Chapter Five
Findings

5.1 Introduction

A rich and complex picture emerged from the interviews and documents. As the MDDA policy process unfolded, it was both complicated and contradictory. Key stakeholder groupings often included divergent views within their ranks. Proposals were perpetually reformulated and reframed through the rough and tumble of the process. Government operated as overall mediator but not necessarily a coherent mediator – the battles fought within government were often as robust as those fought outside. So were the different stakeholders satisfied with the final outcome? The answer is mixed. Some were very satisfied, others disappointed.

5.2 The Early MDDA Negotiation Period

5.2.1 The beginning

The birth of the MDDA policy process began in 1990 when Nelson Mandela was released from prison and the ANC and other political parties were unbanned. Prof. Devan Pillay [20], government's chief negotiator for the MDDA, argues that community media activists at this point were faced with both threats and opportunities. On the one hand, they were faced with the "threat of gradual withdrawal of donor funding that [had] sustained them during the apartheid years" (Pillay, 2003a:402). On the other, the prospect of democracy brought "the opportunity to open up a policy discourse around a media subsidy mechanism, to address the failure of the market to meet the media needs of poor and marginalized communities" (Pillay, 2003a:402).

Pillay (2003a) claims that initial media diversity proposals incubated during this period assumed a social democratic post-apartheid dispensation (see also Louw, 1993; Horwitz, 2001). Activists favoured mechanisms similar to those in operation in Western Europe,

[20] Prof. Devan Pillay worked from mid-1999 till December 2001 for GCIS. His prime responsibility was the setting up of the MDDA. My research includes an in-depth interview with Prof. Pillay and an analysis of his published and unpublished articles reflecting on the MDDA policy process (see Pillay, 2003a, 2003b)

where the state imposes levies and taxes on the advertising and media industries in order to fund media diversity (Pillay, 2003a). However, unlike the European models, it was stressed that the MDDA should be an independent body, governed by a publicly appointed Board, in a manner similar to that of other statutory bodies in the country, e.g. the SABC and the Independent Broadcasting Authority (Pillay, 2003a: 409). Further, the understanding was that community media would be the focus. (European subsidy schemes are generally state run with an emphasis on small commercial media.)

These West European proposals - with a South African inflection - were tabled at the Community Media 2000 Conference held in Cape Town in 1995 (Naughton, 1999). The conference was important for a number of reasons. The gathering identified as key priorities “start-up capital, sustainability mechanisms and human resources gaps” (Naughton, 1999:4). The National Community Media Forum (NCMF) was set up here as a “network of networks” to lobby government on these issues.[21] One of its primary mandates was to lobby for a short-term “Emergency Survival Mechanism” and a longer-term mechanism referred to even then as the Media Development Agency (MDA). As the short-term mechanism, the NCMF sought to transform the Independent Media Diversity Trust (IMDT).

It is important to briefly unpack the history of the IMDT. The Trust was a significant institution – in fact not necessarily because of its successes but more because its failures point to important lessons. It was set up in 1993 with funding from the print industry, mainly Argus (Pillay, 2003a). Its key mandate was to deal with the deepening alternative print media crisis. As mentioned in the previous chapter, donors had started to withdraw their funding, their focus had shifted to what they saw as more pressing development priorities. However, from the start the Trust was riddled with problems – the community media sector complained that it was unaccountable, lacked capacity and lacked funds. Further, activists seriously questioned industry’s commitment to this voluntary institution (NCMF, 1999) Many media activists believed that the motives of the commercial media sector at this point were suspect. They felt business only supported the IMDT because they feared interventions from a future ANC government[22] (Pillay, 2003a: 408). Media

[21] The NCMF represented the South African Students Press Union (SASPU), the National Community Radio Forum (NCRF), the Community Press Sector of South Africa (Copssa) and the Open Window Network (OWN).

[22] The media industry feared the setting up of a state-run subsidy mechanism, the forcible break up of media monopolies and even the possible nationalization of the industry as had happened in Zimbabwe. (Pillay 2003a: 408)

activists believed that once it became clear that the new South African Constitution entrenched freedom of expression and private property rights, industry relaxed and withdrew their support. (Pillay, 2003a: 408) Business, however, argued that they withdrew because they felt they were pouring funds down a “black hole”. (Pillay, 2003a: 408) Whatever the reasons, the IMDT soon found it difficult to provide adequate support. It finally closed its doors in 2001. However, at this stage the community media sector still saw potential for the Trust’s transformation – but ultimately only as an interim measure (Naughton, 1999).

5.2.2 The Task Group on Government Communications

In 1995, the same year as the Community Media 2000 Conference, the new ANC government set up the Task Group on Government Communications (Comtask). It was composed of eminent South Africans appointed through a public process. Their task was to receive submissions from the public on the restructuring of media and communications – including government communications – and then to make recommendations on a way forward (Horwitz, 2001; Pillay, 2003a; Hadland & Thorne, 2004). The community media sector “seized this opportunity to make the case for a media development agency” (Pillay, 2003a:408). The newly formed NCMF was officially represented on Comtask. It presented a series of submissions, the last and most comprehensive of which was titled *Media in the Sunshine: The Establishment of a Media and Development Agency for the Community and Independent Media Sectors* (Naughton, 1999:5). The document warned ominously that, should Comtask not include a Media Development Agency as part of its final recommendations, the community media sector would simply “melt away like snow in the sunshine”(NCMF & COMMNET, 1996:3).

The *Media in the Sunshine* document is key. It articulates in some detail the community media’s vision at this time. Interestingly it is not a particularly radical position but certainly more radical than final media development and diversity positions. The document states that the establishment of a funding agency alone would not be sufficient (NCMF & COMMNET, 1996:5). The vision is more expansive. Firstly, the document calls for the Media Development Agency to play a significant capacity-building role. It claims that since its inception community media has “suffered from institutional problems” – that is, a lack of marketing, advertising sales, administrative and financial expertise (NCMF & COMMNET, 1996:5). Secondly, the document calls for the Media Development Agency to play a regulatory role. It focuses on the Agency’s proposed structure and legal status. It argues for a statutory body for two reasons: to ensure (more stable) government funding but also because a "statutory body would be empowered to look into issues such as legislation, policy and regulation that would encourage an enabling environment for the community and independent media sectors" (NCMF & COMMNET, 1996:6).

And funding arrangements? The document spends some time outlining options. Funding is envisaged on three levels – grants to community media projects already in existence; seed capital for community media projects in the making, and loans for new independent commercial media (NCMF & COMMNET, 1996:7). The importance of supporting new independent commercial media is emphasised. A number of models are suggested, including the funding model adopted by the National Film and Video Foundation (NFVF). The document explains that the principle underlying the NFVF is that no project will be financed in its entirety; projects must secure some finance from elsewhere (NCMF & COMMNET, 1996). Other financing methods mentioned include establishing a "business arm", for example along the lines of the South African National Civics Organisation (SANCO) Investment Holdings and the Mineworkers Investment Corporation. Here the investment or business side runs entirely on commercial principles; profits are then fed back to the "parent" organisation to be used for development purposes. Finally, state subsidies are emphasised. The document states that the Media Development Agency would need a built-in government subsidy scheme to ensure guaranteed funds. The document states, "This could be on a sliding scale as the 'business' arm kicks in" (NCMF & COMMNET, 1996:13). It is interesting that a tax on the commercial media is not mentioned.

Finally, linked to the issue of funding, the document explores the important topic of sustainability. The argument made here is that there are areas in South Africa "where there is no chance of a community media project becoming self-sustaining, if this is viewed purely in financial terms" (NCMF & COMMNET, 1996:14). However, the document still calls for funding of these projects if the community sees them as valuable. Wherever possible, though, all other projects are encouraged to be financially sustainable. Further, all projects are encouraged to operate along business principles. It is interesting to note that this emphasis on sustainability and business efficiency is not dissimilar to later business proposals.

As hoped, and lobbied for, the submission was taken on board by Comtask. In the final Comtask Report, adopted by Cabinet, the following resolution was captured:

> Government should facilitate the process of setting up a statutorily recognized media development agency comprised of independently recognized elected trustees, which agency will operate a statutorily recognized subsidy system for community and independent media in South Africa (Comtask Report, 1996, Recommendation 79).

The other critical decision taken by Comtask was the decision to set up the Government Communication and Information System – a new department located within the Presidency (GCIS, 2003:408). The Government Communication and Information System was charged with, among other things, the responsibility of establishing the Media Development Agency, later known as the Media Development and Diversity Agency (Pillay, 2003a:408-9).

5.2.3 The community media sector plays a powerful role

Between 1996 and 1998 there was a lull in media diversity activities. Government was in the process of establishing the Government Communication and Information System. Then in early 1999, as state initiatives started gaining momentum, the National Community Media Forum and the Freedom of Expression Institute[23] took up the cudgels again in the fight for media development and diversity. This time they took the initiative to commission research into various aspects of media diversity, specifically outlining the areas that a media development agency would need to address. The research was divided into three areas: print media, broadcasting and international press subsidies. The research findings were presented at a national seminar – The *Need for, and Role of, a Media Development Agency* – convened in July 1999. High-profile keynote addresses were presented by the Head of the Government Communication and Information System, Joel Netshitenzhe, and by a leading international expert on enabling mechanisms, Paul Murschetz.[24] As a follow-up, the Freedom of Expression Institute and the National

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[23] The activist non-governmental organisation FXI worked very closely with the NCMF. Later, when the NCMF collapsed, FXI joined forces with the NCMF affiliate, the National Community Radio Forum (NCRF). They worked on joint inputs for the MDDA policy process. In fact, the FXI set up a Community Media Policy Unit, based at FXI but co-ordinated jointly with the NCRF. The unit dealt initially only with MDDA issues and then later with community media policy issues more broadly (interview, Duncan, 2004).

[24] It is interesting to note that the community media sector introduced Paul Murschetz to the Government Communication and Information System. GCIS used his work extensively. The chapters on international

Community Media Forum organised a series of provincial seminars to further inform and consult with community media and other interest groups (Interview Duncan, 2004).

So what proposals came out of this process? There were a number. In some instances the resolutions adopted were more radical, more critical of the commercial media and more sceptical of market solutions than previous community media proposals. Nkopane Maphiri, speaking on behalf of the National Community Media Forum, stated that the Media Development Agency should be responsible largely for the support and development of community media, that government should support the Media Development Agency but that the Agency should remain "independent from state and commercial influence and interference". He stressed the importance of the Agency's support for marginalised rural media (*MDA Update*, 2000*).*

Jane Duncan, speaking on behalf of the Freedom of Expression Institute, argued that the Media Development Agency should be funded by both government and the private sector, hopefully with contributions from international donors (*MDA Update, 2000*). She called for a mandatory levy on industry (Interview, Duncan, 2004). She also claimed that "ongoing support for and promotion of non-commercial media in the country's most marginalised areas would be especially important" (Interview, Duncan, 2004).

Duncan put forward a strong case for the importance of the MDDA impacting on the broader media and diversity environment (*MDA Update,* 2000). She pointed to a number of worrying international trends. She argued that most governments have adopted contradictory policies on media concentration issues. She said on the one hand they enact laws in response to public pressure to protect independent media, while on the other they rigorously promote their countries' international competitiveness. Media is a lucrative business, and governments feel the necessity to create a sound platform for local media companies to launch themselves internationally. However, to compete internationally they need to grow, so governments act against media concentration while simultaneously promoting it. Duncan argued that if governments didn't deal with concentration, serious barriers to entry and survival of new media would result. Ironically, this would require the government to pour ever-increasing amounts into subsidy schemes to ensure new media's survival in this hostile environment. Her suggestion, therefore, was a subsidy

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experience in the *MDDA Draft Position Paper* and the *MDDA Final Position Paper* draw extensively on his work (interview, Duncan, 2004; see also Pillay, 2003a).

scheme accompanied with strong anti-media concentration policy and legislation (*MDA Update*, 2000). Also, she insisted that governments needed to be held to account to ensure their media policies were consistent and in the public interest.

Duncan then put forward a thought-provoking critique of European press subsidy schemes.[25] She outlined the problems South Africans would need to avoid in adopting this model. Firstly, she pointed to the strong "market driven" character of European models. She said that in essence these schemes "subsidise media in order to help them fit into the commercial market, and compensate them if they fail to do so" (*MDA Update,* 2000). In effect, "[they] keep a spread of wannabe commercial media alive" (*MDA Update*, 2000). She stated that this was problematic claiming that it actually defeats the purpose of furthering diversity. She argued that commercial publications, driven by advertisers' demands, tend towards a bland sameness.[26] Further developmental aims are undermined. She argued that in a South African context the market had effectively taken commercial media out of the reach of many communities, given the latter's inability to attract advertising. Secondly, she claimed that the European schemes had not prioritised support for "new forms of media, new forms of ownership, and new relationships between media and audiences" (*MDA Update,* 2000). In South Africa, she claimed, government could ill afford to ignore these issues – subsidy schemes would have to take the latter on board, and would have to play new, creative and developmental roles.[27]

5.2.4 Business takes strong opposing positions

At the same time (late 1990s) that these discussions were taking place in the "community media camp", a set of counter arguments were being incubated in the "business camp". On the more conservative side, certain business groupings put forward proposals that were hostile to any form of government intervention. In 1999 the editor of the Afrikaans daily newspaper *Beeld*, Johan de Wet, wrote a hard-hitting article titled "Diversity not

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[25] In Europe, common forms of support to media include "subsidies for postal, telecommunications, and distribution services; establishment grants; low interest loans; tax concessions; research and training grants; advertising limits on state television; and other aid packages to struggling media deemed worthy of support" (Pillay, 2003a:407). Support is administered by state agencies "operating according to clearly defined criteria, with political party representation to ensure fairness across the spectrum, and with funds mainly derived from advertising levies" (Pillay, 2003a:407).

[26] See Theoretical Chapter for more detailed explanations.

[27] Duncan has called for the MDDA to look at the media produced by South Africa's new social movements. She has also argued that it is important for the MDDA to explore pro-poor, new technologies such as low-power sound and so forth (Interview, Duncan, 2004).

lacking in SA Media". This was syndicated in a number of papers including *City Press*. De Wet made the argument that transformation in the media had in fact gone much further than in other industries e.g. the banks and mining. He pointed to the new black ownership patterns in the print media, the fact that e.tv was in black hands, and that the SABC supported the ANC "unconditionally" (*De Wet*, 1999). Consequently, he said, there could be no doubt about media diversity. However, he did admit that newspapers did not fully reflect South African society. He claimed however that there was a good reason for this - he argued that media entities were businesses and had to turn a profit. He said, "Politicians should take these facts into account and not lose too much sleep over media ownership. Otherwise, they should openly say they want to prescribe what the media should publish" (De Wet, 1999).

Executives from Print Media South Africa (PMSA) adopted a less hard-line free market stance. They believed that some intervention was required, and started to explore options of supporting small, independent print media. Talks regarding the establishment of a Print Development Agency commenced in the late 1990s (*MDA Update*, 2000). The National Community Media Forum, the Independent Publishers of South Africa and the Independent Media Diversity Trust were all party to the negotiations. However, despite some common ground, serious differences emerged. These revolved around the nature and role of the Print Development Agency's proposed structure. Print Media South Africa was adamant that it should be a voluntary and non-statutory body. After much debate the National Community Media Forum finally conceded, while still holding strongly to the vision of a fully fledged, statutory body as the long-term solution. This compromise was informed primarily by the need to make funding available in the shortest possible time (*MDA Update*, 2000). The hope was that the Print Development Agency would be launched before the close of 1999 and that funding would be made available to a plethora of struggling print media projects by early 2000.

Despite these compromises, however, the Agency was stillborn. Negotiations broke down around the industry's funding commitments (community media activists were calling for R20m in the first year), as well as the issue of business's control regarding the spending of these funds (*MDA Update*, 2000).

In an article written just after the collapse of the Print Development Agency, Brian Pottinger, a key representative of Print Media South Africa outlined his views on media diversity and a statutory Media Development Agency (*MDA Update,* 2000). The article offers useful insights into a more state interventionist business position. Pottinger argued that the mainstream media industry understood that one of the key challenges facing the country was the growth of literacy and the creation of a newspaper-consuming public. He then stated that “enlightened self interest” dictated that publishers should care and “care intensely about new media enterprises” (*MDA Update,* 2000). However, he argued, there was a proviso – ideally such a body should be non-statutory and voluntary. He warned that a state body had the potential to manipulate media content (Interview, Pottinger, 2004). Then, taking a slightly different tack, he argued that this did not necessarily mean that there was no place for a state Media Development Agency. The issue was rather how this body was structured. He said that a state Agency should have an “indicative rather than a prescriptive role”. It should help map a national communications strategy and facilitate the harnessing of resources to meet the objectives of this strategy. The proposals were fairly vague. However, Pottinger was very clear about the issues the Agency should not take on board. He stated it should not attempt to create layers of bureaucrats or compel enterprises which were already successful to channel resources into pet projects “with gloomy prospects of long-term viability” (Interview, Pottinger, 2004). Further, he stated, “The MDA should not arrogate to itself powers in regard to the media which would be better left to the normal processes of government – the most obvious being the regulation of media ownership” (Interview, Pottinger, 2004).

One final point is important to explore - business’s position as regards the funding of community media. Initially business did not want to engage with community media; their only interest was commercial media (Interview, Pottinger, 2004). Pottinger explained, “Our aim was to support small entrepreneurs…. We wanted to create a number of successful, profit-making small enterprises within a particular time period. That was the Print Media South Africa model” (Interview, Pottinger, 2004). Pottinger claimed that GCIS kept challenging them regarding the starting of a commercially successful publication in one of the poorest provinces. GCIS claimed it could not be done. Pottinger claimed, “So eventually we acknowledged this. But we said efficiency and good governance models needed to be instituted for everyone. We didn’t want to give money to inefficient, nepotistic organisations. . . . In the end we accepted that this category of media [community media] would have to exist at least for a while” (Interview, Pottinger, 2004).

The battle lines were thus drawn particularly as regards the community media's new radical positions. On one side the community media wanted a strong, interventionist, statutory Media Development Agency. They wanted a compulsory levy on the commercial media. Further, they insisted on the prioritisation of community media, particularly in marginalised rural areas. On the other side, business wanted either no intervention at all or a non-interventionist, non-statutory, voluntary MDA that would prioritise the funding in particular of small commercial media.

5.3 Negotiations Intensify

From government's side the process to establish the Media Development Agency (later the Media Development and Diversity Agency, MDDA) began in earnest in 1999 (Pillay, 2003a:409). Personnel with experience in the alternative and community media sectors were appointed and a *Media Development Agency Discussion Document* was formulated. This document went through a number of drafts, culminating in a stakeholder workshop in April 2000, chaired by the Government Communication and Information System (GCIS). The *Draft Discussion Document* reveals the strong community media influence on government at the time – not only in terms of content but also in terms of process. From the outset, government committed itself to a fully consultative process (GCIS, 1999:1). The document stated that issues that needed to be collectively resolved included the Agency's mandate, its legal character, composition and location.

And in terms of content? The *Draft Discussion Document* included a strong motivation for the Agency. In direct opposition to business perspectives, the GCIS stated that while much had been done to address problems of media diversity much still needed to be done (GCIS, 1999:4). It highlighted issues such as the failure of empowerment groups to acquire or sustain their shares, concentration of media in metropolitan areas, commercial print media concentration, and insufficient resources dedicated to support the growth of community and small independent media. Further, it pointed out that limited progress had been made towards development media and communications "such that news and information meets the needs of the full range of interests and aspirations within South Africa, including those historically marginalized" (GCIS, 1999:4).

The discussion document then explored the scope of the responsibilities of the Media Development Agency. It posed a number of questions: Should the Agency only fund community and independent media or should it support mainstream commercial media groups? Given the increasing "convergence" of media, communications and information technologies, should the Agency focus on the Internet and telecommunications? Should the Agency confine itself to media dealing primarily with news, current affairs and public information, or should it have a broader focus? Should it develop regulations? Should it conduct research? Finally, the document asked, should the Agency merely be a funding conduit? (GCIS, 1999:9).

To answer these questions a number of suggestions were put forward. Firstly, the document stated that effective media diversity could only be enhanced through diversification of ownership within the commercial sector. However, it warned that commercial newspapers and radio generally absorb large amounts of funding. The suggestion was that the Media Development Agency "may have to find alternative support mechanisms for this sector" (GCIS, 1999:9).

Secondly, the document looked at convergence issues. It stated that while the initial focus of the Agency would be on print and broadcast media, other areas would be investigated with a view to "making new media and technology available to marginalized communities, and ensuring that the development of communications in these areas [was] addressed in a coherent fashion" (GCIS, 1999:10-11).

Thirdly, the document looked at the Agency's relationship with other regulators, and discussed a possible regulatory role (GCIS, 1999:10). However, the document then suggested that the institution should be confined to ensuring that existing regulators (such as the Independent Broadcasting Authority and the Competitions Commission) enforce their regulations or expand their regulatory powers (GCIS, 1999:11).

Fourthly, the document stated that the Agency should encourage print industry players to strengthen their regulatory bodies to address public concerns and complaints, and to include in their codes of conduct the goals of development, diversity and democratic discourse[28] (GCIS, 1999:10). Finally, the document argued that the Agency should play a role in encouraging the public broadcaster to fulfil its public service mandate (including the development of local content). The section on "Scope of Activities" was concluded with the statement:

[28] The latter refers to diversity at the media-systems level but also within individual media entities.

> The MDA should in various ways support, encourage and promote media in all tiers[29] and monitor progress on the path of development and diversity. This will ensure that the difficulty of spreading all three tiers of media across the country is addressed, that ownership by previously marginalized groups is facilitated and a democratic public discourse is promoted (GCIS, 1999:10).

The issue of funding was then highlighted. The *Draft Discussion Document* stated that the following possible sources of funding had been identified: government, levies from mainstream commercial media, levies from the advertising industry, and international development agencies (GCIS, 1999:14). The document recommended that a researcher be employed to investigate the implications and feasibility of various funding options.

The concluding section of the document then looked at the "legal character, composition and location" of the Media Development Agency. One suggestion was that the Agency should be established as part of an existing body, such as the Independent Broadcasting Authority or Universal Service Agency (GCIS, 1999:15-17). However, the document ruled out the Independent Broadcasting Authority as a location, due to the fact that the latter's mandate did not include the print media sector. The Universal Service Agency was then considered, but the proposal was shelved because of the complexities required for its implementation. (The Universal Service Agency proposal is interesting, as it resurfaces later in the policy process.) The *Draft Discussion Document* then stated, "The preference … is given to an independent statutory body that exists in its own right, similar to the Section Nine Institutions, as specified in the Constitution".[30] Such a body would be operationally independent but guided by government policy, particularly concerning financial accountability (GCIS, 1999:17).

One final issue was discussed – the composition of the Agency's Board. The document stated that it should be "reflective of the range of interests within the industry, and the country's diversity" (GCIS, 1999:17).

The *Media Development Agency Discussion Document* released in March 2000 was very similar to the *Draft Discussion Document*. However, there were some important shifts.

[29] The "tiers" refer to the three tiers of media in South Africa including public, commercial and community media.

[30] Section 9 institutions include the Human Rights Commission, the Gender Commission, and so on. They experience a significant degree of independence and receive their budgetary allocation through Parliament.

These include the Document's position on regulation and on the financing of the Agency. In terms of regulation the *Discussion Document* stated, "The Media Development Agency should strive to collaborate with relevant regulators" (GCIS, 2000a:12). It also stated,

> All parties (the Independent Broadcasting Authority/South African Telecommunications Regulatory Authority, Competition Commission, Human Rights Commission etc.) will continuously inform each other about their activities and intended decisions, with a view to ensuring a coherent approach to media development and diversity" (GCIS, 2000a:12).

No mention was made of the Media Development Agency ensuring that regulators enforce their regulations or expand their regulatory powers. In terms of the financial model, there was a note of caution and restraint. "When designing the financial model", the document stated, "consideration will be given to existing levies on commercial media and how these could be restructured to meet the needs of media development and diversity" (GCIS, 2000a:15). At this point negotiations with the Department of Finance and business had started. Business perspectives were gaining influence.

During the drafting of these discussion documents, government simultaneously embarked on a detailed needs analysis. The needs analysis was conducted by a group of community media consultants, with the mainstream business consultancy Deloitte and Touche employed to "crunch the numbers" (Interview, Pillay, 2004). The researchers were asked to give an indication of media needs in the country and the costs of those needs. The overall amount calculated was R500m over five years. (Interview Pillay, 2004)

To return to the discussion documents, throughout the drafting process negotiations were held with a number of key stakeholders both within government and outside. These included community media representatives and the private media sector (including both the print and broadcast media).[31] Also, a number of government departments and statutory bodies were consulted – the key ones being the Departments of Finance and Communication, and the Independent Broadcasting Authority.[32]

Pillay (2003a) argues that during interactions with the various government structures, it

[31] PMSA represented the print media and the National Association of Broadcasters (NAB) represented broadcasters.

[32] The Independent Broadcasting Authority later merged with the South African Telecommunications Authority of South Africa (ICASA).

became clear that they had different emphases. He states that the Department of Finance demonstrated a "neoliberal" stance whereas the Department of Communications had "statist", "authoritarian" tendencies. (The Department of Communication's stance is discussed in greater detail later.)

Pillay claimed the Department of Finance (later known as National Treasury) was sceptical of the Media Development Agency proposals. Given South Africa's other priorities, "they needed to be convinced that it was a wise idea to support media with public funds" (Pillay, 2003a:410). Further, Pillay says the Department Finance was sensitive to foreign investor concerns about the need to simplify the tax regime. They were thus seriously opposed to a mandatory levy (Pillay, 2003a:410). Andrew Donaldson, Finance Deputy Director General, and a key Media Development Agency negotiator, claimed that a mandatory levy was a tax and that taxes were generally imposed only on industries (such as liquor and cigarettes) that had negative externalities but government had no desire to "punish the media industry". He claimed that Finance preferred supporting a partnership with the private sector. Donaldson then claimed, "But you can't talk about a genuine partnership if government is imposing a tax. The media industry needed to come forward with a voluntary contribution" (Interview, Donaldson, 2004). It is interesting to note that, as the policy process unfolded, Finance's position significantly strengthened business's hand in the negotiation process. (Interview, Pillay, 2004; Interview, Duncan, 2004).

During this period, business continued to voice their concerns strongly (Pillay, 2003a:410). They were opposed to the Agency having any powers, other than that of funding. Further, they were strongly opposed to the implementation of any compulsory levy. Pillay argues that, as a negotiating tactic, the Government Communication and Information System did not reveal the Department of Finance's opposition to levies; they kept this option as an implicit threat in the hope that industry would opt for a voluntary, yet guaranteed, contribution as the lesser evil. However, in discussions with business it appears that the Government Communication and Information System was in a weaker position than they thought. Apparently business was always aware of the Department of Finance's opposition to levies (Interview, Pottinger, 2004).

5.4 Government Puts its Cards on the Table

By November 2000 – after lengthy negotiations – the Government Communication and

Information System felt it had achieved sufficient consensus. The Department presented a *Draft MDDA Position Paper* for adoption to Cabinet. Pillay (Interview, 2004) claims:

> We felt that we really had taken the community media perspective on board. We felt that we were pushing government to its limits. The Growth, Employment and Redistribution strategy had kicked in and we really had to convince Finance about a developmental path. We didn't have to convince the Government Communication and Information System – GCIS quoted the Reconstruction and Development Plan extensively!

Pillay claims that at the time GCIS officials were worried that Cabinet might not approve the document. "We thought there was a strong possibility that the Department of Finance might throw it out" (Interview, Pillay, 2004). However, the Paper was adopted – and without amendments. The only question that was asked was if the funding proposals had been approved. Pillay says, "We held our fingers crossed and we said we had approval. Of course, industry came back later and objected!" (Interview, Pillay, 2004).

So what did the *Draft MDDA Position Paper* say? The Paper included government's most comprehensive set of proposals at that point. It outlined the MDDA's role as being to:

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

The document also stated that the MDDA would "take a proactive interest in media competition issues" (GCIS, 2000b:36).

A comprehensive set of funding proposals was then presented. The *Draft Position Paper* identified community radio as having the greatest need during the first five-year period, with a particular emphasis on marginalised rural and peri-urban communities. Next came print media, and then video access centres. Provision was also made for exploratory initiatives concerning new electronic media such as the Internet. Project support envisaged included direct and indirect subsidies to community media and to a lesser extent small commercial media to cover, among other things, running and capital costs, training and capacity building, and feasibility studies. Further, a small amount was earmarked for research (Pillay, 2003a:412; see also GCISb, 2000:70).

And the level of funding? The *Draft Position Paper* stated that the MDDA intended to meet only 60% of the costs outlined in the original needs analysis – that is, an amount of R300m over five years. The Paper stated that this amount would be made up of equal contributions from the state, the media industry and donors, and that each would contribute R20m per year (GCIS, 2000). Interestingly, the *Draft Position Paper* contains no explanation as to the reason for the reduction in the overall amount from R500m to R300m. However, in an interview Pillay explained that the reductions "boiled down to what we realistically believed we would be able to raise from stakeholder groupings" (Interview, Pillay, 2004).

A further interesting development occurred at this point – government started to talk about business's contribution being voluntary rather than mandatory. This was despite the fact that the *Draft Position Paper* highlighted some of the problem areas with voluntary contributions. GCIS in fact stated in the document that press subsidy schemes internationally were most often funded directly by government and that the "levy was legislated" to ensure a secure funding base (GCIS, 2000b:31). Further, GCIS made the point that past media development initiatives in South Africa had failed due to problems with voluntary contributions. GCIS argued, "These [initiatives] have been unsuccessful, largely because of disagreements around such voluntary commitments".[33] However, despite these statements, the *MDDA Draft Position Paper* stated the following:

> Discussions with the industry have pointed to the possibility of its contribution coming from the Marketing Industry Trust (MIT) levy on advertising, which currently rests at 1% of adspend (or approximately R43m per annum). The MIT levy is a *voluntary* industry levy (GCIS, 2000b:51). (My emphasis)

Despite these shifts Pillay (2003a:411) still maintained that "the Paper retained its initial radical vision". He said this was the case despite the fact that the "actual mandate of the Agency had been whittled down to two main functions, firstly, to provide support to community and small commercial media, and secondly, to commission research into obstacles to media diversity, and to make recommendations to government and other

[33] Here government is referring to the ill-fated Independent Media Diversity Trust (IMDT).

relevant bodies" (Pillay, 2003a:411). Pillay said that GCIS hoped that this would be the perfect compromise document – the private sector's fears of a highly interventionist body would be allayed, while the hopes of progressive civil society would be kept alive by the suggestion of "broader changes" in the media landscape. Neither grouping however was happy.

Briefly it is important to return to businesses' own initiatives. These happened simultaneously with the early MDDA negotiations. As discussed above, after the Print Development Agency negotiations had broken down, Print Media South Africa set up its own Print Development Unit with half a million rand at its disposal. The Unit was expected to raise additional project funding. Research and training of small commercial print entrepreneurs were prioritised. Natasha Stretton was employed as Director. Stretton co-ordinated both the Print Development Unit and Print Media South Africa's MDDA submissions. The Print Development Unit eventually closed down in 2002 in anticipation of the setting up of the MDDA. (Interview, Stretton, 2004; Interview, Pottinger, 2004; PDU, 2002)

5.5 Strong Reactions to Government's Draft Position Paper

There were strong objections to key aspects of the *MDDA Draft Position Paper*, but from different perspectives.

5.5.1 The media industry's perspective

The media industry was not convinced by the sector needs analysis, and required more detail before they would commit funds. In addition, they remained nervous about the Agency's research and advocacy functions, including the power to make recommendations to government (Pillay, 2003a:412). Brian Pottinger, a key business representative, explained business's strong opposition to "interventionist research". He argued:

> We didn't want the MDDA to do research on competition policy. It touched a very raw nerve. The media industry has developed a number of joint institutions for distribution and printing and so forth. We jointly own the South African Press Association. Now there are very sound business reasons for having these joint institutions. We didn't want research to jeopardise these organisations' work. (Interview Pottinger, 2004)

Further, industry was bitterly opposed to the Marketing Industry Trust proposal, even though this was originally put forward by Pottinger (Interview, Pottinger, 2004; Interview, Duncan, 2004). Some background on the Marketing Industry Trust (MIT) is important here. The MIT had been set up some 20 years previously to raise money for a number of industry-wide institutions including the South African Advertising Research Foundation. The MIT operated on the basis of a voluntary 1% levy on certain categories of advertising (Interview, Pottinger, 2004). According to Pottinger, the principle was fine but over the years a number of problems had arisen including the fact that the levy percentage remained constant and so revenue had risen at an inflationary level. He claimed the costs of the beneficiary organisations had risen to fill the available money. Print Media South Africa had thus decided to challenge the Trust. Pottinger argued that the MIT system was thus itself in a process of evaluation and reform. He claimed:

> My view was initially that the MDDA might be able to access industry-wide funds (i.e. marketers, advertisers and the media) through the revamped Trust…. However, the idea was not well received. Firstly, the Trust was itself being revamped amid some initial acrimony; secondly, marketers and advertisers didn't believe they needed to contribute to media development; and thirdly, the media owners had already begun negotiations with government regarding contributions on an entity-by-entity basis (Interview, Pottinger, 2004).

Business thus stood firm on their principle regarding voluntary contributions. Further, advertisers and marketers made it clear that they were opposed to making any contributions to media diversity initiatives. Finally, business owners started to call for negotiations with government on an entity-by-entity basis.

5.5.2 The community media sector's perspective

In contrast community media representatives objected strongly to the voluntary nature of the levy proposal; they reiterated their position on the need for a statutory industry levy. Further, they claimed that an advertising levy was inappropriate. Jane Duncan, representing the Freedom of Expression Institute and the National Community Radio Forum,[34] claimed that an advertising levy would have taken badly needed funds from the

[34] The NCMF had collapsed by this time, and a number of the NCMF affiliates had been weakened. However, the National Community Radio Forum (NCRF) remained relatively strong. During the MDDA policy process the NCRF teamed up with FXI to represent community media sector interests (Interview, Duncan, 2004; Interview, Mfundisi, 2004).

public broadcaster. She argued instead for a compulsory levy on profitable private media companies, especially those that converged with telecommunications. Following on these ideas the National Community Radio Forum and the Freedom of Expression Institute argued that the MDDA should merge with an independent Universal Service Agency (USA)[35] (Pillay, 2003a:413). These proposals, however, were not developed in detail. (Interview, Duncan, 2004). Duncan claimed:

> We didn't do enough work on the nuts and bolts of the financing of the MDDA. Financial modelling was critical. With the Department of Finance there was just no room for uncertainty…. We should have worked out exactly how this tax on media and telecommunications companies could have worked….. (Interview, Duncan, 2004)

Community media representatives also objected to the lack of clarity on media competition issues. Competition was mentioned in the *MDDA Draft Position Paper* but no mention was made as to how the Agency would deal with the issue. Again Duncan laments the fact that the community media sector did not develop more detailed proposals. She claimed:

> The Competition Tribunal and Commission were just being set up. Competition law was a new thing in South Africa. As community media we didn't have experience in this area but obviously there was international experience to draw on. We needed to work out the details and present a really comprehensive proposal to government (Interview, Duncan, 2004).[36]

Duncan claims that at this point in the negotiation process the community media sector needed strong technical proposals and strength on the ground. However, both were lacking (Interview, Duncan, 2004). This significantly weakened their bargaining position.

5.5.3 Funders' perspectives

Media funders felt the Government Communication and Information System had not researched the funding environment sufficiently. They believed this lack of research was

[35] The Universal Service Agency (USA) didn't enjoy the same independence as organizations such as the IBA and the Section 9 institutions (e.g. the Human Rights Commission). The USA fell under the governance structures of the Department of Communications.

[36] Duncan claimed that the Competition Commission was a generalist body. She said it was not necessarily well equipped to look at the public interest issues that were at stake in the media when considering mergers. She claimed the MDDA could play a role here. They could do research and deposit their findings with the Commission. A more radical option was to ensure concurrent jurisdiction. This would mean that both bodies would have to agree to a sale before it could go through.

reflected in the funding proposals put forward. (Interview, Duncan, 2004). Funders argued that GCIS needed to understand the particular funding requirements of the different donors. For example, the Open Society Foundation, the community media's largest funder, could only fund projects directly - not through an intermediary organisation such as the MDDA. Other agencies had other requirements. For example, they could not donate money earmarked for civil society or community media to a government agency (Interview, Duncan, 2004). What the MDDA needed to look at were options such as bilateral co-operation i.e. government to government agreements etc. (Interview, Duncan, 2004) GCIS failed to do this.

Funders generally felt neglected in the consultative process. Jean Fairburn, Director of the Open Society Foundation South Africa, claimed the Foundation was not "included in the (MDDA) consultative process in any formal, well-managed or constructive way". (Interview, Fairburn, 2004). In this situation, she claimed, the Foundation then turned their attention to funding lobbying and advocacy projects that would "make a contribution to the development of the MDDA, and which would carry forward the community media perspective." She said, "We supported the Freedom of Expression Institute / National Community Radio Forum to do research, also the Print Development Unit." (Interview, Fairburn, 2004)

The issue that was of particular importance to the funders was the issue of the independence of the MDDA.[37] They believed all media funding should be channelled through an independent body such as the MDDA. For the Foundation, this was an important media independence issue.

After the *MDDA Draft Position Paper* was released Parliamentary Portfolio Committee hearings were held. It was unusual to have hearings at that point as there was no legislation on the table. However, the Chair of the Communications Portfolio Committee, wanted to have "an early airing of the different positions" (Interview, Duncan, 2004). Duncan comments, "Things were very fluid and open at that point. The process was still very consultative." Business and community media positions were thrashed out in the open. As negotiations grew tougher this more open, transparent approach started to change.

[37] It is interesting to note that the Open Society Foundation was very critical of a number of Department of Communication programmes where the Department funded small media directly.

5.6 New Proposals Rejected, Compromises Embraced

After the conclusion of the Parliamentary hearings, the Government Communication and Information System felt they had limited options (Pillay, 2003a:413). Finance had ruled out a compulsory levy of any kind. Pillay claimed GCIS had no option but to disregard the community media's new telecommunications levy proposal. He claimed GCIS's only option was to convince the media industry, including the public broadcaster, to commit funds voluntarily (Pillay, 2003a:413).

However, GCIS *did* have another option – co-operation with the Department of Communications. In fact this option dealt directly with the possibility of implementing a telecommunications levy. Interestingly GCIS rejected this route. Pillay explains. The Department of Communications shared GCIS's scepticism "about the constraining effects of reliance on private sector funding" (Pillay, 2003a:413). They urged the GCIS to instead consider "going it alone with their support". The Department of Communications alternative offer was funds from the Universal Service Agency. The USA had the capacity to levy a tax on the telecommunications industry – a tax that had the potential to yield millions of rand per annum. However, this proposal came at a price. Pillay claimed the USA was problematic. It was a fairly dysfunctional structure but more importantly it lacked independence – it fell directly under the control of the Department of Communications. Further, Pillay argued that the latter generally had a very disturbing attitude to media independence. He argued that they gave the impression they saw the community media sector as primarily a conduit for government information. The Department expressed nervousness about media that might be a 'threat' to the state (Pillay, 2003a:414).[38] Pillay therefore argued that GCIS had no option but to restate its intention to "establish an independent body that, in turn, respected the editorial independence of the media it supported" (Pillay, 2003a:414) For funding GCIS saw its only option as one of turning to the private sector.

Joe Mjwara, a key negotiator from the Department of Communications, had a different take on the negotiations. Although he acknowledged the collapse of the USA proposals he claimed that these had nothing to do with ideological battles over media independence

[38] Pillay (2003:414) claimed that these impressions were gathered from meetings with senior officials in the Department of Communications.

issues. He claimed the problems were more practical. Mjwara argued that the Department of Communication’s chief concern was to ensure that there was no duplication of work between his Department and the MDDA. He said, “We started to think about the Universal Service Agency. We wondered if we could transform it and extend its mandate beyond telecommunications to deal with the MDDA’s mandate.” Mjwara commented that amending the status of the Agency to ensure its independence “wasn’t a problem - all we needed to do was to change the legislation.”(Interview, Mjwara, 2004) However, there were other problems. He said, “We started to realise that the Agency actually needed to focus on its original mandate, which was to ensure that information technology and telecommunications infrastructure was properly utilised.” (Interview, Mjwara, 2004) Mjwara argued that in the end, “…we were worried that [the USA] would just have too much to do and that ultimately media projects would suffer in the arrangement.” (Interview, Mjwara, 2004)

Mjwara then made a number of other important points. He commented on the Department of Communication’s views on media diversity, media independence and their decision to continue with their community media programme i.e. not to channel their (substantial) community media finances through the MDDA. In terms of media diversity issues Mjwara commented that threats to the latter came not so much from government but rather from the commercialisation of all media. He claimed that in fact government needed to intervene to ensure diversity. He therefore defended the Department’s right to supply infrastructure and equipment to a host of community stations. Further, he defended their right to get involved in programming. Mjwara explains, “We had begun to realise that community radio was starting to sound more and more like commercial radio. It was mainly music and DJ driven.” (Interview, Mjwara, 2004) However, he said, this catered only for the young and excluded large sectors of the population. Mjwara claimed, “We noted serious programming gaps so we decided to intervene.” (Interview, Mjwara, 2004)

In terms of media independence issues Mjwara explained the Department’s position in some detail:

> The issue of independence is not a problem for government. Government already has a policy that states clearly that the media is independent and free. Why would we democratise the SABC on the one hand, open up competition, increase the number of sources, etc., and on the other hand try to control the media? That doesn’t make sense. Anyway, we could never

> control the community media sector – it is too dispersed (Interview, Mjwara, 2004).

Finally, Mjwara strongly defended the Department's right to continue with its own community media programme. He rejected suggestions of channelling its community media budget (R40m per annum) and programmes through the MDDA. He claimed that the MDDA needed to have a new mandate and source of funding so there would be a larger contribution to the sector. (Interview, Mjwara, 2004) Mjwara commented, "We organise infrastructure in all sectors – broadcasting, telecommunications and so forth. It really didn't make sense for us not be involved in the roll out of community media infrastructure." (Interview, Mjwara, 2004) Further, he claimed the MDDA suffered from certain limitations. For instance the Agency was barred from any involvement in content projects. But Mjwara said this work needed to be done - the Department of Communications needed to pursue this and thus needed a community media programme. Mjwara in fact claimed that the stipulation that the MDDA could not get involved in content issues was a serious limitation on the institution.

Pillay (2003a:414) claims that after the Universal Service Agency proposals had crumbled, the policy process "dragged out until the end of 2001, as government made concerted efforts to convince the media owners to voluntarily commit to provide funding for a five year period." This included high-level, behind closed doors meetings between the individual print and broadcast media owners and the Minister in charge of GCIS, Essop Pahad. In line with business demands, GCIS revised the MDDA budget down to R256 million over five years, and further diluted the body's powers to make recommendations to government and other bodies on media policy (Pillay, 2003a:414).

Once a number of these issues "were taken care of", the industry eventually agreed to provide approximately R50m over five years – less than half of what was initially envisaged. Government agreed to provide the rest. The expectation at this stage was that eventually donor funding would become available (Pillay, 2003a:414).

The *MDDA Final Position Paper* was published in November 2001. The document outlined the MDDA's role being to "help develop a more diverse media industry through support for community and small commercial media" (GCIS, 2001:33). It called for the promotion of research and informed public discourse. A specific paragraph was inserted stating that “while the MDDA may make recommendations, after public consultations to government and the media industry, on issues concerning media development and diversity, these will not be binding, as the Agency will not have regulatory powers” (GCIS, 2003:34). No further mention was made of the MDDA’s role on competition issues.

5.7 Parliamentary and Post-Parliamentary Processes

Soon after the *MDDA Final Position Paper* was published, draft legislation appeared for public comment. In February 2002, Parliament held public hearings and a range of stakeholders made representations. The MDDA Act was passed by Parliament in June 2002 (Pillay, 2003a:414). Most of the major battles were fought before the *Final Position Paper* was converted into a Bill (Interview, Pillay, 2004). However, three key areas remained contentious: the powers of the Minister, the composition of the Board, and negotiations around the regulations.

The powers of the Minister were a contentious issue for both business and for the community media sector. As Duncan (Interview, 2004) comments,

> Before the legislation was tabled in Parliament, key proposals were leaked to the media. The media claimed that the Minister would issue the regulations and appoint the members to the board. This smacked of internal meddling in the Board’s affairs and put a major question mark around the independence of the Agency.

This issue created a lot of problems in the community media sector. There were certain groupings that were close to government and that did not want to raise complaints regarding the Minister’s powers. Duncan (Interview, 2004) claims, “We had to lobby very hard at provincial level to get everyone to agree that the independence of the MDDA was important. We needed to get people to defend that position….” She said that eventually, they won their arguments at the level of the provinces, at the level of the National Community Radio Forum, and ultimately they won their positions at the level of government.

Business representative Brian Pottinger (Interview, 2004) claimed, “It was critical for us [business] to circumscribe [the Minister’s] powers”. For business the issue was closely tied to ensuring freedom of expression. Pottinger (Interview, 2004) claims, “There was still an underlying fear that this process would lead to a chain of dependent propaganda entities. One of the big issues was therefore around ensuring the independence of the MDDA".

Independence issues were finally resolved by rewording the legislation. It was agreed that the regulations would be drawn up by "the Minister in consultation with the Board", implying agreement between the two (GCIS, 2002).

In accordance with the MDDA Act, a nine-member Board was appointed – six through a parliamentary process and three by the President (representing the print media industry, broadcasters and government). Pillay (2003a:415) argues that while initial proposals "provided for direct community media representation, it was eventually agreed that, because this sector would be the principal beneficiaries of the Agency, such representation would be inappropriate". He claimed that the criteria for selecting the six public nominees stipulated that, among a range of qualifications, the Board should contain members with experience in community media. He said that this had ensured that at least two members of the Board had come from the sector. The National Community Radio Forum, however, expressed grave disappointment. NCRF Chair at the time, Mabalane Mfundisi, said that although his organisation had put up nominations all these names had been ignored. He commented that the Board was "completely business dominated and that this was a huge blow to community media interests" (Interview, Mfundisi, 2004).

The first meeting of the Board was held in January 2003. On 31 July the MDDA published regulations for comment (MDDA, 2004a). These regulations were adopted and promulgated in October of that year. The regulations provided detailed criteria for the selection of projects. They specified that a maximum of 35% of all funds would be used for administration during the first year of operation, and that thereafter this would be reduced to 25%. Of the remaining funds, the bulk of support (60%) would be used for direct subsidies, training and indirect support to community media projects. Small commercial media would receive 25% of funds and a small amount (5%) was set aside for research into obstacles to media development and diversity (Pillay, 2003a; MDDA Regulations, October 2003).

The first two rounds of MDDA grants for community and small commercial media were awarded in January and May 2004, when 20 projects were provided with support. In August 2004 the MDDA announced its third round of decisions on grants, during which a further 15 projects were approved – five community radio projects, four community print projects and six small commercial publications (MDDA, 2004a, 2004b).

And final funding arrangements? Funding agreements were signed with each funder. Funders agreed to pay R1.2 million a year for five years, with e.tv paying a lesser amount.[39] Agreements stipulated that the MDDA needed to report to funders quarterly, and provide mediation and arbitration mechanisms if there was a dispute (Interview, Lloyd, 2004). The major print partners included Johnnic, Independent, Media 24 and Caxton. Broadcasters include the SABC, MNet, Primedia, Kagiso Media and e.tv. Lloyd explained that NAIL's potential contribution had fallen away because they had sold their media assets to Johnnic. As Kanyi Mkonzo (Interview, 2004), Chair of the MDDA Board explained, "The funding agreements were very cleverly worded so that none of the other partners had to pick up this loss". Government then committed R7m a year. Thus the annual budget of the MDDA was set at R17m. The full amount over the first five year period was thus R85m.[40] This was less than a fifth of the amount stipulated in the original needs analysis conducted in 1999.

5.8 Conclusion

It is important to note the various stakeholder perspectives in the process. Pillay (2003a:413), reflecting on the negotiations from the Government Communication and Information's side, commented that there were both strengths and flaws. In terms of flaws, he claimed that he was aware of the fact that "the community media were unhappy about the deal struck with industry to the exclusion of themselves" (Pillay, 2003a:413). He admitted that GCIS, in its desire to appease media owners, did neglect its allies in civil society, especially in the final stages of negotiation. He agreed that "this diminished the participatory character of the policy process" (Pillay, 2003a:413). However, Pillay pointed out there were also problems from the community media side. Few progressive civil society organisations, other than community media organisations, took the process seriously. He said "A glaring omission was the Congress of South African Trade Unions (COSATU)" (Pillay, 2003a:413). COSATU is civil society's largest formation. The

[39] e.tv pledged R300 000 for the first year and a minimum of R500 000 per year thereafter, with a commitment to try to increase this as soon as possible to R1.2m per year (Interview, Lloyd, 2004).

[40] A R3m establishment grant was also included. The total figure including this grant is then R88m.

federation failed to respond despite the fact that they were specifically asked to participate. But, ultimately, Pillay (2003a:418) claimed:

> The MDDA remains a path-breaking initiative for a developing country with limited resources. As currently constituted the agency, if properly managed, can make significant inroads into the race, class, and gender imbalances that characterize South Africa's media environment. In particular, if the MDDA builds credibility across the spectrum, its research function can open the way for more imaginative interventions in the future, in the interests of a more vibrant, participatory, informed, critical, and diverse media environment.

Other government departments had different perspectives on the process. The Department of Finance/National Treasury saw none of the flaws. They saw the MDDA policy process as "very satisfactory" and as an excellent example of a "public-private partnership working in practice" (Interview, Donaldson, 2004). The Department of Communications, however, was more sceptical. Joe Mjwara (Interview, 2004) stated,

> The biggest weakness, I think, was in governance issues. I don't think there is enough representation of the community media sector on the Board. The community media sector needs to determine the direction of the organization…. What you have is a Board that is contributor heavy, rather than recipient heavy.

He also argued that the legislative framework was limiting. He said, "I think the MDDA should be involved in programming. But there is a fear in the media sector that government is going to interfere, undermine independence, etc…." (Interview Mjwara, 2004) Mjwara claimed that there was an irony in this. He argued that media has only one product and that is content. Government needed to get involved (Interview, Mjwara, 2004).

Business's position was similar to that of the Department of Finance. Business representative Brian Pottinger (Interview, 2004) stated, "The MDDA process was very intense and time-consuming. It was contested all along the way. But it was not contested in terms of overall philosophy; it was contested in terms of detail. It was a very good process." Natasha Stretton, Director of PMSA's Print Development Unit, had a similar positive perspective. She claimed:

> The MDDA is a unique partnership. In the beginning stakeholders were on

> very different sides but by the end we had come together. We had a common vision of the role of the MDDA and a common commitment. I don’t think we could have done things differently. These were good-faith negotiations (Interview, Stretton, 2004).

Community media representatives and the Open Society Foundation had a more negative perspective. Fairburn claimed that although the Foundation was happy with the independence of the MDDA and its “strong focus on community”, she felt the institution was small, powerless, underfunded and understaffed. She claimed the Agency’s brief was limited and that it would ultimately not have the power to change “structural inequalities” in the media environment. (Interveiw 2004)

The community media sector had wanted an assertive MDDA, an MDDA that could alter the media environment. They wanted a mandated tax on the industry to ensure long-term stable funding. National Community Radio Forum Chair Mabalane Mfundisi (Interview, 2004) claimed, “We lost at the level of resources and at the level of [board] representation”. Further, he expressed some serious worries about long-term funding prospects. He said that he did not feel that the organisation was operating optimally. This was due to the fact that the MDDA lacked funding, capacity and the mandate to make a difference. He said that ironically (since business partially created the situation) this would give business a good excuse to “pull out” after the initial five-year period. Their excuse would be “lack of delivery” (Interview, Mfundisi, 2004).

So in conclusion there were a variety of perspectives as regards the outcome of the MDDA policy process. It is interesting to note the different perspectives within government itself. It is also important to note the serious discrepancies between the business and community media stakeholders in their final analyses. In the end, it would be true to say that all stakeholders made compromises, but that some made a few more than others.