interests, i.e., side hustles.

According to Noxolo, policy regulations such as the Public Finance Management Act undermine SABC ability to be agile, Sizwe has already indicated the impact of this. Rendzani agrees with Tau regarding talent management and says, *"currently you can look at Metro FM we had T-Bo Touch who had left, the station was going down but ever since they brought him back and gave him what he needed, Metro FM at certain times is now something to listen to, you know, there are certain people that the SABC has made and still need to keep...."* For Mduduzi, market competition is an obstacle facing the SABC; Mduduzi explains that SABC no longer has the monopoly it used to have and now must compete for audiences and advertisers with other market players. On the other hand, Ntombenhle agrees with Sizwe and explains that the SABC's history of maladministration and mismanagement is the hurdle facing the public broadcaster, including the legacy of the former Chief Operations Officer Hlaudi Motsoeneng, and argues that it will take years for the SABC to recover from that. Siphamandla states that lack of decisiveness is a hurdle facing the SABC. Siphamandla argues that it takes a long time for the SABC to make decisions, citing his experience with the project not moving because of format issues that took a long time to resolve. The following section explores participants' feedback to Question 7.

5.9 Response to Question 7: What mitigation plan would you put in place or recommend to resolve these hurdles?

According to Tiniko, the status quo will remain the same unless political issues such as mistrust against black government by white capital are addressed. Tiniko states that, *"nothing works if politics is not right."* However, for Alletta the SABC should invest more money in content development. Alletta argues further that when the SABC receives cash injections or bailouts from the government, it must make sure that it earmarks a sufficient budget for content instead of covering operational costs; in that way, Alletta says that the SABC will generate more revenue because of the audience pool linked with new content which translates to more

advertisers. Mduduzi supports the argument made by Alletta and adds that with new content the SABC will be able to gain new audiences and regain those that it has lost. According to Lufuno the SABC need to rid itself of its silo operational culture and improve internal collaborations and synergies:

“I find that when I talk to people from other departments I actually get ideas on how to do better the things I am doing in my department, same thing with content, it doesn’t mean someone from technology cannot give you an idea on how to do content.....it goes to the silo’s issue we don’t collaborate...just to close down, I feel like we are our own problem. All the solutions needed can be sorted internally...we need to be holistic...it doesn’t make sense; some things are happening in the company that I don’t know about. Again, most of our problems are internal, it’s not even competition if we do internal things correctly, competition is nothing”

Lufuno addresses the matter of SABC’s organisational culture, which is based on a silo mentality, in her view the SABC divisions must work together to advance the collective interests of the public broadcaster. Lufuno suggests nothing is stopping SABC’s technology division to usher input on the content produced by the organization and says the same of SABC video content division about suggesting technological innovations to the division. In resolving the lack of agility, Sizwe states, *“I think what we need to do is to encourage agile structures, we need to understand that certain elements or parts of the organization cannot be treated the same way... for example, a business that has to do with a new app should not be treated as a business case that we use to acquire content so we need to be agile, we should not blanket everything, but we should view everything on a case by case basis and be able to move quickly where we need to move quickly and be able to prioritize effectively....”*

According to Sizwe, the SABC must establish agile structures that will fast-track and prioritize agile requests such as digital applications. In his view, if the agile division had been in action, the SABC would have acquired the media asset management system long ago. However, due to the lack of such a system, the organization still needs to use old technology to manage its media assets, thus leading the broadcaster to miss out on innovations. In response to mandate/policy regulation as a challenge, Sizwe says, *“There is nothing wrong with the mandate; a mandate is a mandate, and we know why it is in place, we understand how it is aligned with our constitution, so we need to find a way to find creative ways to do our mandate....”* In his view, the challenge of the mandate is non-negotiable; the SABC has to

keep to its ICASA regulations, but he recommends that the SABC find creative ways to deliver on the mandate without losing its essence. Sizwe says that constricting policies should be revised and made to adapt to the new operational environment. Similarly, Malerato argues that ICASA needs to relax some of its license conditions, such as the Must Carry regulation. Ditsego supports this view and states that the SABC has to start charging carriage fees.

For Thandeka, the SABC has to use social media platforms to reach young audiences. In her view, the SABC needs to be across all social media platforms. According to Thandeka, there is an attempt in the content division to implement and integrate social media but note, but there is not enough budget to according to Nomzamo convergence will help SABC address duplication of manual processes such as ingestion, Nomzamo argues that the SABC uses multiple systems to ingest content into the broadcast system and that the processes should be digitized thus saving time and resources. Nomzamo gives an example regarding editing systems and says there is no necessity for multiple video editing systems given that there is only one output. As a result, Nomzamo claims that the SABC spends a lot of money acquiring licenses for systems which could easily be avoided by centralizing and digitizing the edit suites to the cloud. According to Tau, following the SABC retrenchment process the SABC must review its turnaround strategy and evaluate the progress made. In his view, the retrenchment process was a waste given that the public broadcaster lost a lot of skilful and experienced people and is now trying to refill those positions.

Tau recommends that the SABC up skill its workforce with skills development to make up for the talent and skills lost through section 189. However, Rendzani dismisses the undertaking by Tau and says no one is willing to go the extra mile if not compensated fairly. Regarding low staff morale Katekani reasons, *“the cost of living has just gone up and up and as workers of the SABC we have been without increases for the last two years, and we are the most valuable assets at the SABC, without workers there is no SABC, the most critical thing is to look at ways to uplift the staff morale, address the issues staff are having to deal with like the cost of living, we need an increase, we are not coping as it is....”* Fezeka also echoes the argument raised by Katekani regarding salary increments to boost staff morale. Rendzani supports this narrative and says, *“...when you cut the budget, don’t cut your children’s food, so that they can have the strength to work, I think that’s the huge mistake that has happened,”* In response to the challenge regarding unfunded mandate Katekani says that government could increase its

funding to the SABC for the public broadcaster to develop content in support of the public mandate, Ditsego supports this view.

For Ditsego the SABC needs to start charging Multi-Choice carriage fees linked with the must-carry regulation by ICASA. Ditsego explains that the SABC must be robust with its license payments and enforce a rule that if you don't pay, you get switched off, a similar mechanism exercised by Multi-Choice. According to Ditsego, these attempts will require some policies to be revised. In resolving challenges with poor management Ditsego says that the SABC must hire competent people who understand the broadcast business, *"you can have your MBA, but it doesn't mean you can run any business, merit is important in the subject matter that you getting into, yes its business at the end of the day but in that business there is certain stuff you need to know, i.e. creative industry is governed beyond business modules... if I come to you and speak about means of production and I say we need this amount to produce it, and you say go get someone who can produce at a lesser rate, from a creative perspective if you have never been in the field there is certain stuff that you going to miss i.e. quality...."* Not far from this view Ntombenhle supports this argument and claims, *"People sitting on the board must understand how broadcasting works... we need people that understand and have passion for broadcasting, wanting to see the SABC excel."* Ntombenhle was responding to the challenge of lack of decisive leadership.

In resolving poor decision making Siphamandla says that the SABC should introduce monthly performance reviews and hold its staff to account. Siphamandla reasons, *"if someone is not performing, tell them and warn them, introduce a system of accountability, people don't want to be accountable because they feel afraid and are not free to make decisions at the SABC...."* However, according to Thabiso the SABC must study its environment and copy the models that are working for the competition. Though earlier on, Lufuno disputed this submission, arguing that the SABC is governed differently, fulfils a public role, and cannot be treated the same as other commercial broadcasters. Nonetheless, Thabiso states the competition copied many models of the SABC and used them against the public broadcaster. The participants' views to interview questions now concludes.

Chapter 6: Analysis and Discussions

6.1 Introduction

Using Thematic Analysis (TA) and codes generated through QDA miner, Chapter 6 will presents the analysis of findings in response to the interview questions. The analysis is carried out according to the order of the interview guide to synthesize, operationalize and critically analyse the findings in response to the research questions and objectives.

6.2 Response to Question 1: Financial Position of the SABC

For Question 1, the participants were asked, *“In your view, what is the current financial position of the SABC, keeping in mind audience share and market performance?”* In response to this question, the following themes were generated: Bad and Confusing, these are unpacked and analyzed below:

6.2.1 Financial Position as Bad

A larger sample population indicated the SABC's financial position as bad, in the sense that it is not normal. The participants argued that factors such as audience buying power, competition, rise in on-demand culture, Analogue Switch Off (ASO), mismanagement, and lack of funding by the government were lead sources for the bad indicator. Given the audience by power, Tiniko argues that the online consumption pattern by audiences is detrimental to SABC's market share and audience performance. Lufuno credits this view to the failure of the SABC to appeal to a higher LSM audience market compared to the case of 94.7, a regional commercial radio station with fewer audience numbers than the SABC but can generate a lot of commercial revenues. However, Tiniko views the 94.7 matter as politically engineered by white capital.

Prime Media is a conglomerate that owns 94.7, the station is targeted at high-income earning listeners from LSM 7-10. According to the station, most of its listeners are employed, have tertiary qualifications, and 7/10 are likely to shop on weekends (Prime Media, 2021). The station profiles marry the argument by Lufuno that advertisers commit the budget to platforms with audiences that have a high purchasing power. In Lufuno's view, the SABC mainly concentrates on a primary consumer market with a lower LSM thus failing the SABC to translate its audience share to substantive revenues. This view then addresses the question put forward by Katekani regarding the imbalance between SABC's market dominance and revenue performance.

On the view of competition and the rise of on-demand culture Wasserman (2020) argues that the SABC faces competition from other commercial channels. Doyle (2013), Bardoel and Lowe (2007) argue further that the traditional monopoly enjoyed by public broadcasters has come to end. Alletta supports this view and argues that there are many players in the South African entertainment landscape and cites the emergence of streaming services such as Netflix, Disney and Amazon. According to Tiniko and Alletta the streaming platforms have eroded SABC viewers into digital platforms hence the struggle by the public broadcaster with market and audience share. However, it is now obvious that the audience buying power and the emergence of digital platforms are central to the poor financial position of the SABC.

Ditsego argues that Analogue Switch Off is another lead source for the loss of SABC audience. But Berger (2010) dismisses the initiative and argues that Analogue Switch Off is not of priority for the southern hemisphere, citing other pressing socio-economic needs such as health, education, and others while reminding us that there is a large amount of analogue bandwidth that is still not used by the south. Nonetheless, the new Minister of Communication, Mondli Gungubele has announced a new cut-off date for Analogue Switch Off viz. 31 December 2024. On the subject of Analogue Switch Off the SABC has lost 40% of its analogue viewers; this figure is set to increase if the Set-Top Boxes matter is not addressed before the set cut-off date (Broadcast Media Africa, 2023). Furthermore, the research reveals that the mismanagement and corruption during the period of former SABC Chief Operations Officer, Hlaudi Motsoeneng also contributed to the current financial status of the SABC with Sizwe, Malerato and Ntombenhle arguing that the SABC is still recovering from that financial loss. The issue of poor government funding is also indicated as another lead source for the SABC poor financials.

From the view presented by Berger, it is clear that the Analogue Switch Off is a political matter with influence from the north and has a detrimental impact on SABC audience loss. The 40% audience loss is a huge number and plays a central role in the audience population and influences marketers' decision in airtime buying. However, the argument put forward by Tiniko on the political economy of white capital dismisses this view. On the other hand, the unfolding argument would be addressed if the SABC and Ministry of Communication can address the Set-Top Boxes matter. The legacy of former SABC Chief Operations Officer Hlaudi Motsoeneng and the issue of poor government funding cannot be disregarded when trying to understand SABC's financials. It is for these reasons that the SABC financials are seen as bad.

6.2.2 Financial Position as Confusing

Other respondents expressed mixed emotions about SABC's financial position, with Naledi arguing that the SABC received a bailout not so long ago, yet there are talks regarding austerity. Siphamandla supports this view and claims that it was confusing getting a call from the SABC asking if he could be paid later, thus indicating that there is a financial crisis. According to Asif (2023), the SABC received a R3.2 billion bailout from the government in 2019, yet in July 2023, the public broadcaster reported running out of cash flow. With this view, Tiniko and Lufuno question the validity of the SABC turnaround strategy and the implementation of section 189. In Tiniko's view, the retrenchment process was supposed to ease the SABC from its burdens and not worsen the crisis.

According to Mabuza (2020), the SABC is not the only public entity subject to state bailouts. In support of this view, Mabuza argues that from 1994 to 2020, the South African government has spent close to R200 billion in bailing state public companies such as Eskom, South African Airways (SAA), Denel, the Passenger Rail Agency of SA (Prasa), PetroSA, Post Office, Transnet and the SABC. Clearly, the SABC is a struggling public entity and requires its funding and operative model to be reconsidered to address the view put forward by Tiniko and Lufuno. The need for a constant bailout of the SABC by the government does create a confusing picture about the sustainability of the SABC's financials. Having received some financial bailouts, the SABC is still not sustainable. It is seemingly clear that more viable interventions are required to save the South African public broadcaster. However, the argument by Berger (2010) raises critical eyebrows and questions the relevancy of Analogue Switch Off and its disastrous impact on the SABC while not ignoring that South Africa is a developmental state with a lot of socio-economic challenges that need to be addressed, such as poverty and unemployment.

6.2.3 Conclusion

From both positions, it is clear that the SABC is not in a good financial position. Multiple factors are linked to SABC's bad financial position, such as the emergence of streaming services, competition, Analogue Switch Off, historical mismanagement, lack of funding, and poor commercial revenues. Furthermore, it is indicated that government interventions through bailouts and SABC's turnaround strategy linked with retrenchments also did not help to improve SABC's financial position. However, what is revealed in this study is that there is no direct link between audience and market share, as indicated in the case of 94.7 FM, that

consumer purchasing power is a key determinant of commercial revenues regardless of the market size as indicated by Lufuno and Tiniko. In terms of the study questions and objectives this sections reveals that there are various challenges that impedes on the SABC's ability in order for it to have financial stability and sustainability as indicated in the arguments. Furthermore, it is clear that the SABC has not explored enough with digital resources to secure alternative revenues.

6.3 Response to Question 2: SABC Management Experimenting with new Funding Models and Technological Innovation

For Question 2, the participants were asked the following question, *"From 2018 to 2021, the SABC has been operating at a financial loss. Do you think there is sufficient willingness from the new executive and board to overhaul old systems, 'turn the ship', and experiment with new funding models and technological innovations?"* In response to this question, the following themes were generated and discussed below:

6.3.1 Sufficient Willingness: No

In response to this question, Tiniko argues, *"I don't think they understand the market or the business that they preside over, especially the outgoing board. I don't think so... I think they are educated men in their own rights, but I don't think they had the competency to turn the SABC around. If you looked at what they focused on during their tenure, it was mostly administration stuff, which anyone can do; anyone can walk into any company, fire and hire some people... rename this and that over there... Their biggest project was section 189, which was about firing people and reducing the salary bill. But all those things failed according to the latest reports..."* (Tiniko, Virtual Interview, 28/10/22).

In support of this view, Lufuno argues, *"the new management and board are concentrating on the wrong things... if you remember section 189, the whole idea was to decrease the salary bill which is important in a way, but there are other places that you haven't necessarily looked at, where we spending money on that I feel like they need to relook at things like that...the issue of repeat fees."* Lufuno argued further that the SABC pays the repeat fees in perpetuity which is a financial burden (Lufuno, Virtual Interview, 03/11/22). Not far from Lufuno's view, Tau argues that there is no archive system in the newsroom where the archives are digitized to be easily retrieved. Tau argues that one has to spend the whole day in search of archives stored on beta tape.

A look into SABC Radio Archives' website validates this argument; the division still keeps its archives in a physical library mode with the audio files stored in the following formats: disks, old broadcast tapes, minidisks, and CDs. According to the SABC website, the SABC archives unit was established in the 1950s and boasts a large collection of 200,000 LPs, 23,000 classical CDs, and 110,000 light CDs. This is indeed very old technology and thus calls for the public broadcaster to look at its technological innovation to modernize its business. It is seemingly apparent that the argument put forward by Mcelroy and Noonan (2018) is not implemented by the SABC, as these authors argue that PSB need to be innovative and leverage on digital resources. According to Plantinga (2019), innovation is a process centred on operational efficiency and the reduction of operation costs. But looking at the current SABC archives system built in 1950 clearly indicates that SABC management is struggling to digitize its archive system which is critical in aiding the public broadcaster to derive alternative revenues. It is rather shocking that 73 years later the SABC still has not innovated its archive system as raised by Tau and supported by Thabiso.

According to Fezeka, Malerato and Ntombenhle the SABC board and management inherited a system faced with historical challenges, i.e. wasteful expenditure, governance failure, analogue switch off, high level vacant positions and others. In the same vein Mduduzi argues that, *“nothing has changed... the executives that keep on changing, they not bringing any form of transformation, so I am not sure if it's because of political deployment or people qualify to be in those positions on such a huge broadcaster, but to be honest with you I think that the SABC is led by people who don't understand what they are leading, managed by people who don't understand the industry in particular of what works and what doesn't work amongst other things...unfortunately I don't see any change of some sort...”* (Mduduzi, Virtual Interview, 02/11/22). In short, it means that the SABC did not experiment with technological innovation and new funding models in view of the SABC turnaround strategy as argued by Mduduzi, Lufuno and Tiniko.

6.3.2 Sufficient Willingness: Yes

On the other hand, other respondents replied that SABC management has toiled with new funding models and technological innovation. According to Sizwe, SABC has a clear plan to achieve this objective; Sizwe argues that in the last three years, SABC management was focused on the recovery phase, i.e., strengthening the financial and procurement system. Furthermore, Sizwe argues that SABC management is now focused on a growth phase that

includes expanding revenue streams and looking into strategic partnerships with YouTube, VIU, and others. Nomzamo acknowledges the developments raised by Sizwe and argues that these initiatives are only discussed at the strategic management level while the majority of the needs to be included and not made aware of such initiatives.

Nomzamo cautions that staff need to be involved and kept abreast with technological developments within the SABC and keep the undertaking open to management. According to Katekani, the discussions regarding Over The Top, signals that the SABC board and management experiment with technological innovation and alternative revenues. According to Busisiwe, SABC production budgets have a line item on social media indicating commitment about technological innovation. In support of this view, Rendzani argues *“currently as we are sitting, there is a new graphics system that is there, part of new technology, and not only on graphics and in many other part as well, when you go to line records there is a new system in the pipeline so they are trying to move with the times but then again the huge constrain is that we have all these systems, but are we able to pay the minds that will be able to use these things and put it out there and have us competing on international standards because even our people that we have, whom we can groom and have brains but again they feel like it’s a waste of their time sometime just go overboard and do extremely well whereas they are not being recognised within the organization...”* (Rendzani, Virtual Interview, 31/10/22).

The analysis given above indicates that there is a communication vacuum between SABC management and its workforce. Only a handful of respondents attested positively to this question. At the time of data collection, the SABC had not yet launched a platform as indicated by Sizwe and Nomzamo. Furthermore, it is revealed that the discussion on the streaming platform was mainly at the strategic level as Nomzamo explained. However, the SABC management needs to exercise a participatory approach in its engagement with the workforce to blur the information gap. The inclusion of social media budgets in SABC contracts signals a move in the right direction, as indicated by Busisiwe, but technological innovation cannot only be limited to social media, it should also address issues of operational efficiency and reduction of operational costs.

Rendzani notes an organisational challenge with the SABC adopting technological innovations. The respondent noted the benefits linked with the new graphic system but the lack of incentives to trigger workforce motivation in implementing the system is a worrying concern. The SABC needs to take full cognizance of the scientific management theory and its key pillars viz. technology, training, initiative and incentives (Kitana, 2016). Deploying technology and

training to the workforce on the graphic system is not complete until issues of hard work and rewards are addressed. According to Rendzani, no one will fully apply himself to learning how to use these technologies optimally if the reward is not there to unlock motivation. There is clear indication that the SABC needs to fully exhaust the provisions put forward by Taylor.

6.3.3 Sufficient Willingness: Slightly

According to Ditsego, the only innovation that the board experimented with is Over The Top. The respondent argues that digital migration and DTT are outside the SABC terrain and cannot be attributed to management. Ditsego contends that the move to OTT is commendable. However, it opens a can of worms with regards to unemployment and high data costs in South Africa. According to Ntombenhle SABC management and board has made some inroads with technological innovation looking into discussions about OTT. Ditsego explains further that the move to electronic file delivery system viz. Aspera and Dalet makes noticeable SABC management efforts to experiment with technological innovation. In Plantinga's (2019) view, the SABC can be seen as moving closer towards innovation, as it is now addressing issues operational efficiency issues indicated by the case of the file delivery system.

6.3.4 Conclusion

Technological innovation is a key driver of scientific management and media convergence. A resounding multitude indicated that the SABC board and management need to express more willingness to experiment with technology and new funding models. The study was conducted before the SABC launched its streaming platform, the view obtained indicates a sceptical position of the SABC board and management in devoting a large part of its energies to issues relating to administrative and bureaucratic management. Furthermore, this section reveals that the SABC board and management failed to pay sufficient attention to scientific management discourse, digital creative economy and business opportunities that need to be strategized, digitized and automated. However, the moving of file operation environment from manual to digital is a recommended milestone by the public broadcasters and aligns with the literature. In terms of the study questions and objectives this section reveals that there are various challenges that impedes on the SABC's ability in order for it to have financial stability and sustainability as indicated in the arguments. Furthermore, it is clear that the SABC has not explored enough with digital resources to secure alternative revenues.

6.4 Response to Question 3(A): Digital Innovation and Response to Audience Loss

Question 3 has 3 sub-sections and was raised as follows, *“In what ways can digital innovation help address SABC’s: (A) audience loss, (B) reduce operational cost, (C) generate alternative revenues?”* In response to sub-section (A) on audience loss the following themes were generated and discussed below:

6.4.1 Streaming

South Africa’s streaming market is dominated by players such as Netflix, Showmax, YouTube, and others. In response to digital innovation and audience loss Alletta argues that, *“the thing is they need to be more open to change, SABC need to understand that, I mean if you look at the new players in the industry at the moment Amazon is landing soon, Disney is already landed, Netflix is still the number 1 streamer...because it’s so easy and their technology is easily understandable...”* (Alletta, Virtual Interview, 28/10/22). In support of the claim put forward by Alletta, Lufuno argues that, *“...first of all people have a lot of places to spend their time in, so you’ve got more options, I can watch Netflix, Showmax, YouTube...TikTok, Instagram... for me audience loss has got to do with technology issues, we are lagging, we took too long to start doing something and that’s where the loss is. The thing is it’s not that people are not watching our content, they are probably watching it somewhere else, you look at audience loss from linear channels, the possibility is that most people are going VIU to watch there, at their own time....SABC needs to be able to make up for audience loss on linear channels to other SABC platforms which is why you have the new OTT coming up, so if they don’t want to watch linear, it is fine, but they can go to our other platforms, we don’t want them to go to competition”* (Lufuno, Virtual Interview, 03/11/22).

The arguments put forward by Alletta and Lufuno foreground a need for media convergence and its adoption as a solution to address audience loss in the SABC. The reflection on the current players in the streaming market indicates the impact of globalization on South Africa’s media environment. The argument raised by Lufuno that the SABC needs to use technology to make up for its audience loss on linear is crucial. However, the argument raised by Lufuno on the need for the SABC to play in the streaming market needs to be carefully explored. Ditsego is sceptical of technological determinism and raises concerns regarding the critical political economy of the digital divide, access and data affordability, particularly to the South African environment.

Many respondents, such as Tiniko, Nomzamo, Katekani, Thabiso, and Rendzani, support streaming as a solution to SABC audience loss. In November 2022, SABC launched its streaming platform called SABC Plus, thus following the argument made by Doyle, Alletta, Tau and Tiniko. The platform operates on a freemium model, meaning that it is free to the public but with commercial advertising attached to it while other premium content such as movies is available on a subscription basis. The market model of the SABC streaming platform addresses the concern raised by Ditsego on access; however, the concern regarding the affordability of data for streaming by the public is still unresolved. The platform has all SABC TV and Radio platforms with catch-up services and content based on VOD ([see SABC Plus](#)). This means that the SABC is now able to make up for its audience loss on linear through digital means. Using Jenkins' (2006) view on convergence discourse one can argue that the SABC is now able to take part in trans-media storytelling initiatives.

6.4.2 Social Media and Digital Marketing

In response to digital innovation and audience loss, other respondents such as Tiniko, Thandeka, Ishaan, Katekani, Ditsego, Busisiwe, Noxolo, and Mduduzi support the use of social media and digital marketing as tools to address audience loss in the SABC. In response to this view, Mduduzi argues, “...SABC need to tap into social media space...people spend most of their time on social media...SABC needs to tap into social media spaces when you can find people, and now with Wi-Fi becoming more accessible... people could be watching TV on their phones while sitting in their bedrooms SABC needs to utilize all the social media and digital platforms to reach out to audiences that they have lost.” (Mduduzi, Virtual Interview, 02/11/22). Not far from this view Ditsego argues “from an audience loss perspective we just need to have strategies that will pull in more influencer campaigns maybe not based on popularity but niche audience, i.e. Yummy Me, a cooking show for kids under SABC Education and Children, for example, you go online and find an influencer or content creator that specifically caters for cooking or want to be a chef, and you skill them to promote our shows to their audiences and that becomes a targeted and specialized approach to audiences.....so from a digital perspective that’s how you rope in more audiences” (Ditsego, Virtual Interview, 09/11/22).

The argument by Mduduzi indicates a substantial dynamic shift within the broadcasting space, as signalled by the move from analogue to digital and mobile technology. According to Goggin and Hjorth (2017), mobile media is an integral part of contemporary culture and central to

global media transformation. The argument put forward by these scholars is a pure reflection of what is argued by Mduduzi that viewers don't watch traditional TV anymore, they are online. According to Thandeka, most young viewers spend most of their time on social media, and SABC needs to draw all these audiences from different online spaces to SABC platforms. In this manner, this will aid the SABC in addressing its audience loss.

Currently, the SABC platforms i.e. TV and Radio have a presence across different social media platforms viz. Twitter, Facebook, Instagram, YouTube and TikTok. In these platforms, most of the SABC content has also been turned into memes as argued by Sizwe. This means that the SABC does reflect on the argument Goggin and Hjorth put forward regarding mobile media and its influence on modern culture. However, this view is not without a challenge, as indicated below.

6.4.3 Digital Divide

According to Tau, *“many people can expedite on the latest technology, but we need to look at affordability, and people being able to buy data, and if data has fallen to the level where ordinary people who get social grants and can live the lives which SABC is advertising because remember the SABC is a national broadcaster and is for everyone so if we are going to have more than 17 million people living on social grants, you have R350 (unemployment grant), you have pension, child support grant, all those grants cannot be spent on consuming virtual media...”* (Tau, Virtual Interview, 31/10/22). Not far from this view Ntombenhle argues *“there is so much poverty in this country and people are living below the breadline, all the innovation will require data, people in the rural areas don't have network and data, and people will not be able to access virtual material.”* (Ntombenhle, Virtual Interview, 01/11/22).

Unemployment is the hardest reality facing South Africa. In 2022, South Africa's unemployment was 7.7 million, as indicated in the figure below. Unemployment in South Africa has been gradually increasing since 2012, with most people being out of work for a long time. Therefore, the argument put forward by Tau, Ditsego, and Ntombenhle is crucial and needs to be taken into account when developing and implementing digital strategies.

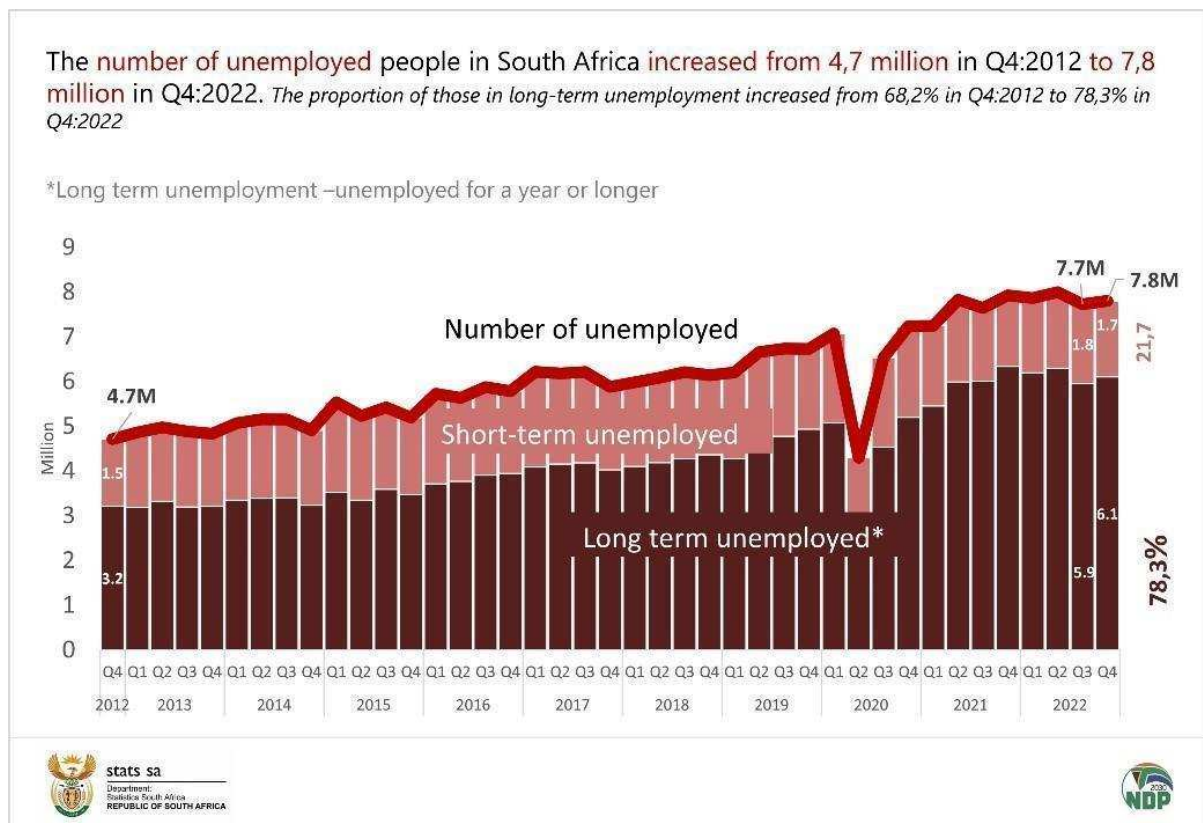


Figure 14: Unemployment in SA (Source: Statistics South Africa)

However, there has been growth in social media usage and the internet in South Africa. The figure below indicates that South Africa has 27 million internet users, triple unemployment, and half of South Africa's population. Furthermore, the figure below indicates that half of the South African population is online with active users across different social media platforms. This means that given the backdrop of unemployment in South Africa, the SABC needs to be able to find ways to use digital innovation to address audience loss while acknowledging the argument put forward by Tau, Ditsego and Ntombenhle on the digital divide. However to cater for the unemployed members of the public the SABC would need to zero-rate its digital products to ensure access and overcome the barriers of digital divide.

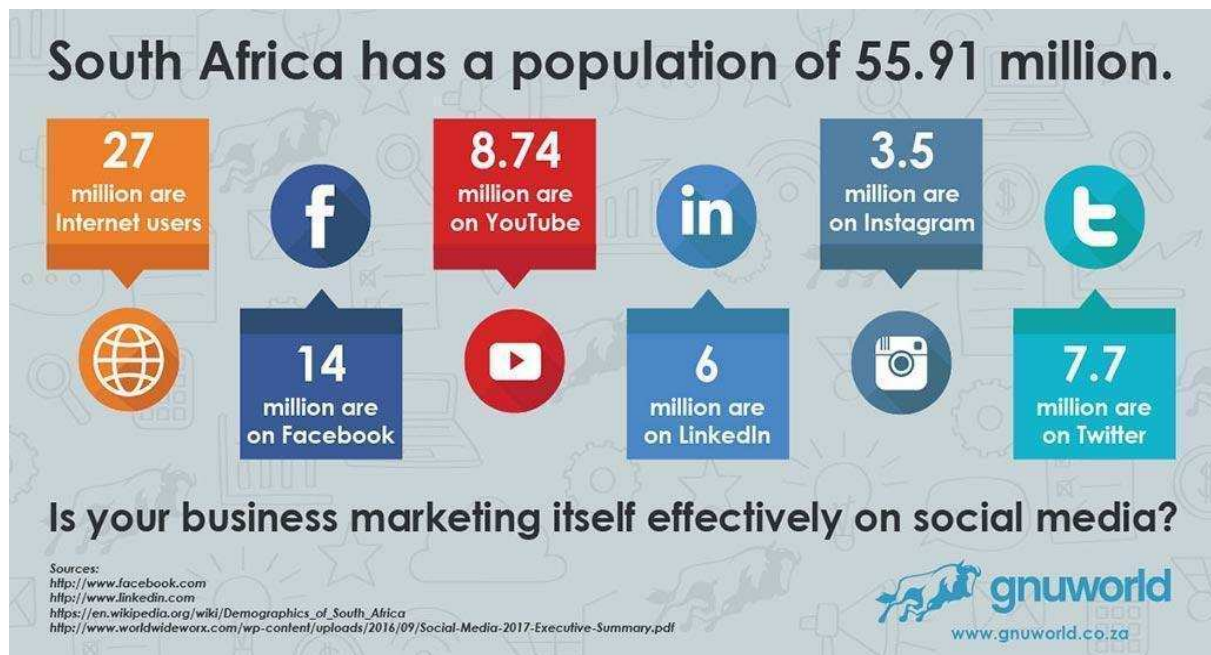


Figure 14.1: Social Media Usage in South Africa

6.4.4 Conclusion

From the analysis, it is clear that SABC can use digital innovation to address audience loss. Many respondents pointed to the need of streaming services as a strategy that could be used by the SABC in response to audience loss. Furthermore, social media and digital marketing are other tools that the SABC can exploit to resolve the audience loss dilemma while paying attention to the country's socio-economical dynamics and the impact of the digital divide, which must always acknowledge. With the SABC lagging in terms of technological innovation this study would argue that that SABC did not experiment enough with technological innovation and alternative funding models thus fails to address the study objectives .

6.5 Response to Question 3(B): Digital Innovation and Reduction of Operational Costs

This is still part of question 3; the respondents were asked for their perspective on how the SABC can use digital innovation to reduce operational costs. All responses were captured and coded using CQA Miner; the following themes were generated and discussed below:

6.5.1 Embrace the Use of Technology

The move by the SABC to adopt the electronic file delivery system in replacement of Betacam signals a move by the SABC to embrace technology. In response to Fezeka regarding a long

tail in the commissioning process, the SABC has digitized its commissioning process and launched an Electronic Commissioning System (ECS) in 2022. This means the SABC has digitized its commissioning protocol and removed the intermediary with red tapes linked within the process. With the system, producers can make submissions electronically and track progress of the concept and proposals submitted. On the other hand, all the commissioning activities from A-Z are also done within the sys, with some aspects such as the automated administration of proposals. The system reduces a lot of timelines and milestones linked with commissioning as argued by Fezeka. In terms of study aims, the SABC does fulfill the public service media discourse through the use of innovation and convergence theory.

6.5.2 Not Possible

According to Ditsego quality content requires heavy investment, and argues that TV production is still linear and in this case, it is not possible to reduce operational costs. Siphamandla argues that “...*technology won't help reduce the operational costs of the SABC, it will help make more money...*” (Siphamandla, Virtual Interview, 01/11/22). In reference to TV production Lufuno, Tau and Rendzani uphold the same sentiment. However, Alletta argues that “... *in the old days we used helicopters, we are using drones now.... [we] shoot now great scripted programs on this technology...*” (Alletta, Virtual Interviews, 28/10/22).

From the argument raised by Alletta it is clear that there is a room for digital innovation and the reduction of operational costs. Again to test the argument put forward by the respondents on the impossibility of the code proposed, the discourse on digital migration herald by the International Telecommunication Union, offers the economy of scale and scope benefit as indicated by Appolus (2022) that DTT uses one frequency signal to host multiple channels at no further cost. In hindsight, this will help SABC reduce distribution costs as its most significant cost driver. The SABC is still battling with digital migration and the rollout of Set-Top Boxes. Therefore, the economic benefits linked with the Analogue Switch Off have yet to be realized by the public broadcaster.

6.5.3 Remote Work and Collaboration

Since the pandemic, the SABC introduced a hybrid work model and policy between remote work and office. In this case, some staff within the public broadcaster are required to attend

office on a rotational basis to maintain the hybrid model. Furthermore, SABC News introduced the use of virtual interviews following the pandemic. According to Malerato, during the KZN floods in 2022, the SABC generated most of its news content on the floods and their impact through members of the public through virtual footage and interviews, thus saving the SABC a lot of money by not discharging the team for live coverage of the floods. Both Thabiso and Noxolo agree with this view, with Wu (2022) arguing that media convergence allows for timeless and borderless accessibility supported by interactivity amongst audiences. The case of the SABC, virtual interview and citizen journalism during the KZN floods validates this claim.

6.5.4 Conclusion

The analysis presents a fundamental outlook on the role and impact of scientific management and convergence culture in reducing operational costs. This allows for new organizational conduct where remote work, remote journalism and collaborations are at centre stage as indicated by the case of the SABC. The milestones made by the public broadcaster, in this case, are a step in the right direction, i.e., a digital file delivery system, a commissioning portal, remote work, and virtual journalism. However, the SABC still needs to work on automating some of its business processes, such as the administration of business plans and contract generation to promote operational efficiency, as argued by Thandeka. In terms of governance theory, this will help make the SABC more efficient as the organization moves towards effective, transparent, impartial, and accountable governance.

6.6 Response to Question 3(C): Digital Innovation and Alternative Revenues

This is the last part of Question 3, where the respondents were asked for their perspective on how the SABC can use digital innovation to generate alternative revenues. All responses were captured and coded using CQA Miner, the following themes were generated and discussed below:

6.6.1 Video on Demand

According to Doyle (2016), digitization and the internet have changed the distribution and consumption of media and led to the development of new financial and business models viz. the rise of multi-territory Subscription and Video-on-Demand services (SVoD). Alletta echoes

the same sentiment and argues that “...they [SABC] will have to play in the streaming world, and make it affordable for everybody, that’s what they need to do, they need to use technology for content to be available for all the people...” (Alletta, Virtual Interview, 28/10/22). Tau also argues that, “currently more than 55 million people are using cell phones, people are no longer sitting to watch television, there is VoD, we can expedite on that as well because people watch our programs on the phone, they watch matches on the phone, so we need to embrace the new normal, by catering for television viewers and catering for those using digital media, so what I think the SABC need to casts its net wide and not leave success to the competition...” (Tau, Virtual Interview, 31/10/22).

On a different account, Tiniko argues that “...SABC can use technology to generate revenues by using the freemium model, and use those numbers to sell to advertisers...” (Tiniko, Virtual Interview, 28/10/22). Having launched its streaming platform SABC Plus, the SABC is yet to realize commercial revenues generated through the platform. The platform offers a range of pricing options for uninterrupted streaming ranging from R7 a day, R17 weekend, R19 weekly and R49 monthly for streaming without ads. In complying with the universal principle, the freemium model allows members of the public to stream on the SABC digital platform at no cost but with the option to subscribe for premium service, i.e., exclusive content and uninterrupted streaming. Therefore, the SABC streaming platform has dual revenue derived from subscriptions and advertising. By launching the streaming platform, the SABC has now addressed the viewpoint made by Tau and Alletta regarding the need for the public broadcaster to play in the streaming market so that it can compete with the likes of Netflix, Showmax, Amazon and others.

6.6.2 Online Advertising

According to Pineiro-Otero and Martinez-Rolan (2016), digital marketing is a new phenomenon that allows for the customization and mass distribution of marketing messages online. The authors argue that digital marketing is user-centred, more measurable, ubiquitous, and interactive. In response to the question on digital innovation and alternative revenues, Sizwe argues that “...let's say we launch our own OTT platform, that platform needs to be able to add interactive ads, interactive add options that will allow audiences to click and purchase a particular product, engage or send a comment about a particular product. I think that the whole point of an OTT platform is to give comfort to clients to say if I place my product in this particular platform, it will directly translate into conversion, into a lead or a sale or into

whatever the client wants to achieve at that particular time..." (Sizwe, Virtual Interview, 31/10/22).

Adding further to this view Ditsego argues *"at the moment we at the SABC we not monetizing our [digital] platforms, that's the biggest issue... we need to start monetizing our platforms i.e. our social media platforms, SABC1 Twitter page has over a million followers, on a normal day when you have a social influencer with more than 1 million followers they charge per post a minimum of R30K upward with brand collaborations, so what's stopping us the SABC, taking our linear adds and say to the advertiser your ad will play on linear at XX time, and how about I charge you an extra R50K for a 5 or 10 second ad banner attached to the digital promo that will play on SABC1 Twitter page with +1 million viewers, that is what competition is doing..."* (Ditsego, Virtual Interview, 09/11/22).

In reference to the argument raised by Ditsego it is clear that the SABC is missing out on many great opportunities at its disposal presented by social media and digital marketing. The SABC has numerous social media platforms for all its radio and TV channels, using digital marketing, these platforms could be harnessed for revenues following the model raised by Ditsego. In the same light, Sizwe offers the same sentiment and guide on how the SABC could use its streaming platform to provide interactive ads in response to the needs of its customers. There is a clear indication that SABC needs to exploit the values brought forward by digital marketing and be able to offer tailored marketing services to its clients as argued by Sizwe.

According to Obitovich (2022), digital marketing is enabled by technological convergence and the multiplication of digital devices thus allowing virtual communication, customization and segmentation of marketing campaigns, supported by interconnectivity and interactivity. According to Jenkins consumer convergence and participatory culture are a driving force behind media convergence which is the key driver behind digital marketing. Pineiro-Otero and Martinez-Rolan list email marketing, social media marketing, Search Engine Optimization (SEO), Search Engine Market (SEM) and e-Commerce as the key driving force behind digital marketing. The SABC will need to exploit offerings linked with digital marketing to enhance its revenue generation.

6.6.3 e-Store

In section 6.3 participants share concerns about the lack of sufficient willingness from the SABC board and executive to experiment with new funding models. In this case Thabiso argues for the need of an e-store to sell and license SABC's digital archives. Thabiso argues further that, "... *there used to be BBC motion gallery which was dealing with selling and licensing archives, what they did they gave it to an agency called Getty, a world known agency for photographs...the staff at the BBC is not worried about that kind of money, that money still comes and it comes from an outside source... i.e. if you want archives from BBC you just go to Getty website...I think SABC need to do that and look at those alternative ways to generate revenues...*" (Thabiso, Virtual Interview, 01/11/22). To achieve this the SABC will need to first digitize its archives as elaborated by Thabiso and Tau. For television the archive request process is still manual, requiring the person to physically be in the SABC building to search, select and retrieve the material needed. Thabiso argues that the SABC is missing out on a lucrative opportunity to generate revenues both within and outside the South African borders just like Getty images. On the other hand, the SABC need to review its exorbitant pricing for archives so as not to chase away the customers as indicated by Thabiso on the count of his personal experience in dealing with the SABC and its archives.

6.6.4 Conclusion

This section reveals that there is so much for the SABC to benefit as far as alternative revenues are concerned. The analysis show that the SABC needs to thoroughly exploit its archives by exploring opportunities linked with e-commerce, thus applying the need for media convergence theory through digitisation. The SABC needs to prioritize using its digital platforms to generate alternative revenues from sources such as digital marketing as argued by Ditsego and Sizwe. Having launched its OTT with flexible pricing the SABC needs to start campaigns and sell its OTT brand and encourage subscriptions. Since its launch, there have not been any reports regarding revenues generated by the SABC streaming platform.

6.7 Response to Question 4.1: Secret behind Successful SABC Shows

For question 4.1 respondents were asked the following question, "*According to the Broadcasting Research Council Website in July 2022, Uzalo, Generations, Skeem Saam, Zulu News, Muvhango, 7 De Laan, Hlala Kwabafileyo, Kwa Mamazala, Twilight and Serengethi were the top 10 performing programs in the SABC. What do you think is the secret behind these*

successful shows? The feedback was captured, and the following themes were established and discussed as follows:

6.7.1 Mirror Society, Language and Mandate

The findings on this theme reflect the traditional discourse on communication theory, public sphere discourse and PSM principles. According to McQuail (2005), the functional role of mass communication is to reflect society and mediate its culture. According to Nomzamo, “...*the secret behind those shows I’d like to believe that the shows are for the people, when you look at those shows Uzalo for instance is done in a location where people live, it reflects daily lives of people, with shows like that people relate, they reflect and they see their lives into the characters of those shows, therefore the way how these shows are structured is that they not only entertaining is not the matter of watching the drama, but they also have educational elements, for example, there was a character in Uzalo who was gay, and then people started talking especially in our black societies that when a child is gay you don’t need to discriminate against them, because this is what can happen, because they see these things happening on the show. So those are for the people, they speak about the lives of ordinary citizens, and those ordinary citizens are our target audience. These are shows that speak to people, they are relatable, shot in their locations, people relate, they see themselves in those shows...*” (Nomzamo, Virtual Interview, 26/10/22).

The argument put forward by Nomzamo is crucial and reflects on the three dogmatic approaches outlined. The reflection regarding a gay character on *Uzalo* and its reception by audiences embodies the functional role of mass media and the public sphere theory, in this case, *Uzalo* provides a realm in which public discourse on sexuality is established and debated. Furthermore, the gay case highlighted by Nomzamo reflects the argument put by Gardner (2022), that in modern societies PSM are tasked to create an informed citizenry, serve public interest, and promote democracy, education and nation-building. On the other hand, Tiniko expands on the universal access principle and argues “...*the cost of data is still too high in our country... people still just go with SABC channels ...*” (Tiniko, Virtual Interview, 28/10/22). Therefore, it means that the success with SABC shows rests on communication theory, public sphere discourse and PSM principles. In terms of language Ditsego, Tiniko, Lufuno and others argue that the shows work because of Nguni language which has a high mass appeal throughout South Africa.

In support of the undertaking on communication theory Nomzamo argues “...with *Uzalo* being a regional program and original, our people always want something that belongs to them, once they have that they become your permanent viewers... also with *Skeem Saam* as much as people from Limpopo are not happy with that, or maybe it’s because they don’t understand television you can’t shoot everything in Limpopo, but seeing their street name makes them feel closer to SABC and they excited, even when they pay their TV licenses they know they belong, with *Generations* I don’t know it has lost its spark...people relate with the stories...” (Nomzamo, Virtual Interview, 01/11/22). With this in mind is it clear that the mirror argument as raised by McQuail is the core reason that the SABC is enjoying such success with its shows. Furthermore, Nomzamo also highlights the contested nature/conflict regarding the framing and representation agenda more in particular with *Skeem Saam* viewers from the Limpopo region who argue for exclusive geographic and cultural representation. The motivation put forward by viewers is dismissive of media economics and the need for economies of scale and scope as presented by Doyle. In response to the question on hand the theme under review dominates the narrative.

6.7.2 Format, Talent and Audience Appeal

According to Duncan (2012), public broadcasters are tasked to be a standard setter for broadcasting. The respondents alluded further that the reason behind the success of SABC shows listed on the interview guide is attributed to format, talent and audience appeal. Ditsego argues that “when you start digging into the storyline that’s when people get hooked, we know how people get called Jack Mabaso on the street because of storylines, with *Skeem Saam* whenever they have a high school storyline it draws a lot of numbers because of relevancy...” (Ditsego, Virtual Interview, 09/11/22). In terms of format and audience appeal, Alletta argues that the shows listed are scripted and that everybody is watching telenovelas. Alletta alludes that *7 De Laan* targets Afrikaans audience, with *Generations* as part of South African culture, while *Skeem Saam* targets the rightful audience viz. youth (Alletta, Virtual Interview, 28/10/22).

According to the view put forward by Alletta it is clear that market segmentation is a winning formula for the SABC. According to Siphamandla, format is a driving force behind the success and argues, “they are long formats, any drama or movie will perform...when we started

program XXX between 2016 and early 2021 program XXX was the most watched show in a mid-morning slot, this year in 2022 it went down which is a mistake done by the SABC [moved the show to morning slot], when you check the current slot we compete with 7 De Laan on SABC2, drama series on SABC 3... so you have a show that is performing and you put it against long formats that show will suffer...with long formats you are able to follow the story everyday...”(Siphamandla, Virtual Interview, 01/11/22).

Furthermore, Malerato argues that, *“the fact that is a local dramas, its stories that people can relate to as South Africans, the scripting of these dramas, characters, stories is something that people can relate too, delivered in a language of a particular community, its issues that are faced with and dealt with into particular storylines that people can relate too, people want to see themselves, they want their stories to be documented.....if you look at the properties listed there those are local dramas, it’s not international stories, international worlds, international issues, its issues that they can relate too, delivered in a language that they understand...”* (Malerato, Virtual Interview, 03/11/22). As rightfully argued by Malerato, format, language and audience appeal are a crucial driving force, furthermore, Malerato argues that the shows listed are local content, informed by local storylines aiding a hook that captures audience appeal.

6.7.3 Conclusion

Having established that communication theory, a discursive pattern of a public sphere and principles of PSM are a crucial catalyst behind the success of SABC shows. Another paradigm reveals that format, language, mandate, talent and audience appeal are also centre stage. Many respondents argued the unique nature of the SABC as a conduit for national identity with Alletta arguing that *Generations* for a long time has been part of South African culture. However, looking at the socio-economic dynamics of the country Tiniko argues that the SABC remains the only option against pay TV and subscription platforms and that aids with performance of the shows listed. The observation of SABC content is linked with public good value in governance theory.

6.8 Response to Question 4.2: How can these Shows be exploited for Revenue Generation

In response to question 4.2, the respondents were asked, *“Using the top ten performing shows from SABC1, 2 & 3, how best can these be exploited for further revenue generation outside traditional revenue streams on linear?”* The feedback was captured, and the following themes were established and discussed as follows:

6.8.1 Over The Top (OTT)

According to Raghuwanshi *et al.* (2017), Over the Top (OTT) refers to Video on Demand (VoD) services and argues that monetization in OTT is achieved through subscriptions and advertisements. Lufuno agrees with this view and argues, *“... So if we can go the OTT route...where some of the content is behind the paywall, and you can only watch once you pay, whether it's R2 or R3, it doesn't matter because that would be revenue coming in as well...”* (Lufuno, Virtual Interview, 03/11/22). On the other hand, Tiniko argues *“...SABC is planning to deploy an OTT platform... there is a model called freemium...you pay half and access some content for free... this is the model that the SABC was talking about recently called freemium ...”* (Tiniko, Virtual Interview, 28/10/22).

On the other hand in support of Tiniko, Sizwe argues that, *“make these shows accessible to audiences at any time, this speaks to VoD....for example if I know that the latest episode of generation is available to me immediately after broadcast, let's say I was sleeping, I am able to watch it anytime....the most convenient time for me to consume content is after 11 PM, imagine I can be able to watch an episode of Uzalo...so if these shows are placed within our OTT platform this will be a game changer....and will open revenue stream for the SABC...”* (Sizwe, Virtual Interview, 31/10/22). In the same vein, Noxolo argues, *“...the SABC has to get into SVoD space, with people catching up, they have to take the shows online and have an operational SVoD, so that all our content is available on linear and online, appointment viewing is not something that is going to work much in the future, demand culture is on the rise for audiences who has access to better fibre, side hustle and want to consume [content] at their own time...”* (Noxolo, Virtual Interview, 11/11/22).

In support of the views made above, Doyle (2016) argues that digitization and the internet have changed the distribution and consumption of media and led to the development of new financial

and business models, viz., the rise of multi-territory Subscription and SVoD. In this essence, the argument put forward by Lufuno, Tiniko, Sizwe, Noxolo and others foregrounds the critical role of the SVoD market.

Lufuno recommend that SABC adopts an OTT with a paywall and flexible pricing, while Tiniko advocates for a freemium model with commercial imperatives. As argued earlier the SABC has launched its OTT platform called SABC Plus framed on free subscription and premium alternatives. However, even before that the public broadcaster had entered several PPPs leading its content to circulate in the OTT market. This means that the SABC is aligned with findings and literature as argued by Vanhaeght and Donders (2016), Lowe and Bardoel (2007) about the need for public broadcasters to transform and adopt technology and become multi-platform content providers. With the SABC offerings now being on linear and digital markets the public broadcaster can now harness revenues across platforms.

6.8.2 Distribution

According to Valck & Teurlings (2013), syndication refers to the long tail of the television program and often includes reruns with other broadcast platforms for a negotiable fee. Supporting this view one respondent indicated that, *“the SABC need to get themselves like in the old days, when they make shows that they can distribute to other networks, there’s other people that can’t see what is on the SABC and that is the target they need to aim for, you can take a lot of great programming in the SABC that you can sell in Europe and that is a huge revenue stream for the SABC, they don’t exploit their programming, they repeat and repeat and repeat and repeat...”* (Alletta, Virtual Interview, 28/10/22). Not far from this view Thandeka argues *“we can look at partnerships whether is within the continent, and look at dubbing and look at territories i.e. United Kingdom and United States for partnership and trade content, I think there is interest on what the current South African story is...sometimes we are caught in the negativity of corruption and all, but I think South Africa is a country that is well loved because we represent a lot of things that are positive, for me partnerships both global and within the continent...”* (Thandeka, Virtual Interview, 28/10/22).

In response to Alletta and Thandeka, Busisiwe argues *“...I was in Gambia not sure, but somewhere west Africa attending a conference there a big billboard of Isidingo, it was huge and on the main road I would like to believe that it was translated...right now on Showmax I am following 1 Zambian drama and 2 Ugandan dramas. So there has to be a way that SABC*

programming can get out there. Secondly, I was in Libya and happened to see Living Land in 2009...” (Busisiwe, Virtual Interview, 31/10/22). The argument put forward by Busisiwe indicates that there is an attempt by the SABC to play in the syndication market as argued by respondents. However, the SABC might need to exploit its content further to other markets such as Europe and the United States while deepening its reach in Africa. In 2019 the SABC entered into a distribution deal with VIU, a global OTT Company with markets in Asia and North Africa, the agreement led to the licensing of SABC’s *soap operas* such as *Skeem Saam*, *Uzalo*, *Muvhango*, *Yizo Yizo* and others for an amount not disclosed to the public (SABC, 2019). Not so long-ago Netflix announced that in April 2023 it is going to launch SABC’s controversial TV drama series *Yizo Yizo* as part of its partnership with the SABC (Maako, 2023). However, seeing these developments the SABC needs to harness similar deals on both local and global markets as cautioned by Thandeka and Ditsego.

6.8.3 Advertising

Commercial revenues are the dominant source of income in the SABC surpassing TV licenses and government grants. However in this case Tau and Rendzani argue that SABC needs to continue exploiting commercial revenues as part of its revenues. According to Tau through omnibus, the SABC needs to negotiate with advertisers for competitive and flexible strategies for airtime sales. On the other hand, in the question of the SABC sales department Alletta argues that “...with the SABC if you bring in a sponsor they charge him so much money and they run away and they [SABC] don’t have the audience...” (Alletta, Virtual Interview, 28/10/22).

In short, both Tau and Alletta recognize the value of commercial revenues but are concerned about the SABC’s ability to exploit this further. Not far from this view, Rendzani argues that SABC needs to also use its digital platforms to extend its commercial services to harness more revenues. In April 2023 the SABC launched its digital media sales unit, according to the SABC digital sales refers to “*online websites and pages which are accessible via a computer or Smartphone that has internet access*”. Listing all its digital media sites such as SABC1, 2, 3 web pages and websites for all SABC radio stations indicates the move by SABC into digital marketing. Furthermore, SABC digital sales caters for streaming videos, banners and leader boards with various dimensions and pricing options. With the advent of SABC digital sales, this means that the argument put forward by Tau and Alletta is now in use by the public broadcaster, however, its effectiveness remains to be seen when the SABC publishes its financial reports for 2023/2024 in account for digital revenues.

6.8.4 Sponsorship, Events and Partnership, Merchandising

According to Alletta the current Trade Exchange policy in the SABC makes sponsorship unattainable. Alletta argues that the policy only allows sponsorship once the production contract is signed. As a result, the SABC has not been able to get its programs sponsored. In Alletta's view the policy needs to be reviewed and made more agile to allow for flexible barter trade. Concerning events Lufuno argues “...when you go on the ground people think very highly of the SABC and the people that are on television, why not also push for events, partner titles for example like *Skeem Saam* and *Generations*, do something where partners will pay money to bring those people, and still make profit from there...” (Lufuno, Virtual Interview, 03/11/22).

On merchandising Tiniko argues that the SABC can open an e-store and sell its merchandise. Furthermore, Tiniko explains that SABC brands like SABC Education can partner with retail stores such as Ackerman's and sell SABC Education baby clothing and other related programming merchandise. In support of this Alletta suggested that SABC needs to adopt a Super-Sports merchandising strategy to harness additional revenues. Concerning events in January 2023, the SABC announced the return of Metro FM music awards after a 5-year break. For the 2023 instalment of the SABC brand, Metro FM has partnered with the Department of Culture, Sport and Recreation in Mpumalanga, the awards were held in the city of Mbombela in May 2023 (SABC, 2023). The partnership between the SABC and Government is marked by various trade-offs between both parties i.e. no cost implication for location to SABC budget, free media publicity for the government of Mpumalanga, revenue split and others (source, anecdotal).

On the issue of merchandising the public broadcaster it was announced on the 18th November 2022 that its radio brand uKhozi FM launched a traditional footwear as part of the first clothing range by the station. The sandals dubbed *Ushuni WoKhozi FM* are a direct representation of a Zulu culture and are applicable to the core audiences targeted by the station. For this undertaking, the SABC/uKhozi FM partnered with JAM stores, a fashion franchise with national distribution throughout South Africa and has an online store (SABC, 2022). The figure below indicates the station merchandise offering as response to Tiniko and Alletta:

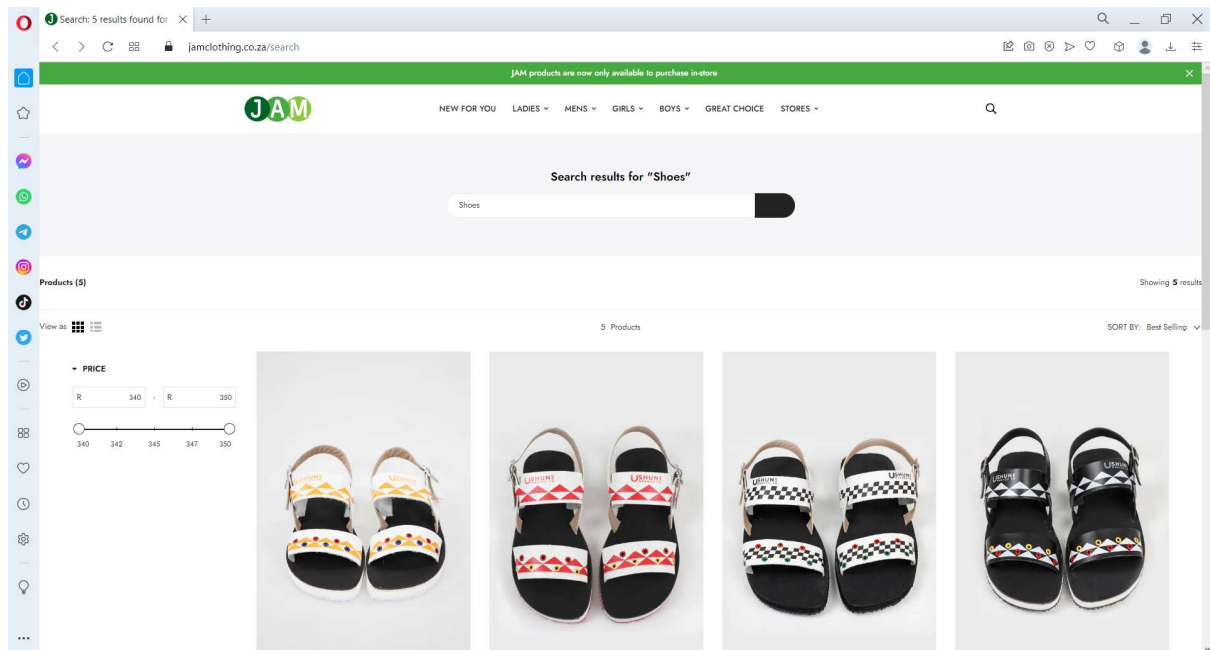


Figure 15: uKhozi FM Merchandise (source: JAM Store)

The move by uKhozi FM is a step in the right direction and reflects the argument put forward by Tiniko and Alletta. However, the SABC needs to deploy the model uKhozi FM uses across all its public service radio stations that cater to African languages and partner with national retail stores to sell branded merchandise. As argued by Doyle (2013), strategic alliances are very important for public media to survive. The case of the Metro FM music awards and SABC partnership with the government of Mpumalanga province validate the argument put forward by Doyle. However, the sponsorship and events proposal, as argued by Lufuno, still needs to be further exploited by SABC, where, in this case, Event Management Companies pay for the public appearance of SABC talent, thus enabling SABC to harness revenues from appearance fees. According to an online dictionary, an appearance fee is a “*fee paid by a promoter of an event to a particular celebrity in order to at the celebrity takes part in the event.*” (Collins English Dictionary, 2023).

From this undertaking, it is clear that the SABC needs a drastic overhaul of its sponsorship policy to allow for flexible barter trade to enhance its affiliated brands. The SABC still needs to enforce the implementation of public appearance fees for its talent. Currently, there is no existing policy in the SABC addressing revenues from appearance fees. Therefore, the first step is for the SABC to draft a policy provision indicating the public broadcaster's position on the matter, with a clear indication of the revenue split between talent, public broadcaster, and other players such as artist management. With merchandising, the SABC needs to extend and exploit

the uKhozi FM offering to other SABC brands, as argued by Tiniko. However, the inroad and milestone set with the uKhozi FM initiative are recognizable and valued by this study.

6.8.5 Conclusion

The SABC has several opportunities to exploit its successful shows. Having launched its OTT platform in November 2022, the views put forward by Tiniko, Lufuno, and Sizwe have been addressed by this undertaking. However, a separate study needs to be conducted to evaluate the success and progress of SABC in harnessing revenues from its OTT platform. The same argument applies to the distribution model that appears to be in place according to the argument put forward by Busisiwe in section 6.8.2 and the respondent's experience of SABC shows while traveling in Africa.

However, as argued by Thandeka the SABC needs to explore and expand its distribution to markets in the United States, United Kingdom, Europe and others as it has done in the case of VIU and Netflix. In the case of merchandising as argued by Tiniko and Alletta the uKhozi FM footwear deal offers a great start and direction in which the SABC can expand this model to its other brands. However, the SABC still needs to harness revenues from appearance fees in exploitation of the popularity of its talents and brands such as *Skeem Saam*, *Generations* and others. The reinstatement of the Metro FM Music Awards further addresses revenue opportunities raised by Lufuno on events and partnerships. Therefore, in short, the strategic partnership discourse conveyed by Doyle is very important for SABC's financial survival.

6.9 Response to Question 5.1 Recommended Alternative Funding Models

Responding to Question 5.1, the respondents were asked, *"What alternative funding models would you recommend for the SABC to be financially independent and sustainable?"* The feedback was captured, and the following themes were established and discussed as follows:

6.9.1 Government Funding

According to Tiniko the SABC needs to be funded directly from the national budget and argues *"...the SABC should be funded from the fiscus, the SABC is a public broadcaster and should be funded from the fiscus like government funds and any other government department..."* (Tiniko, Virtual Interview, 28/10/22). In support of Tiniko, Nomzamo argues *"we have a*

mandate and we are not sponsored, funding by the government I do believe that yes it's not to say it's an easy way out, but because of our mandate there is a lot of content that we cannot put on our platforms because of that particular mandate, where other broadcasters they can, and that how they bring in advertisers..." (Nomzamo, Virtual Interview, 26/10/22). When asked what she meant Nomzamo explained "...I'll make an example with the budget speech where we are a host broadcaster as the SABC and as the public mandate we should film the President, however what other broadcasters do is we are feeding the feed to them when the president is speaking and we must send it clean, it must not have scrawls and those scrawlers are potential advertisers whereas other broadcasters are doing that, they can have for example a scrawler popping up while the president is speaking, obviously not blocking his face but ...we are not allowed to do that... because we have a public mandate and these other broadcasters are getting that for free, we are paying for the resources. We are paying a lot of resources to take out an OB van for the President's speech. There is a lot of staff needed, and the equipment required is expensive, and here the other broadcasters are getting the feed and also maximizing on it by having advertisers while the president is speaking..."

Judging from the argument put forward by Nomzamo, it is clear that a public mandate is a costly exercise. The total cost of the unfunded mandate is R4.5 billion, R2 billion for sports, and R2.3 billion for Television and Radio. It, therefore, makes sense as to why most public broadcasters are funded through public grant systems as indicated in the case of ABC, BBC, CBC, EBU and African public broadcasters i.e. in the case of Southern Development Community there is an exception with Zimbabwe Broadcasting Corporation and SABC both broadcasters heavily rely on commercial revenues. According to Pickard and Neff (2021), public funding is the best option to fund PSB.

6.9.2 Online and Classical Marketing

"...we need to make sure that all advertising spent of the government goes to the SABC as well through sponsored programs i.e. DBE, DTI and others. So whatever messages the government wants to put across they can be done through advertising spent by the government, we have a special account with the government so that money can come straight to the SABC through our radio, television and digital platforms..." (Tau, Virtual Interview, 31/10/22). The argument put forward by Tau reinforces the value of traditional marketing on linear. On the other hand,

Tiniko argues that the government has deserted the SABC in terms of its advertising spend and prioritizes using the services of SABC's competition.

The view put forward by Tau requires support and buy-in from the government in terms of the Government Communication and Information System (GCIS), a state communications body to use the SABC for government communication and pay for the service provided. The argument put forward by Tiniko has value and can materialize as we have learned that during the hearing on Judge Zondo Commission⁵⁸ on State Capture millions of government communication budget was diverted to a Gupta linked Media Company that owned a newspaper named, *The New Age* and news channel which are now defunct (Zondo, 2022). The same budget needs to be redirected and prioritized for the SABC.

According to Tau, the SABC has a public account to invoice all government departments, and this means that it should be easy for the government to work with the SABC in communicating government messages. However, according to Ferreira (2020), the government owes SABC R57.1 million on TV licenses and R29.2 million on advertising; this includes national, provincial, municipal, and State-Owned Enterprises (SOEs). In trying to resolve this, the former Minister of Communication Stella Ndabeni-Abrahams led a campaign in 2020 to urge all government departments to pay their SABC accounts. However, in 2021, Ndabeni-Abrahams was moved to a different ministry, and the initiative was forfeited. Nonetheless, it will be suitable for any current minister of the Department of Communication to continue the drive set by its predecessor, and this will help SABC improve its financials and cash flow.

6.9.3 Partnerships

"...we cannot ignore the fact that all corporates want to advertise their social responsibility programs... we can have window periods where we communicate that and they pay for those messages i.e. mining project that has built houses for the communities and they spent R2 billion on that, and want to tell people of their Corporate Social Investment, then it's very simple we can do a story on that and they can pay for it..." (Tau, Virtual Interview, 31/10/22). In the view of Tau collaborations/partnerships are very important, in this case the Public Private Partnership (PPP) comes into play through Corporate Social Investment led initiatives.

⁵⁸ Deputy Chief Justice of South Africa, appointed by former President Jacob Zuma at the instruction of former Public Protector Thuli Madonsela to investigate state capture in South Africa

Similar to Tau's argument, Busisiwe argues that *"...I think we need to go to industry, big industry has got a lot of Corporate Social Investment money. I don't know how we get ourselves attracted to the industry that when people do their budgets they put money aside for SABC... there is a lot of money that is sitting under Corporate Social Investment ... outside government funding, there is a need to do proper selling to industry i.e. Anglo, Sibanye Gold and others...it's a matter of conversation I think..."* (Busisiwe, Virtual Interview, 31/10/22). On the other hand, Ntombenhle argues *"...the private sector has a role to play in terms of assisting the SABC through partnerships on Corporate Social Investment projects..."* (Ntombenhle, Virtual Interview, 01/11/22).

From the data set presented it is clear that strategic alliances with the private sector is very important as a source of alternative revenues. The respondent's credit Corporate Social Investment as a vehicle in which this could be achieved with the SABC as a medium to communicate such messaging. As argued by Busisiwe it is very important that the SABC starts having conversations with the private sector and lockdown partnerships, Tau and Ntombenhle agree to this view. Furthermore, Tau argues that there is a need for a strategic alliance between the SABC, South African Airways (SAA) and the Department of Tourism. In this deal the SABC TV platforms are promoted in all the hotels in the country, with SABC News channel flagged in all the airports while promoting various tourism destination sites in SA. The argument put forward by Tau foregrounds PPP discourse and its benefits as indicated by the case of the Metro Music Awards and SABC partnership with Mpumalanga government. However, the SABC still needs to expedite the model put forward by Tau regarding collaboration between the SABC, Airport Company SA and the Department of Tourism as this will expand the SABC brands and increase viewership.

6.9.4 Media Tax

According to Tiniko, Sizwe and Tau media tax or communication levy is another measure the SABC can use to generate revenues. According to Dugmore (2021), commercial revenues and TV license income is no longer a viable model to fund PSB. Dugmore argues that countries like Sweden and Norway have converted TV licenses to direct tax collected by a statutory body. However, Dugmore argues that the SABC is similar to the New Zealand PSB as both entities strongly depend on commercial revenues. Furthermore, Dugmore likened the SABC to Poland in terms of the high eversion rate for TV license payment. This therefore indicates that the

challenges facing the SABC are not in a vacuum but eminent across PBS as indicated by Dugmore.

In support of the arguments brought forward by the respondents the cabinet of South Africa adopted a SABC Bill aimed at repealing the broadcasting act of 1999. The bill provides clarity in terms of the governance structure and financial sustainability of the SABC, as a result the bill will repeal the TV license and replace it with a statutory tax of 1% per annum payable by business and households. Currently, the bill is still out for public consultation (Magubane, 2021). Nonetheless, Tiniko argues that the tax base in South Africa is shrinking and very few people will be able to pay the tax given the growing unemployment in the country. According to MyBroadBand (2023), it will take 3-5 years before the bill is implemented given the public resistance that is currently in place. However, if the bill is implemented the SABC financial woes will be resolved and will put the SABC on par with other global broadcasters using media levy as a funding revenue.

6.9.5 SVoD, Merchandise, Monetization and TV License

According to Lufuno, Fezeka and Malerato the SABC needs to enter the SVoD market to harness revenues. However, this view has been explored intensely in this chapter and the same arguments are still applicable. The same argument applies to merchandising as a financial revenue as argued by Alletta and Katekani. Concerning monetization Nomzamo argues that the SABC needs to monetize its news feed given the current loss incurred due to public mandate obligation. According to Nomzamo, there should be a model put in place to charge for the SABC feed for presidential addresses to external broadcasters both local and international. Nomzamo reveals further that the legislation prohibits the SABC from undertaking such. For this view to be realized the current policy regulation needs to be amended to allow for the monetization of SABC feed. On the other hand, the current White Paper on Audio and Audio-visual Content does not cater for the argument put forward by Nomzamo. This means that there is a need for a separate engagement with legislators to drive the argument put forward by Nomzamo in terms of policy and legislation.

Expanding on monetization, Naledi argues that the SABC needs to rent out the unused office space within its buildings. Naledi argues further that this should include upgrading SABC studios and renting them out to private broadcasters. This will be an excellent endeavour for the SABC. However, this argument still needs to be realized. Following retrenchments, the

SABC Auckland Park Campus has a lot of unused office spaces. The TV building has two floors that have been unused for years. At Radio Park, many floors need to be used. As Naledi explained, this could be a revenue stream for the SABC, and the numbers would look much better if the same undertaking were extended to the SABC regional offices across the country.

With TV licenses Tau argues that the SABC needs to be innovative with its license collection and introduce incentive programs such as getting discounts for switching on to SABC TV channels. On the other hand, Thabiso argues that, driving through a shanty town in any part of South Africa there are DSTV decoders installed with repayable monthly premiums. Thabiso argues that people are willing to pay for the content that they consume and therefore urges the SABC to come up with innovative campaigns to encourage people to pay for their TV licenses. In response to Tau and Thabiso, Ferreira (2022) argues that the SABC plans to launch its TV license loyalty program tied with rewards to encourage people to pay for their TV licenses. However, until this initiative is done the concerns raised by Tau remain pending for address by the SABC. The application of convergence theory will result into a successful SVoD market.

6.9.6 Conclusion

The section addresses the heart of this study and reveals that multiple alternative revenues can be explored and exploited by the SABC to survive in a competitive and disruptive broadcasting environment. However, chief of all is government funding, traditional and digital marketing, but also not downplaying the significant role of partnerships and PPPs. On a lighter note, the developments regarding the SABC bill gives an assurance that the public broadcaster's financial nightmare might be nearing an end even though there is a concern that it might take some time before the bill is actualized.

6.10 Response to Question 5.2: Why Alternative Revenues Not Implemented

Having gathered alternative revenues recommended for the SABC, this section explores why these models are not being implemented by the SABC. Responding to this, the respondents were asked the following question as a follow-up to 5.1, *“Why would you say that these models are not being implemented?”* The feedback was captured, and the following themes were established and discussed:

6.10.1 Lack of Innovation and Agility

“...there is no flexibility this is the way we work in the SABC, its either you work like this or we don't do business with you...and in business today you need to be transparent...you need to be a partner in the production, it shouldn't be a person just dictating to you...” (Alletta, Virtual Interview, 28/10/22). In supporting this view Lufuno argues *“...you have a lot of people who've been in the SABC for a while, who keep on saying we've always done things this way... for them to change is very difficult...and they are not taking into account that the world is moving...so there is resistance in terms of technological change in the SABC....you've got people focused on traditional marketing, I see now they starting to change going to TikTok and other social media platforms...”* (Lufuno, Virtual Interview, 01/11/22).

According to Rad (2017) media organisations must be dynamic in response to disruptive innovation. While Plantinga (2019) recognizes innovation as an improvement in operational efficiency and reduction of operational costs, it is very important that the SABC aligns itself to this argument. Putting these views to the test, earlier a view was made regarding the SABC's move to the new digital file delivery system replacing the previous analogue system of beta tape which have been in use since the evolution of TV in South Africa. Furthermore, a view was made regarding the SABC launching its streaming platform with various consumer packages while not ignoring the adoption of the digital commissioning portal aimed at reducing the red-tapes linked with the SABC commissioning process as explained by Fezeka.

It appears that these are a step in the right direction indicating that the South African public broadcaster is catching up with the findings and literature. However, these developments are only occurring almost two decades later, given that, long ago, Sylvie (2007) asserted the need for broadcasters to adopt digital technology and innovation to survive. Still, this argument is only now becoming a reality for the SABC. As argued by Tiniko, Alletta, Lufuno and Sizwe the SABC came in late to the OTT market and was leveraging on other platforms such as TelkomOne and VIU. In this case, the SABC should have caught up on the agility to play on the OTT market before the saturation of the space by global players such as Netflix, Disney, and others. In the case of agility, the SABC would need to relax its governance and bureaucratic measures.

6.10.2 Public Mandate and Policy

Due to mandate, Nomzamo argues that the SABC cannot capitalize on the news feed. As a result, Nomzamo argues that the SABC pays double the money for the team to produce and distribute the world feed at zero cost. Malerato also stresses that ICASA regulations don't allow the SABC to have competitive and flexible scheduling given matters relating to license conditions and compliance. According to Malerato, ICASA requires the SABC to have news and current affairs in prime time, while competition offers compelling entertainment in the same time slot, this drives audiences to competition. According to Ditsego and Malerato, the impact of the Finance Management Act cannot be ignored as it limits the ability of the SABC to be agile. To support this view Alletta argues “...*I’ve been commissioned this year [2022] with a project that I pitched in 2017 ...I mean all those characters that were pitched are either dead or have moved on ...so basically you have to redo the whole proposal...*” (Alletta, Virtual Interview, 28/10/22). From this view, it is clear that the SABC policy environment and mandate significantly impact the SABC's ability to be agile and innovative. However, as argued earlier, the move by the SABC to a digital commissioning environment might help reduce some of the red-tapes and automate some of the administrative and operational processes such as digital evaluation of proposals, generation of the letter of intent, business plans, contracts, and others. The digital portal is built with a digital signature tool with a turnaround time and auto-escalation feature to the following management line if tasks and milestones are not met (source: Anecdotal). This means that without compromising the SABC's mandate and policy, the SABC should be able to exercise operational efficiency in addressing made by Alletta and Fezeka.

6.10.3 Lack of Decisiveness and poor HR practices

According to Alletta and Siphamandla, the SABC workforce lacks decision-making ability; both respondents argue that it takes longer for SABC workers to conclude the business-related matters. According to Thabiso, it took the SABC more than three months to decide on the logo of a series. In support of this view, Siphamandla argues that it took the SABC more than six months to decide on the format of a show. Therefore, with this reference, Alletta argues that people inside the SABC are afraid to make decisions and be accountable to avoid dire consequences such as disciplinary action or losing their jobs. Furthermore, Tau and Siphamandla argue that some decisions made in the SABC are made from personal interest rather than the interest of the organization. To support this view Tau makes mention of the case

of Robert Marawa, a sports broadcaster who was fired by the SABC over office politics through SMS. Furthermore, in 2014 former Metro FM radio presenter Bonang Matheba was fired by the SABC over a contractual dispute that denied her permission to work with other broadcast organizations while being employed as a freelancer by the SABC. In the same vein, in 2014 the SABC popular soapie *Generations* fired sixteen cast members over salary disputes and complaints about working conditions, as a result, Tau argues that *Generations* has never been the same. In August 2023 the SABC fired one of its news managers of the Sesotho news desk and a co-worker over plans to assassinate one of the Sesotho news presenters over witchcraft and sabotage allegations. The manager and co-worker planned further to even torch down the car of the news presenter in question (Illidge, 2023).

Not so long ago, the Public Protector report on the SABC by Thuli Madonsela lists many other unethical HR practices that are not compliant with governance. Madonsela made these findings during the era of former Chief Operations Officer Hlaudi Motsoeneng; the report indicated HR maladministrative practices such as purging of staff, irregular appointments, and others (Public Protector, 2014). It is rather alarming that close to a decade after the public protector report, the SABC is still faced with poor HR practices, as explored. However, it now appears that the matter has gotten extreme, given that there is assassination and destruction of private property involved. The SABC needs to tighten its HR scruples and address all the loopholes coming from the findings.

6.10.4 Conclusion

In trying to understand why there have been delays in the SABC with the adoption of alternative revenues, it is clear that the lack of adoption could not be pinpointed to one single argument given that there is a myriad of factors attached to the matter. However, the leading factor is the need for agility and understanding of the innovation by SABC staff who are grounded on traditional and systematic approaches to innovation. The public mandate and policy environment are also detrimental to the SABC's flexibility in exploring alternative revenues, particularly regulations and the Public Finance Management Act. On the other hand, issues of decision making, and poor HR practices are still a challenge facing the SABC and need to be addressed so that a conducive environment for business can be established and maintained.

6.11 Response to Question 6: Hurdles Facing the SABC

In response to question 6, the respondents were asked the following question, “*What organizational hurdles would you point out as a challenge to SABC's financial independence?*” The feedback was captured, and the following themes were established and discussed as follows:

6.11.1 Lack of Agility and Innovation, Politics and Talent Management

“...SABC being a traditional broadcaster it struggles to be agile and struggles to break away from the traditional template to a contemporary operating model...” (Tiniko, Virtual Interview, 28/10/22). Not far from this view Lufuno argues *“...the hurdle is we focusing on the traditional way of making money and we not looking at the fact that the world is changing technologically, and we need to get into that [space] even though we are [getting] there but we are going in a slow pace...”* (Lufuno, Virtual Interview, 31/10/22). On the other hand, Sizwe argues *“...it takes longer to make decisions because we have to go through red tape and make sure that we tick all the boxes when it comes to being able to meet the financial requirement before we fulfil a procurement/SCM processes in place.... for example, we have been trying to launch a scheduling system, a Media Asset Management system for a while, and the reason why the Media Asset Management system hasn't been acquired is that it takes us far too long to finalize the tender process, and you'll find that by the time we finalize the tender process the service provider will tell us that the requirement you have its outdated, the market has moved on from that...”* (Sizwe, Virtual Interview, 31/10/22).

As indicated in previous sections, SABC has made a few inroads as far as innovation is concerned viz. The case of the digital file delivery system, commissioning portal and streaming application are a few significant milestones that can be noted. However, the Media Asset Management system is still not yet implemented, currently, the SABC uses different systems for media operations. With that said the SABC uses TVMBS for scheduling media content on its platforms and Dalet to manage media assets. This means there is no integrated approach used by the SABC in managing its assets, archives and scheduling, the picture gets worse when you add the sales department and its detachment with TVMBS. The adoption of Media Asset Management as pointed out by Sizwe will help remedy this concern, in this case the SABC

would have fully exploited the principles of convergence and allowed room for technological hybridity as pointed out by Hay and Couldry (2011).

In terms of politics, Tiniko argues that the SABC is facing a hurdle of political neglect by the government, and white capital protest in reaction to the political landscape and the poor administration by government. Tiniko argues “...*political neglect by the executive, DOC neglected the SABC, the political executive neglecting the SABC, the government of the day neglecting the SABC... white people who command the advertising purse choosing to advertise with private white companies that are owned by white people and not the SABC. So there seems to be an investment protest if I can call it that, so in other words white capital chooses not to advertise with the SABC.... Capital understands and accepts that the SABC commands a biggest market share but for some reasons they choose not to advertise with the SABC...*” (Tiniko, Virtual Interview, 28/10/22).

Furthermore, Tiniko contends that “...*whites believe that there should be accountability in the manner public money is spent in the SABC, but the black government seem not to value the importance of accountability, so they appoint people who the market might see as uneducated, people who come and loot SABC’s money, so white capital is of the view that we can’t continue invest to government where government takes money and waste it at the SABC, and not hold people accountable...*” (Tiniko, Virtual Interview, 28/10/22). The respondent attributed this view to South Africa’s racial economy and politics. However, not so long ago, from the 14th-18th March 2022, the South African Human Rights Commission (SAHRC) conducted an inquiry into racism in South Africa’s advertising industry and revealed that with the advertising spend of R42 billion a year, only 2% goes to black-owned agencies (Gosa, 2022). The figure below, extracted from [Business Live](#) indicates the most significant ad spenders in South Africa, and the researcher can attest anecdotally that most of the spenders are with the SABC, however, the argument put forward by Tiniko might require a separate study to test and explore.

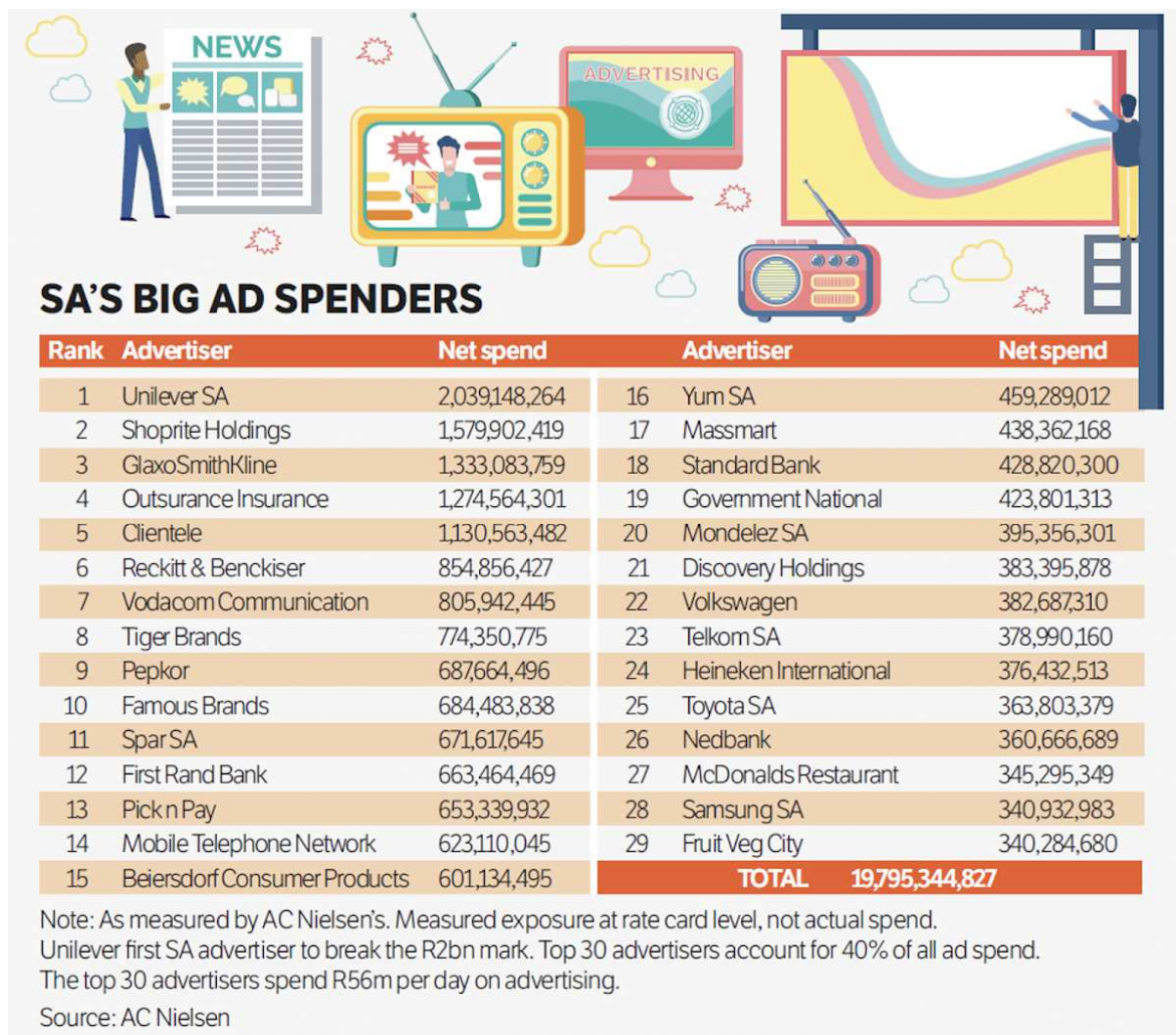


Figure 16: South Africa's most prominent advertising spenders

However, in light of talent management as a hurdle facing the SABC, Rendzani argues, “...currently you can look at Metro FM. We had T-Bo Touch who had left, and the station was going down, but ever since they brought him back and gave him what he needed, Metro FM at certain times is now something to listen to; you know, there are certain people that the SABC has made and still need to keep...” (Rendzani, Virtual Interview, 31/10/22). In support of this view Tau argues “...there is this thing of us not investing in presenters, we think if we are fighting with the presenter we get another one it doesn't work, if you have Vionolia Mashego doing Jam Alley, when she goes and Jam Alley dies, it means we don't have this thing of reconciliation, because if we can let Robert Marawa go because of something that we wrong in the office and we fire him through an SMS that is an indictment on us why are we doing that? If you can have Vuyo Mbuli on Morning Live and we don't think that one day he won't be there,

what is our success? Morning Live is no longer the same whether you bring Leanne or Sakina... we don't have a succession plan...” (Tau, Virtual Interviews, 31/10/22).

The views brought forward by Rendzani and Tau are very important and need serious consideration by the SABC. The views on talent management and HR practices were tested in section 6.10.3 thus reflecting the views made by Rendzani and Tau.

6.11.2 History, Unfunded Mandate and Unhappy Staff

With regard to history as a hurdle Ntombenhle argues “...*I would believe with me being here for 15 years there are so many factors that affected the SABC...mismanagement is one of them, corruption, political influence, lack of ethical leadership, lack of skills in certain areas and departments critical to the SABC ...*” (Ntombenhle, Virtual Interview, 01/11/2022). Not far from this view, Sizwe, Katekani and Malerato concur and argue that the SABC is still dealing with the impact of historical mismanagement and working on putting in place governance measures to prevent the ordeal from repeating itself. Malerato argues that the board and executive did not hit the ground running given that they have to address the historical legacy of corruption and mismanagement before attempting alternative revenues and innovation. In support of the argument put forward by Ntombenhle there has been several reports released by various bodies to support the view presented on historical hurdles, including the following reports: *Public Protector Report of 2014, Parliament Adhoc Committee Report of 2017, Interim Special Investigation Unit Report (SIU) of 2018, Report of Commission of Inquiry into Interference in the Decision-making in the Newsroom at the SABC of 2019* by the Press Council, and the *Commission of Inquiry into State Capture* Report by Deputy Chief Justice of South Africa, Advocate Raymond Zondo of 2022. All these reports indicate SABC’s historical challenge with corruption and mismanagement leading the public broadcaster to lose huge amounts on irregular deals such as The New Age⁵⁹ breakfast, lump sum payments to purged staff, hiring of staff and management without qualifications for positions contracted for. All these and many others are key to SABC’s financial and historical challenge.

The unfunded mandate is another hurdle facing the SABC. According to Ditsego, “...*we received 3% of government funding, this raises huge alarms because if we receive 3% of government funding and we are a parastatal and schedule 2 entity its means that 90% of our operations are governed by people who only fund us 3%, already there is a huge red flag there*

⁵⁹ Private media company that had close ties with former President Jacob Zuma

by default...” (Ditsego, Virtual Interview, 09/11/2022). According to the Office of the [Auditor General of South Africa](#), a Schedule 2 public entity refers to a public enterprise that generates revenues to sustain itself. Therefore, according to Ditsego this arrangement is confusing given that the SABC is expected to be commercial driven, yet it has a public mandate to account for which is not funded.

In support of this view Malerato argues “...*I think more than anything, it’s the expectation of the SABC being set up a public broadcaster but not given enough financial assistance, so the 3% the government grants is like a drop in the ocean, it costs big money to make the content, and yet government funding is minimal but the expectation is that we compete with commercial competitors on the same level, yet we have this heavy mandate because we are the public broadcaster and yet we don’t have financial assistance to execute that public mandate that is expected of us...*” (Malerato, Virtual Interview, 03/11/22). The unfunded mandate is a critical matter as raised by Ditsego and Malerato.

Regarding staff morale, Alletta, Katekani, and Fezeka argue that there is low staff morale in the SABC and argue further that SABC workers are overwhelmed with work and are underpaid. As a result, Rendzani argues the SABC workforce is not motivated to go the extra mile in rendering services to the SABC because of the lack of reward for motivation. The scientific management theory argues against this position and posits that for operational efficiency, workers need to be trained and incentivized to reach targets. As a result, this aids in keeping a motivated and efficient workforce. Nevertheless, it is essential to note that a large proportion of SABC workforce is despondent over salary issues as Fezeka argues “...*it goes back into salary issue, people are not happy with what they are getting, so that kills the morale of staff, and I feel it’s also the matter of redundancy...*” (Fezeka, Virtual Interview, 14/11/2022). While Alletta argues “...*I think the SABC staff is very unhappy, I think the staff we work with is unhappy, I think they get overlooked, they don’t have opportunities to grow, that makes staff unhappy, and that unhappiness goes straight into the industry...*” (Alletta, Virtual Interview, 28/10/2022).

6.11.3 Economy and Competition, Management

According to Busisiwe the economic downturn and inflation have had a detrimental impact on the commercial performance of the SABC. Malerato adds that apart from a historical legacy of mismanagement and corruption, the new board and management were perplexed with some environmental challenges such as COVID-19 and national lockdown, which played further on

SABC's financial performance. Busisiwe argues *"...inflation, scarcity of money, if I understand correctly a lot of money coming to SABC is from commercials, and that is getting reduced everywhere... I shudder...people just don't have the money we see on our side with the corporate work we do; marketing budget is the first to be reduced...it's only normal... it's not like the SABC has done anything wrong, this is part of life...honestly did you ever think you'll be paying R21 for a litre of diesel?...things happening outside the SABC are shrinking the revenue base..."* (Busisiwe, Virtual Interview, 31/10/22). According to Busisiwe the economic challenges are outside SABC's control and cannot be attached to any internal hindrance.

According to Tunez-Lopez *et al* (2020) most public broadcasters with mixed funding were hit hard by the pandemic and the SABC is indifferent to this view given that during COVID-19 the SABC reported a net loss of R511 million, then R530 million revenue loss for 2020/2021 and R600 million loss for 2021/2022. According to Thandeka, Thabiso, Mduduzi the broadcast environment in South Africa is fuelled by many players with more options available for audiences. The impact of competition is also indicated in South Africa's draft policy on audio- and audio-visual content services issued in November 2020 with the policy drafted in response to the ordeal (Department of Communication and Digital Technologies, 2020).

According to Katekani, management is also to blame for SABC hurdles, the respondents argue that management lacks foresight in terms of forward planning thus the SABC always has to play catch up. On the other hand, Lufuno and Noxolo argue that the management uses a top-down leadership style and does not engage with its constituencies before making strategic decisions. Lufuno argues *"...right now with the management that is there, my problem is they act like SABC people who have been there forever... it's very difficult for you to change their minds, for example, section 189 they went ahead and implemented it, even though people advised them that it may not be the best way to get to where we going, and people left, now they starting to see that those posts that were made redundant are very important for the SABC. We got top management coming from outside forgetting that we are a government institution.... meaning that there are policies and procedures that are not necessarily SABC's but government's which SABC need to meet. So they come with mentality from DSTV...they would say at the DSTV this is how the hierarchy looks like i.e. you only need CEs you don't need supporting structures, you only need these people in technology, you don't need this one, but they didn't come and ask why are these people there in the first place, had they done that before, they would have found out why certain people are there, in line with regulations and all those*

things. A lot of people [management] are so set in their way of thinking to a point where they don't take advice, they don't listen to you, even if they can see that things are not working the way they wanted, I don't know if its pride or what, they would rather die than make changes just because [the idea] is not from them..." (Lufuno, Virtual Interview, 03/11/22).

In the same vein, Noxolo argues *"...SABC needs a horizontal approach because everyone is passionate about the SABC, and we want to assist because when the SABC makes money we make money...the management need to be willing and open to hear views different from themselves without feeling they are putting their jobs at risk..."* (Noxolo, Virtual Interview, 11/11/22). Furthermore, Lufuno argues *"...new management and board are concentrating on the wrong things if you remember section 189 the whole idea was to decrease the salary bill which is important in a way, but there are other places that you haven't necessarily looked at, where we are spending money i.e. repeat fees..."* (Lufuno, Virtual Interview, 03/11/22). Nomzamo and Noxolo argue that SABC management lacks transparency.

To further support the view raised by Lufuno, for all the financial periods under the 2018 appointed SABC Board and Executive Management the SABC has reported financial losses in its annual financial reports. The losses have been recurring from year to year, and according to Tiniko and Tau, the turnaround strategy, which was deployed by the 2018 board and management, did not yield any fruits, given that the SABC still has the very same financial difficulties that were present before the 2018 board and management took over. Perhaps if the SABC leadership had consulted with its workforce as argued by Lufuno and Noxolo maybe some of the financial losses could have been prevented.

6.11.4 Policy and Regulation, TV License collection

The hurdle regarding policy and regulation has been explored in section 6.10.2. The predicaments linked with Public Finance Management Act, ICASA, license regulation, mandate and others have also been explored. With regard to TV licenses, Tau argues that the pay-your-TV license drive is very weak and needs to be intensified. While Ditsego argues *"...we need to tweak policies on TV licenses, make it a rule that people pay their TV licenses and eradicate the corruption that happens with TV licenses, for example I have seen this with my own eyes, people go to a Game Store try buy new TV set, they don't have a TV license they go to someone next to them and help them out. Then what could have been a R265 that comes to the SABC now becomes Zero, however a person has an additional TV governed by ICASA*

and the viewership does not match the number of TV licenses paid...” (Ditsego, Virtual Interview, 01/11/22). The hurdle put forward by Ditsego needs serious attention, it is more evident that apart from eversion the corruption activities linked to TV license add a further hurdle to SABC’s financial sustainability.

6.11.5 Conclusion

The responses to Question 6 strongly indicates that there are many hurdles facing the SABC and impacting its financial sustainability. In this case, innovation, public mandate, public funding, talent management and others pose a serious challenge. The historical legacy of mismanagement and corruption is another source of concern which led the SABC to bleed out its finances. The SABC as a cultural industry needs to fulfil its role by making sure that it contributes to economic growth, adopts innovation while creating job opportunities. However, this cannot not be achieved until all these hurdles are resolved.

6.12 Response to Question 7: Resolving the SABC Hurdles

In response to Question 7, the respondents were asked the following question, *“What mitigation plan would you put in place or recommend to resolve these hurdles”* The feedback was captured, and the following themes were established and discussed as follows:

6.12.1 Revise Policy, Encourage Agility and Competitiveness

In response to the need to revise policies Malerato argues “ ... *SABC is a very old organization, 85 years old, some of the license conditions have not been relaxed, and not responding to the markets, the markets have changed, there are new players on the ground, they have commercial licenses and can play in the commercial space as per their license requirement, but we sitting with the public license or mandate that no one else is playing in, even though eTV is a Free To Air... they are not a public service, they don’t have to carry that mandate... the current leadership have tried to engage ICASA so that some of the license conditions could be relaxed in order to allow the SABC to then start performing at a commercial viable option. The other one was instances around trying to recoup the must carry fees from the likes of Multichoice, Star Set, OVHD which have been carrying the SABC at no fee, yet when they carry the other content provider like your Disney, whatever the case might be like your Warner Brothers and*

other channels they would do so at a particular fee. So, the SABC has been trying to recoup some of that, I don't think it has materialized into anything significant, so yeah I think those kind of efforts could assist..." (Malerato, Virtual Interview, 03/11/2022).

The legislative environment under which the SABC operates is a critical hurdle that has also been explored in response to question 5.1 of the interview question. Policy regulations such as the Public Finance Management Act and ICASA license conditions are major sources of concern that requires a massive relook. This argument is not an isolated item given that Sizwe and Ditsego also argued very strongly in support of this narrative. According to Madoda Mxakwe, a former SABC CEO who served his full term (from 2018-2023), the SABC will only be profitable if it is exempted from Public Finance Management Act regulation. Furthermore, Mxakwe argues that the SABC must put in place a lot of red tape to comply with the provision of the regulation (Sunday Times, 2023). In return, this hinders the public broadcaster from being agile and competitive. According to Malerato commercial broadcasters are not obliged to comply with the provision and thus enjoy a free reign with a quick turnaround compared to the SABC. It is for this reason that Cola and Prario (2012) argue that public broadcasters need to be transformed to survive in a new broadcast environment. In the same vein Sizwe argues *"..., a policy that was created 5 years ago, cannot be relevant 5 years [later] things are moving very quickly, especially in a content space and digital space, the bridge need to be built between SABC and ICASA so that everyone can openly have an engagement about the policies in place, as to how do we adapt them to whatever..."* (Sizwe, Virtual Interview, 31/10/2022).

From this view, it is clear that the Public Finance Management Act regulation has a negative impact on the public broadcaster's ability to be agile. Ditsego provides a clear view of how the regulation impacts the SABC's ability to acquire content and services. Sizwe's argument on the inability of the SABC to obtain a Media Asset Management system is also informed by constrictions of the regulation. Fezeka also argues that the SABC cannot respond to rapid changes in the market due to the regulation; thus, the call by the former SABC CEO for SABC's exemption in Public Finance Management Act regulation is very crucial. While both Sizwe and Malerato argue for the need of the act to be amended to allow space for agility with quick turnaround times.

The relaxation of ICASA license conditions is another important factor that, according to Malerato, needs to be relooked. The figure below indicates the license conditions between a public and commercial broadcaster in South Africa:

Programme Type	Public Service	Commercial Service
S.A. Drama	35%	20%
Children's Programming	55%	25%
Documentary Programming	50%	30%
Informal Knowledge Building	50%	30%
Current Affairs	80%	50%
Educational Programming	60%	-

Table 5: ICASA License Conditions for Public and Commercial Broadcaster

From the figure above it is clear that there is a strong regulation against the public service compared to commercial. According to Malera, this discrepancy allows commercial broadcasters more liberty and flexibility in terms of content offerings than the SABC. Furthermore, South Africa's Electronic Communication Act binds the public broadcaster further on the nature of content it needs to offer on the basis of language, culture, religion and regional representation while commercial broadcasters are exempt from this view. A look into the figure above indicates that the SABC ought to carry 80% of current affairs across its platforms, yet SABC News is not a revenue generating entity and is prohibited by the newsroom code of ethics from partaking in commercial activities thus leading the SABC to further revenue loss.

By default, ICASA conditions set the SABC for failure in view of current affairs. The SABC News has regional offices to cover stories in the regions across South Africa with cost for production, distribution and labour. However, the division is not allowed to generate revenues to make up for costs. It is for this reason that Malerato argues that ICASA regulations need to be looked into to enable the SABC to more flexibility with content offerings, which, in turn, will allow the broadcaster to be more viable in response to competition.

6.12.2 Salaries, Skills Development and Carriage Fees

Regarding salaries, Katekani argues *"...I think for me the most critical thing to address is staff morale, people were retrenched last year.... the cost of living has just gone up and up, and as workers of the SABC we have been without an increase for the last two years, and we are the most valuable assets at the SABC, without workers there is no SABC, the most critical thing is to look at ways to uplift the staff morale, address the issues staff are having with the cost of living, we need an increase, we are not coping as is..."* (Katekani, Virtual Interview,

01/11/2022). In support of this view in the year 2020, the SABC instituted a freeze on salary increments for three years. According to Ensor (2021), the SABC undertook this decision after completing retrenchments, conversely since COVID-19 South Africa's economy has not been at its best with a soaring increase on inflation and interest rate. Therefore, the view put forward by Katekani, Fezeka and Rendzani is very crucial and aligns itself with the theoretical provisions of classical management theory.

Regarding skills development Malerato and Lufuno argue that the SABC is a very old organization which yet to transformed itself to an innovative digital era. According to Tau and Fezeka, the SABC will need to empower its staff with skills development to be able to assist in stirring the organization to a new broadcasting era that is digital, innovative and competitive. According to Fezeka the training initiative will help reduce issues of redundancy amongst workers, while improving the organizational culture of the SABC. The argument presented by Malerato and Lufuno frames itself within the narrative of scientific management theory where incentives and reward are key in the motivation of workers. However, Rendzani argues that until the incentive schemes are put in place, workers in the SABC are not motivated to go the extra mile because of the lack of rewards. As part of its skills work plan the SABC implemented various skills development plans such as training on social media management and digital content creation. The candidate researcher has been a recipient of the training programs in reference, but in support of Rendzani the candidate researcher attests to the view and argues that the training programs are a good intervention but if not merited with incentives the expected output and acquired skill will always be at minimal usage if not used at all. This means that the SABC need to seriously consider its position on salaries and performance incentives as warranted by the provisions of scientific management.

On the view of monetization Malerato argues that the SABC need to recoup the must carry fees from the likes of Multichoice, Star Set, OVHD which according to Malerato have been carrying the SABC at no cost. The argument by Malerato follows the amendment of the must carry regulation by ICASA. However, so far there has not been any successful recoup that has been recorded. Nonetheless, it is promising that the argument put forward by Tau, Ditsego and Malerato has a high probability of being achieved given that the legislative environment has been amended to allow for the undertaking.

6.12.3 Government Allocation, Invest on Content

On the view of government allocation Tiniko, Ditsego, Malerato, Ntombenhle, atekani argue that the SABC needs to be fully funded by the government in order to account for public mandate. It is for this reason that Ditsego argues “...*We need to make sure that the government comes into the party and gives us more, PSB plays a crucial role in nation building, education, social cohesion and entertainment, it is only fair that the government should invest...*” (Ditsego, Virtual Interview, 09/11/2022). The subject of government funding has been looming in the SABC for years. Since 2002 the ANC party has been making policy provisions regarding the funding of the SABC and none of the attempts have been adopted in parliament nor legislated so that they can be implemented by the treasury and accounting ministry. Furthermore, the SABC has been subject of government bailouts which clearly indicates that there is interest from the treasury to fund the SABC but it’s just a political will that is missing to realize full funding of the SABC by government similar to other PSBs such as ABC, CBC, EBU, BBC and other Southern Development Community cases.

On the view of investing in content Mduduzi argues “...*opening a platform for creative content that is new and fresh, that will definitely rescue the broadcaster to regain the audiences that they’ve lost, or keep those that they are about to lose, and even gain more audience, people are open to new ideas, people are open to something that is new and fresh....so it’s basically getting new fresh content that will excite the audience...*” (Mduduzi, Virtual Interview, 02/11/2022). In support of this view, Townsend (2022) argues that broadcasters need to invest in content that is strong and delivered in a correct format. For years in South Africa, the SABC has been a lead player in the broadcast industry and has delivered many formats and titles, some explored in section 6.7. However, this does not stop the SABC from investing in content to maintain and sustain its audience appeal.

6.12.4 Social Media, Convergence and Collaboration

According to Thandeka and Nomzamo, the SABC needs to expand its content to social media to draw viewers to SABC platforms. According to Busisiwe, the SABC has already embarked on this initiative by allowing a social media item on its production budget and contract. All the SABC platforms, both radio and television, have a social media presence across Facebook, Twitter, TikTok, and Instagram. To sustain its social media presence, SABC has employed

digital product specialists for all radio and TV platforms to keep the public engaged regarding the platform and its brands.

On the view of convergence, Siphamandla argues that the SABC needs to digitize and synchronize its business operation; the case of the SABC commissioning portal addresses this view; however, the case of acquiring the Media Asset Management system undermines this milestone. Thabiso calls for the SABC to digitize and commercialize its archives to harness more revenues; this argument is not new; it has been explored earlier as well. Regarding collaboration Lufuno, Noxolo and Malerato argue that the SABC must exercise internal and external collaboration to achieve efficiency and reduce operational costs. Given the anecdotal account, the candidate researcher has been involved in several interdepartmental projects and campaigns within the video entertainment division but notes that there is no strategy to drive such interaction. Perhaps the public broadcaster may want to investigate the strategy direction to help enhance such internal collaboration.

On the side of external collaborations, the SABC has been making significant milestones as indicated by the case of Metro FM music awards and the Department of Culture, Sport and Recreation in Mpumalanga. While paying attention to the uKhozi FM partnership with JAM stores, and the SABC acquisition of pre-sales, licenses, and Advertiser Funded Program further support the SABC activeness on joint ventures. However, Noxolo argues that the SABC needs to also go back into internal collaborations like it has done in the past.

6.12.5 Conclusion

Resolving the SABC hurdles sounds and looks like a mammoth task. However, some progress has yet to be made in response to policy regulation i.e. must carry regulation. However, there are a lot of policies that require serious relooks such as the Public Finance Management Act and ICASA license conditions, until these policy hurdles are resolved the SABC will always struggle with financial performance. The argument regarding salaries cannot be ignored, its impact is deep and goes beyond organisational culture. Funding by the government remains the biggest hurdle and looks like it will take more time to resolve given the lack of political will. However, the SABC should be commended for advancing the convergence agenda through the adoption of social media, digital commissioning tools and electronic file management system. But until the matter on the Media Asset Management system is resolved the SABC will remain behind in the trajectory of digital broadcast management.

Chapter 7: Alternative Funding Models for the PSB

7.1 Introduction

After a lengthy analysis this study would like to recommend four alternative funding models for the SABC. These models are flexible and can be used in conjunction with each other in order to harness various revenues from different sources both local and abroad and they are presented as follow:

7.2 Best Alternative Funding Models for PSB

According to Tunez-Lopez *et al* (2020) public broadcasters cannot survive without a mixed funding model. It is for this reason that this study recommends the following four models: *Services and Commercial Model*, *Endowment Funding and Licencing*, *Public Private Partnership* and the *Hybrid model*. Th, public broadcasters cannot survive without a mixed funding model. For this reason, this study recommends the following four models: Services and Commercial Model, Endowment Funding and Licensing, Public-Private Partnership, and Hybrid ese modes are explained in detail below.

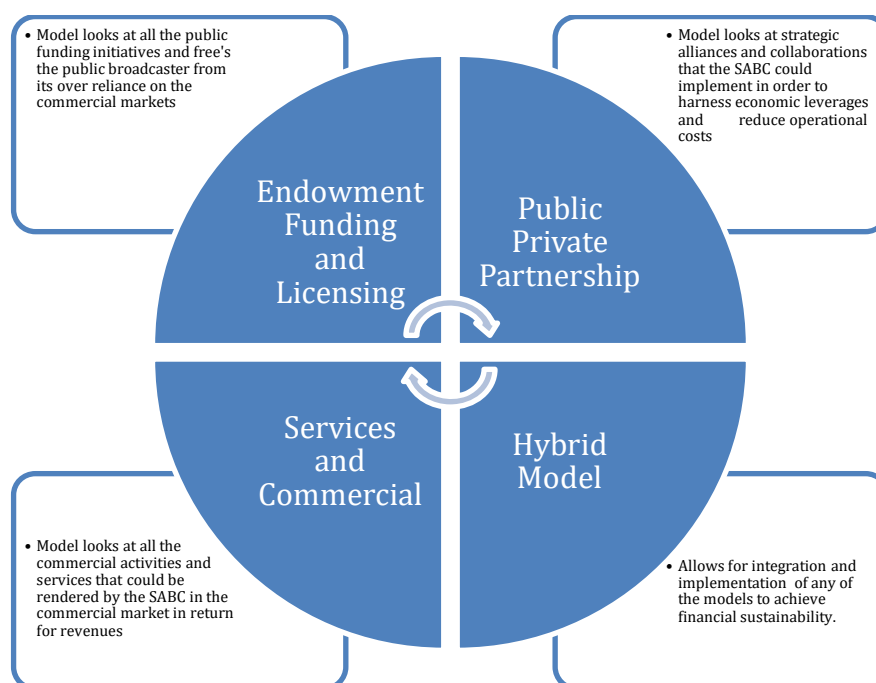


Figure 17: Summary of Alternative Funding Models for the SABC's

7.2.1 Services and Commercial Model

This model refers to all the commercial initiatives the SABC can use to harness alternative revenues, which are indicated below. The model rests on the ability of the SABC to compete on the service and commercial market. In support of this model many scholars such as Doyle (2016), Lowe and Bardoel (2007) argues for the need for public broadcasters to play in a commercial and service market while competing and innovating its business. The advantage of this model is that it allows public broadcasters to be innovative and competitive while being agile. Below is the breakdown of revenue opportunities linked with the model:

#	Revenue Source	Status	Description	Control Power
1	Merchandise and Partnership	Only Started	The uKhozi FM footwear with JAM stores was only launched in November 2022. Of all the SABC brands, it is only uKhozi FM that has ventured the merchandise route. However, since Covid-19 the SABC has closed its merchandise store in the Auckland Park building. This could be another revenue coming to the SABC. The store includes vast items such as: fashion wear for both male and female genders, branded SABC stationery, staff publications, program sales and others,	Internal-dependant on the SABC will and ability to execute.

2	Sponsorship	Active but cumbersome	The SABC needs to be flexible and be able to negotiate with sponsors without being rigid. The current trade exchange policy makes sponsorships very difficult i.e. cannot be implemented post contract phase. The sponsorship policy needs to be revised thus to increase production value for programming while empowering the viewers.	Internal-dependant on the SABC will and ability to execute
3	e-Store (archives)	Not active	SABC archives sales is still manual and not digitised. The SABC need to follow the BBC in digitising the archives and offer them via online means with clear licence conditions.	Internal-dependant on the SABC will and ability to execute
4	SVoD	Only Started	The SABC launched its streaming platform in November 2022 and has not reported any digital revenues so far.	Internal-dependant on the SABC will and ability to execute
5	Distribution/ Carriage Fees	Not started	The must carry regulation was revised in April 2022, the SABC has not yet harnessed revenues from the policy change which is	Internal-dependant on the SABC will and ability to execute

			in favour of the public broadcaster.	
6	Digital Marketing	Only Started	Only started the service now, results are still pending.	Internal-dependant on the SABC will and ability to execute
7	Advertising	Active	More than 80% of SABC revenues is derived from commercial sales.	External-dependant on the market
8	Real Estate	Not Active	SABC is not renting out its unused office space and studios.	Internal-dependant on the SABC will and ability to execute
9	Events and Partnership	Active	The Metro FM music awards resumed this year. Indicating the step in the right direction. With its 18 radio stations the same could be achieved, for different stations and different markets. To avoid cost implications such events, require partnerships with other stakeholders to share skills, costs, risk, gains, profit and loss.	Internal and External-dependant on both the SABC and market to execute
10	Appearance fees	Not Active	The SABC has no policy on appearance fee for its talent, this is another avenue in	Internal-dependant on the SABC will and ability to execute

			which revenues could be harnessed.	
11	Program Sales	Active	But need to be made more robust and allow for dubbing with cast following the script to make it easy for international voicing. Furthermore, this needs to be supported by the implementation of media and effects tracks on the project file to allow for international dubbing.	Internal, dependant on the SABC will and ability to execute

Table 6: SABC's Alternative Revenues linked with Services and Commercial Model

The Services and Commercial model reveals that there are 11 revenue sources that the SABC can use to harness alternative revenues. Additionally, the model reveals that eight of the revenue sources are within the power and control of the SABC to establish and implement, and do not require an external influence or support these include: *Merchandise and Partnership, Sponsorship, e-Store, SVoD, Distribution, Digital Marketing, Program Sales, Monetization through Real Estate*. The figure above indicates the status of the SABC regarding the proposed revenue source. The SABC needs to make sure that it starts activating the following revenue sources, which currently need to be made active, viz. e-Store, carriage fees, appearance fees, renting of the studio, and office space (real estate). With the-carry regulation being revised, the SABC needs need to exploit the regulation and begin to charge for its feeds. Thabiso well argues the e-Store matter for archives on how best the SABC can achieve this following a BBC motion gallery. Nomzamo and Tau clearly indicate that the SABC can draw revenues by subletting its studio facilities and unused office space in the headquarters and the regions. Furthermore, venue source that have only just started, the SABC need to optimise those and leverage on them for further revenues such as the uKhozi FM traditional wear being expanded to other public radio stations by exploiting a traditional artefact linked with the culture of the station. Furthermore, the SABC needs to re-look at its trade exchange policy, which needs to be revised and made more manageable in terms of exploitation.

7.2.2 Endowment Funding and Licensing Model

The model refers to all the public funding initiatives and encounters as indicated below. The models resonate with scholarly viewpoint that public broadcasters need to be adequately funded to resume their public mandate. The participants of this study such as Tin, such as Tiniko and Ditsego, supports well and express a strong sentiment on the need for public funding. Below is the breakdown of revenue opportunities linked with the model:

#	Revenue Source	Status	Description	Control Power
1	Media Tax	In progress	The draft SABC bill is pending public consultation by parliament.	External-dependant on government power and will to execute
2	Government Funding	Partial	The ruling party (ANC) has made policy pronouncement on funding public mandate but none of the pronouncement has been achieved. Currently the SABC public mandate is underfunded. In the past the SABC received government financial bailout as critical injection to cashflow and not addressing long term funding	External dependant on government power and will to execute

3	TV Licence	Active but cumbersome	SABC needs to introduce incentive schemes, innovative campaigns and loyalty rewards to encourage payment of TV licences. Currently the SABC has a TV license evasion rate of more than 80%. A lot of work is required to bring this rating down.	Internal-dependant on the SABC will and ability to execute
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Table 7: SABC's Alternative Revenues linked with Endowment Funding and Licensing Model

The public approach to SABC funding and financial survival is crucial for the model. The model lists three revenue sources to help rescue the SABC from its financial dilemma. Two of the revenue sources are outside the power and control of the SABC, this includes media tax and adequate government funding. According to Dugmore (2021) countries like Sweden and Norway have scrapped TV licences and replaced them with public media tax. However, according to Tiniko this is going to take a lot of work in South Africa given the shrinking tax revenue base due to unemployment and evasions. According to South African Revenue Service (SARS) the evasion of tax is a punishable crime and could lead to imprisonment. SARS indicates a nature of cases in which tax crime is committed. This includes failure to declare income, failure by employers to deduct tax and pay it to SARS, not registering for income tax to avoid payment, employers withholding tax and not paying it to SARS, tax fraud by businesses and others (SARS, 2023). To resolve these issues, SARS has established an anti-corruption unit and hotline where all misconducts can be reported. Therefore, in the case of the SABC media tax, the accounting authority will need to work closely with SARS to mitigate the listed risks and others. In terms of government funding this is a biggest nightmare, requiring political will from the ruling party and legislators in parliament to enforce. So far, the draft SABC bill still has a long journey to travel from public consultation, adoption by parliament, approval by the National Council of Provinces (NCOP), and the President of the Republic. Currently the bill is sitting on public consultation.

As argued by Tau the SABC needs to revamp its TV licence collection campaign and make it more persuasive. The proposed initiatives under pipeline viz. incentives and loyalty reward programs will help improve buy-in from the public and in foreseeing the need to pay for TV licences. In April 2022 the SABC launched a new TV licence campaign titled, [*“Do it for the Things that Matters”*](#). First and foremost, the title of the campaign is not persuasive enough. Looking into the visual, the teaser showcases a family in a living room watching *Uzalo* in a couple’s family home with kids, granny and a teen girl child, all family members are having an awkward moment during family viewing because of the love scene on *Skeem Saam* between Nkunzi and Gabisile the lead characters of the series. The teaser outros with one of the cast members provided reasons why people should pay for a TV licence, reflecting on the case of family moments during *Uzalo*. As argued by Tau, such messaging is weak and exclusive to people that are not black, don’t live with families or have a different family set up and don’t watch *Uzalo* or have a TV set. In short, the SABC needs to develop strong TV license campaigns that are inclusive and representative of all members of the public in their most dynamic circumstances, backed up by a grabby campaign message; the one on hand is very light, weak and poor. With so much corruption in South Africa such statements are no longer taken seriously and have lost their commanding power.

7.2.3 Public Private Partnership (PPP) Model

According to Fife *et al* (2008) PPP refers to the mechanic of bringing different parties together in order to pursue similar goals and interests. However, Moszoro (2010) insist that PPP are a vehicle in which skills, knowledge is transferred from private to public sector. While Witters *et al* (2012) argues that apart from sharing cost, risks and benefits PPP are the driving force behind innovation. In the case of the SABC the following revenues models linked with PPPs are identified as follow:

#	Revenue Source	Status	Description	Control Power
1	Pre-Sales ⁶⁰ , Advertiser Funded	Active	This is the most used model by the SABC.	External- dependant on government

⁶⁰ This refers to production partnership in which the broadcaster agrees to carry certain amount of production cost in return for broadcast rights

	Programs ⁶¹ and Licences ⁶²			power and will to execute
2	Public and private Donors	Not Active	The model is not active. SABC will need to craft a policy and strategy on this in order to protect editorial independence. However, scholars of critical political economy are against this funding option for public broadcasters (Ngwenya, 2015), (Pickard & Neff, 2021) Given the history of the SABC as a state organ, a strong regulatory body will be required to oversee public and private donation while safeguarding the autonomy and mandate of the SABC against external forces.	External- dependant on public and private organisations in order to execute.
3	Corporate Rebates	Not Active	In this case SARS and DTI will need to offer tax rebate to companies working with SABC in terms of Corporate Social Investment campaigns or PPPs.	External- dependant on government power and will to execute

Table 8: SABC's Alternative Revenues linked with Public Private Partnership (PPP) Model

⁶¹ This refers to content partnership in which commercial brand exposure is allowed in exchange for a commercial value

⁶² This refers to complete production in which the broadcaster only pays the license fee in order to broadcast the material.

For this model, as argued by Malerato, the SABC has a lot to gain from partnership-led initiatives thus saving the public broadcaster a lot of public funds by leveraging on partnerships. The acquisition of Pre-Sales, Advertiser Funded Programs and Licences makes a critical impact in reducing financial pressure on the SABC. These acquisition models have been used by the SABC for a long time with some content offerings now part of the SABC brand viz. *Ke Zaka, Expresso, Insider, Voetspore, Takalani Sesame, Emasisweni, Orange Couch, Crown Gospel Awards, South African Music Awards (SAMAs), Intersexions and others*. Some of the titles are very old viz. *Voetspore, Takalani Sesame and SAMAs* means that the SABC has been trailblazing on the space of partnerships and should continue to do so. The reincarnation of the Metro FM music awards further indicates that the SABC is on the right track and should maintain this momentum with its other brands on the platforms.

Public and private domination always creates a contrast in a democratic public discourse, due to its influence and claims made against it by scholars of critical political economy. Who often at times argues any commercial interests in the media dilute the offering into hegemonic media fuelled by a ruling class discourse over working class and thus undermines the true value of public discourse championed by this study. Therefore, public and private donations are not suitable for this study as a means for alternative revenue based on the rhetoric of critical political economy. Corporate rebates are easily done; they require a drive between the ministries and then gazetted into law by the government then SABC and Corporate will begin to explore many benefits linked with this arrangement.

7.2.4 Hybrid Model

The model looks at integrating any of the models to achieve financial sustainability and operational efficiency. The rationale behind the framework is to increase optimal use of the three models and navigate across to exploit all economic benefits linked with each model and its revenue source. The framework allows the SABC and public broadcasters across the globe an opportunity to have options in deciding on the best funding model irrespective of the context, i.e., Global North or South. The British Broadcasting Corporation (BBC) is known throughout the world because of this model. It breaks geographic boundaries and harnesses revenues through PPP's and commercial services, while being adequately funded through licensing and endowment funding. Below is the visualization of the model.

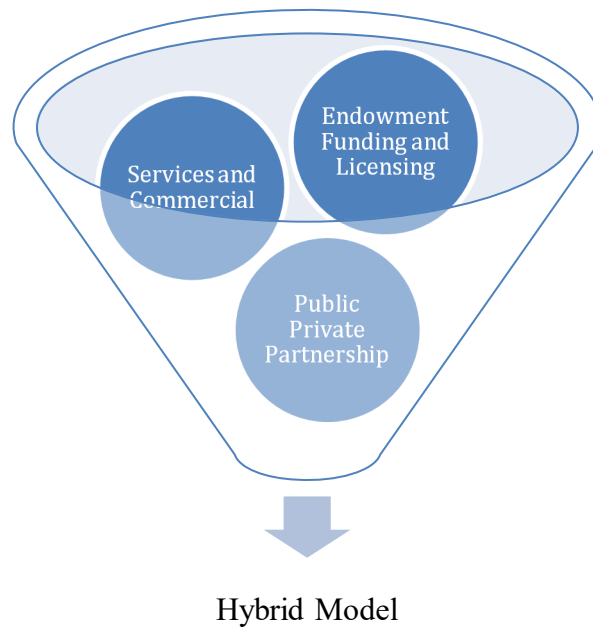


Figure 18: Models linked with the Hybrid Model

7.3 Recommendations of the Study

This study recommends that the adoption of media convergence and scientific management is crucial and will aid the SABC to survive in a competitive and disruptive broadcast environment fuelled by technology, innovation, globalisation and competition. This study strongly recommends that the SABC move past the Public Service Broadcaster (PSB) mode to Public Service Media (PSM) trajectory (the latter is competitive and technological centric) as provided by Lowe and Bardoel (2007). This move will allow the SABC to carry its democratic function across different media platform, both linear and non-linear, thus reaching out to multiple audiences. This study recommends that the SABC maintains its Weberian approach in terms of governance, thus allowing for ethical leadership. This study further encourages the SABC and government to exploit the neo- Weberian and Good Governance approach in terms of administrative practise.

To fully exploit the PSM sentiment the SABC, South African government and all relevant stakeholders need to resolve the DTT hurdle. The SABC cannot be fully regarded as PSM until its Analogue Switch Off (ASO) matter is resolved. However, it will not be adequate nor appropriate for the SABC to resolve the Analogue Switch Off matter without addressing the Set-Top Boxes (STB) obstacle. Given the high unemployment rate and poverty margins in South Africa it is important that the SABC protect its publicness and its universality by ensuring a wide access of digital decoders by the poor's. Furthermore, this study has uncovered several

hurdles exerting pressure against the SABC amongst others these include lack of agility and innovation, unfunded mandate, poor salaries, poor talent management system, policy constraints, regulations and many more. Consequently, is it fundamental that the SABC addresses these hurdles to shake off its financial stagnation and move into an innovative, agile and competitive broadcast era. In summary this study urges the SABC to address the following matters on hand while exploring alternative revenues:

Focus Area	Key Indicator	Projected Outcome	Risk Analysis
Technology	DTT, e-commerce, Digital Commissioning Portal. Strengthen convergence theory.	Need to resolve the DTT and e-Store matter to exploit archives and reduce acquisition delays using commissioning portal as proposed.	>Even though the portal has been developed. It needs to be always innovated and updated so that it remains relevant, however this could be another expense for the broadcaster.
Policy	Public Finance Management Act, ICASA regulations, Must Carry Regulation. Loosen Bureaucratization governance theory	Need to explore exemption opportunities with the national treasury on Public Finance Management Act and talk to the regulator (ICASA) to relax some of the licence conditions such as news quotas during primetime. Furthermore, the SABC need to start generating revenues in response to the newly revised Must Carry regulation. The broadcaster needs to enforce regulation.	>This is outside the control of the SABC, government might always abuse this process to enforces its interest in return for exemption. Given the political nature of the environment there has been poor support by government and the regulator in helping out the SABC to enforce the must carry regulation as revised. The SABC must seek others means to realise this. i.e. courts or parliament.
Human Resources	Poor salaries, Skills Development, Talent Management. Increase	SABC need to address salary concerns, upskill workers with digital skills set, and put in place talent	>The SABC might not have money to address the salary and employee training matter, as this is currently the case.

	classical management theory	management and succession plan in order to sustain the organisation against staff poaching by the industry and competition.	This could mean that poaching will never end, the broadcaster will keep on losing its critical staff members to the competition.
Management	Transparency and good governance theory	Need to explore management styles that promote participation, inclusion, and transparency.	>Given the pressure to make revenues the management might even ignore the need for a participatory approach, and might see it as time consuming.

Table 9: SABC Hurdles and Proposed Direction

This study is of the view that if these hurdles are not resolved, the public broadcaster will not be able to enjoy operational efficiency with reduced operational costs. All the key focus areas need adequate attention and treatment by the broadcaster once these are addressed the SABC will be able to enjoy its position on the market as a competent and agile PSM. Furthermore, the SABC will also be able to unlock the four pillars linked with innovation as argued by Plantinga (2019) this includes: collaboration, transparency, participation and systematic approach. This study would like to recommend to the SABC that its survival depends not only on media convergence and scientific management. However, this study believes that the success of the SABC is also dependent on the public broadcaster's ability to understand the sentiments behind cultural industry and creative economy by the broadcaster's executives and management. Such understanding will aid the public broadcaster with clarity regarding the nature of innovation, policies and partnerships required to enhance the organisation.

A critical indicator of this is that during section 189, the SABC dissolved many critical business units such as Trade Exchange Office, Funding and Partnership Unit, Outreach Unit, Business Administration Unit and others. As argued by Lufuno these units were very crucial for revenue generation and mandate, yet they were dissolved by the SABC board and executive as part of a cost cutting mechanism. In this case it was very important for the board and executive to understand the uniqueness of the SABC as a public broadcaster and not remodel the SABC into its competitor which is not governed by the same ICASA mandate and Public Finance Management Act. This is why Lufuno, Nomzamo, Tiniko and Tau argue that SABC

management should have consulted with the SABC workforce before undertaking drastic overhauls. It is for this reason that Tau argues that seeing the critical value of these posts the SABC went to the market again to re-advertise for these posts, and this questions the effectiveness of the turnaround strategy imposed on the organisation by its executives. Therefore, management needs to consult its workforce moving forward; Noxolo also supports this argument to avoid future mayhem.

7.4 Conclusion

Having unlocked hindrances limiting the SABC's ability to adopt alternative funding models, this study has learned multiple factors that contribute to this undertaking; most of these factors emanate from an internal environment and include constraints such as lack of sufficient willingness by the management and executives to explore and exploit alternative revenues. Therefore, this undermines the SABC's ability to be financially sustainable and competitive within the broadcasting landscape. Furthermore, the lack of agility, innovation, policy constraints, mandate, and regulatory environment add further limitations. All these factors, amongst others, are detrimental to the SABC's financial survival.

Failing to manage DTT and Analogue Switch Off successfully will undermine the role and legitimacy of the SABC, including its public. Having introduced its streaming platform SABC Plus, the public broadcaster is now able to compete with other players such as Netflix, Showmax, Disney Plus, Amazon Prime, and many other players on the SVoD market, thus fulfilling the discourse on media convergence, as argued by Vanhaeght and Donders (2016), Lowe and Bardoel (2007), McElroy and Noonan (2018) and others. Also, having introduced digital marketing, social media communication, a digital file management system, and a digital commissioning portal, the SABC is on its way to becoming a fully-fledged PSM. However, until the Set-Top Boxes and ASO matter is resolved, the milestone in digital transformation is at risk given the loss of audiences due to Analogue Switch Off and lack of mitigation plan put in place by the government for members of the public living under poverty margins and cannot afford Set-Top Boxes. The future of the SABC and its PSM status now hangs on the DTT, Analogue Switch Off, and Set-Top Boxes debacle, internally the broadcaster has achieved all the milestones required to operate in a PSM environment. The rest now lies with government and its agencies that drives the digital migration process which need to be cognisant of indigent families, poverty and unemployment.

Chapter 8: Conclusion

8.1 Introduction

Having explored the primary significance of PSB in a competitive and disruptive digital environment, this study reveals that the SABC has achieved significant milestones regarding PSM discourse and alternative revenues. This study shows that the SABC has launched its streaming platform known as [SABC Plus](#), and has also launched its digital [commissioning portal](#) to resolve all the red tape and hurdles linked with the commissioning process such as manual administration of proposals, workflow management, bottleneck culture which emanates from the SABC management as explained by Tiniko, Alletta, Ntombenhle and many others. Showing significant improvement in the area of technology, the SABC replaced its beta tape analogue file management system Dalet and Aspera digital solutions for broadcast file delivery, this has in turn digitised the whole TV value chain in the SABC, however, this progress is undermined by the poor rollout of Set-Top Boxes as indicated in chapter 1 and 2. This means that even though the SABC is broadcasting digitally the majority of many households are not ready to decide on a digital fee due analogue technology being used to this date. However, the Minister of Communication and Digital Technology has set 31 December 2024 as the final date for analogue switch-off in South Africa after following various postponements due to court challenges and rulings favouring legitimate groups such as Media Monitoring Africa (MMA) and others.

Nonetheless a separate study is required to test South Africa's readiness for digital migration and analogue switch off. Currently this study would like to indicate that South Africa is not ready to switch off given poverty and unemployment faced by the country, poor rollout of Set-Top Boxes, government corruption and lack of affordability of smart TVs for most of the population. Furthermore, the SABC missed out on the early days of digital satellite television, the market is already dominated by Multi-Choice, Open View. However, the SABC can still make inroads into the device market but should set its focus and priority on the streaming market to compete with local and global players. According to Malerato, South Africa has missed out a lot on the early days of digital television and allowed multi-choice to establish its dominance without any rival challenge outside a small cohort from M-Net. According to Malerato that hype is gone, Malerato further argues that the SABC can do things right now with the affordable opportunity of playing in the streaming market. However, Nadaf (2019) dismisses the argument by Malerato and urges media companies to play in a transmedia storytelling market. According to Albarran (2010), this could be achieved with ease given

technological evolution, globalisation and deregulation of the media market. It is for this reason that the South African streaming market is dominated by global players. Therefore, this study believes that the SABC needs to catch up across all platforms and content markets, both local and abroad, short and long films, partner and collaborate with platforms to produce content, events, merchandise, dub and syndicate its content across all platforms in the globe.

However, other hurdles undermine and threaten the value chain for content acquisition starting from proposal to contract phase. The illustration below indicates a generic workflow for Television content acquisition from A-Z as indicated below:

Task	Task Driver	Duration	Key Task
Proposal Reception	Commissioning Office	Ongoing	Reception of proposal from the industry and log then for allocation to specific genre
Proposal Evaluation	Genre, Commissioning Office	3 Months	Evaluating the concept and scoring against set criteria by the SABC and the channel under which the submission is made.
Pitching Session	Genre, Commissioning Office, Production Control, and Channel management	2 Months	Producer present to the SABC tender evaluation panel the presentation is scored against a set criteria
Business Plan and Permission to commission	Channel, Business Plan Committee	1 Month	Channel present to the network the proposed title for commission, and its alignment with network strategy and budget
Letter of Intent	Commissioning Office	1 Month	Communication Office drive communication with the assign
Contracting	Legal Office and producer	6 Months	Drafting of contract, input and signage

Cash flow, Pre-Production, production and post	Producer and SABC	6 Months	Day to day production, approvals and delivery via Aspera
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Table 10: SABC's Workflow in the Acquisition of Content

The illustration above indicates that it takes nearly two years to get a new show on air in the SABC. Both Aletta and Fezeka are sceptical of this long tail approach and argue that within two years other broadcasters would have already produced four shows and dominated the market before the SABC premieres its two years awaited one show. As a result, it is because of traits like that that the SABC is always lagging and must play catch-up according to Lufuno, Sizwe and Ditsego. For this reason, the majority of respondents indicated that the lack of agility and red tape is a biggest hindrance facing the SABC thus making the public broadcasters not competitively viable compared to other broadcasters such as Netflix, Showmax and others, see Fezeka, Tiniko, Siphamandla and others. However, the introduction of the commission portal with a digitised value chain will shorten the long tail to six months instead of two years which will allow the broadcasters a competitive edge over other broadcasters such as Netflix, Showmax, Mzansi Magic, eTV, with quick turnaround time, great marketing to help bring and capture the audiences. However, to effectively realise the success of these technologies (i.e. commissioning portal), a serious cash inject is required to allow for the production of the commissions through the portal. Regarding the effectiveness of the SABC plus one cannot tell of its success because there has not been any public report made on it in terms of its finance. In this present moment the study cannot ascertain as to what has worked, against what has not worked.

What affects SABC's ability to be financially viable includes cases such as predicaments with Public Finance Management Act, Mandate obligations, ICASA license conditions, low staff morale, poor HR culture, politics, economy, competition, and others. Jenkins (2006) argues for the need for media organizations to be multi-platform centric; in South Africa, the hurdles with Digital Terrestrial Television, Analogue Switch Off and the poor rollout of Set-Top Boxes by the government threaten the theoretical validity of convergence culture as in the case of the SABC. However, the sections below provide a much more explicit focus in response to critical questions set by this study.

8.2 Response to Research Questions

Using in-depth interviews and purposive sampling this study undertook to explore alternative funding models for PSB using the case of the SABC. Having gathered, reported and analysed feedback to the enquiry, this study is now able to usher insight and respond to the direct research questions that this study proposes to address. The questions are tabulated and engaged as follows:

Addressing Research Question 1: SABC and Financial Independence

“What are the current challenges which impede the financial independence and growth of the SABC?”

A key primary response to this question is set on the view that there has not been a sufficient willingness by the SABC board and executive to experiment with funding models and technological innovation, as indicated by Tiniko, Alletta, Lufuno, Tau, Ishaan, Ditsego, Fezeka, Thabiso, Noxolo, Malerato, and Ntombenhle. All these respondents argued that the mere fact that the SABC is still dependent on traditional commercial revenues means that the 2018 board and executive have yet to do anything to help the SABC become financially independent.

The failure of SABC to exploit its archives is another leading source of concern. According to Thabiso, getting SABC archives is a lengthy and costly process fuelled by many manual processes and administration. As indicated by Thabiso, had the SABC digitized its archives and rendered them to the public using the e-Store interface like the BBC Gallery, the SABC would have been able to harness a lot of revenues from its archives for both local and global markets. As argued by Tau, the fact that there is no archive system is one major root cause of the problem, hence validating the concern raised by Thabiso.

The absence of agility to regulations such as Public Finance Management Act, public mandate and ICASA licence conditions hinders the SABC from being financially independent. As indicated earlier through the argument raised by former 2018 SABC CEO Madoda Mxakwe that the SABC will only be financially viable if it is exempted from Public Finance Management Act regulations. In support of this view, Tiniko, Sizwe, Ditsego, Fezeka, and Malerato also raise concerns about the suffocating impact of the Public Finance Management Act, public mandate, and ICASA license conditions are also to be blamed. In the same vein, the participants argue that it makes no sense for the SABC to carry a public mandate that is not funded. Furthermore, according to literature, most public broadcasters such as BBC, CBC,

ABC, and other broadcasters on Southern Development Community viz. Botswana, Lesotho, and Namibia are funded by the government through a public grant allocation system. However, looking at the case of the SABC, the public grant allocation needs to be more, sitting at under 3%, and therefore, this undermines the ability of the SABC to be financially viable and stable. The funding revenue of the SABC questions the publicness of a public entity that operates as a commercial entity. A separate study is required to study the impact of critical political economy and its effects on decision-making in the SABC and its impact on the type of content acquired, viz., does the content acquired address the public need or does it satisfy the agenda of the market, pleasing to the investors with a growing market share?

Following the argument raised by McElroy and Noonan (2018), Vizjak and Ringlsetter (2001), and Doyle (2013) on the need for PSB to transform, adopt technology, and compete to survive. The SABC introduced a streaming platform based on a freemium model together with digital marketing as part of its commercial services. However, the SABC has yet to report on any digital revenues received in its annual reports. Nonetheless, this is a step in the right direction hoping that these developments will help the public broadcaster to improve its financials and compete with the likes of Netflix, Disney, eVOD, Showmax and the other streaming platforms. The application of convergence media theory will result in many successful benefits to

The issue of poor TV licence collection is another lead source of concern for the SABC's poor financials. According to News24, for the financial year of 2023 the SABC only collected R815 million from TV licences after billing R4. 446 billion, thus indicating that 81.7% of people are not paying for their TV licence (Ferreira, 2023). However, according to Dugmore (2021) most people in South Africa are not able to pay for TV licences due to unemployment and poverty. Nonetheless according to Tau and Tiniko this view is not true and argues for people living in shanty towns have DSTV decoders on a monthly subscription basis thus indicating that people are able and willing to pay for entertainment. This study recognises poor TV licence revenues as a hurdle facing the SABC for it to be financially independent and sustainable and limit the broadcaster in rendering its public services.

Wasteful expenditure is also another factor leading the SABC not to be financially sustainable. According to Sizwe, Malerato and Ntombenhle the SABC suffered a lot of financial mismanagement during the era of former Chief Operations Officer, Hlaudi Motsoeneng. In support of this view the parliament's monitoring body on public finance known as Standing Committee On Public Accounts (SCOPA), says the SABC lost over R560 million due to financial irregularities viz. irregular contracts, payments, appointments, promotions and

unauthorised salary increases that took place under the helm of irregular appointed former Chief Operations Officer Hlaudi Motsoeneng. (SCOPA, 2019).

Unfunded mandates, poor talent management, lack of agility and poor leadership are other factors causing the South African public broadcaster not to be financially independent. This view indicates there is a hybrid of factors linked with the SABC's financial dilemmas. This study reveals that until all these organisational predicaments are resolved the SABC's journey to financial stability will always remain cumbersome. The impact of this is beyond the financial performance as it hinders on the ability of the SABC to deliver on its public mandate agenda as proposed by literature on PBS discourse.

Addressing Research Question 2: SABC, Digital Terrain and Alternative Funding Models

“To what extent has SABC explored the digital terrain for possible alternative funding models?”

During this study, the SABC launched a digital streaming platform, viz. SABC Plus, SABC's commercial services introduced a digital sales unit to oversee all the revenues linked with digital marketing platforms across SABC TV and Radio. This indicates that the South African public broadcaster is making significant inroads within the digital spaces to draw revenues. However, even though these developments came in late years after digital marketing was introduced, the effort by the SABC is commendable. It leaves the SABC with enough room to explore alternative revenues on digital terrain.

While on the same subject, in March 2023 the research candidate was shortlisted for the post in SABC's commercial services division for the role of Digital Product Manager. The purpose of the position is to coordinate all SABC digital marketing services in support of sales account executives. This is an indication that digital marketing is still very new in the SABC and requires the public broadcaster to assemble a skilful team to drive the initiative forward. In short, the SABC has a lot of catching up to do within the digital marketing space. Apart from assembling a digital sales team, the SABC still needs to develop a strategy, followed by policy and development of standard operational procedures to support the unit, not neglecting the acquisition of budget and resources to make the unit fully functional. In short this means it's going to take the SABC quite a while before it is fully able to harness revenues from all its digital platforms such as web, social media, SABC Plus and others.

In response to research question 3 on the alternative financial models chapters 7 offers a detailed response on this by recommending financial models to the SABC, this includes: *Services and Commercial Model, Endowment Funding and Licencing, Public Private Partnership and the Hybrid model*. This study is of the view that if this models are exploited thoroughly public broadcasters should be able to be financially sustainable, protect their legitimacy and democratic role while shaping the public service media discourse in a competitive broadcasting and digital environment.

8.3 Limitations of the Study

This study acknowledges that its primary focus is only given to the SABC internal and external stakeholders critical in the TV value chain for platforms, production, management and support. The study excludes viewpoints from audiences and government stakeholders such as Department of Communication and Digital Technologies, Parliament Portfolio Committee on Communication (DCDT)⁶³ and watchdog bodies the Media Monitoring Africa (MMA)⁶⁴, Save Our SABC (SOS) Coalition⁶⁵, Independent Producers Organisation (IPO)⁶⁶, and others. The selected stakeholders offer a great mileage and input that is rich and paramount to the subject under scrutiny viz. alternative revenues. Furthermore, this study is devoid of the political realm and its contribution to the financial downturn of the SABC. As a result, this study did not test findings on the impact of racism in the advertising industry as per SAHRC study, and as raised by Tiniko. This study believes that this is separate engagement and requires a different study with a unique scope and epistemological orientation.

8.4 Conclusion

Using a qualitative approach, this study has clarified that the SABC still has a long journey to travel before it achieves its financial freedom. Having derived the four alternative sources of revenues, the SABC now has an option of playing around with the models and testing which one is more successful before adoption. Given the advancement made by the SABC with the electronic file delivery system, remote work policy, SABC Plus, and Commissioning Portal, it is clear that the public broadcaster can now compete and play in

⁶³ Oversight body for DCDT, see, <https://pmg.org.za>

⁶⁴ Watchdog that promotes ethical journalism, human right and democracy, see, <https://mediamonitoringafrica.org/about-us/>

⁶⁵ Network for democratic media and broadcasting, see, <https://soscoalition.org.za>

⁶⁶ National organisation for SABC Film, TV and Digital producers, see, <https://ipo.org.za>

a digital space just like the competition. However, the SABC needs to address many hurdles before it can successfully enjoy the fruits of competing in a digital space. Given that the SABC is a public organization, it needs always to make sure that it sticks to its DNA and fulfill the values of the public sphere while cementing itself against the values of media convergence theory. The latter has a significant impact on the media industry and thus changed the production, distribution, and consumption of media text by audiences.

In terms of theoretical orientation, the SABC needs to continue to exploit the benefits linked with media convergence theory to promote organizational efficiency and the standardization of its operational procedures. Furthermore, digital convergence will allow the SABC to reimagine its production, distribution and consumption of its products and services. To address issues linked with human capital the SABC need to exploit the benefits related with classical management theory thus to promote a good organizational culture linked with productivity, efficiency and rewards. Being a public entity the SABC cannot ignore the theory of governance which helps with organisational transparency however the governance strategies needed to be relaxed a little bit thus to allow for agility and innovation. In terms of the funding models the SABC need to make sure that it explores and exploit alternative funding models very well in order to derive revenues and this will enable the public broadcaster to render its public services and execute its democratic function while protecting the legitimacy of the SABC and its link with the public sphere theory.

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Appendices

Appendix 1: Interview Guide

Transition to Question 1

In your view, what is the current financial position of the SABC, keeping in mind audience share and market performance?

Transition to Question 2

From 2018 to 2021 the SABC has been operating at a financial loss. Do you think there is sufficient willingness from the new executive and board to overhaul old systems, ‘turn the ship’, and experiment with new funding models and technological innovations?

Transition to Question 3

In what ways can digital innovation help address SABC’s: (A) audience loss, (B) reduce operational cost, (C) Generate alternative revenues?

Transition to Question 4

4.1. According to the Broadcasting Research Council Website in July 2022, Uzalo, Generations, Skeem Sam, Zulu News, Muvhango, 7 De Laan, Hlala Kwabafileyo, Kwa Mamazala, Twilight and Serengethi were the top 10 performing programmes in the SABC. What do you think is the secret behind these successful shows?

4.2. Using the top ten performing shows from SABC 1, 2 & 3, how best can these be exploited for further revenue generation outside traditional revenue streams on linear?

Transition to Question 5

5.1. What alternative funding models would you recommend for the SABC to be financially independent and sustainable?

5.2 Why would you say that these models are not being implemented?

Transition to Question 6

What organisational hurdles would you point out as challenge to SABC's financial independence?

Transition to Question 7

What mitigation plan would you put in place or recommend to resolve these hurdles

Appendix 2: Interview Transcript with Participant #19

Transcription

Date: 03-11-22

Time: 16:00

Platform: Teams

00:03 TM: Good day my sister and welcome and thank you so much for making time for this session. As I said before I am looking forward to a great engagement with you, to hear your perspectives, your opinion and position in the questions that I have. So in short I have 7 questions I will be taking you through question by question, so will be just having a conversation, relax, feel at easy and be you. Alright, now we goanna start so for question 1 in your view, what is the current financial position of the SABC, keeping in mind audience share and market performance?

01:07 P19: Umhh.. I personally believe the SABC is in trouble, from financial standing point of view, umhhh performance whether revenue or audience point of view, we are losing audiences, we've lost a lot of market share, we not playing where the infiltration of other players are, like streaming platforms have come in and infiltrated space so audiences are declining because they are sitting elsewhere and they have much more options than in the yesterday's where the SABC was a dominant content provider when it came to....I am speaking to a Tv point of view not Radio

01:56 TM: ohh thanks, we goanna go to question 2 so from 2018 to 2021 the SABC has been operating at a financial loss. Do you think there is sufficient willingness from the new executive and board to overhaul old systems, 'turn the ship', and experiment with new funding models and technological innovations? So, in your view has the board that just left done justice to turn the ship?

02:30 P19: I'm goanna ask you to rephrase the question, I think it's loaded.....

02:40 TM: so basically the SABC has been operating at a financial loss, meaning that there is more money coming out, than money coming in, meaning that there is financial loss. So, the board was appointed to turn the ship, so I am asking you here if the board was willing enough to turn the ship, and experience with new models of funding, part A. If I can have your view and take into part A, I would really appreciate that

03:16 P19: Umm I think the board was faced with a lot of historical deficit or financial challenges that the SABC was under, I think they managed to turn the direction but they not out of the woods yet Themba, we are still sitting on a deficit but if you look at the amounts from wasteful expenditure point of view, we've manage to bring that down, even though we still not qualified from an audit point of view is it rather still problematic. I think the board tried but there is a lot of historical debt that cannot be rectified right off the calf. And they are fighting against the tide, because the loses are continuing to happen, so analogue switch off happened within this tenure that you are speaking about, were more audiences where lost, therefore ummh performance wise we went down, including the sales, showing you if you lose audiences, audiences are your butter that you buttering with, it's you value that you buttering with, you lose audiences, you losing out on money, ahhh I think they e fighting again the tide, a lot more of these mediums that I have been speaking about, digital mediums also proliferated in that term, your Netflix's took off, Covid and lockdown happened during that period, so you saw a lot of audience patterns and shifts that also had an impact on our performance on the SABC side, I think the board had a right thinking, we had a right

leadership, right plans but unfortunately from the execution point of view, given like I said the historical deficit and also other threat that played around from a landscape, political and world pandemic point of view, I think they took a knock... so that kinda scuffled progress that could have been made for the efforts they have put on the ground

05:19 TM: Hmm, ohh thanks and with technological innovation did the board and executive explored enough of technology in the SABC what is your view on that?

05:30 P19: I would like to think not, I think the SABC is still lagging behind greatly, to their own detriment I think it is a costly endeavour, we have not been able to turn that around, we are lagging greatly....with the switch off looming there is a push to go digital but the country itself on the ground is not ready in terms of the role of out STB's, it's a catch 22, but people are already consuming content on digital platforms which the SABC not readily been able to meet, audiences where they are, and how they consuming content, their patterns are changing but we not meeting them where we suppose to because technologically we are still lagging far far behind we do not even have our digital library that on its own its kinda problematic, we don't have our own streaming platforms. We are struggling with *DTT* performance even though we have 1 or 2 or 3 *channels* that are there, including the sport channel which have not include positive performance

06:58 TM: so you saying that SABC is lacking behind in terms of technology, so what do you think are some of the reason causing the SABC to lack behind technologically?

07:13 P19: (breathing out).... I think obviously its finances, because I don't think it's a cheap exercise, also it's outside our hands, we are not the ones that are rolling out STB's, that sits with the stakeholder in terms of the DoC, and the SABC cannot go out there and subsidize the STB's for audience that is the responsibility and rollout of DoC so we are reliant on DoC....I think us not having digital or streaming platform is due to cost, I wouldn't know 100%, because I don't work in that area.

08:14 TM: ohh its okay, thanks for that clarity, no we goanna go to question 3, so knowing that virtual is not viral, so in what ways can digital innovation help address SABC's: (A) audience loss, in your view?

08:35 P19: I'm goanna ask that you repeat the question again Themba

08:38 TM: so keeping in mind that virtual in not viral, for the fact that something is online it doesn't mean it will explode and dominate and really have a ripple effect, with that in the back of the mind, in what ways can the SABC use digital innovation to address the issue of audience loss

09:03 P19: It's a matter of where audiences are and meeting them, in the sense of how they are consuming content uhmmm Themba, I think content is still king, and that's what we do, we produce content, but people are not consuming content in yester year, in a traditional sense of how Tv was consumed, people want to consume content when they want, and how they want, and if you are not supplying it in that sense they not goanna come....you will lose them....if you not visible in the spaces they occupying for content... then you no necessary responding to their needs.. I think the days of catch a specific channel or specific content piece, at a specific time, dictated to you by a particular platform is old. It's not how people are consuming content not when they walk around with devices, back then you couldn't walk around with a TV, do you see what I mean?

10:09 TM: Hmmm

10:10 P19: but these days you can walk around with your device if you sitting on the bus and you driving on your back home, you might want to tune in into something, and if it's not available for you to do so, then you goanna find something else that's goanna entertain you, simply because of the way that technology has changed, we are able to consume content and access it from wherever we are, and it gives you the option to choose you might like

a particular program, you want to view just that particular program and not have an influx of other things that are not of interest to you, so it has become personalised in that sense, but we not yet there, we are not meeting our audiences where they are and that is the problem because that is how audience viewing has evolved, it is personalized, it is about me, dictating what I watch, when I watch it

11:00 TM: Hmm of thanks, while we still on that question, so how can the SABC use digital innovation to reduce operational costs?

11:20 P19: can the SABC use Hmm (thinking)... well I think its collaborative effort, a lot of media viewers because of the technology we have, phones have high quality output so supplementing and collaborating with content users as part of our content output, is one way I think technology could be assisting because people have evolved into content creators as opposed content users they themselves are producing this content and that's what makes it, I think most opportune for collaboration because they are already producing they are almost saying this content is not for me, but it is by me, I don't know if you hear what I am saying in that sense, they are part of the creator of the product they are no longer just they users, thy are influencing the content, they are part of the content making, collaborating with them from the output view for the SABC, that's one way I think it could work for us.

12:52 TM: alright so in short, you saying the pro-user model, in that where the producer becomes a producer in this case will help the SABC reduce production cost, is that you mean in short?

13:06 P19: yes, for example we have a news channel, and you want the news offering to be there when something happens, if you think of the small town where none of our teams are there because they are in the metros', I am talking now the SABC offices, to deploy a team from here to, well Witbank is pretty close, to Embabane or give me a small town ...

13:37 TM: eManzamtoti

13:40 P19: yeah if something happens now in eManzamtoti and somebody can record it, and send that content to the SABC which could be flighted with immediacy if it is of high quality, do you see what I mean, instead of deploying the entire team to have to go down, you would have caught it in real time, first hand

14:01 TM: Hmm

14:02 P19: so it's that kind of a collaboration that I was talking about.....the technology on our phones is so good that the quality of the picture and sound sometimes can be up to par with sending professional teams, sometime you wouldn't get the first-hand or first on the ground experience you wouldn't get because you have to deploy the team down there, I don't know if I am making sense, that's the kind of collaboration I was talking about, and accessibility to those spaces and time factors are key (real time), because we so used to have things happening in a real time, and people are capturing things in the now as they happening. For instance campaigns like bullying, is something that you will see in retrospect, but now people have their phones and can capture bullying as its happening.....

15:27 TM: ohh thanks, and while we still in the very same question how can the SABC use digital innovation to generate alternative revenues?

15:36 P19: I mean it's maximizing on the content, so for instance I highly believe in exclusivity, so when we create content, the SABC does not have windows of access, I can be creating a drama series and put it on free to air, and if that drama for example caused me R20 million to make, and if I have the exclusive window to say for the first 3 months and say those whose are exclusively subscribed to the platform they can access that drama in the 1st window, because they are paying for that content whether it's a R50 monthly subscription, that is the revenue coming in from that exclusive window, then after 3 months that content is available to broadcast on Free

To Air in a normal scheduling platform. So you spent R20 million but at least there is a window of exclusivity where you can recoup the money from subscription platform viewing, and you still put on Free To Air space to deliver on public mandate as we supposed to as a public broadcaster, so it is taking the same piece of content and maximise it from a window, exclusivity, and revenue point of view, that is one way wish I think we can maximise on the content, same content, same producers, same commissioning editors, same tax payers money but we maximise on that potential by playing on exclusivity window. The other one is collaborations, collaborations, collaborations on the ground with different entities, that are relevant brand alignment, you know from a sponsorship POV, is still another way in which we can increase our revenue stream, uhmm I think that's where I would put it from a technological point of view....definitely collaboration, I am a big fan of collaborations

17:49 TM: okay (laughing), ohh thanks, I see you are a big fan of collaborations, so what other benefits does collaborations brings on board?

18:08 P19: relevancy and opportunity to be on the ground with content, if you partner for example with the ministry of sport, arts and culture. You are on the ground with activations, campaigns, you are interacting with people whether it's your Brand SA, it does not even matter which field, but if the content or engagement that are happening on the ground i.e. are they relevant enough from an interest point from on us on a mandate point of view whether it is to inform, educate and entertain, if it is relevant and align with us, then we can align with those brands or those entities and create content together, ummh I think that will put us on the mark in terms of relevancy, yeah

18:56 TM: Ohh I see, specifically its brand alignment

19:02 P19: its brand and content alignment and relevancy

19:05 TM: ohh okay, thanks for that clarity, now we goanna go to question 4, according to the Broadcasting Research Council Website in July 2022: Uzalo, Generations, Skeem Sam, Zulu News, Muvhango, 7 De Laan, Hlala Kwabafileyo, Kwa Mamazala, Twilight and Serengethi were the top 10 performing programmes in the SABC. What do you think is the secret behind these successful shows?

19:35 P19: drama

19:36 TM: okay

19:37 P19: drama, umhh and the fact that is a local dramas, its stories that people can relate too as South Africans, the scripting of these dramas, characters, stories is something that people can relate too, delivered in a language of a particular community, its issues that are faced with and dealt with into particular storylines that people can relate too, people want to see themselves, they want their stories to be documented....if you look at the properties listed there those are local dramas, its not international stories, internationals worlds, international issues, its issues that they can relate too, delivered in a language that they understand, for me I think that's the key of the majority of properties you listed

20:28 TM: okay and thanks, while we in the same question in your view using the top ten performing shows from SABC 1, 2 & 3, how best can these be exploited for further revenue generation outside traditional revenue streams on linear?

20:56 P19: could you repeat that question, are you referring to the properties you have mentioned prior?

21:00 TM: yes

21:02 P19: okay, please repeat the question

21:03 TM: in short I am saying that using the top 10 performing shows in SABC 1,2 and 3 as indicated, how best can these be exploited for further revenue generation outside traditional revenue on linear

21:26 P169: outside linear?

21:30 TM: is short I am saying how can the SABC use these shows on non-linear platforms to make money, that's what I mean in short

21:54 P16: so not spin off dramas, again I will drive the exclusivity viewing window i.e. for uZalo S21, you can catch it if you signed up to subscription, you can view it before anybody views it on SABV Tv platforms....if you subscribed to exclusive subscription you can access that content at any time, however you want it i.e. back to back, binge viewing of that particular drama you interested in, then you have the liberty to do so, but you paying for it.....its similar to what I had in mind, the maximizing of content on digital platform, and you not taking it away from those who can consume it on linear spaces, but you maximise on the exclusivity window that you create. So the SABC doesn't have a paid subscription window, we not playing in that space. Like I've said, this still the same content that will transmit on Free To Air for the whole country as initially intended, however, we are just creating a window in which that content becomes available to the rest of the country..... people like exclusivity, like behind the scenes things like that, like what can you drive in that window which people won't have access to on the linear or traditional scheduling platforms

24:10 TM: alright, ohh thanks for that, now we goanna move to question 5, so what alternative funding models would you recommend for the SABC to be financially independent and sustainable? Outside TV license, commercial revenues and state grant

23:31 P19: (long silence), outside sale, government and TV licences, Hmmm ... (silence continues)

25:01 TM: so wouldn't the syndication model that you recommended work as alternative?

25:13 P19: yes, I suppose but I don't think it will be sufficient to keep the SABC afloat, I think it will be contributing to the 3 that you've mentioned, I thought you meant completely outside the 3, but you saying in addition to the 3....

25:28 TM: Yes

25:29 P19: Yes, definitely the subscription model might assist, but I don't think it will carry the SABC cost into its entirety, another one I upfront collaborations with entities. i.e. if SABC has a new 13-part drama they can collaborate with the likes of Netflix, so that it stream on those platform before it comes to Free To Air linear spaces. Again, collaborations and exclusive subscriptions I feel like I am repeating myself, but it does apply itself organically to the questions you asking

26:18 TM: ohh thanks for that, so why would you say that these models are not being implemented? i.e. collaborations and subscription models

26:32 P19: I think there is contention when it comes to the role of the public broadcaster, so I don't think the intention is to have public broadcasting content with a fee attached it, however that's I keep on reiterating that the exclusivity of this content does not mean the intended patrons on the ground will not see that content at all, the subscription is for those who are eager to exclusively access that content...I think the contention is because this public funds, for public broadcasting, then the content must go the people on the ground. This might be a contentious issue for others, but for me there is no contention.....because accessibility will be driven to all patrons of South Africa whether you have the monetary means or not, but for me if those who have monetary means and want to pay for exclusivity then they will pay for it....

28:04 TM: So in short, you saying that this model is in contrast with the license mandate of the SABC, as a public broadcaster, funded by the public. So is this due to license conditions?

28:26 P16: I don't even think so, I don't think it's a contravention of anything because if the ICASA license of the SABC says we need to give X amount of hours of news in prime time, X amount of hours for this content i.e. drama, you will still be meeting your license conditions as channel. The problem would be the first run of that content where did it sit, that's where I think the content might be

29:32 TM: alright thanks for that clarity, now we goanna go to question 6, so what organisational hurdles would you point out as challenge to SABC's financial independence?

29:48 P19, I think more than anything, it's the expectation of the SABC being set up a public broadcaster but not given enough financial assistance, so the 3% the government grants is like a drop in the ocean, it cost big money to make the content, and yet government funding is minimal but the expectation is that we compete with commercial competitors on the same level, yet we have this heavy mandate because we are the public broadcaster and yet we don't have financial assistance to execute that public mandate that is expected of us. you not given the public service funds in order to execute, but you expected to source them elsewhere and commercially compete, but you don't have the financial arm to do so, so you slowly become a weakened competitor, because you don't have the same funds as your competitor, you not moving in the same speed because you so challenged with the expectation of being a public broadcaster.....I feel like it's that kind of two sidedness that hurts the SABC as an entity, is that expectation to deliver on public service and mandate, yet the funds are not sufficient enough to execute. You have to self-fund yourself from a commercial POV, yet you not a commercial entity, your business is not modelled in a commercial, do you see what I mean. For me there is something fundamentally wrong in that the expectation and the actual business model are two different things

32:18 TM: so would you say it's poor funding and underfunded mandate leading to the crisis?

32:24 P19: Yeah, and...the SABC is a very old organization, 85 year old, some of the license condition have not been relaxed, and not responding to the markets, the markets have changed, there is new players on the ground, they have commercial licenses and can play in the commercial space as per their license requirement, but out are sitting with the public license or mandate that no one else is playing in, even though eTV is a Free To Air... they are not a public service, they don't have to carry that mandate, they are still a commercial entity, and that what we competing and have difficulty in execution especially in prime time...and there is so much time in prime time that you can deal with for audiences to be locked in, and to turn it around from a sales POV, the limitations are very clear for me

33:42 TM: Hmm, with that in mind, but moving to question 7, what mitigation plans would you put in place or recommend to resolve these hurdles? i.e., po, or funding, unfunded mandate, frustration with license condition viz. pre-dated

34:12 P19: Ummm, I mean, we've seen the efforts Themba, hmm, the current leadership, have tried to engage ICASA so that some of the license conditions could be relaxed to allow the SABC to start then theming at a commercially viable option. The other one was trying to recoup must-carry fees from Multi-choice, Star Set, and OVHD, which have been carrying the SABC at no fee. Yet, when they carry the other content provider like your Disney, whatever the case might be like your Warner Brothers and other channels they'll do so at a 'cellular fee. So the SABC has been trying to recoup some of that; I don't think it has materialized into anything significant, so yeah, I think that kind of effort could assist Themba. However, there seems to be no engagement around the percentage at which the South African government provides funding for the SABC as the public broadcaster, so Iso thinks this could be something else we could be looking into. Ummm, then three were also engaged in the recovery of TV licenses. You know, even that in itself is not assisting the SABC greatly; there's been thinking

around tax levy of sorts just like the BBC does, but unfortunately, that was not passed, so you know, I think we are still between a rock and a hard place in the SABC. But for me, those were critical; the relaxation of license conditions allows some channels to perform at a commercial expectation at which we need to move in. And hmm, they must carry a bit because it takes real money to make the content; therefore, why would they carry us for free, I think they built a lot of repertoire through carrying the SABC, and that is how I remember DSTV being an old saying: come and get these 70 channels, and you will still get the SABC 1,2 and 3, and that was the power and giantess of the SABC in they have to put it in their selling point, viz. you still get SABC 1, 2 and 3 do you see what I mean

37:03 TM: Hmm

37:04 P19: but we did not necessarily make the most of that power and long-standing, and now we've lost ground, as I highlighted from a market share and relevancy POV as a brand offering when it comes to TV output

37:22 TM: Ohh, thank you so much, XXX. We've come to the end of our session ...thank you so much for the great wisdom you've shared with me; I really appreciate it, thank you so much

37:40 P19: Thanks

Appendix 3: Ethics Training Certificate



Certificate

October 19, 2022

This is to certify that Mr. Thamba isaack Mnguni has successfully completed the Macquarie University Human Research Ethics Online Training Module for the Social Sciences and Humanities.

Macquarie University

Appendix 4: Ethics Clearance



Research Office

HUMAN RESEARCH ETHICS COMMITTEE (NON-MEDICAL)
R14/49 Mnguni

CLEARANCE CERTIFICATE

PROTOCOL NUMBER: H22/09/17

PROJECT TITLE

The Critical Analysis of the Public Service Broadcaster (PSB)
Financial Survival in a competitive and disruptive
broadcasting environment: The case of the SABC and
models for alternative funding

INVESTIGATOR(S)

Mr T Mnguni

SCHOOL/DEPARTMENT

Arts/

DATE CONSIDERED

16 September 2022

DECISION OF THE COMMITTEE

Approved
Risk Level: Low

EXPIRY DATE

23 October 2025

DATE

24 October 2022

CHAIRPERSON

(Professor J Watermeyer)

cc: Supervisor : Dr Y Koba

DECLARATION OF INVESTIGATOR(S)

To be completed in duplicate and ONE COPY returned to the Secretary at Room 10004, 10th Floor, Senate House, University. Unreported changes to the application may invalidate the clearance given by the HREC (Non-Medical)

I/We fully understand the conditions under which I am/we are authorized to carry out the abovementioned research and I/we guarantee to ensure compliance with these conditions. Should any departure to be contemplated from the research procedure as approved I/we undertake to submit an amendment of the protocol to the Committee. I agree to completion of a regular progress report. For Minimal and Low studies, this is due annually on 31 December. For Medium and High Risk studies, this is due twice annually on 30 June and 31 December.

Signature

2 4 / 1 0 / 2 0 2 2
Date

PLEASE QUOTE THE PROTOCOL NUMBER ON ALL ENQUIRIES

Appendix 5: Invitation for Participation Email

Themba Mnguni

From: Themba Mnguni
Sent: Monday, 24 October 2022 18:27
To: Themba Mnguni
Cc: [REDACTED]
Subject: Re: Invitation for Participation on SABC Tv Research Study
Attachments: Research Authorization by SABC.pdf; Research Authorization by Wits.pdf; Participant information sheet_Final.pdf

Importance: High

Good-day colleague's

My name is Themba Mnguni, CE from Factual Genre Unit. Would like to invite you for voluntary participation on a Ph.D. research study looking at the SABC and models for alternative funding.

The study is a personal endeavor, details about the study and Institutional approval by SABC and Wits are attached. The study comprises a virtual interview that can be 10-30 minutes long.

If interested I am looking forward to hearing from you for further arrangements

Will gladly appreciate your participation. Please help forward the request for participation to other colleagues who might be interested in this study

NB: I have copied [REDACTED] SABC Research Host (for this project) as appointed by SABC L&D

Regards

Themba Mnguni
CE- Factual/ PhD Candidate Wits
[REDACTED]

Appendix 6: Authorization Letter by the SABC

HR: Learning & Development
Radio Park, Cnr Artillery and Henley Roads Auckland
Park 2052, Private Bag X1 Auckland Park 2006
Johannesburg Gauteng South Africa.
Tel +27 11 330-9520
www.sabc.co.za



Date: 12th of August 2022

Dear Mr Themba Mnguni

LETTER OF AUTHORIZATION TO CONDUCT RESEARCH AT SABC

This letter serves as authorization for Mr Themba Mnguni to conduct the research project under the topic "The Critical Analysis of the Public Service Broadcaster (PSB). Financial Survival in a competitive and disruptive broadcasting environment: The case of the SABC and models for alternative funding". This research will take place at the SABC in Auckland Park for a period of six months (September- November 2022).

Upon a review of the letter sent to us by your institution, we are glad to offer you an opportunity to conduct the same study in our organization. All interviews, filed surveys, observations around the site and the distribution of questionnaires are approved and will be duly supervised by the SABC Learning and Development division.

We hope that this research opportunity will be fully beneficial to your studies.

If you have any concerns or require additional information, feel free to contact the division.

Many thanks.

A handwritten signature in black ink, appearing to read "Zlongwe".

Ms Zama Longwe
SABC Learning and Development manager
011 714 4887
longwez@sabc.co.za

South African Broadcasting Corporation SOC Limited: Registration Number: 2003/023915/30
Non-Executive Directors: Mr B E Makhathini (Chairperson); Ms M Mkhale-Mulabazi (Deputy Chairperson); Prof S Cooper; Adv M B B Lekakala; Mr D M Maimela; Mr M G Marofutsa; Mr D K Mkhuzo; Ms J Patel; Mr J H Phahane; Ms M B Papayee; Dr M Sodlwa
Executive Directors: Mr M T Mxakwe (Group Chief Executive Officer); Mr I C Pooles (Chief Operations Officer); Ms Y van Bijl (Chief Financial Officer); Company Secretary: Ms L V Bayl

Appendix 7: Participants Information Sheet



Wits University
Wits Ethics Department
10th Floor Solom Mahlangu House
Braamfontein, Jorrison Street, JHB.

PARTICIPANT INFORMATION SHEET

Dear Prospective Participant

My name is Themba Mnguni, I am doing Ph.D. research with Dr. Yolo Koba, Head of the Department in the School of Film and Television at the Wits School of Arts (WSOA). Would like to invite you to participate in a study entitled, The Critical Analysis of the Public Service Broadcaster (PSB) Financial Survival in a competitive and disruptive broadcasting environment: *The case of the SABC and models for alternative funding*.

WHAT IS THE PURPOSE OF THE STUDY?

This study is expected to collect important information that will assist in rendering a critical analysis of public service broadcasters' financial survival in the competitive and disruptive broadcasting environment. I am looking at the case of the SABC, looking at how the SABC is surviving in the market and what attempts need to be put in place to make sure that the SABC is stable, independent, competitive, viable and financially sustainable. And can execute public mandate with ease while harnessing and supplementing its revenues.

WHY AM I BEING INVITED TO PARTICIPATE?

You have been purposively selected to participate in this study given your understanding of SABC's television history, audiences, programs, markets/competition, digital innovation, and passion for public mandate. Having gained permission from SABC's Learning and Development Unit to undertake this study (see permission letter attached), you have been selected as one of the participants to represent your division in the study. There are 20 SABC stakeholders across various functions in television that have been selected to participate in this study on the condition that: they voluntarily agree to participate, and grant informed consent.

WHAT IS THE NATURE OF MY PARTICIPATION IN THIS STUDY?

The study involves giving feedback to seven structured interview questions that are open-ended. Depending on the length and breadth of your feedback it may take 30-40 minutes to answer all questions.

CAN I WITHDRAW FROM THIS STUDY EVEN AFTER HAVING AGREED TO PARTICIPATE?

Participating in this study is voluntary and you are under no obligation to consent to participation. You are free to withdraw at any time and will be good (but not compulsory) to provide the researcher with reason/s for withdrawing. The interviews will be conducted virtually via Microsoft Teams, you will be asked to give permission for audio recording as well.

WHAT ARE THE POTENTIAL BENEFITS OF TAKING PART IN THIS STUDY?

Your participation will assist in shaping the understanding of PSB in the competitive, disruptive, global, and digital environment. Your insight and feedback to the interview questions will aid in formulating structures and systems as proposed in this study to protect, and harness PSB finances, mandate, legitimacy, and SABC's sustainability.

ARE THERE ANY NEGATIVE CONSEQUENCES FOR ME IF I PARTICIPATE IN THE RESEARCH PROJECT?

There are no risks or side effects associated with the study. All interviews are done virtually, and concerns about airborne diseases are not a factor to your participation. Your identity and privacy is going to be protected through the use of Self-Generated Identification Codes (SGIC), where a code is used to link data without mentioning any personal information, role, and function of the participant. In addition, there are no consequences for refusing participation.

WILL THE INFORMATION THAT I CONVEY TO THE RESEARCHER AND MY IDENTITY BE KEPT CONFIDENTIAL?

Through SGIC your identity and personal information will be kept confidential at all times. The interview file with the recordings is going to be encrypted and kept on a personal computer that is password protected. It is also part of the university ethics policy acceded to by the researcher to make sure that privacy and confidentiality of all participants is protected at all times. Failure to adhere will lead to the disqualification of the study by the university, the researcher may face other serious penalties aligned with the violation of POPI Act.

WILL I RECEIVE PAYMENT OR ANY INCENTIVES FOR PARTICIPATING IN THIS STUDY?

No, participation to this study is on a voluntary basis.

HAS THE STUDY RECEIVED ETHICS APPROVAL

This study has received written approval from the Wits Ethics Committee for non-medical research. A copy of the approval letter can be obtained from the researcher. Here is the ethics clearance reference number: HREC/NM22-07-121.

HOW WILL I BE INFORMED OF THE FINDINGS/RESULTS OF THE RESEARCH?

If you would like to be informed of the final research findings, please contact **Themba Mnguni** on **0640074478** or email at 0618124N@students.wits.ac.za. The final report can also be accessed via [Wits Wired Space](#), a repository for postgraduate research at Wits University open to the public, you can search via the title of research or name of the researcher starting later in 2025.

If you have any questions during or afterwards about this research study, feel free to contact me or my supervisor on the details listed below. If you have any concerns or complaints about the ethical procedures of this research study, you are welcome to contact the University Human Research Ethics Committee (Non-Medical), telephone +27(0) 11 717 1408, email hrecnon-medical@wits.ac.za.

Yours sincerely,
TI Mnguni

Researcher:

Themba Isaac Mnguni, Email: 0618124n@students.wits.ac.za Mobile: [REDACTED]

Supervisor:

Dr Yolo Koba, Email: yolo.koba@wits.ac.za Office: 0117174161

End

Appendix 8: Consent Form



School of Film and Television
Post-Graduate Studies
Ph.D. Research

Research Title: The Critical Analysis of the Public Service Broadcaster (PSB) Financial Survival in a competitive and disruptive broadcasting environment: *The case of the SABC and models for alternative funding*

Researcher: TI Mnguni (0618124N)

Consent Form

I, (participant), agree to participate in this research project.

I agree to the following:

(Please circle the relevant options below)

The research study was explained to me. I understand what this study is about.	YES	NO
I understand that I can volunteer to take part in the study	YES	NO
I agree that the interview may be audio recorded	YES	NO
I agree that direct quotations from my interview may be used by the researcher in their research report/ manuscript/book chapter	YES	NO
I agree that my participation will remain anonymous (my name will not be used by the researcher in their research report/manuscript/book chapter)	YES	NO
I agree that other researchers may use the information I provide in my interview (depending on their own ethics clearance being obtained) but my name and any personal information will not be used or passed on	YES	NO

..... (signature)

..... (name of participant)

..... (date)

..... (signature)

..... (name of researcher/person seeking consent)

..... (date)

Appendix 9: QDA Miner, Coding Report

Category	Code	Case	Text	Order	Date	Words	%Words	Variable
Q1 Financial Position	Bad	Interview with P11	yes, I have not been in the situation where I do work and I don't get paid, if I get commissioned the payment has never stopped...there is never a time where I get commissioned and payment does not happen	Admin	2023/03/13	41	1.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P11	and it has not affected me on a personal level...so there are two sides to this, what is on the press but from a personal interaction with the SABC I do not think, if I produce I get paid	Admin	2023/03/13	42	1.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P11	but from the producer side, I have not felt the financial strain because I produce I get paid, a	Admin	2023/03/11	20	0.9%	DOCUMENT
Q1 Financial Position	Bad	Interview with P08	the SABC looking at it from low, medium to high, levels say medium, that's what I feel, it is not low or in a critical situation, it is in the medium but I feel it is just not being managed well	Admin	2023/03/11	43	3.3%	DOCUMENT
Q1 Financial Position	Bad	Interview with P08	okay, they are making a profit but it is not large enough to make a difference	Admin	2023/03/13	15	1.1%	DOCUMENT
Q1 Financial Position	Bad	Interview with P08	but it's not bad enough to put them in a critical situation where maybe they are forced to close down as a broadcaster or they have to leave off because they did good with the restructuring I don't think they at that	Admin	2023/03/13	49	3.7%	DOCUMENT
Q1 Financial Position	Bad	Interview with P18	the broadcaster has been more than once has to be financial rescued by the government because it is experiencing financial crisis or not making revenues	Admin	2023/03/12	24	1.2%	DOCUMENT
Q1 Financial Position	Bad	Interview with P16	So these are things that makes me think that the austerity thing is just a scapegoat, also looking at the years they have before they go, remember the executive have to go after 5 years, probably it could be a real	Admin	2023/03/13	54	3.0%	DOCUMENT
Q1 Financial Position	Bad	Interview with P16	Hmm, I think you mention for the second time rumours: doing rounds about austerity, so what signs have you seen that indicates that there is austerity or there might be austerity looming in the SABC? ID:14P16:	Admin	2023/03/13	170	9.4%	DOCUMENT
Q1 Financial Position	Bad	Interview with P16	questionable... after section 189 what really happened because we thought it will be one of the things to solve the financial status of the company...but when I see the report it seriously makes no sense that we on	Admin	2023/03/13	114	6.3%	DOCUMENT
Q1 Financial Position	Bad	Interview with P17	It's a bit confusing as the producer when you outside, because at first we thought the SABC was bailed out, and now couple of months ago you hear there is no money and the SABC was deciding who to pay, i	Admin	2023/03/12	62	1.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P16	hmm our financial position is really bad, I look bad, however it is confusing because at some point in one of the rediffusion around June/July there was a presentation that looked like everything is okay and gone	Admin	2023/03/12	48	2.9%	DOCUMENT
Q1 Financial Position	Bad	Interview with P14	like dual thing, management tells us we're not doing well in terms of sales and advertising and that's we're not financially okay at the SABC and yet the audience share still remains high... starting to break network is	Admin	2023/03/12	39	1.9%	DOCUMENT
Q1 Financial Position	Bad	Interview with P14	I don't think we're working together from the management and people at the bottom to try make the SABC viable public institution because we're not trying to be entertainment broadcaster like Multi Choice because we	Admin	2023/03/13	48	1.7%	DOCUMENT
Q1 Financial Position	Bad	Interview with P14	I don't think there is transparency at the SABC, I don't think we have enough transparency. I think the management and other people are quick to blame everyone at the bottom in terms of, we are not doing our part	Admin	2023/03/13	61	2.3%	DOCUMENT
Q1 Financial Position	Bad	Interview with P10	we are in the top 5 of the most performing shows with close to 3 shows however that dominance does not translate into financial stability which makes me wonder why and what is exactly going on, we do know that th	Admin	2023/03/13	108	2.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P04	this is simply because of, you know, how audiences are consuming content, they don't only rely on their TV set, they can access their content anywhere across the internet, they have other ways but legally an	Admin	2023/03/13	68	1.4%	DOCUMENT
Q1 Financial Position	Bad	Interview with P04	BBC is going the same route, I had the privilege in my previous employment I was employed with Sky Networks, so Sky Networks is a direct competitor of BBC, so it's the same situation like here, Sky Network w	Admin	2023/03/13	50	1.0%	DOCUMENT
Q1 Financial Position	Bad	Interview with P04	so BBC has been experiencing that over the years...uhmm K's a global phenomena I should say, K's a global challenge to a certain degree simply because audience have more avenues now...uhmm where they	Admin	2023/03/13	71	1.4%	DOCUMENT
Q1 Financial Position	Bad	Interview with P04	Yeah there is alot, uhmm so its OTT platforms, specifically VOD, video on demand, I think the same says it all, you watch content whenever you want to watch it	Admin	2023/03/13	30	0.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P04	DSTV has done alot in the OTT space, because they have 2 uhmm over the top platforms, they have DSTV now, they have Showmax as well. So DSTV now is for audiences who like to catch up, because I also ca	Admin	2023/03/13	73	1.9%	DOCUMENT
Q1 Financial Position	Bad	Interview with P04	and uhmm Showmax has the premium content, a content that viewers need to watch online. There is as series that the launch last year called The Wife, mmmh uhmm the series touches on topics that would	Admin	2023/03/13	81	1.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P05	I think it is die Thema, because the landscape is changing and is changing very quickly and viewers have options, gone are the days where viewers were only reliant on us, with data costs falling down...and s ub	Admin	2023/03/11	41	2.1%	DOCUMENT
Q1 Financial Position	Bad	Interview with P06	...I think financially I don't think the SABC is doing too well, but however as an employee I don't think the transparency	Admin	2023/03/11	28	0.7%	DOCUMENT
Q1 Financial Position	Bad	Interview with P06	that much transparency in the management, and also the AR and share that we give shows is too high, and we are struggling audience wise, so therefore can't meet the targeted AR and share very few shows an	Admin	2023/03/13	41	1.1%	DOCUMENT
Q1 Financial Position	Bad	Interview with P06	yes, I don't think there is much transparency, yes they do have those meetings to say we haven't broken even but this is how much we've made and stuff like that but those are like once in while things and we nee	Admin	2023/03/13	130	3.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P06	I think an AR that is realistic, I think for new ST is kinda more realistic with the AR and share because they've got the numbers, but when they do AR and share we also not included as CE's, we are not included	Admin	2023/03/13	73	2.0%	DOCUMENT
Q1 Financial Position	Bad	Interview with P07	the financial situation of the SABC is not impressive to market condition and operating environment. It is understandable that the advertising pie has shrunk and many corporates have reduced on their budget	Admin	2023/03/11	32	0.7%	DOCUMENT
Q1 Financial Position	Bad	Interview with P08	so from a financial point of view, we're not looking good, but this is not reflective of the audience landscape because we still have some of the numbers	Admin	2023/03/13	53	2.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P17	I think it is die Thema, because the landscape is changing and is changing very quickly and viewers have options, gone are the days where viewers were only reliant on us, with data costs falling down...and s ub	Admin	2023/03/13	41	1.1%	DOCUMENT
Q1 Financial Position	Bad	Interview with P15	the SABC, that is a bit of the blow, because we are an institution right now that is expected to stand on its own, and yet there are so many mandates, they make the pool of making revenues very narrow...we have	Admin	2023/03/13	74	3.7%	DOCUMENT
Q1 Financial Position	Bad	Interview with P09	people are developing new viewing habits, and some of the new players in the game are not as regulated as the SABC which is a problem i.e. Netflix...with multiple numbers of option and content for people to view...SABC is losing vie	Admin	2023/03/11	40	1.4%	DOCUMENT
Q1 Financial Position	Bad	Interview with P09	dominance and amongst the top programs that are viewed in this country and it seems like we have difficulty in generating revenues from our top performing shows, when you look at audience share, like I said we go	Admin	2023/03/13	118	4.2%	DOCUMENT
Q1 Financial Position	Bad	Interview with P09	we've don't have our own OTT streaming platform yet it is sitting on TelkomOne, VU...I feel like as the SABC we should have taken a lead when it comes the development of OTT platform, I feel like right now w	Admin	2023/03/13	78	2.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P12	SABC has good programming, but not enough people know about it. People see SABC as just SABC and all they want is just Tolentness: rebuying old shows before the prevalence of Multi Choice and Mnet...sh	Admin	2023/03/13	54	2.9%	DOCUMENT
Q1 Financial Position	Bad	Interview with P12	The landscape of television has changed to an extent that it has become more niche, with the rise of OTT platform people are now more in control of their time for viewing, back in the days linear television was po	Admin	2023/03/13	96	2.9%	DOCUMENT
Q1 Financial Position	Bad	Interview with P18	people are developing new viewing habits, and some of the new players in the game are not as regulated as the SABC which is a problem i.e. Netflix...with multiple numbers of option and content for people to view...SABC is losing vie	Admin	2023/03/13	67	3.1%	DOCUMENT
Q1 Financial Position	Bad	Interview with P12	for been in a couple of meetings where it is reflected on how the business is making a loss, where the loss that is made is worse than what was projected...and that is what makes me to say the business is not d	Admin	2023/03/13	60	2.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P12	at the same time I don't think the SABC should be making a bit of profit because it is a public broadcaster, it should be making enough to sustain itself to pay salaries, maintain the production that it has. I could	Admin	2023/03/13	78	3.9%	DOCUMENT
Q1 Financial Position	Bad	Interview with P12	I don't think SABC is doing well financially, I think it's been going on for a while, because I remember when I was still student, there was as action on SABC financial woes back in 2008, I don't think the SABC is do	Admin	2023/03/12	48	2.1%	DOCUMENT
Q1 Financial Position	Bad	Interview with P20	because currently the financial position of the public broadcaster is not on a good spot light and there are so many reasons for that contributing to that, because when you look at the political climate	Admin	2023/03/12	34	2.1%	DOCUMENT
Q1 Financial Position	Bad	Interview with P19	we've lost a bit of market share, we're not playing where the infiltration of other players are, like streaming platforms have come in and infiltrated space so audiences are declining because they are sitting elsewhere a	Admin	2023/03/13	70	1.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P19	I personally believe the SABC is in trouble, from financial standing point of view, ummmh performance whether revenue or audience point of view, we are losing audiences	Admin	2023/03/12	27	0.8%	DOCUMENT
Q1 Financial Position	Bad	Interview with P12	SABC makes money through audiences, the more eyeballs you have the more advertisers are interested in advertising in your platform and that equals to funds, so the less people you have advertisers will go to where	Admin	2023/03/13	37	1.7%	DOCUMENT
Q1 Financial Position	Bad	Interview with P13	people don't have time to watch TV anymore, streaming services coming in, the market is open so it does not make it easy for SABC to try make profit or financial gains	Admin	2023/03/13	33	1.2%	DOCUMENT
Q1 Financial Position	Bad	Interview with P13	I remember I was part of the launch in 2008 with artists and producers because at some point SABC couldn't pay producers or production companies because they were in a financial strain, I was hoping that would	Admin	2023/03/12	61	2.1%	DOCUMENT
Q1 Financial Position	Bad	Interview with P13	Could not make things easier for SABC as well, I will think that they struggle at the moment they are trying so hard to find their feet, it's difficult because the competition studied SABC, if you look at people that	Admin	2023/03/13	58	2.0%	DOCUMENT
Q1 Financial Position	Bad	Interview with P15	Um the current situation is bad, looking at what is currently happening and look at the competition that is there, we are not running a lot of commercials, but we are running most of promo's promoting our se	Admin	2023/03/12	52	2.8%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P04	so I think the current financial position of the SABC is on a decline, simply because of, you know the global trends of what the linear or public broadcasters are going through, you pay TV suffering the same thing, y	Admin	2023/03/11	40	0.8%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P03	So people who listen to a lot of times haven't the money, so advertisers would rather spend advertising money knowing that there is high possibility of influence or buying you know. So that's why I am saying audience	Admin	2023/03/13	60	1.1%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P03	that's one of the things the advertisers will look at, which is why you see radio stations like you 94.7 doing very well, whereas K's a regional radio station, so it's because of people who listen to k	Admin	2023/03/13	42	0.8%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P03	so you look at the market share and who is in that market share. So in terms of spend, umm I've have market share and out of that market share who actually has the money to spend. So if you have 10 million p	Admin	2023/03/13	98	1.9%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P03	remember you say market position and market share, are two different things...	Admin	2023/03/13	12	0.3%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P03	I think we keep on saying just because we have the market share we should be making money. Forgetting who our audience are, or the type of audience that we get compared to the advertisers...	Admin	2023/03/11	35	0.7%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P02	So we make the show and paid the 2.5 million, and they pulled the airtime around that, so they make a lot of money	Admin	2023/03/13	25	0.8%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P02	we pay 2.5 million and for the airtime, and we get in 15 million and in this process	Admin	2023/03/13	19	0.8%	DOCUMENT
Q1 Financial Position	Confusing	Interview with P02	Ohh, I think there is too much red tape at the SABC, they need to be more agile, they need to look at new business models. If you look at business model when you work with distributors or even if you look at t-	Admin	2023/03/13	112	3.7%	DOCUMENT
Q1 Financial Position	Crisis	Interview with P02	K's a very hard market at the moment, there is a lot of team players, there is a lot of new players coming into the market and there is no good content you will not have people advertise or you will lose all your vie	Admin	2023/03/13	47	1.8%	DOCUMENT
Q1 Financial Position	Okay	Interview with P02	they have been struggling to get themselves organized, to have enough cash to run their own business and also to ensure that they make great content for the viewers.	Admin	2023/03/11	29	1.0%	DOCUMENT
Q1 Financial Position	Okay	Interview with P01	yes it has racial orientation, whites spend money on whites...much of capital in the country is in the hands of whites...	Admin	2023/03/13	22	0.9%	DOCUMENT
Q1 Financial Position	Okay	Interview with P01	okay, so in South Africa, it would seem that ummm the commandeer, ummm the people who command the advertising capital choose who they advertise with along colour or racial lines. So for instance even though	Admin	2023/03/13	78	1.8%	DOCUMENT
Q1 Financial Position	Okay	Interview with P01	Then the SABC financial is more of a political question than a market question. In other words, advertising spend in South Africa seems to have a political bias, if anyone says revenue generation is linked to mar	Admin	2023/03/13	98	2.2%	DOCUMENT
Q1 Financial Position	Okay	Interview with P01	So we're seeing at end toward convenience viewing over scheduled programming. So in other words viewers of late tend to view content at their own time, than at time scheduled by [broadcaster] and that creates a p	Admin	2023/03/13	75	1.7%	DOCUMENT

End.