



Promoting media development and diversity, and access to information in South Africa

THE MEDIA DEVELOPMENT AND DIVERSITY AGENCY

- A DRAFT POSITION PAPER

NOVEMBER 2000

The Position Paper process

This draft Position Paper is the result of research and consultation, and includes many of the ideas, reflections and submissions of a wide variety of stakeholders. It will be finalised in the light of public comments received, and inform draft legislation that will be submitted to Cabinet and then referred to Parliament for consideration during its 2001 session.

How to respond to this draft Position Paper

Any member of the public is invited to comment on this draft Position Paper. Please note the following:

- ◆ Each point made should refer directly to the relevant numbered section (e.g. 6.1.2).
- ◆ Where information under a particular section is lacking or incorrect, such information should be supplied, with appropriate source references.
- ◆ If comments made or information supplied do not fall under any particular section, these should be placed under a heading called "Additional information".

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The Executive Summary is available in all official languages on request.

"Everyone has a right to freedom of expression, which includes:

- (a) freedom of the press and other media, and
- (b) freedom to receive or impart information or ideas."

From the South African Constitution, Chapter Two, Section 16

"Open debate and transparency in government and society are crucial elements of reconstruction and development. This requires an information policy which guarantees active exchange of information and opinion among all members of society..... The democratic government must encourage the development of all tiers of media - public, community and private. However, it must seek to correct the skewed legacy of apartheid where public media were turned into instruments of National Party policy; where community media were repressed; where private media are concentrated in the hands of a few monopolies, and where a few individuals from the white community determine the content of media. New voices at national, regional and local levels, and genuine competition rather than a monopoly of ideas, must be encouraged"

From the Reconstruction and Development Programme (RDP) base document, 1994.

A pluralistic press is "the end of monopolies of any kind and the existence of the greatest number of newspapers, magazines and periodicals reflecting the widest possible range of opinion within the community"

1991 Windhoek Declaration on Promoting an Independent and Pluralistic African Press, 1994.

Government should "facilitate the process of setting up a statutorily recognised media development agency comprised of independently recognised elected trustees, which agency will operate a statutorily recognised subsidy system for community and independent media in South Africa".

Comtask Report, 1996.

"A central public interest principle in broadcasting is that of universal access, that is, the availability of broadcasting services to all citizens. In South Africa it is also desirable to expand the concept of access from the right to receive information to include greater access to the means of production in broadcasting. The question of access relates directly to the principle of diversity. Access to choice and diversity of choice includes access to a diverse range of language, cultural, religious and regional programming. The real significance of diversity within the framework of national unity is that it secures other benefits for society such as a substantial degree of media pluralism. At least five dimensions of diversity are: media functions; content; representation of different groups and people; geography or locale; and media ownership limitations."

White Paper on Broadcasting Policy, May 1998

"Society benefits from free, independent, and pluralistic media. But to achieve this, a supportive policy environment is required, and it must be proactively encouraged by public and private sectors, the international community and multilateral agencies...[One initiative would be to] develop independent media support agencies (voluntary or statutory) which provide assistance through loans and subsidies, and/ or other measures such as postal rate or connectivity cost reductions (e.g. the Media Development and Diversity Agency being established in South Africa)"

Resolution of the Global Knowledge II Conference, Malaysia, March 2000

"It is recommended that the current attempts to establish the Media Diversity Agency be given greater impetus. The private sector should be encouraged to support such an initiative and if necessary funding and support should be made available by both government and the private sector to promote and encourage greater diversity in ownership"

South African Human Rights Commission, Faultlines: Inquiry into Racism in the Media, August 2000. (Supported by the SA National Editors Forum)

"Democracy requires a media that is free from state or corporate control. Throughout the 20th century it has been recognised that corporate control can pose as great a threat to media democracy as state control. The state has a duty to create conditions for a diverse and democratic media. One such measure is anti-monopoly controls. Another measure to correct structural inequalities in the market is to encourage and support new media. The initiative by the Government Communications and Information Systems (GCIS) [to set up a Media Development and Diversity Agency] should therefore be encouraged and supported."

Declaration of Principles on Information, Power and Democracy adopted in Cape Town on 10 October, 2000. Endorsed by the Institute for Democratic Alternatives (Idasa) and the London-based freedom of expression NGO Article 19.

FOREWORD

South Africa is still burdened by the special form of colonialism that has shaped our country. This legacy plays itself in various spheres of society, including the media, where the nature of public discourse is shaped by patterns of ownership and control, such that the poor and disadvantaged remain marginalised.

While there have been many changes in the media since our country's first democratic elections in 1994, there is clearly much more that needs to be done. The media in our country still represents a narrow range of interests, which is not reflective of our country's diversity. While the market can play a crucial role in diversifying the media, additional mechanisms are needed to meet the needs of all our people.

Government has taken the bold step of preparing for the setting up of an independent agency that will address problems of media development and diversity in South Africa.

It is important to stress that the proposed Media Development and Diversity Agency (MDDA) will not interfere in the content of any newspaper, television or radio station. Its primary purpose is to help create an enabling environment for media to develop and meet the diverse needs of all South Africans. This includes those marginalised because of factors such as gender, race, disability, geographical location, class or income, as well as marginalised schools of thought - including, ironically, that of the broad democratic movement that fought against apartheid.

While the scale of what is required to fully address media imbalances will be beyond the scope of the MDDA, it will play a key catalytic role through its funding, facilitation, advocacy, and research. This draft Position Paper was formulated through consultation with a wide range of stakeholders, including statutory bodies, the media and advertising industry, community media, NGOs, academics and trade unions. It is now being presented to the broader public for further comment, before a final Position Paper and draft legislation is presented to Cabinet and Parliament.

This participatory approach is embedded in the character of the proposed MDDA, in that its success rests very much on a partnership between government, the private sector and civil society.

It is in this spirit that we invite you to submit comments on this paper, so that we can feel sure that the MDDA will meet the needs and expectations of all South Africans.

Dr Essop Pahad
Minister in the Presidency

EXECUTIVE SUMMARY

South Africa's media history reflects the fissures and divisions within society as well as the distribution of power. The challenge of democratic transformation affects all spheres of social life, including the institutions and practices of the media.

Government is committed to creating an agency to promote access to the media by marginalised groups and to enhance media pluralism. This follows a Cabinet decision based on a Comtask recommendation in 1996. It is in accordance with the Constitution, Bill of Rights and the Reconstruction and Development Programme and is further motivated by the National Action Plan for the Promotion and Protection of Human Rights, which emphasises freedom of expression and media diversity, and the need for mechanisms to ensure that this is achieved. It follows an unsuccessful attempt by civil society to form such a body in the early 1990s.

The motivation for an independent, separately located and cost-effective Media Development and Diversity Agency (MDDA) rests on the need for a body of respected media specialists and other public figures that will, through funding, facilitation and research, develop expertise around media development and diversity and ensure their realisation. It will operate on the best principles of corporate governance with a mandate and requisite resources. It will operate at arms length from government, the media industry and other donors.

As the world moves rapidly towards an information society, it is critical that all citizens have access to the widest range of information and opinion in order to participate effectively in an increasingly integrated world at local, national and international levels. Government has made access to information integral to its reconstruction and development programme.

The MDDA, like the programme of Multi-Purpose Community Centres, is a key initiative towards this objective. It will help alter the communications environment in a way that builds infrastructure and fosters the emergence of media reflecting the experiences and perspectives of the marginalised. In other words, while the MDDA will not by itself bring about the complete transformation of the media, it will, through its funding, facilitation, advocacy and research functions, play a key catalytic role in altering the media landscape in a way that will be conducive to broader changes.

Defining media development and diversity:

Media development involves promoting an enabling environment to help redress exclusion and marginalisation of groups and interests from access to media - as owners, managers and producers of media. Media diversity is about ensuring that all interests and sectors have affordable access to a range of views and information sources fully reflective of our society. The achievement of diversity is also facilitated by the availability, to a diverse range of media, small and large, of the means of distribution.

Media in South Africa:

Whilst much has been done since the advent of democracy to address problems of media development and diversity, it has clearly not been enough. The density of media infrastructure per capita remains low. Media ownership is still concentrated and does not meet the needs of all groups and interests. Representivity is still inadequate at management, editorial and general staffing levels.

South African experience has shown that market forces, opportunities for licences and changes in ownership on their own cannot fully achieve this transformation. An agency like the MDDA is needed.

Drawing on experience:

International experience shows that support schemes to promote media development and diversity are not new. They have been implemented in Europe since the 1950s on the basis that market forces alone would not achieve sufficient diversity. Indeed, the evidence is that the market on its own tends towards increased concentration, which can inhibit freedom of expression and a diversity of views.

An earlier attempt to form a voluntary support mechanism, the Independent Media Diversity Trust, eventually failed for lack of funding. This has reinforced the view that only initiatives firmly rooted in a partnership of government and the media, and underpinned by statutory authority, will have a sustainable impact.

The character of the MDDA and its relationship with other bodies:

The MDDA will be an independent, statutory body operating on the basis of government policy and guidelines. However, it will have an arms-length relationship with government, the private sector and any other donors. Its mandate will be to promote diversity and development in print, broadcast and "new media".

The MDDA will have a Board nominated by Parliament through a public process, and appointed by the President. The Board will appoint a CEO. The CEO will, in conjunction with the Board, appoint a small highly skilled and adequately resourced staff.

It will seek collaboration with bodies dealing with telecommunications, licensing, film and video, to achieve coordination and avoid duplication. Apart from its primary role of media support, it will commission research and make recommendations to government, the media industry and other relevant bodies.

The MDDA will relate to all bodies with a direct or indirect interest in media development and diversity, amongst them the Independent Communications Authority of SA (Icasa). The MDDA will hold an Annual Review Forum where such bodies will consider the MDDA's annual report.

The beneficiaries and the nature of the support:

The main beneficiaries of direct and indirect support will be community and other non-profit media, as well as small commercial media, including radio, television, print and new media. There will be particular emphasis on projects that bring disadvantaged communities and sectors - particularly women,

rural people, the disabled, illiterate people, working class and poor people - into the information and communications loop.

Support will be of a funding and non-funding nature, and will include direct and indirect subsidies; emergency funding; capacity development; encouraging social responsibility support in the broadcast, print and new media sectors; training; project evaluation and monitoring; and media research. It will also make recommendations in support of media seeking loan finance, on the basis of its evaluation procedures.

In addition, the MDDA will work towards the emergence of national and provincial common carriers, and/or the implementation of common carrier principles, in the print industry, to ensure equitable access for small publications, and into under-serviced communities.

The MDDA's guiding principle in making funding decisions and loan recommendations will be the contribution that projects make to media development and diversity. It will seek to promote sustainability, and to fund projects that have good governance practices. Other considerations include community representation and participation and equity plans.

The MDDA's budget:

The MDDA needs adequate financing to cover community media network, training, capital and operational costs, as well as feasibility studies for small commercial media projects. It will commission research on media development and diversity, as well as regular performance evaluations of funded projects. Its operational needs, including performance evaluations of projects, should represent no more than 12% of total costs.

The resources needed to overcome the current barriers to media development and diversity amount to a total of R500m, over five years. It is envisaged that the MDDA will meet 60 per cent of these needs, which amounts to R300m over five years, or on average R60m per year.

This would be made up by R20m per year from each of government, the media industry and donors. It should be noted that government's contribution would include the support for community radio infrastructure development already given through the Department of Communications, currently at a level of R7 million per year.

Table of contents

Foreword	5
Executive Summary	6
1. Introduction	11
1.1 Government's commitment	11
1.2 Background	11
1.3 Defining media development	12
1.4 Defining media diversity	13
1.5 Development communication	14
2. Media in South Africa	15
2.1 Historical overview	15
2.2 Ownership of the media today	17
2.3 Distribution and accessibility of media in South Africa	25
2.4 The advertising industry	29
2.5 Summary of the context and need for the MDDA	32
3. Drawing on experience	34
3.1 Media diversity models in other countries	34
3.2 Learning from our own experiences	38
4. The Media Development and Diversity Agency	40
4.1 The MDDA's vision and mission	40
4.2 The MDDA's role	40
4.3 Aims and objectives	40
4.4 The MDDA's powers and mandate	41
4.5 Independence and accountability	42
5. Who will benefit from the MDDA?	43
6. The nature of the support given by the MDDA	44
6.1 Direct subsidies	44
6.2 Indirect subsidies	44
6.3 Emergency funding	45
6.4 Capacity development to produce content	45
6.5 Encouraging social responsibility support	46
6.6 Common distribution carriers	47
6.7 New media	47
6.8 Training	48
6.9 Performance evaluation	48
6.10 Media research	48

7. The MDDA's guiding principles in funding decisions	50
7.1 Media projects requiring long-term support	50
7.2 Good governance	51
7.3 Conditions	51
8. Relationship with other bodies	52
8.1 Relevant bodies	52
8.2 Annual Review Forum	52
8.3 MDDA's relationship with Icasa	53
9. The MDDA's governance structure	54
9.1 The board's composition and function	54
9.2 Chief Executive Officer and staff	55
9.3 Use of experts	55
10. The MDDA's budget	56
10.1 Key funding needs	56
10.2 Funding model	57
10.3 Financing the MDDA	58
11. Glossary	59
12. Annexures	67
Annexure 1: List of organisations and institutions consulted	67
Annexure 2: Key references from the South Africa's Constitution	69
Annexure 3 :Profile of the mainstream commercial newspapers	71
Annexure 3A: Circulation profile of the mainstream newspapers	72
Annexure 4: Profile of mainstream broadcasters	74
Annexure 5: Black economic empowerment in broadcasting	76
Annexure 6: Proposed Organogram	77
Annexure 7: Total needs over five years	78
Annexure 8: Funding model for five-year period	79

1 Introduction

South Africa's history of colonialism and apartheid permeates all facets of social life, including the media. This is reflected in the patterns of media ownership and control, including imbalances within the newsrooms. Alternative media platforms that emerged in earlier periods to give expression to the views and perspectives of the majority were either suppressed, or unable to survive under market conditions shaped by the legacy of our history. The result has been a public media discourse shaped by a narrow range of interests.

The challenge of democratic transformation in South Africa as it affects the media is a challenge to ensure that all interests, sectors and schools of thought are adequately catered for by the media industry.

1.1 Government's commitment

Government is committed to ensuring media development and diversity and promoting development communication. This is being done through a range of instruments, including an independent regulator for the broadcasting industry, legislation facilitating access to information and the setting up of Multi-Purpose Community Centres. A critical instrument in this regard is a Media Development and Diversity Agency (MDDA) that will address the legacy of exclusion from access to the media and promote media pluralism in South Africa. The agency will complement, but not duplicate the work of, other statutory and institutional initiatives, to assist in ensuring that the freedom of expression and access to information clauses in our country's Constitution are realised.

However, media development and diversity can only be achieved through the active participation of the media industry and society as a whole. This includes initiatives that bring change to the composition of newsrooms and the management echelon, enhance media training, and allow the ownership and control of large media enterprises by as wide a range of social interests as possible. The MDDA's key role will be to help create an enabling environment. It will work with media industry players to encourage efforts towards redressing the inequities of the past, and enhancing the diversity of views in South Africa's media discourse. This includes contributing resources and skills. In pursuit of deepened democracy and development, all concerned need to work in cooperative harmony.

1.2 Background

Government's decision to establish an MDDA is informed by the Task Group on Government Communications (Comtask) recommendation in 1996, which stated that government should

"Facilitate the process of setting up a statutorily recognised media development agency comprised of independently recognised elected trustees, which agency will operate a statutorily recognised subsidy system for community and independent media in South Africa".

This decision was further endorsed by the National Action Plan for the Promotion and Protection of Human Rights, which was adopted by Cabinet in 1998. The Plan emphasises the need to promote freedom of expression and media diversity, and government's central role in ensuring that there are instruments, like the MDDA, for this purpose.

The MDDA will complement and strengthen, but not duplicate, the role and impact of other statutory bodies set up to ensure related objectives. Other statutory initiatives in recent times include the Interception and Monitoring Prohibition Act of 1992, Independent Broadcasting Authority Act of 1993, Postal Act of 1995, Film and Publications Act of 1996, Telecommunications Act of 1996, Broadcasting Act of 1999, Access to Information Act of 2000 and the Independent Communications Authority of South Africa (Icasa) Act of 2000.

The MDDA will be set up within a context of competing demands for limited public resources. Government recognises this in its recommendations around the role, relationships, functioning and funding of the MDDA.

An interdepartmental committee has acted as a government reference group in the development of the Position Paper. It consists of the departments of Arts and Culture, Science and Technology, Communications, Education, Finance, and Trade and Industry, as well as the Policy Co-ordination and Advisory Service in the Presidency. The Government Communication and Information System has acted as the lead department.

This Position Paper has benefited from consultations with a wide range of stakeholders (see Annexure 1) as well as research into the media environment.

1.3 Defining media development

Media development is aimed at redressing the exclusion and marginalisation of a vast range of groups and interests from access to media - as owners, managers and producers of media. It is an integral part of freedom of expression and of creating a country based on democratic rights, social equality and respect for human dignity.

In the first instance it requires developing the media environment and infrastructure. South Africa's democracy needs an enabling environment for the media industry to grow in an accessible manner, and for its growth to be sustainable. This includes expanding the media infrastructure as a means of developing an informed citizenry in an information age, as well as encouraging South Africans to take advantage of new technology that will lower the threshold of entry into media.

The MDDA will therefore implement or support projects that will do this, including amongst other things:

- ◆ Media research
- ◆ Capacity development, including journalistic, management, strategic, business and financial skills
- ◆ Networking (at local, national, regional and international levels)
- ◆ Literacy projects that encourage reading and the emergence of a self-informing public
- ◆ Media financing

In addition, the MDDA will work with other bodies around issues such as media freedom, media ethics, media policy, media technology, media economics and small business development.

1.4 Defining media diversity

Media diversity is about ensuring that all interests and sectors have affordable access to a range of opinion and sources of information that is fully reflective of our society. Indicators of diversity are manifold, and include:

(a) Identifying which sectors of people are ill-served by the media industry, and largely excluded as media owners, managers, consumers and producers.

(b) Looking at whose needs and experiences are not adequately met by or reflected in existing media. This position paper identifies the following priority sectors amongst the disadvantaged and marginalised:

- ◆ Working class and poor people
- ◆ People living in rural areas
- ◆ People living in poorly resourced provinces, cities, and towns
- ◆ Women
- ◆ Youth and children
- ◆ Marginalised language groups
- ◆ Illiterate people
- ◆ The aged
- ◆ People with disabilities

(c) Looking at where there is a lack of diversity in content and format, relating to, for example, culture, language, gender, range of opinion and perspective.

Using (a), (b), and (c) as indicators, media diversity comprises diversity in the following:

- ◆ Ownership
- ◆ Management
- ◆ Creative and production control
- ◆ Affordable choices, for audiences and readers
- ◆ Access to media, including different languages, styles, formats, geographic or regional interests
- ◆ Content, including opinion, news and advertising.

In addition, the achievement of diversity in choice and access is facilitated by the availability to a diverse range of media, small and large, of the means of distribution.

1.5 Development communication

The MDDA will support projects that enable media to promote democratic and socio-economic rights through their operations and/or content, such that the public and communities are empowered to actively participate in development. This would include, for example, promoting race and gender equality, education, health care, improved basic services, job creation and environmental awareness.

2 Media in South Africa

2.1 Historical overview

The media in South Africa has always reflected the fissures and inequities of society. The effect has been to marginalise the voices of the majority whether through repression or, in recent years, hostile market conditions shaped by the historical legacy.

South Africa's mainstream media has historically largely been owned and controlled by the white minority establishment, in particular big business and, in the case of broadcasting, the apartheid state. The views and perspectives, languages, and values of people in these groups were mirrored in most of their newspapers, and radio and television programmes. A small number of commercial and community media emerged as part of the resistance to colonial and apartheid rule.

2.1.1 Broadcasting during apartheid

During the apartheid era, the South African Broadcasting Corporation (SABC) owned and controlled almost all public and commercial broadcasting stations, as well as signal distribution services and infrastructure. Apart from distorting information available over radio and television, the history of services provided by the SABC reflected the ruling party's policies of separate and unequal development. FM services in eleven different languages were developed in a manner that served the ideology of apartheid.

The "homeland" system offered some loopholes in the broadcasting sphere, and two English language commercial radio stations were set up in Bophuthatswana (Radio 702) and Transkei (Capital 604) to broadcast to the PWV and Durban areas respectively.

The launch of television in 1975 gave rise to the fear that newspapers would lose advertising revenue. The apartheid government sought to offset this by allowing newspaper ownership of a pay television service aimed at up-market viewers, on condition that it did not carry any news services. Consequently, the dominant newspaper groups Argus, Naspers, Perskor and Times Media Limited launched M-Net in 1986.

2.1.2 The newspaper industry

The mainstream newspaper industry has been dominated by two main groups: the Afrikaans press, owned by Nasionale Pers and Perskor, which supported the apartheid government, and the English press owned in the main by the mining and industrial conglomerate the Anglo-American Corporation (AAC), and supportive of white opposition parties. The AAC controlled two companies, which dominated the English market for many years, namely the Argus Group and the SAAssociated Newspapers (Saan, later Times Media Limited).

As indicated in a report to Comtask, this duopoly was vertically integrated at the level of print, distribution and product (including specific publication forms to allow for market targeting), with restrictive practices existing to ensure that distribution and to a lesser extent printing was contained within the duopoly.

A few family-owned newspapers independent of those media houses existed, most notably the Daily Dispatch in East London and the Natal Witness in Pietermaritzburg. For news outside their areas, how-

ever, they relied heavily on the news service provided by the South African Press Association (Sapa), which was owned by the duopoly.

Whilst broadly supportive of the establishment, a few of the English language newspapers, particularly the Rand Daily Mail and Daily Dispatch during the 1960s, 1970s and early 1980s, were outspoken against certain human rights abuses, and gave some coverage to liberation politics. This incurred the wrath of the establishment, leading to the banning of the Daily Dispatch editor in 1977. During this time it also banned the outspoken World and Weekend World which, while owned by the Argus Group, were run by black editors. The Rand Daily Mail was eventually closed by its owners in 1985, giving rise to the alternative newspaper Weekly Mail.

2.1.3 The alternative media

Dissenting voices, particularly that of the democratic movement, faced the might of the state's repressive machinery. The alternative press was a state target. People involved in it were harassed, and publications were sometimes banned. The apartheid government used censorship laws to limit what newspapers could write about. During the 1950s the government banned New Age and its various re-incarnations and, subsequent to the banning of the ANC and PAC in 1960, it continuously banned all publications associated with or seen to be supportive of the liberation movement.

During the 1980s the "struggle press" re-emerged. Newspapers, magazines, journals, pamphlets and newsletters sprouted up to give platform to the voices of the resistance movement, including women, workers, students, the youth, rural people and local communities. Sympathetic foreign donors financially supported many publications.

Some of these were published in African languages and Afrikaans, but most were in English. For much of the period these publishers undertook to distribute their publications through their own channels, given the reluctance of mainstream distributors to provide this service (with some exceptions). Various methods were used, amongst others: selling door-to-door in communities, visits and drop-offs at factories, selling at meetings, postal and using volunteer sellers.

Some lasted a decade or so, but were closed by the mid-1990s primarily due to a lack of funds. By the time of the 1994 general elections, there was a less diverse press landscape than five to ten years before. The irony is that the liberation movement - the social forces that brought about democracy - was left with fewer platforms for self-expression.

Community radio, however, started slowly nudging onto the stage as the Independent Broadcasting Authority (IBA) began its task of licensing new stations. The Jabulani - Freedom of the Airwaves conference held in Amsterdam in 1990 developed a framework for the broadcast media environment in the new dispensation. The 1994 IBAA Act was in part informed by recommendations from this conference, including the need to change the SABC from a state broadcaster to a public broadcaster, the need for an independent regulator and a three-tier broadcasting system including community, public and private broadcasting.

2.2 Ownership of the media today

During the past few years, there have been significant changes in the ownership, control and staffing of the mainstream media industry, albeit within definite limits. The industry experienced unbundling, black empowerment and foreign acquisitions, public broadcaster sales, and new entrants in print, radio and TV. Some media boards' racial and gender profiles have changed, along with significant changes in newsrooms. Many journalists and editors from the alternative press occupy leading positions in the mainstream media.

Nevertheless, despite these changes, there is still considerable concentration of ownership and control. The media diet is still too narrowly focussed for a country as diverse as South Africa. While those with means can now access a wider variety of media, the majority, particularly people living outside the metropolitan areas, have experienced little change. The legacy of apartheid remains, and significant schools of thought, including that of the democratic movement, remain marginalised.

2.2.1 Broadcasting

The SABC owns 21 radio stations, two of which are former "homeland" stations now managed by the SABC pending a decision on their future. In addition, it also owns four TV stations: SABC1, SABC2, SABC3 and BopTV, pending a decision on the future of the latter.

Six former SABC radio stations, Highveld Stereo, Jacaranda, East Coast Radio, Kfm (previously Radio Kontrei), Ofm (previously Radio Oranje) and Radio Algoa, are now owned by private groups - including various black economic empowerment groups. The eight new greenfield commercial stations -Yfm, Classic FM, Kaya FM, Cape Talk, P4 Cape Town, P4 Durban and Punt Gesels (one in Cape Town and another in Gauteng) - were licensed in 1997 and are also owned by diverse interests. Many new media owners have emerged through the licensing process, with strong black economic empowerment participation.

MIDI-TV, owners of e-TV, the first commercial free-to-air TV station, is 80% owned by local company Sabido Investments. Sabido is dominated by the investment vehicles of the National Union of Mineworkers and the SA Textile Workers Union, through Hosken Consolidated Investments Limited. Disabled and youth groups have not been able to sustain their shares within the empowerment consortium, and these may go to the Rembrandt Group. The American conglomerate Time-Warner owns the remaining 20% - the maximum that the Icasa Act allows for foreign ownership of broadcast media.

Legislation also limits cross-media ownership, and does not allow one media group to own more than two AM and two FM stations. While e-TV is an English language station, it has to include other official languages in its broadcasts. None of the private radio stations broadcast in languages other than English and Afrikaans.

Graph 1 shows that SABC radio and TV stations command over three times more listeners and viewers (approx 48,6m) than all the other broadcasters combined (approx 13,4m). Total listenership and viewership exceed the population of the country, because most people listen to and view more than one radio and/or TV station during the course of a day. All figures are from the SAAAdvertising Research Foundation, which publishes a report twice a year on consumer trends.

Graph 1: Listenership - Public and private broadcast [\(Click to view graph\)](#)

There are more than 80 community radio stations in South Africa. As required by law, these are meant to be non-profit and owned and controlled by the communities they serve. Most of the community radio stations serving geographic communities are based in disadvantaged areas, while most of the stations serving communities of interest target well-resourced communities. A majority of these stations are located in urban areas and broadcast predominantly in English.

Icasa is currently continuing with the process of assessing four-year community radio applications. There were 232 applications for this category of licence, but many of these applicants are competing for the same frequencies in the urban areas.

The former IBA noted in a submission to Parliament in 1999 that "already advantaged audiences have benefited most from the democratisation of the airwaves". They stated that, for example, up until the four year licensing process, there was only one community radio station in the vast province of the Northern Cape. While there are now three four-year licences in that province - one in Kimberley, one covering Upington and the surrounding areas and one in the Calvinia area - there are still huge areas in this province where, as the IBA noted, "there are no alternatives to the public broadcaster. These communities are thus often denied access to for example news about their local community".

The IBA noted that they could not on their own address the need to promote community radio licensing in under-serviced areas.

2.2.2 Print media

Mandla-Matla, a black empowerment group, bought the bi-weekly Zulu-language *Ilanga* newspaper from the Argus Group in April 1987. *Ilanga* is the only mainstream newspaper published in an African language. The Argus Group unbundled in 1994, leading to the black empowerment group New Africa Investment Limited (Nail) acquiring the *Sowetan*, South Africa's largest daily newspaper.

On the eve of the first democratic elections, the Argus Group sold its remaining titles to the Irish-based Independent Newspapers Group (ING). The ING acquired full ownership and control of *Cape Times* from Times Media Limited and added new titles to increase their ownership to 14 titles. Sixty-three per cent of readers of the paid (rather than free) English-language market in KwaZulu-Natal, Gauteng, and the Western Cape read ING newspapers. The ING also commands more than 40% of the total newspaper adspend.

In 1996 the National Empowerment Consortium (NEC), comprised of black business and trade union investment vehicles, acquired a controlling stake in Anglo-American's Johnnic, owners of Times Media Limited (TML). TML owns the biggest circulation Sunday newspaper, the *Sunday Times*, and two provincial newspapers in the Eastern Cape, *EP Herald* and *Evening Post*. In addition, it owns 70% of Dispatch Media, the publishers of the *Daily Dispatch* in the Eastern Cape and 50% of Business Day Financial Mail (BDFM), the publishers of *Business Day* and the *Financial Mail*. In 1999 Nail and Times Media Limited started a new weekly, *Sowetan Sunday World*, aimed at urban black readers.

During 1996 another black empowerment group, Kagiso Trust Investments (KTI), took over Perskor, publishers of the English daily *the Citizen*. However, they soon relinquished this and Perskor merged with Caxton. Similarly, in 1997 Naspers divested itself of the Sunday paper *City Press* to a black owned group, Dynamo Investments. However, after two years Naspers resumed ownership. Naspers has also acquired full ownership of *Rapport*, leaving it as the sole owner of mainstream Afrikaans newspapers. Naspers also recently made a bid for the last family-owned paper, the *Natal Witness*.

Graph 2 below shows current ownership patterns in the daily newspaper market. Times Media Limited includes *Business Day* and *Daily Dispatch*. The black-owned TML and NAP combined command 38% of the daily newspaper readership. However, this represents only 29% of the total number of daily titles (or 5 out of 17).

Graph 2: Readership - daily newspapers [{Click to view the graph}](#)

The other 50% of BDFM is owned by the UK-based Pearson Group, the publishers of the Financial Times. The Mail and Guardian is 72% owned by the UK-based Guardian, with a further 11% owned by the UK-based Sainsbury Trust. Graph 3 shows the foreign ownership of daily newspapers in terms of the readership of all ING dailies and Business Day (50% owned by Pearson). It currently rests at 33%. Unlike broadcasting, there is no regulation or policy limiting foreign ownership of print media.

Graph 3: Foreign vs local ownership - daily readership [\(click to view graph\)](#)

Most local commercial newspapers (knock and drops) are distributed in various metropolitan areas, and target predominantly white residential areas. They are in the main owned and controlled by the big media houses. There are currently 147 titles affiliated to the Community Press Association. Naspers owns 38 English and Afrikaans local newspapers in Gauteng, Free State, Western Cape and Eastern Cape. Caxton directly and indirectly owns around 40 local newspapers in 6 provinces. Independent Newspapers owns 12 local newspapers in the Western Cape through its subsidiary, Cape Community Newspapers, while Times Media Limited owns 4 titles in the Eastern Cape.

The mainstream groups also own more than 50% of magazines published in the country. Because of cross media ownership regulations, there are few mainstream print media investments in broadcasting. City Press and Independent Newspapers Gauteng own 19% each of Kaya FM. Classic FM is partly owned by Times Media Limited. Naspers and Johnnic Communications own effectively 28.63% and 24.72% of M-Net respectively.

2.2.3 New Media

South African on-line news and current affairs services are dominated by existing media players. Naspers owns M-web, M-web owns the on-line Daily Mail & Guardian and News 24.com, Johnnic Communications owns INet-Bridge and Ananzi and ING owns Independent On-Line (IOL). Primedia owns iafrica.com. Other on-line versions of newspapers include Business Day, Sunday Times, Business Times and City Press. Sowetan, Sowetan Sunday World, Citizen and Ilanga have not yet established on-line editions.

2.2.4 Control of the media

Control rests at three levels: policy-making, management and editorial. Policy-making occurs at the level of boards of directors. Changes in the profile of boards of directors of various media houses have mainly been in terms of racial composition, with little or no inclusion of women.

Black people, particularly African males make up the majority of board members in Johnnic Communications, New Africa Media and Dispatch Media. The boards of Naspers, Caxton and ING's International Advisory Board are still predominantly White and male.

Primedia is a major player in the broadcast industry, with shares in successful radio stations like Highveld Stereo, KFM, Cape Talk and Radio 702. It recently acquired an empowerment partner, the Mineworkers Investment Company, and its board is 64% White, 29% African, and 7% Indian.

The SABC board's composition is 42% African, 33% White, 17% Indian, and 8% Coloured, with women comprising 42%. The SABC board is appointed by the President on the basis of nominations by Parliament, to which it is accountable.

With the exception of New Africa Publications and Mandla-Matla, senior business management posts in the print sector remain largely in the hands of white males. For example, nearly all of the senior managers in the black-owned Times Media Limited (TML) are white males. While the number of black senior managers at ING has increased, it is still mainly white and male. Naspers and Caxton senior management is also predominantly white male.

The demographic profile of editors has changed significantly in recent years. Before 1994 most editors of mainstream newspapers were white males. By June 2000 there were twelve black editors out of 30 of the country's major daily and weekly mainstream newspapers, of which two were women (see Graph 4 and Annexure 3). Since then one of the women editors has left the industry. There are more women - mainly white - who occupy editor positions in the magazine sector.

Graph 4: Demographic profile: Mainstream newspaper editors [\(Click to view graph\)](#)

There have been significant demographic changes in broadcasting. Previously, almost all news editors were white and male. Today SABC news editors at regional and national levels are predominately black male, with one woman regional editor. The proportion of black news editors in the private broadcasting stations is 56%, while the number of women editors stands at 44% (see Graphs 5 and 6)

Graph 5: Racial demographics: Private broadcasting editors [\(Click to view graph\)](#)

Graph 6: Gender demographics: Private broadcasting editors [\(Click to view graph\)](#)

While changes in ownership, management and the newsroom have had some impact on the editorial content of newspapers and radio stations, in many cases little has changed. Black and trade union investors have been cautious about broadening or altering the market orientation of profit-making ventures.

2.3 Distribution and accessibility of media in South Africa

2.3.1 Printing and distribution infrastructure

The Comtask Report identified ownership and control of the distribution and printing infrastructure as critical areas that need to be addressed in order to promote media diversity.

The mainstream media own and control the bulk of printing and distribution infrastructure. Times Media Limited and Independent Newspapers jointly own the Johannesburg-based The Newspaper Printing Company; and together with New Africa Publications they own Allied Distribution Limited. Naspers owns National News Distributors (NND) and printing presses in Johannesburg, Bloemfontein, Cape Town and Port Elizabeth. Caxton/CTP owns Johannesburg Newspaper Printers, Cape & Transvaal Printers (CTP) as well as various smaller printing outfits across the country. New Africa Publications uses the Caxton printing press and Allied Distribution Limited to print and distribute the Sowetan and Sowetan Sunday World.

While there has been collaboration amongst various publishers around distribution, they continue to own and run different distribution networks. Newspapers in SA are distributed to retailers who sell them on a commission basis.

Print and distribution infrastructure is concentrated in metropolitan centres, where they serve mainly wealthier communities. This has further cost implications, as newspapers must be transported from town to rural areas before they are distributed. Local independent newspapers are usually dependent on printing presses owned by their competitors.

Innovative ways to distribute newspapers to disadvantaged communities have yet to emerge.

2.3.2 Signal distribution

The IBA and now Icasa Act allows for three different tiers of signal distribution (namely public, private and community). Sentech is licensed as a common carrier - and cannot refuse to carry the signal of any licensee. This requirement is seen as necessary to ensure access to distribution. However, because of concern that the tariffs charged by Sentech prohibit small stations from using this service, the Broadcasting Act requires that Icasa perform an inquiry into tariffs. The majority of public, private and community radio stations use Sentech.

Signal distributors can also apply for a licence, which does not carry the obligations of the common carrier. The Johnnic-owned commercial operator, Orbicom, is the only distributor currently licensed under this section of the Act. Orbicom provides signal distribution services to M-Net and DSTV.

In addition, stations can apply to distribute their own signal. Through donor funding some community radio stations opted to buy their own transmission equipment. However, they still face additional costs for maintenance, and cannot afford equipment needed to analyse and monitor the spectrum to avoid destructive wave interference.

There are millions of South Africans who cannot receive television and radio signals. In addition, where signals do exist, they are not always used, given the lack of means of many communities to access them.

As Table 1 shows, on 1 June 2000, 18.6% of the national population, or 7 781 114 people, did not receive Grade B FM radio reception (which is the standard reception available on portable radios). KwaZulu Natal, Mpumalanga, Northern Province and Eastern Cape each have more than 1 million people with no access to any FM radio service. These provinces also have the poorest newspaper distribution.

Table 1: Population without Grade B (i.e. standard) FM Reception from any service as at 1 June 2000

Province	Population	Provincial population without Grade B fm radio signal	Percentage of provincial population with out Grade B signal
Mpumalanga	3 033 1000	1 103 571	36.4 %
Northern Province	5 332 3000	1 067 945	20 %
Eastern Cape	6 621 5000	1 650 001	24.9 %
Western Cape	3 732 6000	331 965	8.9 %
Gauteng	7 090 8000	256 890	3.6 %
North West	3 469 4000	392 756	11.3 %
Free State	2 851 3000	601 258	21.1 %
Northern Cape	760 6000	206 845	27.2 %
KwaZulu Natal	8 870 9000	2 169 883	24.9 %

Source: Sentech

2.3.3 Language

The Constitution promotes the use of all 11 official languages. The challenge for South Africa is to implement the new language policy in an environment characterised by a legacy of the marginalisation of African languages on the one hand, and resource constraints.

While there are a variety of languages available on radio, *Ilanga* is the only mainstream newspaper published in an African language, Zulu. Its readership has been growing over the years, from approximately 750 000 in January 1998 to approximately 1 350 000 in June 2000.

SABC research done in 1996 indicates that English as a television language enjoys "high aspirational value" among African language speakers. While South Africans seem to prefer watching television in their home language, English is their second choice. This partly explains the predominance of English on the SABC. However, the public broadcaster recognises that there is space for more unique language programming, but has found it difficult to implement this because of huge resource constraints.

The IBA's 1995 Triple Enquiry Report recommended that the SABC language services be extended to cover 80% of the target audiences. This is very nearly completed and extends the right of access to broadcasting in listeners' home languages. This, however, refers to national or regional languages, and not local languages.

The SABC has recently launched a Khoi and San language public service in the Northern Cape, and one of the new community radio licensees in the Northern Cape will also produce programming in these languages.

2.3.4 Socio-economic conditions

There are approximately 3,5 million illiterate adults in South Africa with the majority based in rural areas. Besides word-of-mouth and community theatre, the only means of accessing information for these adults is through radio and television.

The situation in the Northern Province illustrates the extent of the problem. According to the 1996 Census, the Northern Province had 4 929 368 people which constituted 12.1 % of the national population. The province had a very large rural population (89%) as opposed to a national figure of 46.3% people in rural areas. This very rural population also had a low level of education with 36% not having been to school. The Census also shows the province had a high level of unemployment, namely 46.3% of people between the ages of 15 and 65 years. Of the employed people, 41,4 % earned less than R500 per month. The population also had a higher proportion of women (54,3%) than other provinces.

Considering the combination of low levels of education and income as well as high unemployment, services such as newspapers and television are inaccessible and too expensive for a large section of this province's population. This overall trend can also be found in other provinces though each province has its unique features. A strategy to develop diversity of media should take into account the needs and socio-economic conditions of each province.

2.3.5 Media circulation and access to media

South African media has a history of bias towards urban areas. All national newspapers (City Press, Sowetan, The Star, Business Day, Sunday Times) have around 50% of their circulation in the predominantly urbanised Gauteng (population 7 million) which is more than their circulation in the predominantly rural Northern Province, Mpumalanga and North West provinces combined (population 11,8 million). In the Western Cape province, Cape Times, Cape Argus and Saturday Argus have more than 90% of their respective sales in the Cape Town metropolitan area.

The development of community radio has also been uneven. The majority of community radio stations are in urban areas and the more urban provinces. Gauteng alone has around 36% of all community radio stations. Nearly all community radio stations in rural areas have been established through donor support.

Four of the six SABC stations sold to commercial operators in 1997 are based in the metropolitan areas of Gauteng, KwaZulu-Natal and Western Cape. Subsequently, the IBA licensed seven commercial radio stations in the same metropolitan areas. Icasa is committed to conducting viability studies for private stations in "secondary" towns during the 2001-2002 financial year. It should be noted that the majority of the greenfields or new private stations licensed in 1997 are struggling financially.

The fact that mainstream media distribution is primarily informed by commercial factors means that people in disadvantaged communities are left out of the information loop. For example, while the Northern Province has a bigger population than the Western Cape, there are no commercial newspapers and radio stations based in the area. Communities rely on Johannesburg-based newspapers and the SABC African language radio stations - and in some instances community radio.

2.4 The advertising industry

Advertisements represent income generation, the lifeblood in most cases of a media project's survival. Lack of advertising has commonly been a cause of small independent publications closing down.

2.4.1 Adspend - race, class and LSMs

Black and community media practitioners have vehemently protested against perceived bias towards their print and broadcast media (see Enterprise, March 2000). They argue that, because the advertising industry is still predominantly white, there is a lack of understanding of black markets and this results in adspend that is heavily skewed against media that primarily serve black consumers, despite their readership and listenership figures.

Table 2 and Graph 7 show advertising income and listenership figures. Advertising income is skewed in favour of stations that target predominantly white listeners, such as Jacaranda, Highveld and 5fm, even though their listenerships are lower.

Table 2: Advertising income and listenership

Station	Advertising Income Nov 99 R'000s	Rams Nov 99 '000s weekly
Jacaranda	13 760	1 072
Highveld	13 679	797
5fm	10 480	1 264
Metro fm	10 265	4 666
Ukhozi	10 193	5 990
Kfm	5 601	615
RSG	4 256	1 552
Radio 702	4 073	425
Yfm	2 795	1 284
Cape Talk	1 548	65

Source: Sentech

Graph 7: Advertising income and listenership [\(Click to view graph\)](#)

Compare Highveld Stereo's listenership of 797 000, with Ukhozi fm's 5 990 000. Ukhozi fm has the biggest listenership in our country. In November 1999 Highveld received R13, 67-million in advertising income while Ukhozi got R10, 26-million.

Put another way, as Graph 8 shows, in November 1999 each Radio Highveld Stereo listener represented a value of R17.20, whereas each Radio Ukhozi listener represented a value of R1.70 per listener.

Graph 8: Value per listener [\(Click to view graph\)](#)

In Graph 8, the seven radio stations with the top value per listener all have a predominantly white listenership. Graphs 7 and 8 show that radio stations with predominantly white, and smaller listenership enjoy the lion's share of adspend, whilst the predominantly black listener stations (with the bigger listenership) earn proportionately far less in advertising income.

The print media have similar complaints. Sowetan, for example, sells 211 000 copies a day, and has a daily readership of 1 807 000. This is significantly greater than other daily newspapers such as The Star with 537 000 readers, Beeld with 446 000 readers, and Citizen with 605 000 readers.

However, the newspaper struggles to attract advertising. In their submission to the Human Rights Commission's hearings on racism in the media, Sowetan reported that some advertisers have told them that it is because 99% of their readers are black, and do not buy their products.

Advertisers argue that they go where their market, or potential market, is, and the readers of publications such as Sowetan do not in general buy high-end products. They deny that race is a factor, and argue that Living Standards Measurements (LSM) is the only measure they use. LSMs divide the population into different groups depending on their ownership of particular appliances and their consumption patterns.

However, Sowetan argues that advertisers do not, in their case, follow LSMs. In their submission they show that of the 1 807 000 Sowetan readers, 1 107 000 are in the coveted middle-to-high income LSM categories of 6,7 and 8. That is, over 60% of Sowetan readers have money to spend and should be a target for advertisers.

2.4.2 Changes in the industry

Whatever the determining factors, there is a correlation between patterns of adspend, race and class. The advertising industry, which includes advertising agencies, marketers, advertising brokers, and production companies, remains unreflective of South African demographics. White middle class men dominate advertising agencies, and young white women dominate as media planners. They influence decisions as to where adverts should be flighted, and therefore where the money is spent - which are often in media that is familiar to media planners.

Marketers and advertising agencies have industry-based organisations. The members of the Association of Marketers (Assom) represent 85% of the adspend in the country. Advertising agencies are represented by the Association of Advertising Agencies (AAA). The AAA and Assom, amongst other stakeholders, refer to the South African Advertising Research Foundation (Saarf) research in making choices and decisions around advertising. Saarf's board of directors, and its audience measurement councils that advise on surveys, are still unrepresentative of the country's population.

There are, however, signs of change in the industry. Saarf, for example, is attempting to widen participation in its structures, and AAA has announced a transformation charter, which requires 40% of agency staff to be "people of colour" within four years.

The MDDA will need to join efforts to encourage the transformation of the industry, such that it meets the needs of all sectors of the media. Diversity promotion in the advertising industry include addressing:

- ◆ Representivity amongst owners and staff, including market researchers, creative directors, planners, and buyers.
- ◆ Media planning practices.

Nevertheless, it is recognised that, even in a transformed environment, advertising and marketing ultimately respond to market factors relating to income and class. This implies that media serving poorer communities will always struggle to attract advertising, and will therefore find it difficult, under 'pure' market conditions, to survive. This market failure reinforces the view that extra-market measures are needed to promote media development and diversity.

2.5 Summary of the context and need for the MDDA

Whilst much has been done in recent years to address problems of media diversity in South Africa, it has clearly not been enough. Experience has shown that, in South Africa, market forces, opportunities for licences and changes in ownership alone cannot achieve this fundamentally important media transformation.

An instrument such as the MDDA will accelerate media development and diversity. The MDDA is needed to find solutions to obstacles to development and diversity, including:

- ◆ The challenge of globalisation of media and communications, including issues such as increased concentration of ownership.
- ◆ The homogenisation of news through reliance on a few news agencies for international and local news.
- ◆ The failure of a number of empowerment groups to acquire and/or sustain their shares in commercial media enterprises.
- ◆ The low density of media infrastructure.

- ◆ The concentration of media in metropolitan areas.
- ◆ Commercial print media ownership concentration, which includes:
 - ◆ Restrictive distribution
 - ◆ Joint newsprint purchase
 - ◆ Ownership of nominally rival publications
 - ◆ Joint ownership of printing plants
 - ◆ Restrictive control of the South African Press Association (Sapa)
 - ◆ Uniform pricing
 - ◆ Co-ordinated policies on advertising
 - ◆ Exchange of information on salaries.
- ◆ Lack of resources to support the growth of community, non-profit and small commercial media.
- ◆ The legacy in media organisations of inadequate education, training and advancement of black South Africans.
- ◆ Challenges of illiteracy and aliteracy.
- ◆ The media's failure to adequately use and promote indigenous languages.
- ◆ The need to encourage framework and environmental conditions conducive to the promotion of development-orientated news and information.
- ◆ Challenges posed by the rapid development of new media, including the need for new skills and greater telecommunications access.

3 Drawing on experience

Since the beginning of the century, many governments have recognised the importance of a free and diverse press - and the inability, in many places, of market forces alone to guarantee it.

Since the 1950s, many Western European countries have put mechanisms in place to safeguard media diversity. This intervention increased in the 1960s and 1970s, when the closure of newspapers accelerated concentration of ownership. This remains the global trend in the media industry today, intensified in more recent times with increased multinational media monopolies. Concerns about diminishing diversity both within nations and across the globe have increased.

The idea of creating instruments to promote, ensure and entrench media development and diversity are therefore not new. The MDDA will have a character, role and function that will be determined by South Africa's unique circumstances and development imperatives.

In conceptualising the MDDA and its role, government has considered the structures, operations and experiences of several relevant South African statutory and self-regulatory bodies. Section 8 provides an outline for the MDDA's relationships with other bodies. We therefore have the advantage of drawing on other countries' experiences - successes and failures - as well as our own.

3.1 Media diversity models in other countries

Many countries have identified media diversity as being important for promoting sovereignty, cultural expression, education and development. Besides funding the public broadcaster, some countries have found it necessary to use additional measures to ensure diversity. These initiatives have primarily been in the developed democracies of Western and Northern Europe.

Some developing countries are however starting to recognise the need for a support mechanism to ensure the development of a truly diverse and plural media environment. For example, the Chilean parliament has been called on to ensure there are public subsidies to guarantee pluralism of the press.

3.1.1 Dealing with media concentration

Examples of countries that have grappled with the issue, and established specific mechanisms for promoting diversity, include: Australia, Austria, Brazil, France, Germany, Netherlands, Norway, Sweden, and the United States of America.

In most cases in Western Europe, the subsidy schemes were initiated after journalists, editors and publishers, as well as civil society organisations, called for them. Naturally, each country has its own specific obstacles, and varying levels of success from their initiatives.

Swedish interventions to break prevailing tendencies towards media concentration appear to have been successful. But Austria has been cited as an example that has not been successful. This is because regulations were implemented after the largest mergers had taken place, and regulations were not retrospectively implemented.

3.1.2 Diversity and development mechanisms

The kind of mechanisms used to promote diversity has varied, and continues to vary from country to country. Mechanisms include:

Direct subsidies for newspapers including:

- ◆ General subsidies such as telecommunications, postal rate, and carrier advantages.
- ◆ Selective subsidies, for example, for newspapers with low advertising resources.
- ◆ Once-off aid packages, for example, to strengthen the financial position of the press, foster plurality of sources and promote diversity of content.
- ◆ Assistance funds for provincial newspapers with low advertisement income but important in general and political interest content.
- ◆ Establishment grants.
- ◆ Loans.

Indirect subsidies, including:

- ◆ Value-added tax concessions.
- ◆ Limiting advertising on state television - to attempt to compensate newspapers' loss of advertising income due to the swing to television adspend.
- ◆ Joint distribution rebates for newspapers that share distribution.
- ◆ Grants for research, education content, and journalists' training - to improve the quality of journalism.
- ◆ Subsidies to promote the labour market. Subsidies to build printing plants and premises, or buying new machines and technical equipment. (This only exists in Austria, but with no evidence of jobs being created.)
- ◆ Reduced tariffs for postal delivery and rail transport.
- ◆ Regulating advertising and competition to provide a reasonable framework for diversity.
- ◆ Preferential tax rate for profit reinvested in new technology or development.
- ◆ Exemptions from corporation tax for printers, publishers, and press agencies.

Australia's Community Broadcasting Foundation (CBF) was established as an independent agency. It receives grants from the Department of Communications, Information Technology and the Aboriginal and Torres Strait Islander Commission. The CBF funds community radio, community television, Aboriginal and ethnic programming. This has greatly contributed to diversity, with support given to a large number of the 150 community radio stations in the country, out of a total of 445 radio stations.

Developing countries have not generally used direct aid to enhance media diversity. But some have established framework conditions, and implemented indirect measures to address some of the problems. For example, various Asian countries, including South Korea, Singapore and India, have over the years developed mechanisms to enhance diversity through anti-trust regulations and/or preferential tariffs on essential services, including postage, telecommunications, rail and telegraph. Brazil uses its federal constitution to prevent foreign ownership. It also has regulations to limit cross-media ownership, and provide for public access television channels.

In the SADC region, there are various government and non-governmental initiatives aimed at promoting freedom of expression and media diversity. These include the draft SADC Protocol on Culture, Information and Sport, the 1991 Windhoek Declaration and the Southern African Media Development Foundation (Samdef).

3.1.3 Sources of funding

Press subsidy schemes are most often funded directly by government. The government department responsible for arts and culture, or communication, usually collects a levy from the media industry. It then makes a direct disbursement to a press council, or in some instances, directly to the newspapers. The levy is legislated in most of the countries looked at.

Several of the European countries have a tax on advertising. But they do not necessarily link it to funding press subsidy schemes.

Austria has no national tax on advertising. But regional and local authorities charge a tax on advertising.

In France, the levy on advertising does not only fund the press subsidy scheme. It is also a lucrative source of income for the government. Legislation states that the annual general budget should fund the press subsidies. However, there is a legislated national tax on public and private television advertising revenue. This tax only funds daily national and regional newspapers with limited advertising revenue. But the amount collected in 1994, for example, was much higher than what was handed out in subsidies.

In Sweden, legislation imposes a levy on all advertising to fund the press subsidies. This levy is 10%, except on newspaper advertising, which is 3%.

The Netherlands' Press Industry Fund is financed by income from a levy on both public service and commercial television advertising, which is limited to 4%.

3.1.4 Open Channels

In several countries there are public access television channels, mostly on cable. Cable operators in some countries are obliged by law to provide public access channels on their services.

In Germany, the public access channels are funded by 1% of the television license fee that is paid to the national public broadcaster.

In Brazil cable operators are obliged to make the channels available and educational or community groups have to fund and produce their own programming.

In the United States of America there are more than 2 600 public access TV channels. Most are distributed over cable, though some are relayed via microwave from colleges and university campuses. These are funded through a fee from cable operators as well as municipal concessions.

3.1.5 Common carriers for print distribution

Some countries have implemented provisions to ensure that distributors of print media carry smaller publications. The experiences of Sweden, France and the UK are instructive:

The Swedish National Post Office and the Swedish International Press Bureau have, since 1969, been responsible for organising the nationwide delivery of Swedish press, through four competing national subsidiaries. In addition, there are two regional delivery companies. All of these are completely independent of the newspapers themselves. The object of the scheme has been to

- ◆ reduce distribution costs by abandoning individual private distribution

- ◆ accept the principle of the same price per copy for papers regardless of distance, and
- ◆ increase the chances of market access of secondary papers.

This form of distribution is made possible through the state subsidising the co-operative distribution ventures, based on the number and weight of the newspapers distributed.

According to a study by Paul Murschetz (State Support for the Press, 1997), "the effect was to counteract the relative advantages of market leaders, of large scale distribution and at the same time to compensate them for the additional expense of co-operation with the secondary title. The system was based on voluntary participation and joined by practically all Swedish dailies."

France has implemented a range of measures, including:

- ◆ Reduction in social security contributions and taxation for hawkers and vendors of newspapers.
- ◆ Exemptions from corporate tax on newspapers distributors.
- ◆ Contributing to the modernisation of distribution costs through encouraging the development of a national newspaper distribution agent.

The United Kingdom has a system of newspaper distribution whereby newspapers are sold to wholesalers who in turn sell them to newsagents. Newsagents are required by an industry Code of Practice, which complies with statutory requirements, to meet a Minimum Entry Level (MEL) before they can start operating. According to the UK Office of Fair Trade, "a wholesaler cannot refuse supplies if the newsagent meets the MEL". Between 1992 and 1999 the number of newsagents grew from 44 474 to 55 090.

3.2 Learning from our own experiences

South Africa has had some media development and diversity initiatives. These have been unsuccessful, largely because they have been premised on voluntary media industry funding and because of disagreements around such voluntary commitments.

3.2.1 The Independent Media Diversity Trust (IMDT)

In the early 1990s, as hopes for a democratic political dispensation in South Africa grew, discussions and debates emerged around sustaining and promoting media diversity. Mainstream media and advertising industry representatives largely argued that media should be left to market forces. Alternative press representatives, amongst others concerned about diversity, argued that, left to free enterprise, diversity would wither and die. They argued that market forces in the media industry largely ignored the needs of audiences unattractive to advertisers, and that the industry's stranglehold on printing and distribution outlets severely restricted the growth of the alternative press.

This proved to be true, with many independent and community media titles disappearing in the mid-1990s. The media projects experienced other obstacles, like lack of access to effective marketing and distribution, unskilled management and lack of access to cheap finance.

In the lead up to democratic elections, foreign funders began exerting pressure on a range of the alternative press projects to become self-sufficient. Many foreign funders were, in the longer term, looking towards redirecting their funding to other social needs.

Representatives of the alternative press began to hold formal discussions around strategies to sustain and promote diversity. Amongst the publications engaged in discussions about setting up a media diversity trust were what later became the Independent Magazines Group (IMG):

- ◆ Challenge (human rights orientated church publication)
- ◆ Learn & Teach (newly literate adults)
- ◆ South African Labour Bulletin (workers)
- ◆ Speak (women workers, women's rights)
- ◆ Upbeat (youth)
- ◆ Work-in-Progress (political and development issues)

Another group which formed in 1991 to find solutions to their financial crisis, the Conference of Independent Editors (Cine), was also involved in discussions around a media diversity trust. They included:

- ◆ New African (a largely provincial newspaper that supported the ANC)
- ◆ New Nation (a national ANC aligned newspaper)
- ◆ South (provincial newspaper)
- ◆ Vryeweekblad (national, progressive news approach for white Afrikaans-speakers)
- ◆ Weekly Mail (national independent newspaper)

Through lobbying stakeholders, the Independent Media Diversity Trust (IMDT) was established in 1993 to help sustain and promote media development and diversity. Funds for the Trust were raised from the media industry - the Argus Group in particular - and foreign funders. However, the IMDT was doomed to failure because funding was entirely voluntary, and the media industry slowly pulled out.

The IMG, and some of the newspapers in the Cine group, received some funding through the IMDT, through which a few foreign donors, like the European Union and Novib, channelled funds. Of those in the IMG, only two still exist, and one of them, the South African Labour Bulletin, receives some support from the Department of Labour. Only one newspaper, the Weekly Mail, now called the Mail & Guardian, survived, mainly through its acquisition by the UK Guardian. A wide range of community newspapers in different parts of the country have also closed down, mainly due to funding problems.

The IMDT still exists, but operates on a small budget and mainly focuses on training. It has indicated its support for the MDDA initiative.

3.2.2 Print Development Agency (PDA)

In 1998 the IMDT, the community media sector and the Independent Publishers Association of SA, in conjunction with Print Media South Africa (PMSA), tried to establish this agency to support print media. It was to be funded by all the major media houses. However, this initiative fell apart early in 2000, amidst disagreements around mainstream media commitments. The PMSA at that stage could not make a long-term financial commitment to the PDA. Community media withdrew from the initiative, fearing a possible repeat of the IMDT experience where the mainstream media did not sustain its stated commitment.

The PMSA resolved to go it alone and establish a Print Development Unit to help support potentially viable newspapers in various communities. PMSA has expressed support for the MDDA initiative.

Voluntary mechanisms have been shown to be unsuccessful in a sector as dynamic and competitive as the media industry. The failure of both the IMDT and PDA initiatives has shown that there is a need for a legislated mechanism to promote media development and diversity. It is this need that the MDDA will fulfil.

4 The Media Development and Diversity Agency

The MDDA will, through its various roles, functions, programmes and activities, help promote and implement media development and diversity for the benefit of all South Africans. It will, by becoming a resource for the whole nation, act as a catalyst for the transformation of the media industry.

4.1 The MDDA's vision and mission

Vision

The MDDA's vision is for:

A thriving South African media reflective of the population it serves through:

- ◆ Participation by all groups and interests as owners, managers and producers of media.
- ◆ A diverse media infrastructure that provides relevant content to South Africa, Africa and the world, and is conducive to a public discourse that reflects the needs and aspirations of all South Africans.

Mission

The MDDA's mission will be to:

- ◆ Promote development by creating an enabling environment for sustainable media diversity in South Africa and thereby deepen democracy.
- ◆ Increase access to media for all citizens, as consumers and producers, and, in particular, ensure that the voices, aspirations and images of marginalised sectors such as women, people who are illiterate, rural people and people with disabilities, are heard and seen.

4.2 The MDDA's role

The MDDA's role will be 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.
- ◆ Raise public awareness around media development and diversity issues.
- ◆ Make policy recommendations to government as well as the private sector and other media agencies.

4.3 Aims and objectives

To accomplish its mission, fulfil its role, and achieve its objectives, the MDDA will promote media development and diversity by:

- ◆ Providing support - including funding, training and capacity building - to promote diversity in ownership, control and staffing of media.
- ◆ Stimulating debate and creating awareness about the importance of media diversity.
- ◆ Evaluating and making recommendations, in consultation with stakeholder groups, around media and advertising training curricula, and codes of conduct.

- ◆ Identifying under-served areas and facilitating project development in these areas.
- ◆ Striving - through research, monitoring and lobbying - to support the public broadcaster in carrying out its public service mandate.
- ◆ Lobbying relevant self-regulatory bodies in the broadcasting, print and advertising industries to promote and develop their codes of conduct through open, public processes and to pay attention to advancing media diversity in the codes of conduct.
- ◆ Playing an advocacy role.
- ◆ Taking up media development and diversity issues with relevant bodies.
- ◆ Ensuring public participation through holding open hearings and having transparent procedures (unless there are exceptional circumstances) and giving clear reasons for any of its decisions.
- ◆ Engaging in research, proposing policy and making recommendations to other organisations, including regulators, government, training institutions and funders.
- ◆ Playing a part in efforts to promote media development and diversity in the SADC region, through networking, information-sharing and forging relations with appropriate government and non-governmental initiatives.

Through these activities, the MDDA will promote conditions conducive to media development and diversity, and thereby to media freedom and democracy.

4.4 The MDDA's powers and mandate

The MDDA's main mandate will be to promote diversity and development in the print, broadcast and new media. It will seek out collaboration with bodies dealing with telecommunications, licensing, film and video, in order to achieve effective coordination and avoid duplication

The MDDA will be a statutory structure championing media diversity. It will commission research, make recommendations to government, the media industry and other relevant bodies.

It will also:

- ◆ Take a proactive interest in media competition issues.
- ◆ Consult with all state and statutory institutions dealing with issues within its mandate.
- ◆ Consult with relevant self-regulatory bodies, industry associations, and trade unions.
- ◆ Refer complaints it receives to relevant regulatory bodies, since it will not in itself be an enforcement agency.
- ◆ Develop policies that are informed by ongoing research and evaluation.

4.5 Independence and accountability

The MDDA will be an independent, statutory body at arms-length from government, private sector, donors and beneficiaries. It will:

- ◆ Be governed by a board and will account to Parliament.
- ◆ Fall under the Public Finance Management Act No.1 of 1999, as amended by Act 29 of 1999.
- ◆ Have to apply for exemption from Schedule 2 of the Act, which states that all revenue should go into the National Revenue Fund.
- ◆ Meet with all relevant public institutions and organisations at a consultative Annual Review Forum, which will consider its annual report.

5 Who will benefit from the MDDA?

South Africans and South Africa as a whole will benefit from the broadening media spectrum available to them. Direct beneficiaries of the MDDA will include individuals, organisations, institutions and businesses whose work will deepen media diversity.

Increased consumption and production of media will benefit existing media players by expanding local markets and developing a critical mass of content for export.

Those citizens who have been historically and geographically disadvantaged will be specifically targeted as beneficiaries, both as media producers and consumers.

The MDDA will use up to date research in making decisions around funding priorities.

The MDDA will support:

- ◆ Community and other non-profit media.
- ◆ Small commercial media (primarily by facilitating access to loan finance).
- ◆ Empowerment groups (by facilitating access to loan finance).
- ◆ Diversity projects such as special reading broadcasts, indigenous language promotion, easy reading editions, and non-governmental organisations that produce easy access media in various formats, such as Braille and broadcasts for the deaf.
- ◆ Training programmes.
- ◆ Individuals who qualify for bursaries in media-related studies.

6 The nature of the support given by the MDDA

The MDDA will aim to be cost-effective in allocating and disbursing its funds. It will attempt to be creative in its support mechanisms to respond to unique needs. It will look at working in partnerships to maximise its resources.

Here we outline the nature of some of the forms of support, funding and otherwise, it will investigate, including:

- ◆ direct subsidies
- ◆ indirect subsidies
- ◆ emergency funding
- ◆ capacity development
- ◆ encouraging social responsibility support:
 - (a) In the broadcasting sector
 - (b) In the print sector
- ◆ training
- ◆ evaluation and monitoring
- ◆ research

The identification of these possible areas of support does not in any way imply that other bodies currently providing such support should cease their activities. The MDDA, once established, will work in close co-operation with such bodies to gradually harmonise their respective support initiatives.

6.1 Direct subsidies

Direct subsidies are cash grants made mainly to community and other non-profit media projects to assist with:

- ◆ Infrastructure and equipment costs.
- ◆ Training.
- ◆ Programming costs or supplementing production costs.
- ◆ Feasibility studies, including for small commercial media, to establish new projects.
- ◆ The license application process.
- ◆ Operational costs
- ◆ Diversity projects. Funding would also be available to commercial media who want to develop diversity.

6.2 Indirect subsidies

Indirect subsidies are grants to support the development of an enabling environment for media development and diversity, and could include:

- ◆ Managerial and business expertise through government business development schemes.
- ◆ Subsidised telecommunications and postal rates.
- ◆ Subsidised distribution and printing costs.
- ◆ Signal distribution for community broadcasters.

The feasibility of tax reductions for special cases would need to be investigated.

6.3 Emergency funding

The MDDA will consider offering crisis funding to media projects. It would look at a range of criteria for doing so, including whether:

- ◆ The project declared a significant surplus or profit for at least two years before (in this case loan finance can be considered).
- ◆ The demise of the project would reduce diversity in the area or sector it serves.
- ◆ The emergency funding would ensure the strengthening and survival of the project, and not just postpone inevitable closure.
- ◆ The project has followed sound management and financial principles, and if not, has instituted corrective action.

6.4 Capacity development to produce content

The MDDA will promote diversity in all media. Some of the ways it will do this will include supporting:

- ◆ Diversification of news agencies by supporting the establishment of smaller, regional news agencies, alongside the existence of an effective and independent national news agency.
- ◆ Granting of innovation awards. For example, the MDDA could give an award for ideas around using media technology and content development on the Internet, as well as imaginative programmes to widen communities' access to the Internet.
- ◆ Telephony and internet access to community media, through cooperation with government and private sector initiatives.
- ◆ A community journalism development programme.
- ◆ Pilot projects to develop the capacity to produce on-line content.
- ◆ Relevant development orientated non-governmental organisation material, and community produced supplements.

6.4.1 Literacy

Given that approximately 3,5 million adults in South Africa are illiterate, the MDDA would pay special attention to their needs within our media environment. Promoting literacy and a culture of reading is important for both individual and national development. The MDDA will liaise with the Department of Education, other relevant departments, and literacy organisations in considering support for literacy material production, and promoting reading within the scope of the MDDA.

Of particular focus initially would be:

- ◆ Funding accessible formats such as special easy reading supplements, inserts and pages in mainstream newspapers and other publications.
- ◆ Materials produced in marginalised languages - particularly African languages.
- ◆ Funding non-governmental and community-based organisations' publications aimed at newly literate adult readers.

6.5 Encouraging social responsibility support

(a) In the broadcasting sector

Broadcasters, through their licensing conditions, are required to implement a range of social responsibility clauses, including a particular proportion of local content programming.

The MDDA will strongly subscribe to social responsibility in media, and will encourage broadcasters to:

- ◆ Promote the establishment of self-help stations that aim to increase people's access to their signal - provided that this does not discourage existing broadcasters from extending the coverage themselves.
- ◆ Train and facilitate access to facilities and equipment.
- ◆ Develop relevant and accessible programming, especially for rural communities.
- ◆ Offer student bursaries to people who are not part of their permanent staff.
- ◆ Promote indigenous languages.

The MDDA will also support initiatives aimed at ensuring that the public broadcaster fulfils its mandate to reach out to the provinces.

(b) In the print sector

There have not been any social obligations placed on South African newspapers. Some newspapers nevertheless do have training and internship programmes.

- ◆ **Printing**
A few printing presses owned by the large newspaper publishers dominate the printing industry. The MDDA will engage with bodies such as the Print Industry Federation of SA (PIFSA) to negotiate access to existing printing presses by independent or community-produced publications. The MDDA will, in time, assess whether this addresses the problem adequately, or whether an alternative infrastructure needs to be developed.
- ◆ **Supplements**
The MDDA will support supplements that deal with developmental issues such as easy reading, learning or education, and community productions. Such supplements could be special pages or inserts in commercial mainstream newspapers and other publications. The incentive could be an increase in readership and further opportunities for sponsorships and advertising.

6.6 Common distribution carriers

The MDDA should make provision for national and provincial common distribution carriers, as recommended by Comtask, with agreement from the major print distributors. The purpose will be to ensure that the large distributors carry smaller publications at a reasonable cost, and that they reach under-served areas.

The MDDA should within one year develop a Code of Practice for national and provincial print distributors based on, amongst other things, the following:

- ◆ Universal access - the distribution infrastructure should be extended to all under-served areas, particularly rural areas.
- ◆ Affordable access by all publishers to the means of distribution.
- ◆ A differentiated common carrier tariff structure which should be informed by:
 - nature of the publication (community, small commercial or mainstream);
 - number of copies distributed;
 - distribution distance;

The MDDA should conduct research on a financial model to realise these objectives.

The Code of Practice should emerge through consultation with the industry. However, should agreement not be reached within a year of the MDDA's formation, the MDDA may recommend that government consider appropriate legislative measures.

6.7 New media

The accelerated development of new media raises a variety of issues for the MDDA's attention. The Universal Service Agency (USA) has been responsible for the development of telephony and internet access. The USA's projects have extended to developing infrastructure and training telecentre facilitators. But they have not addressed creating South African content for the world wide web, or start-up services for distributing information on other media platforms.

In the context of the new media, the MDDA will need to:

- ◆ Liase with Icasa, which also has an interest in new media research.
- ◆ Investigate how far it will support new media in the pursuit of media development and diversity.
- ◆ Differentiate broadcasting, print and new media - their different, interacting, uses, applications and needs.
- ◆ Develop small and community media's use of new media.
- ◆ Investigate launching an innovation programme where media are encouraged to innovate ways of applying new media and technology to the benefit of the audience, or to improve their service quality.
- ◆ Develop a policy on the MDDA's approach to new media, and the impact of convergence.

6.8 Training

In order to be strategic and effective in fulfilling its mandate, the MDDA will need to work closely with:

- ◆ The Sector Education Training Authority of Media, Advertising, Publishing, Printing and Packaging; and
- ◆ The National Electronic Media Institute of South Africa (Nemisa).

In training, the MDDA will focus particularly on:

- ◆ Skills development in all facets of media work, with particular emphasis on supporting disadvantaged institutions to ensure more skilled media practitioners from marginalised sectors.
- ◆ Actively promoting the inclusion of issues concerning media development and diversity in curricula, both in training institutions and in-house.
- ◆ Building capacity in communities to establish media projects, including on how to apply for radio licences.
- ◆ Facilitating the establishment of a bursary or loan scheme to fund training at approved institutions.
- ◆ A development and community journalism training programme.
- ◆ Promote training in media entrepreneurship and media management

6.9 Performance evaluation

The MDDA will need to ensure regular assessments of projects, including:

- ◆ feasibility studies for new media ventures, and
- ◆ performance evaluations of funded projects.

6.10 Media research

The MDDA should ensure research into the media environment, trends and needs including:

- ◆ A framework for a sustainable SA news agency dispensation which serves all media interests
- ◆ Ways in which the self-regulation of the media through such bodies as the Press Ombudsman and the Broadcasting Complaints Commission of SA might be strengthened to enhance public accountability of the media
- ◆ Progress towards media development and diversity
- ◆ Ownership and control patterns, and empowerment trends.
- ◆ Identifying under-serviced areas and information gaps, for example access to material in Braille.
- ◆ Funding trends in the media.
- ◆ The advantages and disadvantages of placing limits on foreign ownership, especially in the context of small commercial publishers considering partnerships with foreign investors due to their struggle to find local investors.
- ◆ The sustainability of community media, and the potential development of community television.
- ◆ Enhancement of media related market research methodologies - but the MDDA will not do market research itself.
- ◆ Language trends in the media.
- ◆ New media and convergence, including the feasibility of a common electronic carrier.
- ◆ The relationship between concentration, cross-ownership and diversity.

7 The MDDA's guiding principles in funding decisions

The MDDA will develop an overview of the entire media landscape so as not to duplicate other media funding efforts, and ensure that resources are not concentrated in certain areas.

The MDDA will recognise that there is a range of donors in the media sector. Some are already part of the Interim Media Funders Forum (IMFF) that was set up to try and co-ordinate media funding activities prior to the establishment of the MDDA. In the interests of co-ordination, streamlining and greater impact, funders will be encouraged to channel their funding resources and efforts through the MDDA, on the understanding that commercial interests should not substitute for, nor subvert, the objectives of the MDDA.

The MDDA's guiding principle in making funding decisions and loan recommendations will be the contribution a project makes to media development and diversity. It will seek to promote sustainability wherever possible and to fund projects that have good governance practices. Other considerations include representation on the boards of community media projects, community participation and equity plans.

The MDDA would assist media projects to develop sound business plans, and promote sustainability by facilitating assistance from relevant government and other business development services. Priorities would be developing managerial and business expertise, information sharing, and networking. Where needed, the MDDA will help orientate service providers in media development and diversity issues and priorities.

If feasibility studies indicate that a project can become sustainable, the MDDA will generally seek to direct it towards accessing loan finance through loan agencies.

7.1 Media projects requiring long-term support

The MDDA will, however, recognise a category of media projects that may not become sustainable even over a long period of time. The MDDA would:

- ◆ Work rigorously with such projects to identify the impediments to sustainability.
- ◆ Focus on developing an enabling environment.

Community media projects that are not financially sustainable may justifiably require continuous funding because of the function they play in a community, or in society as whole. The MDDA will establish criteria to assess these cases. It would, if warranted, conduct a feasibility study to establish the project's viability. Criteria for continued support could include:

- ◆ Community interest and support for the project, as gauged, for example, from listenership/readership, or community participation.
- ◆ The community's capacity to:
 - absorb the grant;
 - contribute to the projects' sustainability.
- ◆ The extent to which the project offers:
 - access to information not offered by another media service;

- diversity;
- social and economic benefits.
- ◆ The media project's performance, in terms of indicators drawn from the above.

7.2 Good governance

The MDDA will consider good governance as vitally important, both in its own practices, and in the projects it funds. This includes:

- ◆ Sound financial and narrative reporting, and accountability to all stakeholders.
- ◆ Adherence to law, such as taxation, and employment equity laws.
- ◆ The MDDA's own good grant making practices, including streamlined and efficient application procedures, and regular monitoring, evaluation and reporting.

7.3 Conditions

If necessary, the MDDA will develop conditions, additional to those in 7.2, for individual projects. It could, for example, reserve the right to restrict the sale (transfer of ownership) of a project for a specific period of time. Another condition might be that project members take part in media diversity awareness and training. Such conditions would be stipulated in a funding contract.

8 Relationship with other bodies

To ensure a coherent approach to the media environment, and to optimise impact, the MDDA would meet regularly with relevant bodies in order to:

- ◆ Network and collaborate.
- ◆ Promote efficient management of resources.
- ◆ Increase effective co-operation and co-ordination.
- ◆ Prevent duplication.

8.1 Relevant bodies

These would include:

- ◆ International and national donor agencies, including the Southern African Media Development Fund (Samdef).
- ◆ Government departments and agencies.
- ◆ Statutory institutions.
- ◆ Self-regulatory media industry bodies.
- ◆ Civil society organisations, in particular media trade unions and professional associations, and media non-governmental and community-based organisations.
- ◆ Small business development agencies such as Ntsika and Khula.

8.2 Annual Review Forum

By law, the MDDA would have to meet the following statutory and self-regulatory bodies at an Annual Review Forum, amongst other things to consider its Annual Report of activities and expenditure.

Statutory

- ◆ Commission on Gender Equality
- ◆ Competition Commission
- ◆ Human Rights Commission
- ◆ Independent Communications Authority of South Africa
- ◆ National Development Agency
- ◆ National Film and Video Foundation
- ◆ South African Broadcasting Corporation
- ◆ Youth Commission
- ◆ Commission for the Promotion and Protection of the Rights of Cultural, Religious and Linguistic Communities
- ◆ PanSA Language Board

Self-regulatory

- ◆ Advertising Standards Authority (ASA)
- ◆ Broadcasting Complaints Commission of South Africa (BCCSA)
- ◆ Press Ombudsman

The MDDA will also invite other organisations and government departments, as it deems necessary.

8.3 MDDA's relationship with Icasa

Icasa's predecessor, the Independent Broadcasting Authority (IBA), reflected in a submission that it had difficulty in fulfilling its mandate to license a vibrant, diverse broadcasting sector. The MDDA will play a vital role in helping facilitate an enabling environment for such media diversity.

Icasa's mandate includes to:

- ◆ Regulate broadcasting in the public interest, and to ensure fairness and a diversity of views broadly representing South African society.

Its objectives include to:

- ◆ Promote the empowerment and advancement of women in the broadcasting services.
- ◆ Ensure that in the provision of broadcasting services, the needs for language, cultural and religious groups, the constituent regions of the republic and the need of educational programmes, are taken into consideration.
- ◆ Encourage ownership and control of broadcasting services by persons from historically disadvantaged groups.

The working relationship

The MDDA will work closely with Icasa to ensure that broadcasting licences are issued according to principles of media development and diversity. Through its funding, capacity building activities and research, the MDDA will empower communities and individuals to apply for and receive broadcasting licences from Icasa. The MDDA will work very closely with Icasa throughout the pre-licence empowerment phase. It will also support emerging stations in the post-licensing phase.

9 The MDDA's governance structure

The MDDA will be an independent body set up as an institution in its own right. A board will govern it, and it will be accountable to parliament. It will be subject to the Public Finance Management Act, No.1 of 1999, as amended by Act 29 of 1999, which provides guidelines for corporate governance in state-created institutions.

It is proposed that the board be appointed through a public, transparent, and participatory process, through parliament's Portfolio Committee on Communications.

9.1 The board's composition and function

The board will consist of a minimum of six and a maximum of nine members. It will be appointed through a public nomination process in which the Portfolio Committee on Communications receives nominations, conducts interviews and recommends a shortlist of 20 candidates to the President, from which a maximum of nine will be appointed. Board members should be committed to the national objectives of the country, including the need to address the challenges of transformation. Collectively members should bring to the MDDA an understanding of the country's media industry, and its diversity and development imperatives. They should also reflect the diverse demographics of the people of South Africa.

The board should collectively represent proven expertise and experience in the following fields:

- ◆ Advertising
- ◆ Media economics
- ◆ Development economics
- ◆ Financial management
- ◆ Law
- ◆ Media and ICT policy
- ◆ Journalism
- ◆ Social science
- ◆ Media training
- ◆ Literacy
- ◆ Media funding

The board will make final decisions on funding. In so doing, it would note strategic trends, look for strategic opportunities, and generally address media diversity at the macro level.

Remuneration of board members will be set by the Minister responsible for the GCIS, in consultation with the Minister of Finance.

The board would meet at least four times a year.

9.2 Chief Executive Officer and staff

One of the board's first tasks will be to appoint a chief executive officer (CEO) to run the MDDA's day-to-day activities. The CEO could be a full member of the board, and should be a hands-on person, with widely respected media experience, particularly with regard to policy issues.

Strongly recommended qualities, expertise and skills would include:

- ◆ Integrity and diplomacy
- ◆ Understanding of media economics, diversity and technology.
- ◆ Understanding of freedom of expression issues
- ◆ Staff and project management
- ◆ Fundraising

The CEO will:

- ◆ Work closely with the board, and implement its decisions.
- ◆ Fundraise.
- ◆ Represent media development and diversity issues in key policy arenas and forums.
- ◆ Oversee human resource management.
- ◆ Determine representation to various industry bodies, and participation in industry forums.
- ◆ Have the power to allocate funds between board meetings, within a fiscal limit.

The CEO will, in consultation with the board, employ a lean but competent and qualified staff complement to implement the MDDA's programme.

The staff will be accountable to the CEO, and the CEO will be accountable to the MDDA board.
(See *Annexure 6 for suggested Organogram*)

9.3 Use of experts

The MDDA may utilise expertise drawn from stakeholders and industry, in the evaluation of project proposals. Board members could attend the meetings of such experts. The board, in consultation with the Department of Finance, will decide on remuneration levels.

10 The MDDA's budget

10.1 Key funding needs

This is a summary of what government estimates the MDDA needs to achieve its aims and objectives. It includes the MDDA's operational costs and the estimated media sector's needs.

10.1.1 Funding objectives

The MDDA needs to have adequate financing to:

(a) Help maintain already existing networks, and help establish and maintain new national organisational networks to provide beneficiaries with:

- ◆ Capacity to engage in policy processes nationally and regionally.
- ◆ Training and development.
- ◆ Centrally located technological resources.

(b) Assist with beneficiaries' operational costs.

(c) Assist with beneficiaries' capital costs.

(d) Commission research on media development and diversity

(e) Cover the MDDA's operational needs, which should represent no more than 12% of total costs. This would include regular performance evaluations of funded projects.

10.1.2 The beneficiaries

The main beneficiaries of the funding would be:

- ◆ Community and other non-profit media in the radio, television, print and new media sectors. Community media projects are those which operate on a non-profit basis, serving both geographical communities and communities of interest.
- ◆ Commercial (i.e. for profit) media projects will not ordinarily be eligible for subsidies. Special cases involving small commercial media, particularly in under-served areas, may be considered for funding to conduct feasibility studies, or for assistance with start-up costs. In the main, they will be assisted to access loans from small business development facilities and financial institutions.

Key media needs as identified above have been quantified for a five-year period. This includes:

- ◆ Support for the operational costs of 221 radio stations, of which 135 will be new stations requiring, in addition, support for capital costs. This is based on Icasa's intention to issue 135 new licences during the next five years.
- ◆ Community television needs during this period focus on the provision of 11 video access centres in all the provinces.
- ◆ Print media needs include support for 45 existing print media projects, as well as 30 new publications.
- ◆ A limited amount of support is earmarked for exploratory initiatives in the new media sector.

Total key needs amount to R500m over five years (see Appendix 7).

10.2 Funding model

Balancing the total need against the capacity of funding sources to resource the MDDA, it is recommended that the MDDA should seek to meet 60% of the total needs. This amounts to R300m over five years, or R60m per year (see Appendix 8 for a more detailed breakdown).

10.2.1 The model

In meeting 60% of the total need, the MDDA would, during the first five years, cover:

- ◆ an average of 50% of all radio costs;
- ◆ an average of 87% print needs identified;
- ◆ an average of 60% of identified TV needs;
- ◆ 60% of the need identified for initiatives in the new media sector.

Beneficiaries will have to meet remaining needs by raising money through communities and advertising. However, different projects will be treated differently, depending on their circumstances.

The rationale for this differentiated model as explained below rests on the need to increase the level of funding for print media in relation to broadcasting. In addition, it is expected that not all new radio licensees will meet the MDDA's criteria for support.

10.2.2 Funding ratios broadcast: print

The needs identified represent a broadcast to print ratio of roughly 8:2, with the greatest need being community radio. Because of the closure of most alternative print publications in recent years, the capacity to begin new projects that have the potential to become viable during the first five years is, compared to community radio, relatively modest. The same applies to the virgin territory of community television, and the new media.

It is for this reason that the recommended ratio of needs to be met for broadcast and print during the first five years be roughly 7:3. This is recommended on the understanding that, during the first three years of operation, feasibility studies for print media will be conducted in various provinces. On the basis of these the MDDA will develop a business plan for promoting print media development and diversity after the first 5 years, with a view to reducing this ratio to 6:4. In addition to an increase in print media funding, it is envisaged that community radio needs will diminish considerably after five years, as explained below.

10.2.3 Community radio budget will decline

The largest portion of the MDDA's budget during its first five years will be allocated to community radio. During this period, approximately 135 new stations are to be licensed, according to Icasa, and will need support.. This requires close cooperation between the MDDA and Icasa to ensure underserved communities are able to make sound applications for radio licenses. However, because not all new licensees are likely to meet the MDDA criteria for support, an average of 50% of the need identified will be met.

After five years there should be a substantial decline in demand for new radio stations, resulting in an overall decline in budget requirements for community radio. Capital costs amounting to R35-million over five years, or on average R7m per year, for community radio will be reduced to approximately

R1-million a year. Thereafter the MDDA will only need to meet a portion of community radio operating costs. This will be for a minority of stations in remote areas that serve a proven social need, and cannot be fully self-sufficient.

10.3 Financing the MDDA

Government envisages the MDDA's budget being met in equal contributions by itself, the media industry and donors. Each would meet an equal portion of the average need of R60-million a year over a five-year period, representing a contribution of R20-million each a year.

These contributions will not all be new funding. Government, through the Department of Communications, is already funding community radio infrastructure development, the Print industry is assisting a number of print projects, and various donors are funding community radio and print projects.

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 total adspend (or approximately R43m per annum). The MIT levy is a voluntary industry levy collected to fund the SA Advertising Research Foundation (Saarf), the Advertising Standards Authority (ASA) and the Freedom of Commercial Speech Trust. There is currently under-collection in the region of R8,8m, while a 0,5% levy increase could yield an additional R21m.

One way of facilitating an industry contribution of R20m would be collecting the levy in full at an enhanced level of 1,5% of total adspend.

Advertising Standards Authority (ASA)

ASA's role is to ensure the industry abides by its code of conduct. The ASA is the only body which regulates the content of advertising. It receives funding from the MIT, and is statutorily recognised.

Aliteracy

People who can read but do not read.

Alternative press

The term used since the 1980s, up to the mid-1990s, to describe community newspapers and independent newspapers, magazines and journals that took a stand against apartheid.

AMPS

All media products survey conducted by Saarf. This includes print (PAMS), radio (RAMS), television (TAMS), and outdoor media. It indicates Living Standard Measurement (LSM) groups' media consumption patterns.

Association of Advertising Agencies (AAA)

An industry body with 26 group companies representing more than 60 advertising agencies. Its first black chairperson was elected in 1999.

Association of Marketers (Assom)

An association of companies that represents 85% of the adspend in the country.

Broadcasting Complaints Commission of South Africa (BCCSA)

A broadcasting self-regulatory body set up to promote freedom of speech, free flow of information, and high standards in broadcasting.

Caxton

Caxton was formed in the 1950s, and initially focussed on newspaper printing. Today it specialises in printing and publishing. Caxton PTY Ltd was established in 1998 out of the merger between Caxton and Perskor, which brought ownership of the Citizen, Republican Press and local titles. Caxton owns a large number of local newspapers directly and through Penrose and Capital Media, as well as printing and distribution infrastructure in various provinces.

Commission on Gender Equality

A statutory body set up to promote gender equality, and to advise and make recommendations to parliament - or any legislature - on laws which affect gender equality and the status of women.

Competition Commission

Set up according to the Competition Act to investigate the competition effects of mergers, and anti-competitive business practices. The Commission makes its recommendations to, and prosecutes cases before an adjudicative body, the Competition Tribunal.

Community

Two meanings are used for community.

- (a) A community of people who live within a particular geographical area; and
- (b) Communities of interest around issues of common concern, for example: women, workers, youth or the environment.

Community media

Defined in accordance with the definition of community radio used by Icasa as non-profit media (broadcast, print and new media). As such it excludes the local commercial press, which are also referred to as "community newspapers" in some quarters. Community media serving geographical communities are owned and controlled by the community they serve through their elected representatives. Community of interest media, however, are not directly accountable to the interests they seek to serve. Any surplus generated by community media projects would be used for community development or re-invested in the community media project, and not for any individual benefit. A community media project would classically have a democratically elected board, and hold annual general meetings.

Comtask (Task Group on Government Communications)

The Task Group was appointed by the then Deputy-President Thabo Mbeki to investigate government communications. In its 1996 report, Communications 2000, it recommended the establishment of GCIS to replace the old South African Communications Service (Sacs) and outlined a vision for government communications in South Africa. The report can be found on www.gcis.gov.za/ourdept/history.htm. Recommendations 78 & 79 are particularly pertinent to the MDDA.

Conference of Independent Newspaper Editors (Cine)

An organisation set up by alternative/independent newspapers in 1991 to find solutions to the financial crises they faced.

Danish International Development Agency (Danida)

The Danish government's international aid agency.

Democratic Public Discourse

The interaction of a diverse range of viewpoints across the media spectrum and, to a reasonable extent, within individual media entities that serve the broad public (particularly the public broadcaster).

Development Communication

Forms of communication, from story-telling to the internet, that carry socially relevant or developmental information to communities and individuals in an accessible manner.

DSTV

Digital Satellite Television, which is part of the M-Net group.

Government Communication and Information System (GCIS)

Established in 1998 on the recommendation of Comtask, to coordinate government communications and promote development communication.

Greenfield radio stations

Commercial stations that received new licences from the IBA (as opposed to the SABC stations that were privatised).

Independent Broadcast Authority (IBA)

Established in 1993 as an independent statutory body, to regulate the broadcast industry. Merged with Satra in 2000 to form Icasa.

Independent Communications Authority of SA (Icasa)

Established in 2000 out of the merger of the IBA and Satra, to regulate the broadcast and telecommunications industry.

Independent Magazines Group (IMG)

A venture in 1994 of various independent magazines and journals to save costs and become more financially sustainable through sharing resources and developing joint initiatives, like marketing. The venture was unsuccessful, with most of the publications folding due to lack of funding.

Independent Media Diversity Trust (IMDT)

Initiated by the alternative press, the IMDT was set up in the 1993 as a voluntary mechanism, to try to sustain and promote media diversity. Funding initially came from the media industry and foreign donors. However, the mainstream media eventually ceased their contributions and the IMDT failed to meet its objectives.

Independent media

Media owned and controlled outside of government, big business or mainstream media groups. In the past the alternative anti-apartheid press, commercial and non-profit, were also referred to as the "independent" press. In this Position Paper the term "independent" refers to commercial media, as opposed to non-profit and community media. South Africa's only remaining independent daily newspaper is the Natal Witness based in Pietermaritzburg. However, Naspers has recently made a bid for it.

Independent Newspapers Group (ING)

Established when Irish media owner Tony O'Reilly bought the Argus group in 1994. The stable has expanded and now provides newspapers to nearly a third of daily readers. Some titles include: The Star, Diamond Fields Advertiser, Sunday Tribune, Post, Pretoria News, Sunday Independent, Cape Argus, Cape Times, Daily News, Natal Mercury and Business Report. ING also has interests in The Newspaper Printing Company and Allied Distribution Limited, and Cape Community Newspapers, which own 13 local newspapers in the Western Cape.

Interim Media Funders' Forum (IMFF)

A forum established by GCIS and made up of donor agencies and government departments. Its purpose is to provide for networking around funding of media in South Africa, prior to the launch of the MDDA.

ICT (Information and Communication Technology)

Refers to the increasingly converging technologies of the computing (Information Technology), broadcasting and telecommunications (communication technology) industries.

Johnnic Communications

Formerly part of the Anglo-American Corporation, Johnnic was bought by the National Empowerment Consortium (NEC) in 1996. The NEC is made up of black business and trade union investment companies. Johnnic has in recent years re-focused itself into an integrated media, entertainment and telecommunications group, and is regarded as the most successful of the black empowerment initiatives. It owns Times Media Limited, and is chaired by former unionist and ANC politician Cyril Ramaphosa.

Living Standards Measurements (LSMs)

A measurement used by market researchers to determine the spending power of different categories of people.

Local commercial press

This services a particular geographical area, and is owned and controlled by individuals or companies for commercial profit. Traditionally some of these are called "knock and drops", and most are affiliated to the Community Press Association. The mainstream media dominates the commercial local media market, and refer to these titles as "community" newspapers (which is not to be confused with community media as defined in this Position Paper). Times Media Limited (through the Daily Dispatch), Naspers, Independent Newspapers and Caxton collectively own more than 100 local commercial newspapers, which serve middle to upper income areas.

Marketing Industry Trust (MIT)

For over 30 years a voluntary levy of 0,5% of advertising sales was collected to support Saarf, and was known as the Saarf levy. In 1997 it broadened its scope to include support for the Advertising Standards Authority (ASA) and the Freedom of Commercial Speech Trust, and the levy was increased to 1%. Each recipient receives approximately 87%, 8% and 5% of the levy revenue respectively. Because of its voluntary nature, there is considerable under-collection. The MIT could potentially raise R43,8m, but collected only R34m in 1999 - a shortfall of approx. R8,8m. There are currently attempts to achieve optimal collection. The MIT board consists of the NAB, SABC, PMSA, AAA and Assom.

Marginalised

Refers to communities, sectors and interests that were marginalised under apartheid, and continue to be marginalised.

Media Institute of Southern Africa (Misa)

Misa is a non-governmental organisation dedicated to promoting media freedom and diversity in Southern Africa as envisaged in the 1991 Windhoek Declaration on Promoting an Independent and Pluralistic African Press. See www.misanet.org

Media Viability Fund (MVF)

A fund set up by the Media Development Loan Fund and the Eurasia Foundation to help build democracy in the New Independent States (formerly part of the USSR). The MVF's goal is to "free independent media from financial and journalistic restraints through technical assistance, and loans that also help develop alternatives to government monopolies. The approach is to seek out strong independent newspapers and television stations, and help make them stronger."

Mineworkers Investment Company (MIC)

Formed in 1995 out of seed capital provided by the National Union of Mineworkers, MIC has significant investments in media - including Primedia and MIDI-TV, owners of eTV. It also has a large stake in Johnnic through the National Empowerment Consortium. Profits are used for bursaries, rural development and training.

Nasionale Pers (Naspers)

The history of the Naspers can be traced to the formation of the National Party in 1914 and Die Burger newspaper in 1915. Naspers owns Rapport, Beeld, Die Volksblad, City Press, Die Burger, various leading national magazines, knock and drop local newspapers, M-Web, National News Distributors (NND), and has majority shares in MIH. Owners of M-Net and Multichoice. It recently attempted to buy the Natal Witness, which is subject to a Competitions Tribunal hearing.

National Action Plan for the Promotion and Protection of Human Rights (NAP)

The NAP is informed by the Vienna Declaration of the 1993 United Nations (UN) World Conference on Human Rights. South Africa's NAP was adopted by cabinet in 1998 and deposited with the UN Commission on Human Rights on the 50th anniversary of the UN Declaration on Human Rights.

NAB

The National Association of Broadcasters represents public, private and community broadcasters.

NCRF

The National Community Radio Forum is a network of community radio stations that was established in 1991. Membership has grown to more than 100 stations, some on air, some awaiting licenses.

National Development Agency (NDA)

A statutory body set up to contribute towards the eradication of poverty and its causes. It makes grants to civil society organisations.

National Electronic Media Institute of South Africa (Nemisa)

Institute set up by the Department of Communications to improve the level of skills in the broadcasting industry.

National Film and Video Foundation

A statutory body established to develop and promote South Africa's film and video industry. Its objectives are, amongst others, to provide - and encourage others to provide - opportunities for disadvantaged people to get involved in the industry.

New Africa Investment Limited (Nail)

A black empowerment company that owns New Africa Publications, the publishers of Sowetan and co-publishers, with Times Media Ltd, of Sowetan Sunday World.

New media

Refers to new electronic platforms for delivering content that go beyond traditional radio and TV. This includes computers, electronic billboards, cellular telephones and personal digital assistants. These use protocols like the Internet and other standards that are constantly being developed, which in turn use a range of technologies such as the World Wide Web, e-mail, short-message services (SMS) and Wireless Applications Protocols (WAP).

Non-profit media

Media produced without a profit motive. This includes media owned by individuals, non-governmental organisations or communities. It usually deals with issues of social concern such as health, education, labour, literacy, land and housing.

Novib

Donor agency of the Dutch government.

OWN

The Open Window Network is a network of community-based television and video groups in South Africa.

Pan South African Language Board (Pansalb)

A statutory body set up to promote the usage of all official languages in South Africa.

Perskor

Perskor has its roots in the rise of Afrikaner nationalism, particularly the Transvaal branch of the National Party during the first half of the 1900s. In 1991 Perskor owned Die Vaderland, Citizen, Transvaler, 50% of Rapport, Republican Press, and various knock and drops. It merged with Caxton in 1998, and sold its Rapport shares to Naspers.

Press Ombudsman

A self-regulatory industry body set up to ensure media practitioners comply with media ethics as enshrined in its code of conduct.

Primedia

Formed in 1995 with Radio 702 as its flagship, Primedia has since acquired Highveld Stereo and Cape Talk. It is also active in, amongst other things, publishing, cinema and home entertainment, outdoor advertising and direct marketing. During 2000 it formed a partnership with the Mineworkers Investment Company (MIC), where the latter has assumed joint control of the company.

Print Development Agency (PDA)

An attempt was made to establish the PDA in 1998 to support community and small commercial print media. The initiative came from the IMDT, the community sector, independent publishing sector and Print Media South Africa (PMSA). It however did not materialise, and the PMSA has set up its own print development unit.

Print Media South Africa (PMSA)

Represents all the mainstream print media companies.

RAMS

Radio audience measurement survey (RAMS) conducted by the South African Advertising Research Foundation (Saarf). This is an indication of how many people listen to a particular radio station.

Sentech

State-owned signal distribution common carrier providing signal distribution services to most television and radio broadcasters in the country. Some of its clients include: SABC1, 2 and 3, M-net, eTV, community radio stations, Jacaranda, Highveld,

Small commercial media

Independent media owned by small businesses for profit.

South African Advertising Research Foundation (Saarf)

Established in 1975, with the aim of providing data about the use of mass media, product consumption, and services by users of the mass media. Current board members represent the following: Association of Advertising Agencies (AAA), Association of Marketers (Assom), Cinemark, Media Directors' Circle (MDC), National Association of Broadcasters (NAB), Outdoor Advertising Association of South Africa (Oaasa), Print Media South Africa (PMSA), and the South African Broadcasting Corporation (SABC).

South African Broadcasting Corporation (SABC)

The public broadcaster owns 21 radio stations and 4 television channels. It receives an annual parliamentary grant, and has to perform certain public service obligations alongside its commercial operations.

South African National Editors' Forum (Sanef)

Professional organisation representing most editors in SA.

South African Press Association (Sapa)

National news agency owned by the major newspaper groups.

South African Telecommunications Authority (Satra)

Established in 1996 to regulate the telecommunications industry. Subsequently merged with the IBA in 2000 to form Icasa.

Southern African Media Development Fund (Samdef)

Samdef is a nonprofit company, registered in Botswana and owned by the Misa Education Production Fund but answerable to a Regional Board of Directors. Samdef provides loans and credit guarantees to media projects that can show that they can become sustainable and operate on a commercial basis. Samdef provides training, and does monitoring and supervision to try to ensure that projects have the skills needed to become sustainable. The Fund does not offer grant funding.

Universal Service Agency (USA)

Established by the Telecommunications Act No. 103 of 1996. Its mandate is to promote universal access and service to telecommunications for all South Africans.

Universal service obligations

Refers to the obligation to extend telecommunications access to all people in South Africa.

12 Annexures

Annexure 1: List of organisations and institutions consulted

Nonprofit media

National Community Media Forum
National Community Radio Forum
Sangonet

Civil society organisations

Communication Workers Union
Congress of South African Trade Unions
Easy Reading for Adults Initiative
Freedom of Expression Institute
Media Monitoring Project
Media Workers Association of SA
Rural Development Services Network
SA NGO Coalition
SA Union of Journalists

Commercial media

African Positioning Systems
Caxton
Digital Interactive Media Association
Independent Newspaper Group
INet-Bridge
Johnnic
Kagiso Broadcasting
Kagiso Media
Kagiso Trust Investments
Mafube Publishers
Mail & Guardian
Nasnuus
Naspers
New Africa Media
Primedia
Sowetan
Times Media Limited

Industry-based organisations

Association of Advertising Agencies
Association of Marketers
Independent Producers Organisation
Independent Publishers Association of SA
National Association of Broadcasters
National Television and Video Association
Marketing Industry Trust
Print Media SA

Government departments

Department of Communications
Department of Arts & Culture, Science & Technology
Department of Education
Department of Finance
Policy Coordination and Advisory Service

Regulatory authorities, non-statutory and statutory bodies

Advertising Standards Authority
Broadcasting Complaints Commission of South Africa
Competition Commission
Commission on Gender Equality
Human Rights Commission
Independent Broadcasting Authority and the SA Telecommunications Regulatory Authority (now the Independent Communications Authority of SA)
National Film and Video Foundation
PanSA Language Board
Press Ombudsman
Sentech
South African Broadcasting Corporation
Universal Service Agency

Grant-making organisations

Friedrich Ebert Stiftung
Heinrich Boll Stiftung
Independent Media Diversity Trust
Kgaso Fund
Open Society Foundation
Unesco SA

Universities and technikons

Peninsula Technikon
Potchefstroom University
Rhodes University
Technikon Natal
Technikon Pretoria
University of the North-West
Unisa

Annexure 2: Key references from South Africa's Constitution (Act 108, 1996)

Chapter 2: Bill of Rights

Freedom of expression

Section 16

(1) Everyone has the right to freedom of expression, which includes -

- (a) freedom of the press and other media;
- (b) freedom to receive or impart information or ideas;
- (c) freedom of artistic creativity; and
- (d) academic freedom and freedom of scientific research.

(2) The right in subsection (1) does not extend to -

- (a) propaganda for war;
- (b) incitement of imminent violence; or
- (c) advocacy of hatred that is based on race, ethnicity, gender or religion, and that constitutes incitement to cause harm.

Language and culture

Section 30

Everyone has the right to use the language and to participate in the cultural life of their choice, but no one exercising these rights may do so in a manner inconsistent with any provision of the Bill of Rights.

Cultural, religious and linguistic communities

Section 31

(1) Persons belonging to a cultural, religious or linguistic community may not be denied the right, with other members of that community -

- (a) to enjoy their culture, practise their religion and use their language; and
- (b) to form, join and maintain cultural, religious and linguistic associations and other organs of civil society.

(2) The rights in subsection (1) may not be exercised in a manner inconsistent with any provision of the Bill of Rights.

Access to information

Section 32

(1) Everyone has the right of access to -

- (a) any information held by the state; and
- (b) any information that is held by another person and that is required for the exercise or protection of any rights.

(2) National legislation must be enacted to give effect to this right, and may provide for reasonable measures to alleviate the administrative and financial burden on the state.

Chapter 9
Independent Authority to Regulate Broadcasting
Broadcasting Authority
Section 192

National legislation must establish an independent authority to regulate broadcasting in the public interest, and to ensure fairness and a diversity of views broadly representing South African society.

Chapters 3-7

Provide for ordinary citizens' access to information on all levels of governance.

Annexure 3 :Profile of the mainstream commercial newspapers October 2000

Newspaper	Proprietor	Type and Language		Editor	Readership AMPS (June 2000)
		Afrikaans daily (A-D)	English daily (E-D)		
		Afrikaans weekly (A-W)	English weekly (E-W)	African Male (A/M)	
		Coloured Male (C/M)		African female (A/F)	
				Indian Male (I/M)	
Sowetan	New Africa Publications (NAP)	E-D		Aggrey Klaaste (A/M)	2 145 000
Sowetan Sunday World	NAP/Times Media	E-W		Charles Mogale (A/M)	323 000
Post	ING	E-W		Brijjal Ramguthsee (I/M)	314 000
Independent on Saturday	ING	E-W		Cyril Madlala (A/M)	338 000
Cape Argus	ING	E-D		Chris Whitfield (W/M)	351 000
Sunday Independent	ING	E-W		John Battersby (W/M)	184 000
Sat Argus Weekend	ING	E-W		Chris Whitfield (W/M)	397 000
Sun Argus Weekend	ING	E-W		Chris Whitfield (W/M)	304 000
Cape Times	ING	E-D		John Scott (W/M)	255 000
Sunday Tribune	ING	E-W		Peter Davis (W/M)	687 000
Saturday Star	ING	E-W		Paula Fray (C/F)	503 000
The Mercury	ING	E-D		Dennis Pather (I/M)	249 000
Daily News	ING	E-D		Kaizer Nyatumba (A/M)	367 000
Pretoria News	ING	E-D		Ivan Fynn (C/M)	202 000
PTA News Weekend	ING	E-D		Ivan Fynn (C/M)	73 000
The Star	ING	E-D		Peter Sullivan (W/M)	855 000
Ilanga	Mandla-Matla	Zulu-Tuesday		Sipho Ngobese (A/M)	1 440 000
Ilanga	Mandla-Matla	Zulu-Thursday		Sipho Ngobese (A/M)	1 313 000
Citizen	Caxton	E-D		Tim du Plessis (W/M)	897 000
Daily Dispatch	Dispatch Media (Times)	E-D		Gavin Stewart (W/M)	218 000
Business Day	Business Day Financial Mail (Times Media/Pearson Group)	E-D		Jim Jones (W/M)	146 000
E.P Herald	Times Media	E-D		Ric Wilson (W/M)	181 000
Sunday Times	Times Media	E-W		Mike Robertson (C/M)	2 300 000
Evening Post *	Times Media	E-D		Lakela Kaunda (A/F)	116 000
Mail and Guardian	Mail and Guardian Media	E-W		Phillip Van Niekerk (W/M)	192 000
Die Volksblad	Naspers	A-D		J Crowther (W/M)	127 000
Die Burger	Naspers	A-D		Arrie Rossouw (W/M)	600 000
Rapport	Naspers	A-W		Johan de Wet (W/M)	1 762 000
Beeld	Naspers	A-D		Peet Kruger (W/M)	459 000
City Press	Naspers	E-W		Khulu Sibiya (A/M)	2 381 000
Natal Witness	Natal Witness (Naspers)	E-D		John Cunningham (W/M)	141 000

* Recently closed down

Sources: Company websites, Financial Mail, Business Times, Business Report

Annexure 3A : Circulation profile of the mainstream newspapers

Newspaper	Target market	Circulation (ABC Figures) July-December 1999	Readership AMPS June 2000A	Circulation areas
Cape Argus	Middle income readers in Cape Town	77 279	351 000	Western Cape 95% sales in Cape Town
Cape Times	Middle income readers in Cape Town	48 594	255 000	Western Cape 87% sales in Cape Town
Saturday/ Sunday Argus	Broad market	108 000	477 000	Western Cape 91% sales in Cape Town Peninsula
Daily News	Mass, middle market of Greater Durban; non-racial; all income groups	79 900	367 000	99.9% circulation in the whole of KZN
Die Burger	Afrikaans speakers	88 000 W. Cape 24 977 E Cape	600 000	Western Cape and Eastern Cape
Daily Dispatch	Non-racial all incomes	37927	218 000	Eastern Cape (mainly East London and Transkei)
Die Volksblad	Afrikaans speakers	31 928 week-days 28 063 weekends	127 000	Free State and Northern Cape
The Star	Non-racial; all incomes	162 703	855 000	National Greater JHB as the core market
Rapport Sunday Tribune	Afrikaans speaking people Middle income; non racial	343 665 112 000	1 762 000 406 000	National and Namibia 97.6 % in KZN
Sowetan	Black; all incomes	206 000	2 145 000	National More than 62% in Gauteng
City Press	97% black readership	323 612	2 381 000	National, (close to 50% Gauteng)
Sunday Times	Non-racial middle to upper income	457511	3 212 000	National
Saturday Star	Non-racial	136 496	503 000	National Gauteng as core market
Business Day	Non-racial decision makers	44341	146 000	67% Gauteng
Pretoria News	Broad market in Pretoria	25 085	202 000	Greater PTA metropolis

Weekend Pretoria News	Broad market	13 874	73 000	Greater PTA metropolitan
Independent on Saturday	Broad market non-racial	73 600	338 000	99.64 % in KZN
The Sunday Independent	Decision makers	40 462	184 000	National
Diamond Field Advertiser	Broad market	8 236	45 000	Kimberley and Griqualand West
Post	Indians all incomes	46 200	314 000	KZN
The Mercury	Middle income non-racial	40 800	249 000	99% circulation in KZN
Mail and Guardian	Non-racial, middle income	37 000	192 000	National
Citizen	Broad market	121435	897 000	National with Gauteng as core market
Ilanga	Zulu speaking	117061	1 440 000 (Tues) and 1 313 000 (Thur)	Gauteng and KZN
Beeld	Afrikaans speaking	91 201	469 000	Kwazulu-Natal, N.Province, Mpumalanga, North West and Gauteng

Annexure 4 : Profile of mainstream broadcasters October 2000

Station	Proprietor	Language and Format	News Editor	Listenership
		English Music (E-M) English Talk (E-T) Afrikaans Talk (A-T) English Afrikaans Music (E.A-M) English Afrikaans Entertainment (E.A-E)	White male (W/M) White female (W/F) African male (A/M) African female (A/F) Indian male (I/M) Coloured male (C/M)	AMPS (June 2000) ("Yesterday")
Classic FM	Classic FM UK, Liberty Life and Ingoma Trust	E-M	Des Latham (W/M)	122 000
Highveld	Primedia	E-M	Portia Kobue (A/F)	778 000
Cape Talk	Primedia	E-T	Andrew Bolton (W/M)	73 000
Radio 702	Primedia	E-T	Noleen Maholwana Sangqu (A/F)	257 000
East Coast Radio	Kagiso Media	E-M	Mary Papaya (I/F)	782 000
Jacaranda FM	Kagiso Media and New Africa Media (NAM)	E-M	Angie Diedricks (W/F)	835 000
O fm	Africa Media Entertainment (AME)	A-M	London Johnston (W/M)	295 000
Radio Algoa	AME	E-M	Shadley Nash (C/W)	235 000
Punt Geselsradio	AME	A-T	Amanda Hughes (W/F)	58 000
P4 (Durban)	Makana	E-M	Linda Page (A/F)	100 000
P4 (Cape Town)	Makana	E-M	Vicky Stark (W/F)	150 000
Kaya FM	Makana and NAM	E-M	Tefo Mohale (A/M)	398 000
Y FM	HCI	E-T	George Hill (C/M)	772 000
Kfm	New Africa Media (NAM)	E.A-M	Aden Thomas (C/M)	530 000
eTV	Sabido	Multilingual	Jim Mathews (C/M)	5 112 000
M-Net	Naspers	E.A-E	George Mazarakis (W/M)	2 871 000
SABC Stations	Proprietor	Language	SABC Regional Editors	Listenership
				AMPS (June 2000) ("Yesterday")
All SABC Stations	Publicly owned		Sello Thulo (A/M):North West	
			James Barkhuizen (W/M): Northern Cape	
			Mzukisi Twala (A/M):Western Cape	
			Zola Yeye (A/M) :Eastern Cape	
			Manas Tshungu (A/M): Northern Province	
			Hosea Jiyane (A/M): Mpumalanga	
			Cecil Msomi (A/M) : KZN	
			Ntseliseng Khoali (A/M) : Free State	
			Kgomotso Sebetso (A/M): Pretoria	
Ukhozi FM		Zulu		4 534 000
Umhlobo Wenene FM		Xhosa		3 066 0005

Metro FM		English	2 865 000
Lesedi FM		Sotho	2 284 000
Motsweding FM		Tswana	1 689 000
Thobela FM		Sepedi	1 522 000
Radiosondergrense		Afrikaans	1 069 000
Mungana Lonene		Tsonga	826 000
Ikwewezi FM		Ndebele	665 000
5FM		English	1 011 000
Ligwalagwala FM		Swazi	670 000
Phalaphala FM		Venda	455 000
Good Hope FM		English	652 000
Radio Bop		English	286 000
CKI Stereo		English	342 000
SAfm		English	369 000
Lotus FM		English, Tamil, Hindi	352 000
Radio 2000		Simulcast	141 000
SABC 1		English and Nguni	13 166 000
SABC 2		South and North Sotho, Tswana and Afrikaans	9 175 000
SABC 3		English	5 430 000
Bop TV		English	316 000

Source: SABC Website, <http://www.sabc.co.za> (Radio and television Services), Telephone enquiries to individual private stations, Saarf.

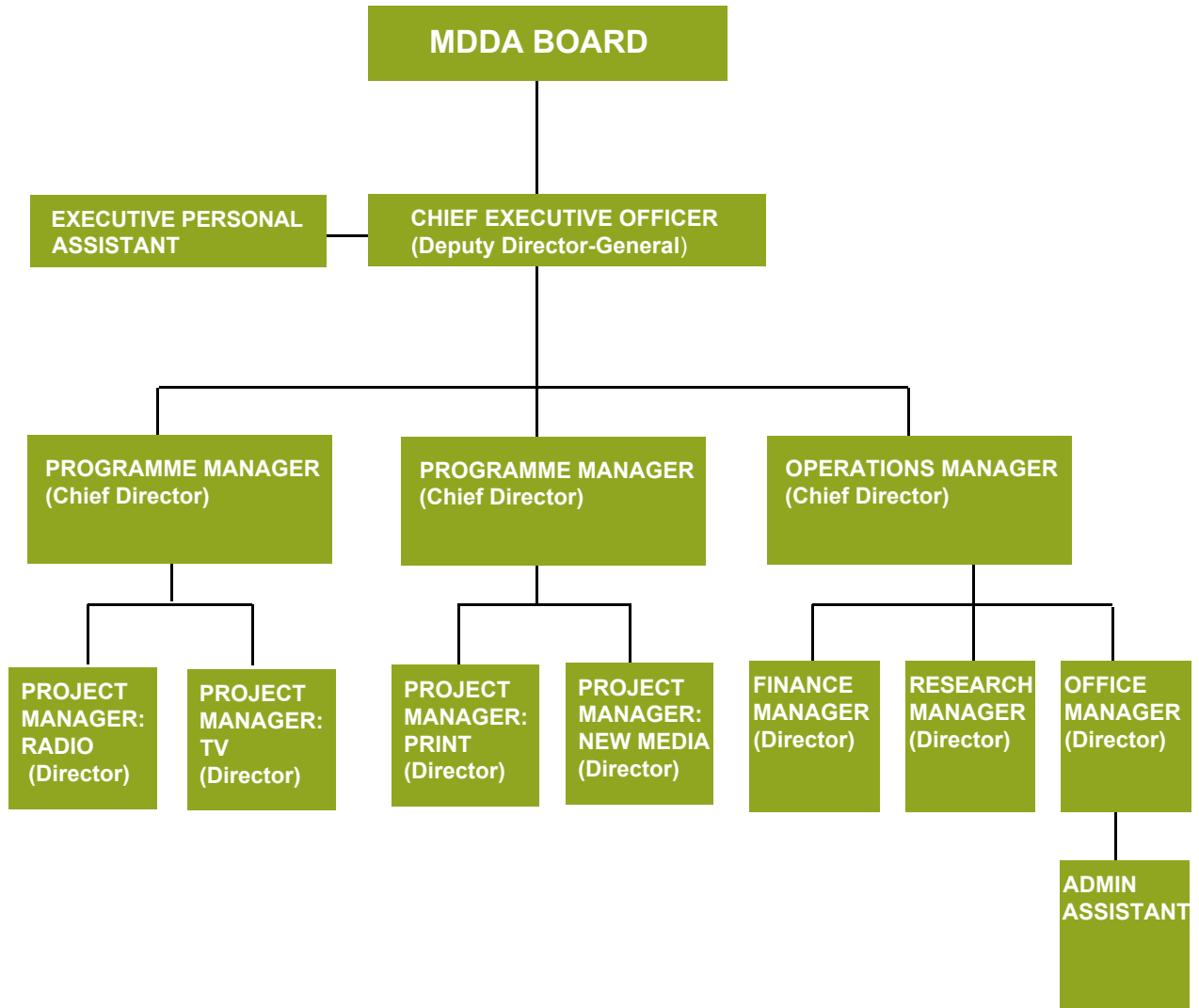
Annexure 5 : Black economic empowerment in broadcasting

(Aug 2000)

Black Empowerment Group	Investments
Zerilda Investment	60% of Highveld Stereo
Sabido Investments (dominated by Mineworkers Investment Company and SACTWU Investment Groupings)	80% of Midi-TV, owners of e-TV
Ingoma Trust	20% of Classic FM
Thebe Convergent Technologies	24,9% of Kaya FM
New Africa Media (subsidiary of Nail)	42,5 % of Jacaranda FM 22,5% of Kaya FM
Makana Trust	22,5 % of Kaya FM, 51% of P4 in Durban and 80% of P4 in Cape Town
Siphumelele Investment	20% of Cape Talk and 15% of KFM
SACTWU Investment Groupings	22, 5% of Cape Talk see Sabido
Kagiso Media	91% of East Coast Radio and 42, 5% of Jacaranda FM
Mopani Media	15% YFM
The Union Housing Trust	40% YFM
Mineworkers Investment Company	22,5% of Cape Talk; 9% of Primedia (amounts to joint control) see also Sabido.

Sources: Company websites and Annual Reports

Annexure 6 : Proposed Organogram



Annexure 7 : Total needs over five years

	yr1	yr2	yr3	yr4	yr5	TOTAL
Expenses:	R'000	R'000	R'000	R'000	R'000	R'000
Admin & Operational costs:						
Board and Committee members expenses	190	203	218	233	249	1093
Salaries and wages	2,640	2,825	3,023	3,234	3,461	15,183
General office expenses:						
Rent buildings	240	257	275	294	315	1381
Water and lights	24	26	27	29	31	137
Travelling	110	118	126	135	144	633
Conferences	25	27	29	31	33	145
Accommodation	60	64	69	74	79	346
Telephones, faxes	144	154	165	176	189	828
Stationery	14	15	16	17	18	80
Entertainment	50	54	57	61	66	288
Refreshments	15	16	17	18	20	86
Printing and binding	30	32	34	37	39	172
Rental of equipment	90	96	103	110	118	517
Postage	35	37	40	43	46	201
General administration	17	18	19	21	22	97
Insurance	108	116	124	132	142	622
Communications	300	321	343	368	393	1725
Banking charges	30	32	34	37	39	172
IT operating cost	300	321	250	268	286	1425
Contingency costs	40	43	46	49	52	230
Establishment of MDDA costs:	570	0	125	0	0	695
Accounting software	150					
Hardware	100		100			
Furniture	50		25			
Startup Operational Funds	270					
1. Total administration costs	5,032	4,774	5,140	5,366	5,742	26,054
2. Project evaluation	2,000	2,000	2,000	2,000	2,000	10,000
3. Media Research	2,000	2,500	2,500	2,500	2,500	11,500
4. Media project costs	61,727	74,700	86,617	100,916	118,305	452,443
Radio	45,815	56,366	68,693	82,584	97,140	350,598
Television	2,860	4,201	3,969	3,477	4,453	18,960
Print	12,652	13,541	15,743	17,241	20,333	79,510
New Media	675	675	675	675	675	3,375
Total estimated need	65,306	79,474	91,757	106,282	124,047	499,997

Annexure 8 : Funding model for five - year period

	Total key needs (see Annexure 7)				Proposed Funding model			
	Rm 5yrs total	Rm per ann. for first 5yrs (avg)	Break-down of Project Support	% of total Budget	Rm 5 yrs total	Rm per ann. for first 5yrs (avg)	Break-down of Project Support	% of total Budget
Total admin and operational costs	26,1	5,2		5,2%	26,1	5,2		8,7%
Project evaluation	10,0	2,0		2,0%	7,5	1,5		2,5%
Media research	11,5	2,3		2,3%	8,6	1,7		2,9%
Media project support	452,4	90,5		90,5%	257,8	51,6		85,9%
· Radio	350,6	70,1	77,5%		175,3	35,1	68%	
· TV	18,9	3,8	4,2%		11,3	2,3	4,4%	
· Broadcast Total	369,5	73,9	81,7%		186,6	37,4	72,4%	
· Print	79,5	15,9	17,6%		69,2	13,8	26,8%	
· New Media	3,4	0,7	0,7%		2,0	0,4	0,8%	
			100%				100%	
Total budget over 5 years	500	100		100%	300	60		100%
Broadcast: Print ratio (approx)	8.:2				7.:3			
Radio need= 221 stations (incl 135 new stations)					50% of need met.			
TV needs =11 video access centres in all the provinces					60% of need met			
Print need = 45 existing and 30 new publications					87% of need met			
New Media = exploratory initiatives					60% of need met			

Notes

