Chapter Four
The State of Media Development and Diversity in South Africa

4.1 Introduction – the Apartheid Media Landscape

Historically, South Africa's mainstream media has largely been owned and controlled by the white establishment, in particular big business, and, in the case of broadcasting, by the apartheid state. The views and perspectives, languages and values of this grouping were mirrored in all major newspapers, and radio and television programmes (Berger, 2001; Horwitz, 2001; Wigston, 2001).

During the apartheid era, the South African Broadcasting Corporation (SABC) owned and controlled almost all public and commercial broadcasting, as well as signal distribution services and infrastructure (Wigston, 2001). African-language services were developed but the information broadcast was ideologically distorted and services were inferior (Horwitz, 2001; Wigston, 2001). In 1986 M-Net was launched as the first private pay television service. However, it did not create significantly greater pluralism of ownership or greater access – the four major press groups owned the station and, in terms of audiences, M-Net was aimed at already well-serviced, white, up-market viewers. Further, M-Net was not allowed to broadcast news (Wigston, 2001).

In terms of the print media, two main groups have ruled the industry: the Afrikaans press dominated by Nasionale Pers and Perskor, and the English press led by the Argus Group and South African Associated Newspapers (SAAN)[14] (Louw, 1993). The Afrikaans press was dominated by finance capital and the English press by finance and mining capital (Louw, 1993; Berger, 2001). This press duopoly owned a plurality of daily and weekly newspapers and magazines. However, in the main this was plurality without diversity – the English press reflected the views of white opposition parties, the Afrikaans press reflected the views of the white ruling National Party. The views of the majority were excluded (Louw, 1993; Berger, 2001; Horwitz, 2001; Wigston, 2001). Further, all

[14] SAAN was later renamed Times Media Limited.

newspapers relied heavily on the news service provided by the South African Press Association (SAPA), owned by the duopoly (Louw, 1993). The press duopoly was vertically integrated at the level of print and distribution with restrictive practices existing to ensure that distribution (and to a lesser extent printing) was controlled. This made it difficult for independent publications with independent perspectives to break into the media environment (Berger, 2001).

So what of media owned, staffed, targeted, and reflective of the views and aspirations of majority black and working class audiences? This remained small and repressed (Horwitz, 2001; Wigston 2001). An early African mission press gave way to an independent protest press between the 1880s and 1930s. However, this was narrowly owned and targeted at a small, professional, black middle class (Horwitz, 2001:49). With the decline of this protest press in the 1930s, an early resistance press then developed. It dealt with a wider non-racial audience, including working-class and middle-class interests (Horwitz, 2001:50). The ownership structure of these papers was more varied. Owners included individual entrepreneurs, political and worker organisations, and community trusts. However, following the Suppression of Communism Act (1950) and the Sharpeville massacre (1960), most of these publications were closed (Horwitz, 2001).

Alongside this resistance press grew a white-owned commercial press oriented to black readers. This press, although popular and widely read, had serious limitations. Both the Argus Group and Jim Bailey (son of SAAN's Sir Abe Bailey) became involved in black publishing. In the early 1930s the Argus group bought into a venture known as the Bantu Press, which operated several newspapers edited and staffed primarily by Africans. However, copy was tightly supervised by white overseers and owners (Horwitz, 2001:51). The Bantu Press’s flagship publication, *Bantu World*, articulated a modernist, depoliticised, vision of black South African life (Horwitz, 2001). Yet even *Bantu World* was banned in 1977 after covering the Soweto uprising and moving towards a Black Consciousness viewpoint (Horwitz, 2001:52; Wigston, 2001). Jim Bailey’s *Drum* and *Golden City Post* pushed boundaries a little further. *Drum*, for instance, ran some important exposés. However, the publication was withdrawn in 1965, only to appear later in milder form (Wigston, 2001:51). *Golden City Post* was bought by Argus in the 1960s. It ventured into politics, running, for instance, a “Release Mandela” campaign. However, like *Bantu World*, it too was banned when journalists went on strike in 1980 (Horwitz, 2001).

In the 1980s a second phase of resistance press arrived – most often referred to as the "alternative" press. This was a bold period of media pluralism, diversity and development. Newspapers, magazines, journals, pamphlets and newsletters burgeoned. Their purpose? To give a platform to the voices of the resistance movement, including women, workers, students, the youth, rural people and local communities (Tomaselli, 1991; Louw 1993; Berger, 2000; Pillay, 2003a and 2003b). They were published by a variety of local, grassroots and community-based publishers. Sympathetic foreign donors gave financial support. Although many papers were published in English, a number were published in African languages and Afrikaans (Louw, 1993).[15]

These publications lasted a decade or more but most were closed by the mid-1990s. The alternative press survived severe repression from the apartheid state, only to collapse in the post-apartheid period due to a lack of funds (Berger, 2000; Pillay, 2003b). Donors began to withdraw their support because they believed there were more pressing funding priorities in education, health, housing and so forth. Further, because these publications served poor audiences, they found it difficult to access advertising (Berger, 2000; Pillay, 2003b). The great irony was that by 1994 there was a much less diverse press landscape than five to ten years previously (Berger, 2000; Wigston, 2001; Pillay, 2003a and 2003b).

The media landscape inherited by the ANC government was therefore primarily owned, managed and staffed by whites, targeted at white audiences and reflective of their views. Broadcasting was primarily state-dominated, with inferior services targeted at black audiences. The traditional print media was highly concentrated, both vertically and horizontally, making it difficult for independent papers to enter the market. Finally, alternative publications serving poor, black, rural and working-class audiences had all but collapsed.

4.2 The Post Apartheid Macro-Economic Context

To give a context to developments within the media sector after 1994, a brief explanation of shifts within the political and economic environment is in order. Two main schools of thought have competed: first, the Reconstruction and Development Programme (RDP),

[15] Berger (2000:86) argues that despite small circulations (probably just more than 170 000 in total each week) the alternative press had an enormous reach. Its impact was felt beyond its immediate readers.

and second, the Growth, Employment and Redistribution strategy (GEAR).

The thinking behind the RDP was incubated in the trade union movement and adopted by the ANC in 1994. It articulated the aspirations of the deprived majority while simultaneously still catering for middle-class interests (Adelzadeh, 1996; Lodge, 1999, 2002; Bond, 2000; Marais, 2001; Sparks, 2003). It sought a leading and enabling role for government. The Programme argued for a living wage as a pre-requisite for achieving the required level of economic growth, and called for a commitment to a more equitable distribution of income and wealth (Adelzadeh, 1996; Michie & Padayachee, 1997; Lodge, 1999, 2002; Marais, 2001). The RDP highlighted the importance of "participatory policy making" (Marais, 2001). Pillay (2003b:14) argues that these processes called for the involvement, "not only of business interests, but most crucially organisations of civil society, including organised labour, NGOs and other social movements representing diverse interests."

Although government insisted that the GEAR strategy was merely the "implementation plan for the RDP", most theorists would concur that these policies moved substantially away from the latter (Lodge, 1999, 2002; Marais, 2001). GEAR's primary concern was to boost investor confidence by adopting the main tenets of neo-liberalism. It called for curtailing the state's role in development, prioritising the market, privatising state assets, tax relief for the middle and upper classes, and low corporate taxes (Adelzadeh, 1996; Bond, 2000; Marais, 2001). GEAR assumed that economic growth would automatically lead to a redistribution of wealth (Adelzadeh, 1996; Bond, 2000; Marais, 2001; Padayachee & Valodia, 2001). To date this strategy has been overwhelmingly powerful in its influence on government thinking and policies (Bond, 2000; Marais, 2001; Tleane & Duncan 2003). But what is interesting is that despite its power, "substantive democratic" RDP currents have continued to exist. (Horwitz, 2001; Pillay, 2003a, 2003b).

Theorists Horwitz (2001) and Pillay (2003a, 2003b) point to a third trend in government – what they refer to as an "authoritarian, statist" trend. Horwitz claims supporters of this approach have pushed for a greater state role in the media. He argues that statist proponents called for a large state controlled SABC. They extolled the idea of a "state information agency as an instrument for development" (Horwitz, 2001:338). They showed animosity to independent agencies such as the Independent Broadcasting Authority. (Horwitz, 2001; Pillay, 2003a) Pillay (2003b:14) explains that this statist current “veers towards commandist methods of delivering social goods. It promotes the interests of the state bureaucracy, and arguably the emerging black bourgeoisie”. Statist tendencies run counter to the RDP’s substantive democratic perspective. As critical political economists point out these tendencies are potentially as damaging as a hard line free market approach.

Pillay’s and Horwitz’s arguments are useful in that they explain some of the contradictory tendencies in government that have impacted on the development of media policies more generally and in particular media diversity and development policies.

4.3 The Post Apartheid Media Landscape

It is against this macroeconomic backdrop that shifts in the racial and gender ownership, control and staffing of the mainstream media industry have occurred. The industry has experienced unbundling, black empowerment, foreign acquisitions and new entrants in terms of print, radio and television, as well as public broadcaster sales (Berger, 2001; Teer-Tomaselli & Tomaselli, 2001, Berger 2001). However, there are also certain continuities with the old system. One issue is that despite a plethora of new media poor, rural and working-class audiences remain marginalised. A second is that most black language groups, other than Zulu, remain marginalised (Bloom, 2005). Further, diversity of content and ideas is still a significant problem. South Africa now tracks the international trend - publications, TV programmes and so on are either positioned for an elite “thinking” audience or positioned down-market with tabloid content for working-class audiences. An intelligent working class media is absent. Further, left-wing and developmental content is generally marginalised. Finally, in terms of both print and broadcasting industries, unbundling processes have been reversed. Media concentration remains firmly on the agenda.

4.3.1 Broadcasting developments

The early 1990s was a hopeful, exciting time in South African broadcasting. Civil society played a significant role in the shaping of broadcast policy (Barnett, 1999; Horwitz, 2001; Tomaselli & Tomaselli, 2001). Even before the first democratic elections had taken place, important changes had been made. In May 1993 a new, independent SABC Board was selected, and in October of the same year the Independent Broadcasting Authority (IBA) Act was passed to “open up the airwaves” (Tomaselli & Tomaselli, 2001). Tomaselli and

Tomaselli (2001:125) argue that in the early 1990s the SABC was the "vanguard of visible change" in the country. In line with a "substantive-democratic" vision, the new broadcaster was committed to:

> . . . deliver full spectrum services to all South Africans, in all parts of the country, and in each of the official languages. Programme content was aimed at protecting and nurturing South African culture and creativity, and reflecting the reality of South Africa to itself, and to the world (Tomaselli & Tomaselli, 2001:126).

In line with this vision the SABC set itself the following targets:

- extension of airtime for all official languages (other than English) on television;
- increase in local content programming;
- extension of the television footprint to reach all potential viewers;
- introduction of regional television slots in all provinces;
- equity and universal access to religious programming;
- provision of curriculum-based education on both radio and television; and
- upgrading of the African-language radio services (Tomaselli & Tomaselli, 2001).

Further, in line with this vision, the IBA's mandate was boldly crafted to "open the airwaves" to previously excluded voices and opinions. (Barnett, 1999:650) The Act's primary objective was to establish an Authority which could provide for the regulation of broadcasting to "promote the provision of a diverse range of sound and television services on a national, regional and local level which when viewed collectively would cater for all languages and cultural groups" (IBA Act., 2(d), cited in Barnett, 1999:650). The Act also mandated the Authority to encourage ownership and broadcasting services by "persons from historically disadvantaged groups" (IBA Act, 2(f), in Barnett, 1999:650). Further, it imposed "limitations on cross media control of private broadcasting services" (IBA Act, 2(j), in Barnett, 1999:650). As Barnett (1999:650) argues, the IBA Act was radical in its commitment to regulation in the interests of democracy, diversity and development.[16]

The Authority's first task was to undertake a "triple enquiry" into the future of public broadcasting, cross media ownership and local content quotas. After significant

[16] The IBA was not perfect. It was criticised for the slowness of its processes and for the indecisiveness of its leadership at certain points. It suffered from a situation of joint NP-ANC chairs with divergent views on a number of key issues. (Barnett, 1999; Horwitz, 2001; Duncan, 2001b).

consultation with stakeholders, the IBA presented its proposals to Parliament (Barnett, 1999; Horwitz, 2001). They included an interesting mix of market and state interventions. The most important proposal was a call for the public broadcaster to sell eight of its commercial regional stations, and to be limited to two television channels. It was proposed that the SABC's third television channel should be re-licensed as a new commercial station but with significant public service obligations. The Authority was called upon to license a number of new private, commercial metropolitan radio stations (Barnett, 1999:651).

There was significant contestation around these recommendations. (Horwitz, 2001) The battle lines were drawn. Horwitz (2001) argues that the critical issue was the size of the SABC. Many supported a large SABC because of the need to deliver broadcast programming to all South Africans in all official languages. However, "Statist, authoritarian" groupings supported a large institution simply because they wanted the public broadcaster to play a state broadcaster role. In contrast, the IBA and several civil society media groups argued for a smaller, leaner SABC. They argued that a leaner institution would more realistically – given resource constraints – be able to concentrate on its public service mandate. Also, they claimed that this would provide more opportunities for new broadcast innovators, particularly at provincial and regional levels. Further, they argued that public service obligations and local content requirements should be imposed on all broadcasters so as to establish an overall public service broadcast system, rather than to "ghetto-ise" public broadcasting as the SABC's sole responsibility. (Horwitz, 2001) Eventually, the proponents of a large SABC won (Horwitz, 2001). Parliament rebuffed the Authority's proposals - the SABC was allowed to retain two of its original eight radio stations and all three of its television channels (Barnett, 1999).

The positive aspects of the "Big SABC" vision were then undermined. This was due to the Corporation's dismal funding situation. For decades advertising had constituted the primary source of revenue for the institution (Horwitz, 2001; Wigston, 2001). Under the new ANC-led government, this continued to be the case. However, this reliance on advertising funding pitted the Corporation's public service mission against a desperate scramble for revenue. This reinforced a "commercialising dynamic" found in broadcasting worldwide (Horwitz, 2001:331). The SABC was compelled to adopt a more mainstream commercial programming approach. Further, they were pushed to seriously re-examine some of their original diversity and development targets (Barnett 1999).

In September 1996 the sale of six SABC radio channels went ahead. Diversity was both enhanced but also, ironically, reversed. In line with the Triple Inquiry Report, the successful bidders had to show significant representation from "historically disadvantaged communities". (Barnett, 1999:658) The sales thus marked a significant boost for new black ownership. Further, the latter broke the SABC's 60 year monopoly in the radio broadcasting field. (Barnett 1999) However, these positives were offset by the fact that the SABC was plunged into a financial crisis. The Corporation suffered loss of station income. Further, this crisis was exacerbated by the fact that government, in line with its GEAR policies, retained the proceeds of the sales. To deal with this financial crisis the SABC then employed the "slash and burn" international change management consultants McKinsey and Associates (Duncan, 2001a). Although the consultants managed to turn the corporation's finances around, there was a serious cost - they decreased the level of local content and increased the level of English to maximise advertising revenue. (Duncan, 2001a; Wigston, 2001).

Then in 2000 the SABC underwent another round of restructuring, this time to bring the corporation in line with the Broadcasting Act adopted in 1999. The Act unambiguously set the SABC on a path to "self-sufficiency"; government made it clear that it was not prepared to foot the Corporation's R2 billion annual bill (Duncan, 2001a, 2001b; Horwitz, 2001; Wigston, 2001). The Act corporatised the SABC and divided it into commercial and non-commercial arms (Duncan 2001a; Wigston, 2001).[17] As regards development and diversity issues the corporatising of the SABC had immediate adverse effects. For instance Duncan (2001a:28) points to the fact that the Corporation moved swiftly to close down a number of its rural offices in Thohoyandou, Giyani and Umtata for "cost/benefit reasons". But, these offices provided over 80% of the local content for public service stations *Phalaphala* and *Munghana Lonene*. The implications of the closure included the loss of direct contact with the majority of Xitsonga and Tshivenda speakers and many isiXhosa speakers. (Duncan, 2001a).

Two further critical radio broadcasting issues need to be explored – developments in commercial and developments in community broadcasting. In terms of the commercial broadcasting sector, in March 1997 the IBA awarded seven new metropolitan radio

[17] The definitions of public and commercial broadcasting services were further clarified in the Broadcasting Amendment Act, 2002, adopted in 2003 (GCIS, 2003).

licenses. The Authority insisted that the successful applicants have strong black empowerment credentials (Barnett, 1999). Diversity of ownership and plurality of stations was certainly enhanced. A further round of licensing has now been proposed for 2005; the Independent Communications Authority of South Africa (ICASA), the IBA's successor, intends to license a further eight greenfield stations. Again, government is insistent on potential owners' black economic empowerment credentials. In terms of plurality issues, this will certainly increase the numbers of stations. However, a worrying trend is developing. Two companies – Kagiso Media and Primedia – have started to dominate the environment and intend to dominate it further (Laschinger, 2005). Ironically ICASA has facilitated this dominance. It has submitted proposals to the Department of Communications suggesting that amendments be made to the legal framework governing the control and ownership of commercial radio broadcasters (Laschinger, 2005). In terms of the existing legislation media groups can control a maximum of two FM and two AM licenses. "Under the new rules this will increase to a ceiling of 35% of national licenses – or five of the existing pool" (Laschinger, 2005:15). Media commentator Laschinger claims, "The relaxation of ownership rules and the prospect of new licenses has Primedia and Kagiso battling one another for private radio's spoils" (Laschinger, 2005:15). Unbundling of media assets has now been replaced with "re-bundling".

Simultaneously with the creation of a new commercial broadcast sector, the IBA moved to create a completely new "community broadcast sector" based on "geographic community" and "community of interest" radio licenses. This sector has the potential to create significant diversity. It was a designated non-profit sector, and radio stations were legally owned and controlled by the communities they served. Community radio stations were licensed "in profusion" (Berger, 2001:156). As early as August 1998, 89 new stations were on air (Berger, 2001). However, although the principles of diversity and development were certainly boosted, there were limitations. The statistics revealed that only an estimated 37 of these stations were owned by black communities. Other community radio stations were established to service already-privileged white communities, Christian groups and campus stations (Berger, 2001:156). Further, as Hadland and Thorne (2004) argue, community radio stations have increasingly adopted a commercial logic due to the fact that they have had to survive harsh market conditions. They have thus started to mimic the "entertaining", music-driven line-up of their privately owned counterparts. Further, beyond annual meetings and talk shows, many have "failed to develop the necessary ties with local non-governmental organisations, community-based organisations and civic structures" (Hadland & Thorne, 2004:56). Hadland and Thorne (2004:57) argue, "These ties would have brought them closer to the communities they serve and enabled them to produce programming of a more participatory and developmental nature".

In terms of the repositioning of television, it appears that the drive of the commercial television industry in South Africa has been to internationalise its offerings rather than to focus on diversity and development issues within South Africa. M-Net is now part of the international subscription television group Nethold, active in 59 countries across the world (Tomaselli & Tomaselli, 2001:146). M-Net operates two channels in South Africa, both targeted at relatively privileged paying audiences. In 1995 Multichoice Africa, M-Net's sister company, was formed. It developed a digital satellite broadcasting niche. Multichoice Africa now operates in over 50 countries throughout Africa, targeting privileged, paying African audiences (GCIS, 2003:146).

In 1998 the first commercial free-to-air television license was awarded to the trade-union-linked Midi Consortium;[18] Midi set up e.tv. Diversity in ownership was an important issue. However, with the failure of e.tv's smaller empowerment partners to deliver capital to help cover unforeseen losses, their share stakes diminished as new money was found (Berger, 2001). Despite e.tv's commitment to ownership diversity, Tomaselli and Tomaselli (2001:130) point to a number of problems with the station's development credentials. These include the fact that very little of the station's programming content is produced in South Africa – approximately 2%, excluding news. Further, most of its programming is produced in English. Finally, its broadcasting footprint is focused on heavily populated urban areas.

Tomaselli and Tomaselli (2001) argue that for viewers unable to afford the subscription rates of M-Net, and for those viewers outside the broadcast footprint of e.tv, the only available TV channels are those provided by the SABC. Furthermore, apart from M-Net's broadcasts in Afrikaans, and the minimal use of African languages by e.tv's continuity announcers, only the SABC provides broadcasting in languages other than English.

A very intriguing counter-trend, however, has been developing in direct opposition to

[18] Investors in Midi included union-linked Hoskens, as well as the South African National Civics Organisation (SANCO) and the Youth Development Trust. The other major empowerment partner was the union-linked Vula Consortium (Berger, 2001:156).

market-driven GEAR approaches. Government has proposed the introduction of two regional television licenses: the first for the northern region of the country, to cater for the Sesotho, Xitsonga, Tshivenda and Sepedi languages; and the second for the southern region of the country, to cater for the Nguni languages (GCIS, 2003:143). The proposal is interesting in that it calls for regional stations to cover all languages except English. Further, advertising on these regional stations will be banned. Government and donors will thus have to fully fund these broadcasts.

The Department of Communications has been strongly behind the push to start regional broadcasts (Alridge, 2004). The Department believes that living standards measurements (LSM) one to five (i.e. the poorest sectors of the population) are not being sufficiently supported by the commercial media. Joe Mjwara, Senior General Manager of the Multi-Media Unit in the Department claims that, “These segments should receive these services as a public good”. However, significant funding is required to do this. The SABC estimates that the new channels will cost R442 million (R221 million per channel) for the first year of the license period. (Aldridge, 2004: 43) Mjwara says that the Department of Communications is re-evaluating the question of public license fees and examining a range of funding options (Aldridge, 2004).

As Mjwara notes, a government-subsidised broadcasting service brings the issue of content into question. As he puts it, “If the SABC is funded by a public contribution, how would its contents be different to the commercial model so that the public not only pays but also gets the benefit?”(Aldridge 2004: 43) The issue of genuine public service content is highlighted here i.e. more minority programming, coverage of developmental issues etc.

Regional television is thus an exciting new development – not only in terms of languages but also potentially in terms of diversity of views. To safeguard the benefits of this vision however a number of issues need to be in place. Firstly, the SABC’s independence needs to be safeguarded. Secondly, government needs to find the substantial money required.

4.3.2 Print media developments

Changes in South Africa’s media structure in fact started with print (Berger, 2001:152). Ownership of the South African press has been restructured via the entry of both international capital and domestic black empowerment groups (Emdon, 1998; Berger, 2001; Tomaselli & Tomaselli, 2001; Wigston, 2001). Even before the 1994 elections had taken place, international print media capital had entered the country. In January 1994 Irish newspaper magnate Tony O'Reilly bought 35% of Argus. This share rose to 58% in 1995, and to 100% by 1999 (Oosthuizen, 2001). Following, O'Reilly, fresh foreign ownership was introduced (again at the higher end of the market) when UK-based Pearson PLC bought half of *Business Day* and the *Financial Mail* from Times Media Limited (Berger, 2001:152).

This foreign investment trend was also evident with 62% of the *Mail & Guardian* being bought by the UK-based *Guardian* in 1998 (Berger, 2001:152). Berger claims this was a positive move that undoubtedly prevented the paper's closure. However, the *Mail & Guardian* continued to lose money. In 2002 the *Guardian* sold its stake to Trevor Ncube, a Zimbabwean entrepreneur and newspaper publisher, maintaining only a small stake. (*Mail & Guardian*, 19 July 2002).

In 2003 further foreign capital entered the South African market. Nigerian businessman and newspaper publisher Nduka Obaigbena committed generous funding to an upmarket national daily, *ThisDay* (*Mail & Guardian*, 22 October 2004). The publication was launched in October 2003. However, a year later, in October 2004, the paper closed its doors. The demise of the paper has been attributed to "poor management decisions, among them hiring staff at high salaries, buying top-of-the-range editorial equipment and the move by its owner to buy CNA stores" (*Mail & Guardian*, 22 October 2004). But the paper also faced a number of competitive hurdles. Philip de Wet (2005:19), a journalist, explains:

> Dependent on competing groups for printing and distribution, [*ThisDay*] found that it had to abandon the American tabloid format originally planned, that printing slots were inconvenient and inflexible, and that street vendors had no incentive to actively push the publication. Other problems were less obvious but often even more expensive, such as the cosy relationship between existing players that at first barred *ThisDay* from using traditional street pole advertising.

Berger (2001:153) argues that foreign investment signalled the exposure of the South African print media to international media forces, breaking the white South African monopoly. He argues that on a balance it added to competition and diversity in the media environment. Berger however admits his comments are more pertinent as regards the "high end" of the market. There was certainly more vigorous competition by Independent titles with those of other groups. Further, a number of new publications were launched including *Business Report* and the *Sunday Independent*. However, media concentration was also deepened – Independent Newspapers now dominate most urban centres, and completely dominate the important Cape Town and Durban markets (Duncan, 2001a).

So what of the entry of black empowerment groups? As Berger (2001:154) argues, there have been some promising trends – not only black capitalist ownership of media came into play, but owner stakes by unions, women's groups and even a development trust (Kagiso Trust Investments). These were all positive developments. The first major shift was the unbundling of the *Sowetan* by Argus in 1993 to Dr Nthatho Motlana's New African Investments Limited (NAIL). NAIL itself unbundled in 2000, selling off a wide range of holdings. In 2001 it remained with core insurance interests, and its media assets were housed in a subsidiary, New African Media (Berger, 2001).

The second major development was Anglo's selling off of Johnnic, Times Media Limited's holding company.[19] The new owners of Johnnic included NAIL and other black capitalist interests, but half of the shares were held by labour (Berger, 2001; see also Duncan, 2001a; Oosthuizen, 2001; Wigston, 2001).

The third major development involved Naspers. Naspers relinquished part control over *City Press* to Oscar Dhlomo's investment company Dynamo. However, due to bad economic conditions, Dhlomo was forced to sell back his shares to Naspers in 1998. To compensate for this black economic empowerment loss, Naspers launched what it called the "Welkom Share Scheme" in 1999. Naspers claimed to have trebled its shareholders by enabling more than 17 000 previously disadvantaged people to become shareholders. However, Berger (2001:155) argues, "Critics have pointed out that the bulk of the company shares were still held by nominee directors".

Fourth, came the entry of Kagiso Publishers. In 1996 a black empowerment deal was concluded when Perskor merged with Kagiso to form a new consortium, Persebel (Wigston, 2001:68). Through this, Kagiso gained a partnership in all Perskor titles, of which the *Citizen* was the largest. Together the new consortium published some 250

[19] Times Media Limited publishes five newspapers (two with Pearsons) and several magazines. Johnnic also owns 43% of Cape and Transvaal Printers (CTP), the holding company of Caxtons (Berger 2001:154).

titles. However, in 1998 a slump in the educational publishing market impacted detrimentally on the finances of the textbook and stationary divisions. Perskor was forced to rationalise. Perskor and Kagiso parted ways and another merger resulted, this time between Kagiso and knock-and-drop giant CTP Holdings and Caxton Limited. The new conglomerate took the name Caxton (Wigston, 2001:68).

The fifth and final major development came in 2004. NAIL unbundled all its media assets to Johnnic Communications. These assets included the popular *Sowetan, Sunday World* and a 33.3% stake in Allied Distributors (FXI, 2004). The result was that Johnnic Communications increased its already substantial domination of the Sunday market. (Johnnic owns the mass-based popular *Sunday Times*.) Once Johnnic had acquired the *Sowetan* it immediately moved to reposition it as a downmarket tabloid (FXI, 2004). The Freedom of Expression Institute lamented the fact that "there would no longer be a 'content heavy' daily newspaper that catered for a black readership" (FXI, 2004:10).

As Berger (2001:155) argues, this break with the past did not "completely turn the South African print media landscape upside down". There was unbundling and re-bundling. Further, at the end of the day the largest number of titles was still owned by the white-dominated Independent and Naspers groups. Berger also points out that new black owners did not sustain or reinvigorate loss-making print media. In 1997 New African Publishing bought, briefly sustained, and then closed the alternative paper *New Nation*. Perskor, in 1998, shut shop on the historic Xhosa-language newspaper, *Imvo* – and this despite their strong partnership with Kagiso at the time (Berger, 2001). In late 2000, Times Media Limited closed the unprofitable *Evening Post,* which had served mainly black readers in Port Elizabeth. Further, Berger points out that black ownership did not generate significant black-language print media – the exception being the Zulu language newspaper *Ilanga*. Ironically, it was left to white owners such as the Independent Group to launch the Zulu daily *Isolezwe* and to Media 24 (Naspers) to relaunch the upmarket Zulu weekly *Umafrika* (Bloom, 2005). It is interesting to note that English, Afrikaans and Zulu dominate the print market – no print media is produced in any other indigenous language. (Bloom, 2005).

One further development needs mentioning – the launch of a host of new tabloids. Chief amongst these is the *Daily Sun* launched by Naspers in 2002. Almost overnight it became the biggest daily in the country, outstripping the readership of the *Sowetan* (GCIS, 2003).

The *Daily Sun* imitated the “tabloid format and the controversial content line that appears in its British namesake *The Sun*” (GCIS, 2003:147). Close on its heels an Afrikaans version, *Die Son.* was launched in the Western Cape and Gauteng. The *Daily Sun* is controversial. On the one hand it is certainly a gain to a have a new, strong, black daily, but on the other its tabloid content is developmentally problematic. Further, it is interesting to note that the paper has had a strong impact on the rest of the market. As mentioned, as soon as Johnnic acquired the *Sowetan*, it immediately moved to “dumb down” its contents. This was to ensure that the latter could more effectively compete. Also, in an effort to ensure profitability *Illanga* and *Isolezwe* have adopted tabloid, human interest, entertainment formats (Bloom, 2005). A number of new tabloids have now been launched including the Independent Newspapers *Daily Voice* targeted at poor Cape Flats dwellers. (van der Walt: 2005)

4.4 Conclusion

Government has utilised the strength of the market to make a number of significant changes in South Africa's media environment. There have been successes but also limitations. In terms of broadcasting, a new regime of public, private and community broadcasting has been introduced, with significant pluralism gains. However, it appears, with some important exceptions that poorer more marginalised groups of people and languages remain marginalised. In terms of the press, there have been significant shifts in black and foreign ownership of the media, but concentration of press ownership still remains a problem. Further, new publications seem to have been focused either at the “thinking” upper or “tabloid” lower ends of the market – there is no thinking, working-class press.

It is against this backdrop that the MDDA’s mandate and funding policies need to be assessed. The question remains: are the MDDA’s structures sufficiently powerful to effect meaningful change.