
Impact of the Media Development and Diversity Agency (MDDA) on community media development and diversity in South Africa

Report and Recommendations

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EXECUTIVE SUMMARY

This Impact Assessment was commissioned to investigate two key issues: whether the MDDA as an organisation was responding to its mandate of media development and diversity; and to assess whether community projects were having any impact on the local level. This report starts out by considering the political, social and economic context into which the MDDA was born and how this has evolved in the past 20 years.

The MDDA has been able to carry out different aspects of its mandate to a greater or lesser degree. Through its grant funding, the agency has channeled resources to the community and small commercial media sector and in this way, has contributed towards the expansion of ownership and control as well as access of media to historically disadvantaged communities. There is evidence in the burgeoning of both community and small commercial media with radio audiences managing to reach an impressive 25% of South African audiences and print media being read by about 25 million monthly readers. This media is also being published or broadcast in all indigenous languages reflecting the diverse country demographics, and training and capacity building interventions have been rolled out to support projects that have experienced gaps.

As much as there has been progress, limitations – both in terms of the broader media landscape and the agency itself - have impacted the sector negatively.

MDDA's budget is restrictive in that the organisation receives just under half the amount required if it was to service all the proposals that it receives. Laws and regulations also determine how funding is to be allocated and while media projects do receive the majority allocation, training and capacity building identified as a core need receives a fraction of this amount. Project sustainability is also impacted in a number of ways. Funding criteria are vague and the media projects are not required to demonstrate how they will become self-sufficient by the end of the funding period. In addition, MDDA has not been able to resolve the impasse with government or the commercial sector to secure advertising support for projects to enable sustainability. As a result, a number of projects fold annually – and many that were around when the MDDA was started in 2002/3 are no longer in existence.

Internally, MDDA has been weakened. Staff capacity to respond to challenges is poor, and many senior manager posts remain vacant. More recently, over the last year (2016/2017), Board members have changed frequently, contributing to organisational instability. Systems, such as pre-assessment, monitoring and evaluation etc. require revision so that they can be used as early warning mechanisms when projects are failing to implement in line with contract obligations.

Despite all the challenges, political parties, government and stakeholder groups still see the need to build a thriving community and small commercial sector. Media projects also present successes and opportunities against all odds. These are reflected in the long list of awards that community media projects have won for delivering excellent, relevant content; content that has been used in schools and universities and even for matric exams. Also, media projects have had significant success in training staff and volunteers and thus creating job opportunities particularly for young people. Also, a number of projects have become sustainable over time and they have built and bought their own properties and studios. In this way, they have started to create new revenue streams critical for the long-term sustainability of projects.

When looking at cross-cutting factors for project success, media projects identified the following issues:

- Strong relationships with audiences/ communities.
- A station manager (or owner/editor in the case of print media) that is skilled and has a vision.
- Proactive management that is constantly finding new ways to ensure sustainability of projects beyond government funds.
- A socio-economic environment that offers opportunities for sustainability. (In the case of environments that do not i.e. rural communities with little or no economic activity then long term, ongoing funding must be provided.)

To realise a sustainable environment, the factors identified above provide a focus for the MDDA to plan its interventions. The long-term success of the sector requires that changes are made – in this instance to strengthen the MDDA so that it is able to play a role in bringing together project partners, allocating funds appropriately, and in training and developing capacity for the long-term sustainability of the sector.

1 INTRODUCTION

1.1 Project Scope

In December 2015, the Media Development and Diversity Agency (MDDA) published a Call for Research Proposals into an Impact Study of its support to community and small commercial media.

The MDDA is a private public partnership between the South African Government and mainstream print and broadcast media companies established to help create an enabling environment for media development and diversity that is conducive to public discourse and reflects the needs and aspirations of all South Africans.

In pursuit of this mandate, the MDDA offers grant funding to media projects for the development of a diverse media. It also leverages resources and support through technical assistance and assists in conducting and funding research. Furthermore, the MDDA facilitates capacity building and acts as an advocate for community media¹

The purpose of the MDDA Impact Study is as follows:

- To evaluate the extent to which the MDDA as an organisation is responding to its mandate of community media development and diversity;
- To assess the socio-economic impact of MDDA funded projects
- To highlight areas for improvement and recommend changes.

When considering the areas for assessment, the following issues will be interrogated:

- What was meant to have been done?
- How was this done?
- What are the successes?
- What are the challenges?
- What are the opportunities?

(adapted from AMARC, Global evaluation 2007 pg 14)

¹ www.mdda.org.za

This Impact Study starts out by considering the political, social and economic context into which the MDDA was born and how this has evolved in the past 20 years. In 1994, South Africa had emerged from the apartheid past and the country was riddled with challenges. Within the media environment this was no different. The media industry was highly monopolised, there was limited or no diversity of news or opinion, and the voice of black people in the media was suppressed. The media environment required large scale transformation and from the outset there was recognition that the key principles on which the new media landscape would be built needed to be established. Freedom of expression, media development and diversity, as well as the role of the media in a democratic state emerged as dominant issues for discussion and debate and there was some degree of consensus reached on definition. These principles have since been encapsulated in the policy, laws and regulations of the new democratic state and remain embedded in these today.

Post 1994, the media environment went through fundamental change. There was agreement that there would be a three-tier system of private, public and community media to ensure development and diversity. The state broadcaster became a public broadcaster and the demographic profile of media houses began to change. Despite this, problems still persist. The South African print media industry remains dominated by four main media houses, while globally there is increasing media concentration as firms buy out broadcast, print and online platforms. Technological changes have also wreaked havoc on the print media industry as audiences shift to the online environment. Establishing an environment in which media development and diversity can thrive is therefore fraught with challenges – and this needs to be borne in mind when considering community media and the MDDA – both currently operating within this highly chaotic environment.

The political / economic and socio-economic context is important as it provides not only the framework for understanding how the media's role was initially conceptualised but also presents the challenges and the opportunities that could contribute to sector growth. The study will therefore make a value judgment on whether the MDDA as an organisation and its support to the community media sector has indeed had an impact on the media sector. The study will explore whether initial principles and policies have been realised and whether the MDDA / community media have contributed to the achievement of some of the aims and objectives. This will be done bearing in mind the challenges that currently exist within the media space nationally and internationally.

Once this context has been established, it is important to hone in more specifically on the community media environment to understand the history of the sector, the policies and regulations that are generally applicable, and the stakeholder / support agencies that exist. It

is within this environment that we situate the Media Development and Diversity Agency (MDDA) and our focus shifts to the organisation looking at its mandate, scope of work, budget, and the support it provides and has provided to the community and small commercial media in South Africa since its inception. The study will investigate the impact of both the Agency's financial and non-financial support and will seek to identify the challenges faced by the MDDA in meeting its mandate, while outlining the gaps and limitations of the status quo. The impact study will also consider whether funding models are adequate to achieve the media development and diversity objectives, and will recommend alternative funding models where this is applicable.

No impact study will be complete without consideration of the internal processes and procedures of the organisation being interrogated. This will require consideration of whether the resources – both human and financial – are adequate and allow the organisation to thrive. In addition, the effectiveness and efficiency of the MDDA's internal processes (funding agreements; monitoring and evaluation processes, project beneficiary reports) are to be considered with a view to establishing whether there are any factors that might have a material impact on the projects. Recommendations will be made in instances where weaknesses have been observed.

As the overall objective of the study is to assess the relevance, effectiveness, efficiency and sustainability of MDDA funded projects, it will be necessary to also investigate whether the community media projects are in fact meeting their agreed mandate and are contributing towards the goal of promoting media development and diversity and socio – economic development at local level. In instances where media projects are not successful, this reflects back on the role that MDDA is playing. Questions will therefore need to be asked whether the MDDA is merely throwing money into a vacuum or if they are indeed impacting this sector in any meaningful way. Where challenges have arisen specifically in respect of the MDDA role, these will be fed back into the organisation so as to strengthen its role.

This study will also identify the impediments (if any) affecting MDDA supported projects and provide alternatives that the Agency can consider in order to contribute meaningfully to the development of community media and ensure plurality and diversity.

1.2 Methodology

The research methodology is a combination of both qualitative and quantitative research methods. This includes desktop research, surveys, focus groups and face-to-face in-depth interviews. In order to establish the contextual environment, a comprehensive desktop review of the legislative, regulatory and policy framework for community media.

A mixed method of data collection was developed, contributing to the aim of assessing the impact of the MDDA. A sample of funded projects were selected to be interviewed on an individual basis, as well as a variety of stakeholder interviews and focus groups. Focus groups were held provincially in KwaZulu Natal, Gauteng, Limpopo and Northern Cape where six representatives from a sample of projects (per province) participated on each focus group. The questionnaire for the interviewed can be accessed in Annexure 1. Once the data was gathered, information was captured into an online template (using Google Forms), and downloaded into an excel spreadsheet. The data was then both quantitatively and qualitatively analysed resulting in a comprehensive provincial report. Once the data was received per province, a workshop was held to discuss national findings.

Face to face interviews with internal MDDA senior management were conducted with the following people:

- Board Members: Board Chairperson, Phelisa Nkomo; Louise Vale; Musa Sishange;
- MDDA staff members representing: Print Media; Broadcasting; Research and Capacity Building; Monitoring and Evaluation;
- Acting and Ex-CEOs: Donald Liphoko; Lumko Mtimde; Libby Lloyd;
- Community Media experts/ stakeholders: Franz Kruger; Multichoice; Anton Harber.

Where we were unable to conduct a face-to-face interview with an MDDA staff member, comprehensive questionnaires were compiled as an alternate. Responses were received back from:

- MDDA Chief Financial Officer, Chief Operations Officer and Finance and Audit Committee;
- The National Association of Broadcasters.

In addition to the focus groups and stakeholder interviews, in depth interviews were conducted with 46 Project Beneficiaries where each province was represented. The following projects participated in the site visit interviews:

Gauteng

- Kasie FM
- Madibeng FM
- Jozi FM
- Khanya College
- Loxion News
- Gulova Magazine

Limpopo

- Botlokwa
- Phalaborwa
- Seipone News
- Nhluvuko News

Mpumalanga

- Bushbuckridge News
- Coal City News
- Emalahleni FM
- Radio Bushbuckridge
- Ziwaphi News

North West

- Aganang FM
- Arise and Shine
- Mafisa FM
- Mafikeng FM
- Mmabatho FM

Northern Cape

- Revival FM
- Mmaiseng News
- Radio Teemaneng
- Kuruman Chronicle Newspapers
- Radio Riverside

Western Cape

- Radio Zibonele
- Treasure Magazine
- Cape Town TV
- Bush Radio
- Whale FM

Eastern Cape

- Vukani Community Radio
- Isajonisi Youth Radio
- Kumkani FM

- Ikhwezi News

Free State

- Metro News
- Free State News
- Masilonyana News
- Karabo fm
- Tshireletso Against Women Abuse

KZN

- Nongoma Community Radio Station
- This Ability
- Highway FM
- Dancing Pencils
- Nqubeko Community Radio Station
- Inhloso Yesizwe

It is important to note that these findings were gathered through interviews with media project leaders (station managers, owner/ editors) and staff. The findings have not been further verified through focus groups or interviews with community members – nor were these findings verified with a content analysis of community media programming or with a content analysis of community media articles and editorials. The findings thus need to be read within this context. The implications of the research being conducted within the projects themselves, results in a subjective approach to the functioning of the media project.

Audience engagement and quality of content both have important roles to play in determining the impact of the media project. When only examining the internal mechanisms of a project, one will be able to identify sustainability and impact from an internal perspective, which, although is reliable, is not necessarily the most holistic approach. Thus, one of the recommendations is to conduct further research in this regard.

1.2.1 Methodology Limitations

While efforts have been made to mitigate limitations of the research it must be acknowledged that they cannot be excluded. To begin with the researchers were not able to carry out in depth interviews with previous grantee and projects. Instead the interviews were focused on existing current projects of the MDDA. While there are some records of previous partners we were not able to carry out a longitudinal analysis to assess long term impact of the MDDA. Although every effort was made to ensure interviews were organized, it needs to be acknowledged that in some instances projects were either unwilling to be interviewed, or

at the last minute, uncooperative with logistics. Further, while every effort was made to ensure accurate data collection through comprehensive questions, findings could not be triangulated within each of the communities. Ideally, the impact assessment would have been accompanied with community engagement and monitoring in order to ensure that any fundamental biases were excluded but also to add to the potential value, and understanding of the role of the funded projects in each community.

Accordingly, as noted previously there may be some bias in responses from the interviewees. Given the key trends that emerged however, supported by comments from the interviews that were also carried out with key stakeholders, it is clear that the biases have not materially undermined the research and impact assessment. Another limitation is that while the MDDA has ensured some project monitoring and evaluation the absence of previous impact assessments means that this research serves as the effective baseline, a necessary but not ideal scenario. It would have added great value had this research been able to add and or compare previous research.

2 THE CURRENT STATE OF THE SOUTH AFRICAN MEDIA ENVIRONMENT

2.1 The Founding Principles

Between 1990 to 1993 South Africa's civil society, the trade unions and liberation movements participated in a number of campaigns and conferences (*the Campaign for Open Media, the Free the Airways Campaign, the Jabulani! Freedom of the Airwaves Conference etc*) that looked at the policies and principles that would guide media transformation and that would inform the role the media would play in the newly emerging democratic society.

Up until this point, apartheid media had been concentrated in the hands of a few, there was little or no plurality or diversity of content / voices, restrictions had been placed on both publishing and broadcasting institutions and there was limited freedom of movement for journalists. These restrictions were of particular concern to the democratic government who made freedom of expression and the press as well as media development and diversity issues central tenets of policy. These principles are reflected in media projects and programmes today. They are important principles as they are the foundation upon which the community sector is built.

2.1.1 Freedom of Expression

Media freedom is seen as the cornerstone of the democratic state and has been guaranteed in law. Section 16 of the Constitution of the Republic of South Africa states that:

"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."

These constitutional guarantees had a profound effect on the media landscape. Restrictions placed on the media have been removed and the space opened for the diversity of news, views and opinions.

2.1.2 Media Development

- For freedom of expression to become a reality, media development is an imperative.
- Media development is considered a means by which the exclusion and marginalisation of a vast number of groups and interests from access to media - as owners, managers and producers – could be addressed. This could be achieved in a number of ways: through the breaking up of media monopolies, black economic empowerment initiatives, funding support for emerging initiatives, or laws and regulations that would create an enabling environment that would allow for growth and development of the media.

2.1.3 Media Diversity

Media diversity has been established as a core principle to guard against the media environment being controlled by powerful entities both within the commercial and political realms. Diversity was - and is still seen - as a way in which new voices / sources can be incorporated in the media environment and where wider access and the choice of media would become available.

Globally, as media has become more concentrated and has closed down access, views, opinions and sources of news, media diversity as a concept has gained traction. The definition of what constitutes media diversity is highly contested: Meier and Trappel (1998: 40) argue that a minimum requirement for diversity includes not only freedom of access to diverse information but access to the means to distribute this information as well.

Dennis McQuail (1992; 144 - 147) argues that for media to be diverse this should not only reflect differences in terms of culture and opinions but these should be proportionally represented within newspapers / broadcasts etc. The idea is that these views would then become accessible to a wider audience and not be confined within the local pages of specific publications / broadcasts. This is important in that it speaks to the need to mainstream local news – and for a media that would begin to challenge the dominant narrative within societies.

While the global debates are useful, South Africa's peculiar history and developmental context is important when considering diversity. Dr Jane Duncan, an academic that writes extensively on media issues in South Africa has defined diversity as, "the existence of the greatest possible multiplicity of viewpoints in the media, and includes diversity on all levels of media

production and consumption, achieving a diversity of opinions, languages, styles, genres and formats, as well as a diversity of voices, including the voices of those who are often marginalised by commercial media, such as workers, the unemployed, youth, women and aged” (Quoted in Wasserman and Bosch, 2014: 4).

GCIS, in a draft position paper (2000) published to inform discussions on the setting up of the Media Development and Diversity Agency (MDDA) argued that media could only be called diverse if:

- a) Media owners, managers and consumers previously excluded are included (for example, in term of ownership and management);
- b) Access and choice of media in different languages, styles, formats, are available for all citizens;
- c) The needs and experiences of all citizens, the culture, language, gender, range of opinions and perspectives are reflected in the media (Creative and production control);
- d) All interests and sectors have affordable access to a range of opinion and sources of information that are fully reflective of our society.

While GCIS made no mention of the need for diversity of opinions, the priority sectors identified included: 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 or people with disabilities – those previously marginalised and not considered a target audience of the mainstream media.

While definitions of diversity differ depending on context, there are areas of commonality, namely:

- Media ownership must reflect the country demographics which include race, gender and disability, as well as religious and political heterogeneity;
- Content must include different voices, sources, viewpoints, opinions etc. In addition, content must be available in the languages of the country and not a single dominant language;
- Media must be accessible – not only for citizens to get information but to enable them to express their own viewpoints;
- Cultural, political and social differences that exist within the society must be reflected in the media that is available;

- There should be a plurality of media that is independent from both government and commercial interests.

The ICT Policy Review Green Paper published by the Department of Telecommunications and Postal Services on the 24 Jan 2014 were and are still being used to guide all policy initiatives within the media and communication environment. They also contain elements that point to government's approach to freedom of expression, media development and diversity, namely:

- a) South Africans have a right to freedom of expression (reflected in Section 16 of the Constitution);
- b) South Africans have the right to access a diverse range of information, opinion of news of relevance to their communities and lives;
- c) South Africans have the right to a secure, quality and affordable communications infrastructure and services;
- d) South Africans have a right to benefit equitably from the ability of the communications sector to facilitate social development and improve the quality of life of individuals and communities;
- e) South Africans have a right to the creation and dissemination of content that celebrates their cultural heritage in languages of their choice;
- f) South Africans have a right to equitable universal access to communication infrastructure and services;
- g) All sectors of the population have a right to equally enjoy and benefit from communications services;
- h) South Africans are entitled to communication services that reflect, respect and uphold community standards and values in accordance with the Constitution;
- i) South Africans have the right to privacy and to protection of personal information;
- j) Government has a responsibility to maximise the overall public benefit derived from the use of public resources;
- k) South Africans are entitled to a communications sector that facilitates innovation, fair competition and equitable treatment of all role players;
- l) South African citizens are entitled to consumer protection rights with regard to communication services;
- m) South African citizens have a right to an environment that is not harmful to their health or wellbeing;
- n) Policy must recognise the need to protect children from potentially harmful content.

These set of principles re-affirm the government's commitment to a free, independent, vigorous, pluralistic, and diverse media – seen as essential for the proper functioning of a democratic society².

These principles have informed the policy and laws that regulate the media environment, such as the *White Paper on Broadcasting*, the *Independent Communications Authority of South Africa Act*, the *Electronic Communications Act; Broadcasting Amendment Act*. Media generally, like with other sectors / industries is also required to comply with the Constitution of the Republic of South Africa; the Public Finance Management Act No. 1. of 1996, the BBBEE Act No.59 of 2003, the Labour Relations Act No 96 of 1995, the Employment Equity Act of 2000, the Skills Development Act, Basic Conditions of Employment Act No. 75 of 1997 and other relevant legislation.

These laws and regulations are discussed in the chapter that follows as only those aspects pertinent to the community media environment have been highlighted.

2.2 The Media Landscape

South Africa adopted a three-tier media system as a way of committing to the principles of media development and diversity. The establishment of the commercial, public and community spheres was seen as a means to enable access by all South Africans to media that would represent their views and opinions.

This section provides a broad overview of the commercial and public media sectors as a background to the media environment in which the community media is operating. As all three spheres operate within this environment the challenges / opportunities in one have a direct bearing on the other. A review of the media landscape is important as it goes some way towards explaining the challenges faced generally by the sector, the implications for community media and the role that MDDA as an agency should play if it is to meet its mandate.

²IACHR, Annual Report of the Office of the Special Rapporteur for Freedom of Expression 2008. OEA/Ser.L/V/II.134. Doc. 5. 25 February 2009. Chapter IV. paras. 216-230. Available at: <http://www.cidh.oas.org/annualrep/2008eng/Annual%20Report%202008-%20ELE%20-%20version%20final.pdf>

2.2.1 Commercial Media

The commercial media sector comprises of both print and broadcasting platforms. Both these industries will be unpacked in more detail in the following sections.

2.2.1.1 Print Media

Print media is dominated by four companies - Media24 (the print arm of the Naspers group), Independent Group, Times Media Group (previously Avusa, now Tiso Blackstar) and Caxton (colloquially referred to as the Big4). In 1993, while some newspaper groups had divested to black business to show support for the new democratic dispensation, 10 years later they had sold the print titles back to the Big4. An example of this is when Anglo America divested Johannesburg Consolidated Invested Ltd of the *Argus* and *Sowetan* to New African Investment Limited (NAIL), founded by Dr N Motlana.³

By 2015, ownership patterns of the Big4 had shifted – with 3 of the main newspaper groupings reflecting black ownership patterns of between 50 – 60% - which while still not in line with South African demographics showed some shift. Female ownership figures remain dismal though (See Table 1)

Table 1: Print media ownership scorecard 2014

	Black Ownership	Female ownership	BBBEE Status
Media24	52.94.	24.95.	Level 4
Caxton	17,78	6.28	Level 4
Times Media Group	58.47	18.44	Level 3
Independent Newspapers	55,00%	25,30%	Level 2

While black ownership patterns have improved and trends show that these print media houses are employing more black editors, there has been a debate on whether there has been any real change in terms of content or reporting styles. Research by MMA⁴ on how race, elections,

³ Rumney, R (2014) Twenty years of SA media ownership (1994 – 2014) in *Media Landscape 2014: Celebrating 20 years of South Africa's media*

⁴ MMA (2014) Twenty years of Freedom: whose democracy are we reporting? In *Media Landscape 2014 Celebrating 20 years of South Africa's Media*

children, gender and gender-based violence, on how HIV/ AIDS is reported has shown that the need for “further and extensive transformation remains – not to reach some utopian ideal, but to offer a greater diversity of views and voices, ensuring that all within our borders are represented.”

By 2011, the four groupings had become responsible for the circulation of 88% of newspapers into the market⁵. By 2015, this figure had risen to 96,3% demonstrating increasing concentration. In addition, the target market remained (and remains) largely urban based, with Gauteng, the Western Cape and KwaZulu Natal making up majority readership with black, poor, rural, disadvantaged population groups excluded from the mainstream media. Today, few titles are published in indigenous languages despite these titles seeing increased circulation.

Newspaper publishing is not the only area where print media concentration is in evidence. The four main media houses account for a significant portion of the newspaper market, but also own and control the large printing and distribution companies. For example, Novus Holdings, a subsidiary of Media24 has newspaper and commercial printing plants in Johannesburg, Cape Town, Bloemfontein, Port Elizabeth and Durban. CTP Printers, a subsidiary of Caxton, has newspaper printing facilities in Johannesburg and Cape Town.

Distribution companies reflect the same concentration patterns. *On the dot* is a division of Media24; *Allied Publishing* is owned in a joint venture between the Independent Newspapers and the Times Media Group (TMG); and, *RNA* owned by Caxton distributes local and imported magazines as well as books. Between them these companies control most of media distribution in South Africa.

Ownership concentration across the value chain has given an unfair advantage to mainstream media. In terms of securing advertising they are able to use economies of scale to push out any potential competitor – and have used this strategy in the past to get rid of a community newspaper viewed as a competitor (Berkina Twintig (Pty) Ltd Gold-Net News vs Media24: Competition Tribunal)⁶. Through ownership of almost all printing presses, there have been instances where they have also created barriers to entry. This has and can have a disastrous effect on the community media that is attempting to break into and grow in this market.

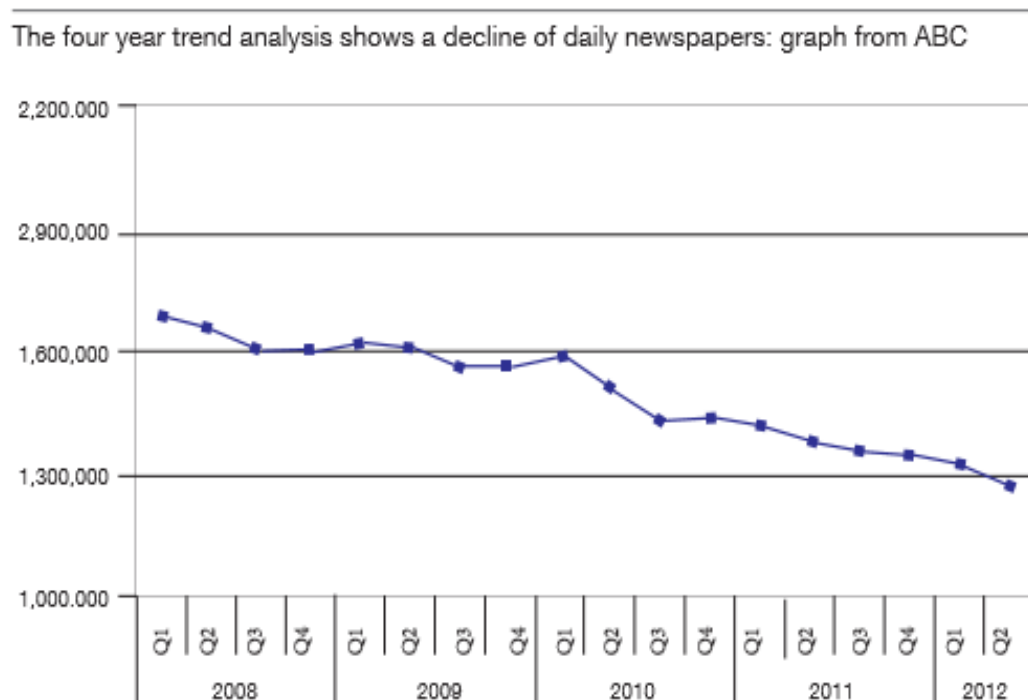
Despite advantages in ownership and control, technological changes have had a devastating effect on the print media industry. There has been a shift away from print to online platforms

⁵ MDDA 2009 and own calculations, Jane Duncan, *New South African Review* 2, 2011, P350

⁶ GCIS (2012) Competition Commission Cases in the Media: Print Media by Paremoer in Media Landscape 2012: Reflections on South Africa's Media Environment.

which has resulted in a drop-in circulation / readership on almost all print titles. Figure 1 below reflects the downward trajectory in respect of circulation of the daily newspapers from 2008 – 2012 – a trend that continues today.

Figure 1: ABC figures as reflect in The State of the Newsroom South Africa 2013: Disruptions and Transitions
pg 2



The industry has responded to declining circulation by producing news on a diversity of platforms and making use of social media platforms such as Twitter. Most have moved print media titles to an online platform but despite experimenting with “paywalls” and subscriptions, there is still no business model to ensure profitability of online media and print media continues its decline. Massive retrenchments of journalists have also taken place - and those that remain must work across multiple platforms. The industry has also withdrawn its funding from MDDA citing the challenges that it is having with the move to online.

2.2.1.2 Broadcasting

In 1994, South Africa had 32 licenced radio stations (public and commercial) with an estimated audience of 19.8 million people, no legally recognised community radio or TV stations, and

only 2 licensed TV operators offering no more than 5 channels to an estimated audience of 14 million people. Twenty years on, in 2014, there were 250 licensed radio stations with a weekly audience of 33.2 million and 16 licensed TV operators working across 170 channels with an audience of about 40 million.⁷ South Africa has therefore seen a rapid expansion of broadcast media with a plethora of channels, programmes that are available in a number of languages, and new formats appearing.

Broadcasting remains the media of choice for most South Africans. The commercial radio and television services that have emerged include both free-to-air channels and subscription services (terrestrial and satellite). *There is one* free-to-air commercial television - “e-tv” (Midi TV (Pty) Ltd.) and subscription television is dominated by DSTV/MultiChoice (part of the Naspers group). There is also ANN7 and about 17 private commercial radio stations; which have taken a significant share of the audience since the liberalisation of the airwaves in the mid-1990s. According to the Broadcast Research Council RAM figures for Oct 16 – March 2017 radio commands 93% of weekly reach with 36.6 million listeners. Most people listen on radio (78%) although 36% also make use of mobile technology.⁸

Due to the popularity of broadcast media and the audiences it attracts, advertising spend has increased phenomenally over the years – in 1994 with R1 billion ad spend versus R12 billion in 2014. Radio in particular has seen strong growth in ad spend from R3.6 – R4.5 billion from 2012 – 2014.⁹ This growth in popularity can largely be attributed to language diversity on the airwaves and / or local content programming that differentiates the different stations / channels from one another.

Commercial broadcasting is regulated by government laws / policies that emphasise fulfilment of certain public service obligations – although these are less arduous than those imposed on public and community broadcasters.

As with print media, technological changes have impacted the environment although in this has both positive and negative implications. Firstly, as more spectrum becomes available additional radio /TV stations can be granted licenses leading potentially to increased content diversity. Secondly, for media owners digitisation could result in reduced transmission costs, convergence of services and content differentiation. But content differentiation puts increasing pressure on journalists, editors, producers – to churn out more content for broadcasting or to buy content internationally.

⁷ NAB (2014), The State of the Broadcasting Industry Report 2014 pg. 4 - 5

⁸ Broadcast Research Council (2017) <http://www.brcsa.org.za/brc-ram-may-release-presentation-may-2017/>

⁹ NAB 2014 State of Broadcasting Industry 2014 pg 6

2.2.1.3 Public Media

The South African Broadcasting Corporation (SABC) is by far the biggest and arguably the most important player. The mandate of the SABC as set out in the Broadcasting Act, No 4 of 1999, is to provide both a commercial and public service, each administered separately, with commercial radio stations subsidising the public service stations.

The majority of the country's population rely on the public broadcaster's radio and television services for news because the services are broadcast in all the 11 official languages. The SABC has over 40 per cent of the country's total radio audience and 70 per cent of television audience. However, the broadcaster has been experiencing financial and managerial difficulties, which have affected its credibility and even its ability to effectively deliver quality news.

2.3 Technological Change

Technological change has, as suggested, created major disruptions within the media environment. This change tends to favour the rich to the exclusion of poor, disadvantaged economically excluded communities and has the potential to further exclude them from access to media as it increasingly shifts away from traditional distribution channels to online formats. The stats speak for themselves:

- According to StatsSA, only 16.6% of adults in LSM 1 – 4 had access to the Internet in the period December – June 2015 compared to 70% in the top LSM (8 – 10).
- Mobile phone penetration ranges between 80 – 90% across all provinces, although many are not smartphones. In fact, over half the population had not used a smartphone in the period December 2014 – June 2015. Only 22.3% of LSM 1 – 4 had used a smartphone with corresponding 78% in LSM group 8 – 10. Mobile phones are therefore used mainly for interpersonal text and voice communication, rather than to receive or send media content.

The high cost of data has also not helped create the necessary enabling environment for mobile devices or PCs to be used for mass communication. Tariffic, a research company that investigated and compared the prices that South Africans pay for “data only” packages against 7 other countries, namely Brazil, Russia, India, China (BRICS), Kenya and Australia found

that South Africa had the second highest data prices after Brazil. Data prices were on average 134% more expensive than the cheapest prices in the group according to Tarrific¹⁰

The lower LSM groups (1 – 4) while having made some of the technology leaps particularly with the purchase of mobile technology often do not have the same access to the internet or to smartphones that are needed for mass communication (rather than interpersonal communication). Ultimately therefore urban based, higher LSM groups are advantaged in gaining access to news and information over the lower LSM groups, leading to a growing digital divide. Media development and diversity and economic transformation will only become a reality if this is addressed.

Technological change has also led to new phenomena within the media environment, namely that of content aggregation and the rise of fake news. Content aggregation, whereby network platforms such as Facebook and Google use algorithms to direct specific news items to your feed based on your network history, has implications for content diversity as alternate viewpoints are not made available. Fake news on the other hand is dangerous for precisely that – the spread of misinformation and untruths that can create havoc in society and amongst communities.

2.4 Conclusion

The current media landscape is a turbulent one – and while there has been some progress towards transformation this has not gone far enough to satisfy media development and diversity obligations.

Print media is of particular concern as four media houses dominate the industry. The entire value chain – from content production, through to printing and distribution – is owned by the Big 4, namely Caxton, Media24, Times Media and the Independent group. The mainstream media therefore has the power to increase printing prices and decide on printing and distribution schedules thus placing the community press at its mercy. For community print media this has been devastating – some newspapers have been forced to close down while others print irregularly.

Newspapers published by the Big4 have also been criticised for monopolising the dominant narrative and failing to reflect the voices of all South Africans. This situation has worsened

¹⁰ Data prices: How SA compares to the rest of the world 2016-09-30 13:04 - Gareth van Zyl, Fin24

<http://www.fin24.com/Tech/Multimedia/data-prices-how-sa-compares-to-the-rest-of-the-world-20160930>

with the technological changes that have wreaked havoc on this industry. Declining circulation has resulted in a drop off of profits and industry retrenchments and those journalists remaining are forced to produce stories with less. This has a direct bearing on quality and local content quotas. Newspapers and media groups have started to share stories thus further contributing to a lack of content diversity.

To date, the print media industry has still not developed a business model that will enable it to survive. Again, this has had implications for the community print media. Voluntary contributions previously made to MDDA have been withdrawn with the industry arguing that it can no longer afford these until impact has been established. The fact that much of this contribution (up to 70%)¹¹ is returned to the industry through community printing has not been considered by the industry.

Technological changes are also driving change in the media environment. With the convergence of technology, the MDDA funding regulations have become outdated. MDDA would therefore need to change the existing regulations taking into account convergence and the shift to online platforms. In addition, the community should be kept abreast of developments so as to avoid further marginalisation. Already MDDA runs media literacy programmes and could include issues around content aggregation and fake news.

Technological change does happen in a vacuum – and the socio-economic conditions that prevail must be taken into account so that communities are not excluded from the news and information they require to live their lives. This broadens the role of the MDDA to an advocacy and lobbying body around issues that are restricting access to new technologies, such as broadband, reduction of data costs etc.

Community media (both print and broadcast) practitioners need to begin to discuss and debate how to transition into this environment. This must include a focus on digital and social media (Facebook; Google; Twitter) with a view to determining aggregation of news and implications for local content diversity. As Buckley (2007) suggested questions that need to be asked include: What will the new platforms for delivery be? Which will be the most suitable for community media (both print and broadcast) uses? Which are the most cost-effective for small-scale, non-profit uses? What regulatory barriers need to be overcome?

¹¹ Interview with MDDA community print staff

3 THE COMMUNITY MEDIA ENVIRONMENT

3.1 Assigning Roles and Responsibilities

The South African government sees community media as the vehicle through which political and economic challenges such as media concentration and lack of access by the most disadvantaged to the media could be challenged. This in turn would result in improved media growth and diversity. It is important to note that community media consists of both print and broadcast media, and each platform has its own challenges and opportunities.

The World Association of Community Radio Broadcasters (AMARC (2007))¹² has included advocacy as part of the role seeing community media contribute towards “activating citizens and facilitating participation” - not only for media policy changes but pertinent socio-economic issues. This approach has been adopted by the South African government that has adopted a developmental approach seeing community media as the “voice of the voiceless” with a “unique role to play in the building and reconstruction of the social fabric of the communities in which it operates.”¹³

Within this worldview, community media (specifically broadcast in this instance) is seen to have the following characteristics, namely:

- Not for profit, and owned and controlled by civil society or the community;
- Open for community members to become involved in media production or distribution;
- Run by governing bodies that are elected by communities, are transparent and inclusive in decision-making;
- Often run by volunteers who will share skills and build their own capacity to ensure the sustainability of the station / newspaper etc.;
- The voice of community members and cultural groups not represented in the mainstream media;
- Open to a range of differences of opinion around political, social and economic matters.

The ANC government since 1994 has reiterated its support for community media and sees it as a vehicle to: enhance socio-economic development within communities, be the voice of

¹² 1 AMARC (2007) Community Radio Social Impact Assessment: Removing Barriers, Increasing Effectiveness (...)

¹³ A Case for Community Media, p63

local communities; act as a conduit of government information; and, reflect the diversity that is not seen in the mainstream press.

Through its Reconstruction and Development Programme (RDP) the government not only provided a roadmap for how media freedom and access to information could be achieved – but introduced community media as an important player:

“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 the 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 the media. New voices at national, regional and local levels, and genuine competition rather than a monopoly of ideas, must be encouraged.”¹⁴

The RDP was important at the time as not only did it establish the need for community media but spoke to how this media could be used to help challenge existing monopoly ownership and to build access for all. The programme further reiterated that without diversity of views and opinions democracy was unlikely to flourish – and that community media should be supported to enable this.

The COMTASK Report published in 2002 also advocated strongly for the development of the community media sector. The COMTASK Report was written by a Task Team set up by the Presidency to look into government communication post-apartheid. This Report established a number of important principles:

- a) All citizens have a right-to-know and the media should be accountable to the new democratic South Africa;
- b) Historically disadvantaged individuals, particularly women, disabled and those living in rural areas, should not be excluded from the media and content diversity and plurality of views should be encouraged;
- c) Communication should not be top-down but a two-way process, open to alternative views and opinions;
- d) Ownership, management and control of the media should reflect the demographics of the entire South African society.

¹⁴Reconstruction and Development Base Document 1994

The democratic government thus demonstrated through its unfolding policy and programmes strong support for the development of a community media sector. Throughout the years there has been agreement that this media would serve the most disadvantaged groupings so as to encourage alternative views, languages and culture within the media space. In addition, this medium would help to erode media concentration and promote diversity.

What was essentially left was to create the enabling environment – through the policies, laws and regulations that were introduced. This has the setting up the Media Development and Diversity Agency (MDDA) to channel funds to community media and promote media development and diversity in South Africa.

3.2 Policy, Laws And Regulations

Government introduced a host of laws and regulations to create an enabling environment for the three-tier media system of public, commercial and community media that it had pioneered. While the MDDA Act of 2002 was the one law that was directly applicable to the community media sector, the other laws hone in on all three tiers.

In this section, we reflect on these media laws – and focus in on those parts that apply to community media.

3.2.1 ICASA Act

The Independent Communications Authority of South Africa (ICASA) is responsible for the licensing of broadcasters, signal distributors, electronic communications and postal services. ICASA has the power to make regulations, impose license conditions and to manage the radio frequency spectrum in the public interest.

There have been a number of unintended consequences of the act that must be addressed for diversity and the long-term sustainability of radio stations. These are:

- Community broadcasters apply for class licenses from ICASA. These are usually granted if the applicant can demonstrate they are non-profit entities, serve and support community interests; and involve the community in selection and provision of programming. This has resulted in a number of community radio stations being set up in the same geographic area

- Community broadcasters do not have to demonstrate that they have the funding for sustainability – but instead need to “Indicate *commitment* of funding from financial institutions and provide details of the manner in which the proposed service is to be funded (e.g. sponsorship, donations etc.)”.

Broadcasters often then put pressure on the MDDA to commit to this funding. It is clear from the research that greater attention to sustainability must be given in the licensing process as well as internal MDDA processes.

3.2.2 Electronic Communications Act No 36 Of 2005

This Act regulates electronic communication in the public interest. The Act requires that electronic services reflect the language, culture and religious diversity of South Africa and provides the framework within which a diverse group of South Africans can deliver these services. The Act further allows for the class licensing of community broadcasters. This Act however does not give ICASA the power to withdraw licenses where broadcasters are not achieving objectives, nor to refuse licenses in instances where there is no community engagement. This has obvious negative implications for the sector.

The ECA (2005) further requires broadcasters to contribute 0,2% of turnover to MDDA or USAASA – a levy that they are able to allocate to the MDDA directly and offset against the required payment to USAASA. Broadcasters are currently the main MDDA funders and without agreement in law that MDDA only receives the funds, the Agency is vulnerable.

3.2.3 Competition Commission Act (No. 89 Of 1998)¹⁵

This Act while more generally applicable is important within the community media context. This Act was set up to prevent anti-competitive behaviour that allows companies to acquire a

¹⁵ Certain projects have alleged that News 24 is engaging in anti-competitive practices. They claim that this is undermining their sustainability. For instance, some allege that, News24 is buying community media stories and this has left projects without stories for their own publications. Also, they were inviting community media projects to rent/ use space in their buildings but with the intention of ‘eventually absorbing them into News 24 operations’. These allegations need to be investigated further and the case referred to the Competition Commission if the allegations are found to be true.

dominant position, market power or increase barriers to entry. Community print has already used this law to fight print industry members engaged in predatory pricing practices.

3.2.4 The MDDA Act of 2002

The Act sets up the Media Development and Diversity Agency (MDDA), outlines its mandate and the criteria on how grants should be dispersed. It will be covered extensively in the chapter that focuses on the MDDA.

3.3 Community Media Projects (Broadcast, Print And Online)

The community or alternative press as it was previously called played a significant role in supporting the anti-apartheid struggle. In the 1970s, this was seen with the emergence of union newspapers as well as publications that through poetry and storytelling reflected the prevailing conditions of the day. Even some mainstream press – like the *Daily World*, *Weekly World* - lent their support to anti- apartheid struggles (more especially from a black consciousness perspective) by printing and publishing stories emerging from the Union of Black Journalists and the Soweto SRC. Post 1976, the apartheid state responded by banning these newspapers which required that a different approach be adopted for community / alternative media.

In the 1980s this change was seen with the introduction of *Grassroots News*, a tabloid that emerged in the Western Cape and was published fortnightly. The objective of the newspaper was 'to report the news, make the news – but also to make history'¹⁶. A staged approach was adopted: in Stage 1, the newspaper would focus on reporting local community issues, while in Stage 2 the newspaper would provide a political critique of the prevailing community conditions. These newspapers played an important organising role as they united communities, civil society, NGOs across the country against apartheid.

At this time, the commercial media was coming under increasing criticism as while a few mainstream newspapers adopted an anti-apartheid stance, none reflected on the struggles, harassment and arrests that were happening at community level. As a result, there was a rise

¹⁶ Berger, G in Publishing for the people: the alternative press 1980 – 1999

in national newspapers such as the *New Nation*, *South* and the *Weekly Mail* to fill the gap. These tended to shift away from reporting on community issues – and instead focused intensively on the unfolding political landscape which opened them up to state repression that had intensified during the late 80s / early 90s.

Post 1994, with the introduction of a democratic government, community / alternative media began to decline. In the 1980s-foreign funding had become available for newspaper production – but this financing was not so readily available post-apartheid. Journalists who had initially worked on the community media had little or no experience of running a newspaper business – and many publications were unable to sustain themselves. These journalists also began to seek opportunities in the mainstream media as reporting on black politics had improved and there were increasing opportunities for the absorption of journalists.

This period therefore saw the folding of a number of newspapers, more especially those titles that had emerged nationally like *South*, *Vrye Weeksblad*, *New African* and the *New Nation*. While it was initially thought these would likely become the mainstream press post-apartheid, lack of funding and the cartel behaviour of the already established newspapers houses made this impossible. In addition, once democracy was seen to be achieved and the mainstream press broadened its coverage to include wider black audiences, these newspapers began to lose audiences.

Alternative publishing did not cease at that time though. Real change at community level had not happened and there was a mushrooming of local news evidenced in the start of newspapers such as *Nemato Voice* (Port Alfred), *Cape Dokta* (Cape Town) and *North* (Rustenburg). Yet in the absence of secure funding, access to capital and management skills, these did not survive long.

In 1994, there was a shift towards community radio when the Independent Broadcasting Authority began issuing licenses – with Bush Radio and Radio Zibonele in the Western Cape receiving the first community radio licenses. These stations were set up by community activists in Cape Town. By August 1995, the IBA had issued 82 community radio stations that were to be valid for a year, but only in 1996 did four year licenses become available (Pather, J, 2012).

Between 1996 – 2002 and prior to the launch of the MDDA, statistics and information on what community media was available to historically disadvantaged communities is scanty. MMA has therefore been unable to fully establish a baseline for the study although it is clear that during this period there was quite rapid expansion – and that this then exploded from 2003 – 2016. The largest growth was seen in the community radio sector with listenership as compared against total radio audience moving from 8% in 1997 to 27% in 2014 with a national

listenership of 9 million out of the total radio audience of approximately 33 million¹⁷. By 2017 this had further increased to 28% of the total radio listenership with 275 community radio licenses having been issued.

Literature on the print media seems to suggest that resurgence within this sector took place in the early 2000s. The Association of Independent Publishers (AIP) report that in 2016 there were 204 community newspapers in South Africa - 88 that publish 1,449,360 copies a week; 37 that publish 412,500 fortnightly and 79 that publish 923,500 copies a month.¹⁸ Total copies per month is therefore 7,000,340 with approximately 28 million readers accessing these copies.

Community print publishers are evident in all nine provinces, with provincial breakdown as follows: Eastern Cape (28); Free State (15), Gauteng (30), KwaZulu Natal (23), Limpopo (11), Mpumalanga (21), North West (12), Northern Cape (6) and Western Cape (18). Of these 41 are women owned (25%) while 78% are black-owned.

All indigenous languages are catered for across the provinces. The 85 newspapers are published in indigenous languages with a mixture of English/Afrikaans

Community TV operators in South Africa, such as TBN, Soweto TV, Cape Town TV, KZN and Tshwane TV were also launched in the post-apartheid period. The reach and growth of Soweto TV has been huge and it currently commands the 5th highest reach of all terrestrial TV broadcasters. However, TV is a difficult and expensive media to maintain and there have been challenges in sustaining on-going programming as advertising has been slow to support this particular sector.

3.4 Conclusion

Since the 2000s, the community broadcast media sector has grown exponentially. It should be acknowledged however that there are differing challenges affecting community print and community broadcast which result in differing needs. Although the South African government has, through the South African constitution, its laws and regulations created an enabling environment and there are now more community radio stations and newspapers than ever in South Africa's history – it is noted that the changing digital environment has brought with it

¹⁷ NAB (2014) State of Broadcasting Report, pg 18

¹⁸ AIP profile www.aip.org.za

new challenges for the sector. Community TV is also growing slowly. We also see an actively robust community media sector that contributes to the growth of the sector.

Challenges in the sector remain though due to misalignment and discrepancies between the different laws and regulations. For example, while MDDA sees community involvement as core to granting funds for radio, ICASA has not been given the power to withdraw a community radio license in instances where the community is not involved.

4 ROLE AND IMPACT OF THE MEDIA DEVELOPMENT AND DIVERSITY AGENCY (MDDA)

4.1 The MDDA Mandate

The COMTASK Report recommended that:

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

COMTASK Report, 1996, Recommendation 79).

The Task Team’s recommendations also called for a professional advisory committee to:

- Advise on the subsidy and support mechanisms to be adopted for the promotion of media diversity (*Recommendation 37*);
- Explore, advise, encourage and consult on avenues for partnership with sectors engaged in information delivery at community level (*Recommendation 38*).

By 2002/3, the Media Development and Diversity Agency (MDDA) had been established by an act of law - the Media Development and Diversity Agency (MDDA) Act No. 14 of 2002.

According to the act, the mandate of the agency is to:

- Encourage ownership and control of, and access to, media by Historically Disadvantaged Communities (HDC) and the promotion of indigenous language and cultural groups;
- Encourage the channeling of resources to the community media and small commercial media sectors;
- Enhance public consciousness with respect to media development and diversity issues;
- Encourage the development of human resources through training and capacity building within the media industry, especially amongst Historically Disadvantaged Groups (HDG);
- Support initiatives that promote literacy and a culture of reading;
- Encourage media development and diversity research; and.
- Liaise with other statutory bodies, such as the Independent Communications Authority of South Africa (ICASA) (South Africa, 2002a:4).

The Regulations and Section 22 of the MDDA Act provides guidelines on criteria for selecting projects to support, agreements to facilitate support, procedures for applying for support and allocations towards projects and administration. These regulations also broadly set down the criteria the MDDA must use when selecting which projects it funds. These range from an assessment of the project's contribution to media development and diversity; to ensuring redress and access; promotion of languages and culture – through to internal governance and ownership and management by local communities (rather than political or government entities).

Regulations also spell out how the funding should be divided but allow for some deviation if it is “reasonable and justifiable to do so”.

Funding allocations include:

- 60% for community radio;
- 25% for small commercial media;
- 5% for research and training;
- 10% unallocated/other;

(Regulations in terms of section 22 of the Media Development and Diversity Agency Act (Act 14 of 2002, Oct 2003)

In terms of funding agreements signed with the commercial media, all funds from the broadcast media must be spent on broadcast projects, and all funds from the print media must be spent on print projects. Technological change has resulted in convergence and has placed additional pressures on the media environment to adapt. With the move to an online digital environment, the ring fencing of funding is outdated and needs to be adapted. The implementation objectives of the agencies founded by government in the late 1990s/ early 2000s needs to be reviewed as their mandates begin to increasingly overlap.

4.2 Political Support For Community Media and MDDA

Political support for the community media sector and the MDDA has not waned over the years and political parties across the spectrum have weighed in.

The Economic Freedom Fighters (EFF) in a document entitled “*The media, ideology and the battle of ideas*” issued in October 2014¹⁹ have joined the call for the diversification of media in terms of ownership, control and language spread. The EFF

¹⁹ <http://www.politicsweb.co.za/documents/the-media-ideology-and-the-battle-of-ideas--eff>

see the development and strengthening of community based papers as paramount so that a "grassroots" oriented media may emerge giving voice to ordinary people. The EFF at the same time see the MDDA as having been set up to enable media development and diversity.

An internet search for the Democratic Alliance's (DA) policy paper on the role of community media yielded no results. This does not seem to be a major area of focus for the party. The DA's National Spokesperson and Member of Parliament, P van Damme indicated that the party does support not only the MDDA but the call for greater diversity of voices and ownership of the media. They differ from the ANC in that they believe that small commercial media must be funded in the short term and that over time these media projects must innovate and become self-sufficient. Local government should be encouraged to advertise and measures should be put in place so that these entities cannot use this to influence communities directly or indirectly. She also emphasized that MDDA's focus should possibly shift away from funding and advertising towards training. There was a further concern that MDDA was seen to be providing grants with very little monitoring and evaluation of projects, many of whom were not self-sustaining.

The African National Congress (ANC) has been the most vociferous in its support for community media and the MDDA. As the majority party in government it is highly influential currently and therefore able to set the agenda in respect of media policy. Resolutions at the policy conferences over the past 15 years reflect the support for community media and the agency:

- 51st National Conference (2002): Policy resolutions speak of the need to encourage communities to apply for community licenses and set up community newspapers. Already, there is talk of getting government to increase ad spend to community media and a call for MDDA to conduct an audit of the community media sector that would establish a baseline.
- 52nd National Conference (2007): In policy papers prior to the Conference, the ANC recommendations mainly focused on funding for the MDDA – to come through government coffers and ad spend. There was a further call for capacity building of the MDDA so that a viable funding model for the sector could be developed. The National Conference endorsed many of these recommendations but included a call for the rollout of community radio to each District Municipality throughout South Africa. There

was also talk of transformation of the mainstream print media in order to create the space for media development and diversity.

- 53rd National Conference (2012): Policy resolutions start positing a possible merger between USAASA and the MDDA – to be concluded by 2014. The focus remains on strengthening the MDDA through development finance options and for ensuring transformation in the print media and advertising sectors for content diversity.
- In April 2017, the ANC released its *Communication and the Battle of Ideas* discussion document that forms the basis of discussions at its NGC Policy Conference in June 2017. Recommendations that emerge from the NGC Policy Conference will be further reflected on at the 54th National Conference (Dec 2017). In the absence of firm resolutions on the matter however, the discussion document is interesting in that it now speaks to the need to review not only the funding but also the support framework for the community sector. There is talk of MDDA de-centralising its operation and for legislation to be adapted to open up funding possibilities for content production and signal distribution. Government at all spheres is now encouraged to use the services of community media and contribute financially but there is no clear suggestion on how this should be done.

Political support for the sector on the whole remains. Since 2002, a consistent theme has been on funding of the community media sector. Various approaches have been suggested to enhance the sustainability of the sector. More broadly, transformation of the print media environment is also seen as key for ensuring media development and diversity so that spaces are opened up for alternative views and vision.

4.3 Stakeholder Support

There are a number of stakeholders in the community media sector (looking at both print and broadcast) that have specific roles and responsibilities and provide a range of services - from facilitating training and capacity building programmes, through to lobbying for policy and legislative changes. These include the National Association of Broadcasters (NAB), the Broadcasting Complaints Council of South Africa (BCCSA), the National Community Radio Forum (NCRF), the Association of Independent Publishers (AIP), the Press Council and Audit Bureau of Circulations (ABC).

Our research shows that the relationship between MDDA and stakeholders differs from that between the media projects and stakeholders. Generally speaking, MDDA engages

stakeholders nationally: NAB has representation on its board and NCRF receives intermittent funding support. The Press Council, BCCSA and ABC are strictly not stakeholders but are services organisations operating in the media space.

The NAB and NCRF both called for stakeholder relationships to be strengthened and for regular engagement and collaboration across the sector. NAB argued that their 'relationship' with MDDA could be improved and that "there ought to be recognition by the MDDA of industry associations that work in promoting and protecting the community media sector."

The NCRF reinforced this view suggesting that MDDA operates "like a distant uncle, one that clearly cares but is far away". The Forum argued that they should be represented on the board and that MDDA should be meeting regularly with stakeholders to clarify roles and responsibilities and plan for sector developments. Closer ties between the associations / forums and MDDA was seen as a way to strengthen and impact the sector allowing each organisation to draw on the strengths of the other. AIP appears to have the closest relationship with MDDA.

There is general agreement among the associations / forums that the MDDA has had impact, remains relevant and is necessary for the survival of the sector. This does not mean that they are not aware of the problems. The NAB whose members provide most of the MDDA funding has called for greater transparency around the support community broadcasters receive and the progress made. The AIP talks about the need to strengthen organisational capacity and to provide more relevant training while NCRF suggests that training interventions should form the core of MDDA activities so that they move beyond being seen as a cash cow for projects.

Media projects have experienced each of these stakeholders differently. On the one hand, certain media projects questioned what is meant by the term 'stakeholders' (particularly the Mpumalanga interviewees). This might indicate the limited role that these organisations have played in the work of some of these projects.

On the other hand, some print projects reported that they have had positive relationships with stakeholders – in particular with the Association of Independent Publishers (AIP). The AIP's training workshops and networking events are generally seen as positive and empowering. AIP had also been responsible for getting all small and community publications' audiences audited through the Audit Bureau of Circulations (ABC) so that they are better able to attract advertising. A number of projects further reported that they had joined the Press Council) and felt that this had 'immediately increased their legitimacy'.

For a number of broadcasters, the Independent Communications Authority of South Africa (ICASA) – a Chapter 9 institution and regulator was seen as having an important role. Less so stakeholder bodies like the Broadcasting Complaints Commission of South Africa (BCCSA). The South African National Editors Forum (SANEF) was mentioned by some projects (particularly in Limpopo) but often in the context that it ‘didn’t sufficiently cover community media issues’. The National Association of Broadcasters (NAB) was not mentioned in the interviews. The importance of the signal distributor, SENTECH was mentioned by some projects – for instance, in KZN.

Radio projects in the urban areas were aware of the National Community Radio Forum (NCRF) but rural projects were often not aware that the Forum existed. Some projects indicated that although they were aware of the NCRF, it did not offer any support. The research revealed that a number of stations in rural areas had formed a separate organization called the South African Independent Community Radio Association. Also, some of the Christian stations had joined the Association of Christian Media.

4.4 Government Support

Government has played a significant role in supporting the development of the community media sector. Government’s commitment to community media has resulted in a number of agencies / organisations being founded that play a supportive role. These include:

Organisation	Support
Department of Communication (1998)	<ul style="list-style-type: none"> • Community Radio Support Scheme that provided support for: <ul style="list-style-type: none"> ○ Infrastructure rollout of technical equipment to stations; ○ Signal distribution and upgrade; ○ Programme production support on specific areas; ○ capacity building and training; and, ○ Satellite network infrastructure support.
The National Electronic Media Institute of South Africa (NEMISA) (1998)	A government funded training institute to provide skills training to the broadcast industry and community radio training

USAASA	Established to promote and facilitate universal access to electronic communication services, broadcast services and electronic communication services. The Universal Service and Access Fund (USAF) was established and is managed by USAASA to ensure that the objectives are realised.
GCIS	Currently working on a suggested 30% of all government ad spend be directed to community media. As there is no regulation to support it, this cannot be enforced.
ICASA	ICASA is responsible for regulating the telecommunications, broadcasting and postal industries in the public interest and ensuring affordable services of a high quality for all South Africans. ICASA issues licenses to telecommunications and broadcasting service providers', enforces compliance with rules and regulations, protects consumers from unfair business practices and poor-quality services. It also has a monitoring function and manages the effective use of frequency spectrum.

For MDDA to play an effective role requires that the agency develops a relationship with each of these entities. MDDA currently reports to the Department of Communication (DoC), meets with ICASA as and when required, enters training partnerships with Nemisa, and lobbies GCIS around government ad spend. Synergies or partnerships between these organisations have not been fully explored and / or exploited. While there is little or no hostility between government departments and / or agencies, there is no coordinated effort to bring about maximum change in the environment. This is evidenced in:

- Laws, regulations and criteria that are not aligned: ICASA's criteria for awarding licenses are much less stringent than that of the MDDA and the ECA further prevents the authority from withdrawing licenses where the community is not involved. This contradicts the MDDA media development and diversity mandate. This requires regular formal interaction and collaboration to address the contradictions.
- Limited government ad spend and support: GCIS is required to direct advertising to the community media sector. GCIS has been ineffective in providing this service. GCIS could become more active in lobbying nationally, provincially and locally for community media and in educating government departments on its role and importance.

- Duplication of services: The DoC Community Radio Support Scheme for a long time duplicated the MDDA role through directly financing station equipment, capacity building and satellite network infrastructure support. This has recently changed with funding now directed to the MDDA that operates a one-stop “shop” for funding dispersal. This will allow for better planning – and will result in less duplication or parallel systems being established to service the same function.
- Greater support for broadcasting over print media: Many of the government community support initiatives are targeted towards radio rather than the print media. The significance of each must be established amongst government departments.

Partnerships, better collaboration and support – all are vital to strengthen the sector. Much could be achieved through the thrashing out of the individual mandates, regularly meeting and working together on areas of mutual interest. The strengthening of these relationships on a national level could impact positively for what happens on provincial / local government level in interactions with media projects.

Most media projects’ relationships with national government revolve around licensing and ad spend issues. Otherwise, government support or interaction happens at the provincial / local level. This is in line with how MDDA envisaged the growth of the sector – with at least one community medium per local municipality receiving support for long term sustainability.

Most media projects indicated that they have strong relations with or are at least seeking strong relations with local government. Also, a number of projects have good relations with provincial structures. The Eastern Cape projects reported that they had strong relations with local government. In Gauteng, projects stated that they had a high dependence on local government in terms of sponsorships, advertising and content. It is important to note that one of the successful community radio stations in Soweto was anxious about shifts in local government politics though. They felt that the DA-led Johannesburg municipality was less supportive than the ANC and they were worried about how things would develop over time. In the Free State a number of projects reported that they generally had stronger relations with provincial structures - particularly the Premier’s office. However, they still had good relations with local government. Also, the Northern Cape projects stated that they had strong ties with both local government and with provincial structures but stronger ties with local government.

Certain media projects had also managed to build relations with a number of national and provincial state-owned entities (SOEs) e.g. Sanral. This was particularly the case in the Northern Cape. This was a positive development because it meant that it created new revenue streams for media organisations.

While most media projects report having established positive relations with local / provincial government, these have not been without limitations. An overall trend shows that these relationships are built around delivery of content and projects are often disappointed with the levels of funding in terms of sponsorships and advertising.

At times, editorial independence issues have also raised tensions. For example, in Mpumalanga an investigative newspaper stated that they at times were conflicted because on the one hand they worked closely with local government structures but on the other they had to run hard investigative pieces.

The question that MDDA / media projects need to grapple with is how to strengthen community / government relations to not only deepen their understanding of the value of community media and to ensure that any support is translated into funding for sustainability.

4.5 Funding Of The Agency

4.5.1 Funding Sources and Income

The MDDA Act 14 of 2002 Section 15 provides for funding consisting of:

- money appropriated by Parliament;
- money received in terms of agreements contemplated in Section 21;
- domestic and foreign grants;
- interest derived from any investments; or
- money lawfully accruing from any other sources.

Since inception, MDDA's most consistent funders have been government and broadcasters. Until 2008/9 the MDDA had relied heavily on government funding.

Later, after MDDA held negotiations with and lobbied for funding from the print and broadcast sector, the Minister in the Presidency at the time²⁰ signed MoUs with individual broadcasters and collectively with print media representatives to open up this funding pipeline. Print media funders agreed to pay R1.2m a year for five years while the ECA (2005) requires broadcasters to contribute 0,2% of turnover to MDDA or USAASA – a levy that they are able to allocate to the MDDA directly and offset against the required payment to USAASA. Funding trends therefore shifted over the period 2009/10 to 2014/15 with broadcast's contribution becoming the largest.

Print partners provided the lowest financial contribution - a set amount capped at R4 million annually. Print partners were further reluctant to consider increasing this amount citing economic challenges as well as a lack of understanding of the MDDA impact. In the 2014/15 financial year they withdrew their annual funding contribution and are now awaiting the outcome of the Impact Assessment before re-considering this.

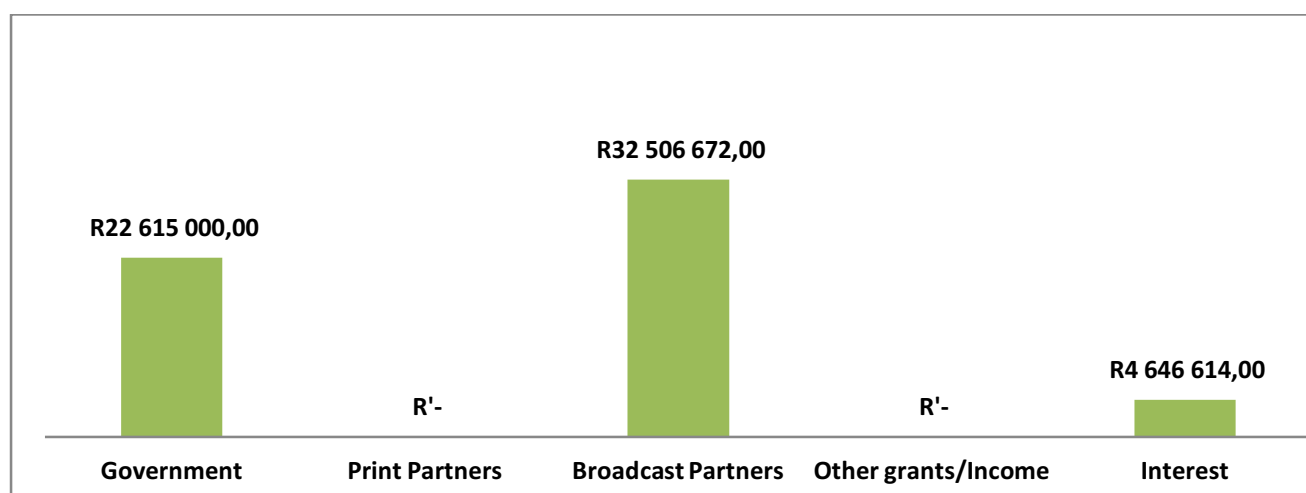
In 2015/16, broadcast partners contributed 54% of the revenue, followed by government at 38%, and interest at 8%. For the financial year ending 31 March 2016 print partners did not provide any revenue. (See Table and Figure below)

Table 2: MDDA Funding Income in 2015/16 Financial Year

INCOME IN RANDS	
Government (through GCIS)	22 615 000
Print Media	0
Broadcast Media	32 506 672
Interest	4 646 614
Total Income	59 762 287
<i>SOURCE: MDDA Annual Report 2015/16</i>	

²⁰ Essop Pahad – Minister in the Presidency, 1999 - 2008

Figure 2: Total Revenue Breakdown per Contributor 2015/16

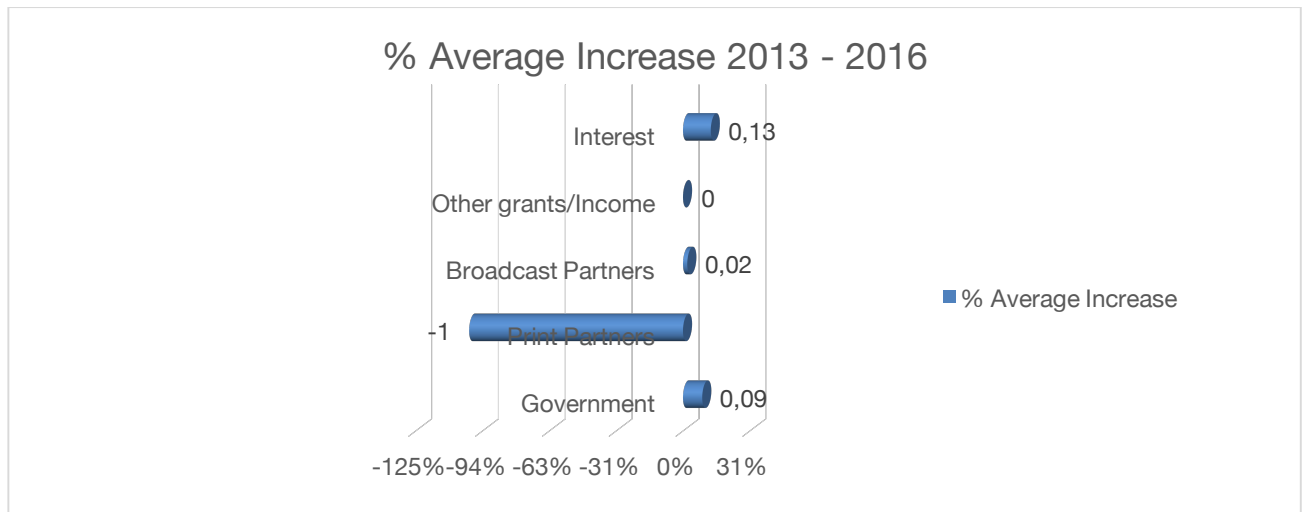


In the period 2013/14 – 2015/16, broadcast media has been a consistent lead contributor to the MDDA providing on average R30 million per year over three years; with government being the second largest contributor with an annual average transfer of R20 million.

Table 3: MDDA Funders Contributions between 2013/14 and 2015/16

FUNDER CATEGORY	2013/14	2014/15	2015/16
Government	20 790 000	20 790 000	22 615 000
Broadcasting Service Licensees	31 799 776	32 212 694	32 500 672
Print Media	4 000 000	4 000 000	0
Interest	4102 962	4 624 300	4 646614
TOTAL FUNDING CONTRIBUTIONS	60 692 739	58 651 994	59 762287

Figure 3: Average Income Increase/ Decrease (over a period of three years)



From 2013 to 2016, Interest income grew by 13%, broadcast revenue increased by an average of 2% and government transfers increased by average of 9%, while print partners decreased by an average of 100%.

Below is a year-to-year comparison of financial grants received by the MDDA from both government and private sector:

Table 4: Revenue Trends (2004 – 2012)

Table: Income and Expenditure trends

Income and Expenditure trends						
01 April 2003 to 31 March 2012						
Year	Government	Print Media	Broadcast Media	DoC	Other Income	Total Income
2003/04	10 000 000	-	-	-	-	10 000 000
2004/05	7 000 000	4 800 000	5 100 000	-	216 000	17 116 000
2005/06	7 000 000	4 800 000	5 300 000	-	53 000	17 153 000
2006/07	9 120 000	4 800 000	5 300 000	-	567 000	19 787 000
2007/08	11 991 000	4 800 000	5 300 000	-	1 177 000	23 268 000
2008/09	14 558 000	4 800 000	5 300 000	20 000 000	1 167 000	45 825 000
2009/10	16 592 000	4 800 000	17 862 000	-	794 000	40 048 000
2010/11	17 265 000	4 800 000	19 665 000	-	414 000	42 144 000
2011/12 (budget)	19 115 000	4 800 000	13 306 687	-	6 702 604	43 924 291

(Source: MDDA Annual report, 2010/2011)

Table 5: Revenue Trends (2012 – 2016)

Year	Government	Print media	Broadcast	Doc	Other	Total
2012/13	20 000 000	4 000 000	28 644 876	-	4 025 765	56 670 641
2013/14	20 790 000	4 000 000	31 799 776	-	4 102 962	60 692 739
2014/15	20 790 000	-	32 212 694	-	4 624 300	58 651 994
2015/16	22 615 000	-	32 500 672	-	4 646 614	59 762 287

While income for the MDDA has been increasing over the years, this has still not been enough to cope with the demand. MDDA reports that year on year, proposals received amount to about R150 million (MDDA Annual Report 2012/13 p 19) In addition, with increasing demand comes the need to increase and build staff capacity to cope with the influx of proposals. The income trend chart reveals that:

- Since 2009, there has not been much change in the amount of funding the government is contributing in the sector.
- The voluntary funding from the print media that was withdrawn in 2014/15 has major implications for the community and small commercial print media sector that relies heavily on financial support from this budget. MDDA has therefore had to reduce the amount of support to the sector and in 2015/16 only 7 print media projects received funding.
- The broadcasting sector provides the bulk of community media funding. The Electronic Communications Act requires that broadcasters provide 0,2% of turnover to the MDDA (offset against the required USAASA contribution). Most broadcasters are supporting the MDDA through this allocation but could decide to rather channel this funding to USAASA. This increases the vulnerability of community broadcasting. As this funding has been ring fenced for use only by community broadcasters, print or online media does not have access to these funds. In the age of technological convergence, this no longer makes economic sense.
- Funding sources have not been fully exploited. Section 15 of the MDDA Act allows for funding from a range of legal sources and yet there is little or no additional funding coming into the Agency beyond the government and broadcast

contributions. There has been, for example, no international donor funding in the past years and taxing of industry partners has not been explored in full.

- The value of financial and non-financial partnership arrangements and support (for example, from other government departments, like the Department of Arts and Culture to ensure linguistic development; from DHET for media literacy and training campaigns etc.) has not been quantified adequately. The Department of Communication also provides funding for community radio broadcast infrastructure; the SABC etc.

4.6 ACHIEVING THE MANDATE

4.6.1 Grant Funding: Growing The Sector

Media Monitoring Africa (MMA) used a variety of sources to put together a list of projects and programmes that the MDDA has funded from inception to date. Annual Reports, databases, internal documents etc. were used to determine the media platform, provincial breakdown and the kind of amounts received (see Appendix A).

Grant funding to these projects has resulted in sector growth and has been in line the mandate requirements of MDDA, namely to:

“Encourage the channelling of resources to the community media and small commercial media sectors”

Appendix (xxx) lists the community radio, TV and print projects funded since the inception of the MDDA until 2015/16 for start-up and / or strengthening purposes. Those that had participated in capacity building programmes were not included. As all data was not readily available and reporting on projects not consistent over the years, some leeway is required around facts / figures. Some projects were also supported over a number of years but for the purposes of the table these were only counted once. The Table below shows the support provided to media in each province:

Table 6: MDDA funded projects: 2002 – 2015/6 (Start up and Strengthening)²¹

Province	Print	Radio	TV	No. of projects
Limpopo	10	26	1	42
KwaZulu Natal	11	20		43
North West	7	14		25
Gauteng	10	20	1	43
Free State	9	11		24
Eastern Cape	11	23	1	44
Western Cape	14	19	1	49
Mpumalanga	9	15		31
Northern Cape	3	8		17
Total	84	156	4	327

These figures show how the community sector has grown over 20 years. In 1994, alternative / community print media was largely non-existent as international donor funding withdrew from the sector. However, by 2015/16, MDDA had and / or was supporting and funding 84 titles with either start- up capital or finances to strengthen pre-existing publications. MDDA as a grant funding organisation was therefore playing an important role as without this support it is likely that many of these publications would not have been able to launch and / or be sustainable (even in the short term).

For community radio, a similar situation emerged. While in 1996, 82 stations had been licensed for a one year period, this sector has seen the most rapid growth in terms of not only numbers of stations but also audience take up of community radio. By June 2012, community radio stations that had been licensed had risen to 173. Table 2 below reflects on the breakdown per province and type.

Table 7: Breakdown of community radio by type and province (June 2011)

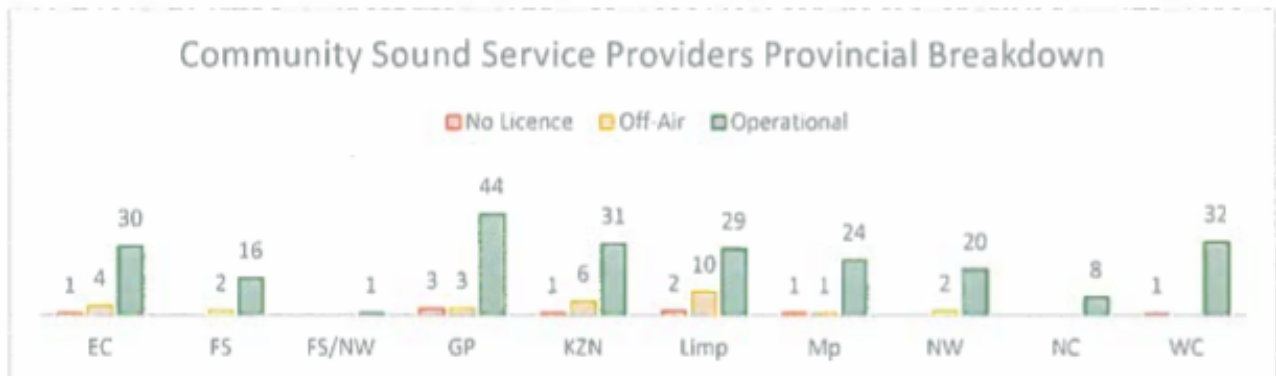
Province	Geographic Stations	Community of interest	Campus Stations	Total
Eastern Cape	15	4	4	23
Free State	12	1	1	14
Gauteng	18	12	8	38
Limpopo	11	7	1	19
Mpumalanga	16	1		17
Northern Cape	7	1		8
North West	11	1	1	13
Western Cape	13	5	3	21

²¹ See Appendix 1 for full listing of projects

KwaZulu Natal	17	1	2	20
Total	120	33	20	173

By 2015/16, there was even further growth in the sector and 2017 figures record 280 broadcasting services – 275 radio and 5 TV.²² Figure 1 reflects on the provincial breakdown per station.

Figure 4: Community Sound Service Providers Provincial Breakdown



ICASA (2017) pg. 28

When comparing the number of community broadcasting stations as measured against the support they have received from MDDA (156 radio stations funded out of a total of 275), just over half of the stations have received funding support (57%) at some point. Two hundred and twelve (212) of these community radio stations remain on air as evidenced in the Broadcast Research Council's Radio Audience Measurement ((RAMs) Report of July – December 2016. Audience reach does vary significantly between stations.

According to the Discussion Document released by ICASA on the Regulatory Framework for the Community Broadcast Services “measured in terms of licensed versus operational community sound services there is a 10% failure rate in the secondary market (rural; disadvantaged) as compared to 8% in the primary market (urban, high density areas). In terms of the primary markets, KZN accounts for 18.5% of failed stations. In secondary markets, Limpopo accounts for 26%, Eastern Cape 14% and the Northern Cape has a zero-failure rate.” (ICASA, 2017, pg. 28).

²² ICASA (2017) Regulatory Framework for Community Broadcasting Services: A discussion document pg 17

Even with these failure rates (high particularly in Limpopo and KZN), MDDA has still played a significant role in the community broadcast sector through funding and support. Funding of these stations has contributed in some way to the growth of audiences where community radio now commands over 25% of audience share in the radio broadcast sector. While TV has not taken off to the same extent (it's an extremely expensive media), MDDA by 2017 had already supported four TV stations, and while audiences have grown there is little competition with the main TV stations. Similarly, print cannot compete with mainstream media but interestingly enough is still growing audiences in an economy that has seen the decline of the mainstream print media.

The table below reflects on audience growth in the sector from 2010 – 2016

Table 8: Growth of the community media sector²³

Medium	2010	2016
Radio	8289000	9638000
TV	2443000	3577000
Print	3605000	4072000

The MDDA had also at this time as one of its objectives to establish at least one community radio station and one community print product per district municipality and ultimately one per local municipality to promote access and diversity. Appendix 2 provides a breakdown of community media projects per district municipality that demonstrates that the MDDA has achieved this target.

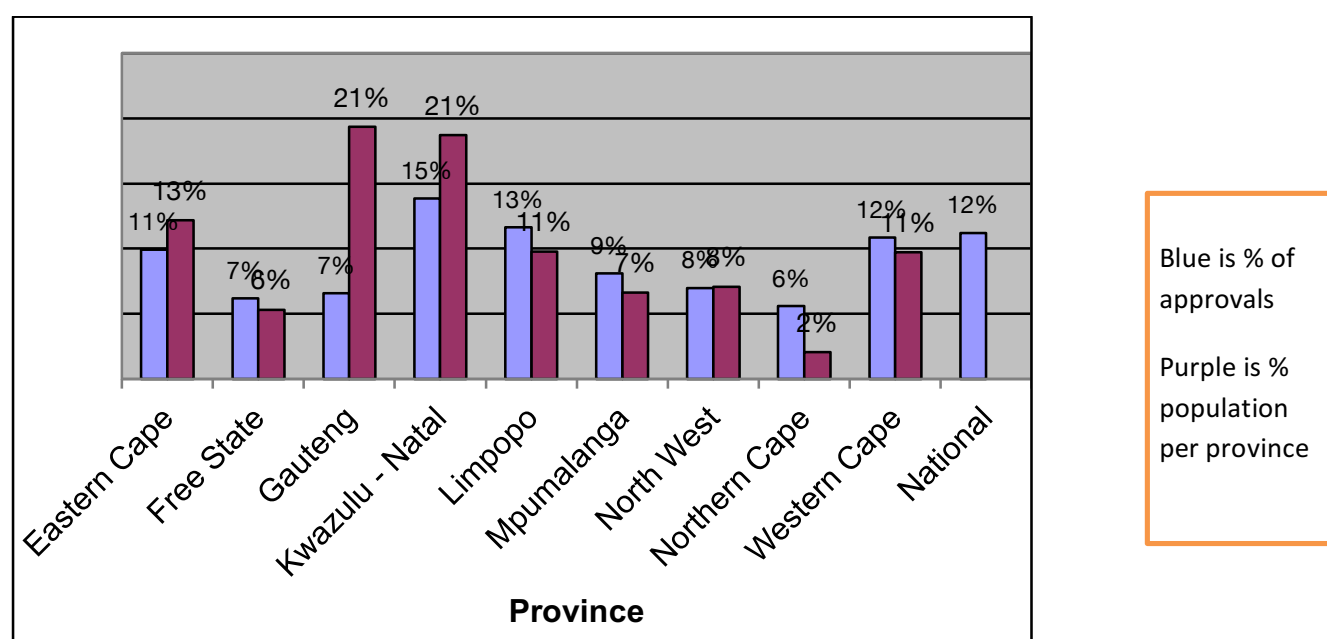
MDDA's plans to expand community media to each district municipality included a practical consideration. Community media would be encouraged to engage with the district municipality with a view to sourcing funding that could contribute towards sustainability. There is little research that shows whether linkages have been established and if there has been corresponding funding support.

MDDA in granting funding has also matched approvals to provincial population figures. This is reflected in the figure below (MDDA Schedule of Approvals per Region; 2005 – 2014). The only province where this has not been done is Gauteng. With Gauteng being a largely urban and resourced province, this does not contradict the MDDA mandate. Through providing these funds MDDA has been able to where possible address provincial needs. Within these

²³ GCIS presentation to the Media Transformation, Accountability and Diversity Colloquium August 2016

allocations what is not clear though is whether the more rural districts have been the focus of this funding.

Figure 5: MDDA Schedule of Approvals per Region (2005 – 2014)



MDDA has therefore clearly had a strategic vision and plan on how it was to grow the sector. Resources have been channeled over the last 12 years to provide funding support for a range of media project – and to ensure representation at district and local level.

MDDA impact cannot simply be measured by the number of grants allocated to the community print, radio or TV sector during this period though. While it is obvious that the funding and capacity building interventions would have contributed in some way to the development of the sector, a true measure would be whether these were / are sustainable and whether MDDA funding played a significant role in contributing to this.

4.6.2 Funding, Revenue and Sustainability

There were a significant variety of experiences in terms of funding, revenue and sustainability issues. On the whole, community radio and TV stations seem to be more able to survive than their print counterparts. ICASA reports point to the failure rate for community broadcasting to be no higher than 10%, even though stations might report low audience support.

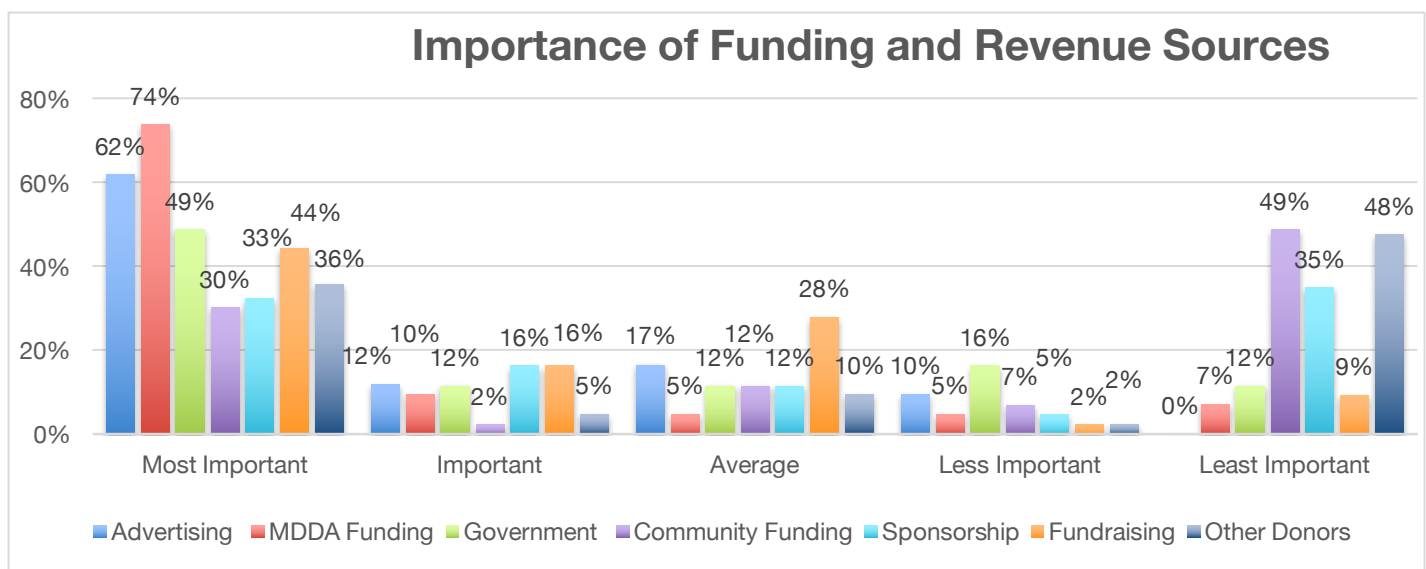
Print media projects statistics paint a different picture though. To get an idea we compared the 167 MDDA funded print projects against the Independent Publishers in South Africa map

produced by Association of Independent Publishers (AIP). This revealed that only 52 of these media projects appear to exist today – a mere 31 % of the total. This seems to suggest that the community print projects are particularly vulnerable to lack of funding support and/or sufficient income revenue.

A survey of 43 MDDA funded community media projects revealed that:

- The majority of respondents were reliant on various types of funding and ad revenue, and ranked 'MDDA' and 'Advertising' as the most important, followed by 'Government Funding'.
- 'Other' funding (which includes small donations, and any sources of funding which do not fall under the other categories) and 'Community Funding' were ranked less important by respondents.

Figure 6: Importance of Funding and Revenue Sources



When asked whether projects would be sustainable without MDDA support, the majority of projects claimed they would **not be sustainable**. **Reasons given include:**

“Up to this far things are difficult because we operate where there is a high number of unemployed, where there are a lot of companies closing. The people in our coverage areas are poor. They get less income.”

“I think we will continue to require funding from MDDA because our project is very expensive to run without it we can't manage to reach other things especially printing, it is the most expensive commodity in our line of work. Most of the budget goes to printing.”

A few projects claimed that with a little more funding (another year or two) they would probably be in a position to be self-sustaining. “We are working on self-sustaining models so that we don’t depend on donors anymore.” And, “We are working towards self-sustainability and both projects have managed to sustain for a longer period with MDDA funding support.”

This variety of experiences was also reflected in the onsite interviews conducted with media projects in the provinces. Some projects stated that they would never be ‘sustainable’ and would need ongoing grant funding. Others claimed that they were self-sustaining (e.g. a number of Mpumalanga and North West projects). Others claimed that they were still dependent on government grants but hopefully would become sustainable in future.

An interesting observation was that although the majority of the projects stated that they ‘could be self-sustaining’ they nonetheless believed that they would always need (long-term) ad revenue (stated as advertising from government). This indicated that there was an ongoing need for government support but in different forms e.g. initially grants but then later ad revenue and sponsorship. According to Harber, “To promise a bottomless pit of support is not a good idea as it would just get deeper. Rather, give them start up and then the station must show that they are working hard towards sustainability – we shouldn’t preclude further financial support but won’t give it to them unless they show they are taking steps to sustainability”. Projects presented a number of challenges as regards the funding environment in the country. Interviewees stated that:

- The private sector was often disinterested in funding and investing in community media;
- Government departments at various levels did not always realise the value of community media and the Government Communication and Information System (GCIS) had not enforced the directive that calls for 30% of government ad spend to be spent on community media;
- When government does advertise they often pay late. Also, they are sometimes inconsistent as regards the amount of advertising offered. Its ‘feast and famine’ which often makes budgeting difficult.
- Community media often lack the skills to adequately market themselves to government and the private sector.
- New digital technologies offer opportunities but also threats. Certain print media projects seemed to be particularly concerned about this. They argued that they received much less advertising on digital platforms.

- Certain radio projects complained that measurement of their audiences was problematic (there is currently no measurement for community print media). Audience measurements were originally conducted by SAARF. However, this is now conducted by the Broadcast Research Council of South Africa (BRC) set up in 2015. Radio stations stated that they did not always trust the BRC's analysis - they complained their audience figures seemed to fluctuate significantly from month to month. This was problematic for generating advertising revenue.
- Another problem was the ageing of equipment. Certain projects reported that they had delayed the upgrading of their equipment due to the huge financial outlay required. However, they could not delay indefinitely.
- Some projects were experiencing challenges with the South African Media Rights Organisation (SAMRO). Some radio stations reported that they had built up debts and wanted assistance in terms of paying these debts back. Also, they wanted assistance in keeping up with payments.
- ICASA has in some instances granted more than one radio license per district which leads to competition – not only for audiences but for resources.

Despite the challenges a number of projects have introduced innovative funding strategies. For instance, a radio station in the Northern Cape had a number of sustainability plans in place. It plans to purchase an outside broadcast van so as to cover more of the province. Through doing this it was hoping to build bigger audiences and ultimately bigger advertising revenue streams. Further, it wanted to buy a building and build a recording studio so as to generate further income.

A number of Mpumalanga projects reported that they relied mostly on advertising but were also looking at other ways to generate revenue. This includes building studios to rent out. Also, they planned to (and were already) running a number of businesses 'on the side', for example a restaurant business.

Generally speaking though, most media projects still require MDDA support not only for grant funding but to resolve the challenges they have in unlocking funding from other advertising etc. Training and capacity building interventions as well as marketing support are services provided by MDDA that can contribute towards the growth of the sector.

4.6.3 Creating an Enabling Environment

4.6.3.1 *Funding / Fundraising and Grant Dispersals*

Internationally, South Africa is considered advanced in terms of support given to the community media sector. Government funding, industry levies and negotiated subsidies are all part of the packet of goods that are supported by legislation / regulation that enforces these transfers. This provides at least some consistent funding to the sector. This funding is however not enough to meet the demand (R150 million that is requested annually)

MDDA is required to fundraise and disburse grants to community projects. Fundraising – either in cash or in kind – should be central to MDDA activities for sustainability of an already fragile sector. This has not formed the core of the agencies activities in more recent years due to what board members have referred to as “capacity challenges” – both from a finance and human resource perspective. The funding situation has in fact worsened with the withdrawal of the print media industry contributions – and this has particularly impacted the community and small commercial print sector.

This does not mean that MDDA has done nothing to support financial sustainability of the sector.

The Agency has:

- Negotiated with Sentech for a subsidy for signal distribution costs, and;
- Has secured discounts from printers for community newspapers.

Additional funding must be found for the organisation to support and strengthen the community media sector. This requires that the MDDA develops a budget that talks to actual requirements (this should not be limited by the Annual Performance Plan) and provides a clearer picture of funding needs over the short / longer term. At this stage, MDDA could explore ways in which to fundraise – from requesting increased subsidies from government, through to taxation within the industry. International best practise models provide useful suggestions but would need to be interrogated with a view to determining what would work locally.

In Section 7: Recommendations we look at the different models that could be used to attract more funding. Financial and human resources must be allocated to this function for it to be effective. With regulations limiting how the current funding can be spent (85% for projects; 5% for research and training with 10% unallocated) this impinges on what the MDDA is able to

do. While it is important that the bulk of the money is allocated to projects, this takes funding away from significant work in fundraising, lobbying and advocacy, as well as research and training.

While it is recognised that grant funding is required, it is also important to determine how this funding will be dispersed. There have been a number of criticisms of what is seen as MDDA's one-size fits all approach where budgets are allocated based on financial proposals while local economic conditions, for example, the potential to attract ad revenue is not considered. Gauteng media projects were particularly concerned that different projects in the province had in one grant cycle all received R500 000 while each project had specific needs. Some projects have also objected to receiving funds for up to one year when it is clear that they cannot be sustainable within such a short period of time and this short-term funding creates a "stop-start" approach to development.

MDDA has recognised this and as part of this study has requested that a grant funding model be proposed that takes into account project specificities, aims and objectives. This model is important not only for the sector but to provide funders with security around how their funding has been used. At times, there is a belief that MDDA is a cash cow that supports projects that have little chance of success. In Section 7 high level recommendations are made around what should be included as part of a grant funding dispersal model as a way to address these issues and to strengthen the system in ways that build sustainability.

4.6.3.2 Advertising

The financial sustainability of the community and small commercial media sector is dependent on attracting advertising from both the public and private sectors. Sustainability is the media's capacity to operate effectively under sound political, legal, and economic conditions. Donor / funding support is considered sustainable when it creates the conditions that allow for longevity of a project after the termination of outside support²⁴.

All media – public, private and community – have developed a funding/revenue model that is heavily reliant on advertising for sustainability. While community projects might at one time or the other receive grant funding there is an expectation that they will later look to alternate sources of funding for sustainability. Currently this is provided through advertising revenue.

²⁴<http://www.cima.ned.org/what-is-media-development/sustainability/>(8November 2016/15h38 CAT)

4.6.3.3 The Commercial Advertising Industry

The advertising industry has not responded well to community media. Within the community radio environment where audiences have reached 25% of that of mainstream media, only 2% of ad spend is allocated to these stations (Refer Table 3 below). This has a major impact on the stability and sustainability of the sector. No clear stats on commercial ad spend for community and small commercial print are available. It is well known though that within the commercial print sector advertising is being withdrawn in favour of TV and the digital media environment.

Table 9: ICASA, pg. 19

	2010	2011	2012	2013	2014	2015	2016 (Jan - July)
Total Radio	3 547 040 728	4 473 192 614	5 212 709 461	5 825 549 805	6 032 472 346	6 617 378 489	3 903 538 379
Community Radio	37 185 211	92 609 748	122 649 709	124 637 322	119 750 630	140 083 878	74 877 579
Commercial Radio	3 509 855 517	4 380 582 866	5 090 059 752	5 700 912 483	5 912 721 716	6 477 294 611	3 828 660 796
Community Radio	1.0%	2.1%	2.4%	2.1%	2.0%	2.1%	1.9%
Commercial Radio	99.0%	97.9%	97.6%	97.9%	98.0%	97.9%	98.1%

In addition, this ad spend is not evenly dispersed throughout all community radio stations. Instead, as Britta Reid in *Addressing inequality: Time to relook community radio stations?*²⁵ explains: community radio stations considered as the “top” stations will absorb most of this ad spend. For 2017, off an allocated amount of R123 million for community radio, Jozi FM, received almost R30 million. Pulpit FM drew R7.5 million, Zibonele FM R5 million and Tygerburg FM nearly R3.9 million while 105 have had to survive on between R100 000 and R1 million and 43 stations received less than R100 000 ad investment.

Even in instances where it has been demonstrated that local audiences devote more listening time to community radio, this has not shifted commercial ad spend.²⁶ This does not bode well for the community radio sector and further reflects how advertisers focus nationally rather than

²⁵ <http://themediainline.co.za/2017/05/addressing-inequality-time-to-relook-community-radio-stations/> Posted By: May 11, 2017 In: [Media agency](#), [Radio](#)

²⁶ Listeners devote an average of 25.54 hours to commercial and PBS stations. Namakwaland 93.4 FM, Radio NFM98.1 and Bosveld Stereo command in excess of 30 hours a week. <http://themediainline.co.za/2017/05/addressing-inequality-time-to-relook-community-radio-stations/> Posted By: May 11, 2017 In: [Media agency](#), [Radio](#)

provincially and locally when making decisions around ad spend. In the age of digitisation, this is very limiting as local community radio stations increasingly are listened to on computers and mobile devices – making them highly accessible to a larger audience nationally.

The community TV sector is also affected by lack of advertising where despite an estimated audience of 9.5 % of South African adults, ad spend is less than 1 %. Community TV appears on a Dstv platform and therefore has national accessibility. This places an additional burden on this medium. TV is very expensive to run and community broadcasters have had to establish partnerships with commercial production companies to assist with station programming. This has implications for content diversity and must be researched further.

In addition to the lack of advertising in the community print industry, the lack of clarity by commercial enterprises on the difference between Caxton's local newspapers and those supported by MDDA make it difficult to trust the statistics that have emerged.

The Association of Independent Publishers (AIP) argues that because advertisers do not consider the target market of community media – namely, the poor and marginalised - as attractive consumers (NCUBE, M (2017) p 6)) they do not invest in the sector. The commercial advertisers counter this by arguing that they cannot invest as community media are unable to provide circulation figures that will allow them to make an informed decision on where to place advertising. The advertising industry relies on the Audit Bureau of Circulation (ABC) to verify sales figures but community media have been unable to access this certificate because of the cost and rules that apply. This has been the subject of discussion between the MDDA and the ABC and has resulted in the introduction of a grassroots ABC certificate. This is based on printing invoices which show the print run and frequency of publication but is still not trusted by advertisers who remain reluctant to advertise in the sector.

The advertising industry has come under scrutiny for its slow transformation despite the Marketing Advertising and Communications (MAC) Transformation Charter having been gazetted on 29 August 2008 under Section 12 of the BBBEE Act No. 53 of 2003. This initial MAC Charter as a Code of Good Practice was not legally binding though and further negotiations were held to ensure that this was gazetted under Section 9 to make it enforceable. This was achieved in 2015.

The MDDA has been involved in the negotiations on the MAC Charter since 2008 when the Parliamentary Portfolio Committee instructed MDDA and ACA to meet, discuss, and consider a sector charter that should include a focus on securing a percentage commitment of ad spend

to community media from the industry²⁷. At the same time, GCIS was called upon to allocate a percentage of government ad spend to community media. While there is still some discussion with GCIS about this allocation, the taxing / securing of funds from this commercial industry seems to have fallen off the table.

MDDA therefore needs to play a significant role in advocating and lobbying for ad spend from the commercial sector.

4.6.3.4 The Public Sector

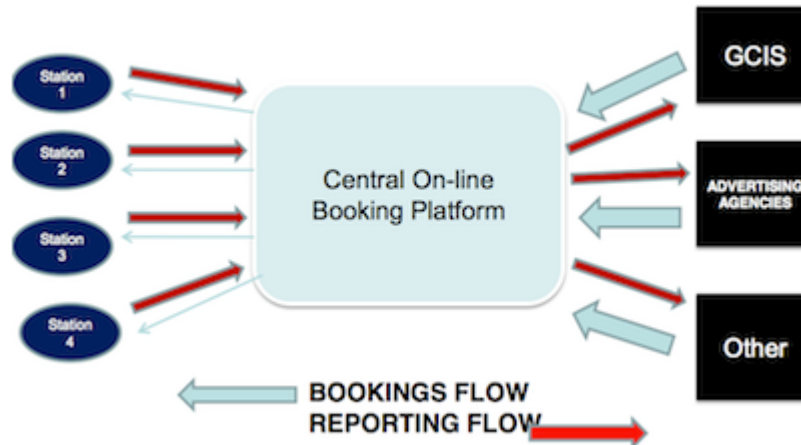
MDDA has worked closely with the GCIS to secure ad spend from government. Through lobbying, MDDA was initially able to secure a commitment that 30% of government ad spend would be directed to the community media sector. This commitment while widely acknowledged (through Ministerial speeches) is not encapsulated in any regulation and therefore makes enforcement impossible. GCIS' move to centralise its media buying service is positive though as it provides a point of reference for when this commitment becomes reality.

MDDA has also floated the idea of an online booking platform for community and small commercial media to help facilitate equitable access to government advertising spend and "enhance professionalism, accountability, record-keeping, reporting and good community radio management"²⁸ Unfortunately it subsequently emerged that the system had not been approved by the Board and was reacted by both GCIS and the MDDA board. Nevertheless, it is worth examining for its potential.

The online booking system²⁹ envisages a model in which bookings will be made through the MDDA central platform and stations will provide reports and feedback on placements etc. This was therefore an attempt by MDDA to address the challenges that the advertising industry has raised and the reasons they had given for not wanting to invest in the community media. This could apply for both the commercial and government advertising. However, the system seems to speak only to community broadcasting as a recipient of this advertising to the exclusion of the community and small commercial print sector.

²⁸ (Maphiri, N (2012) quoted in MDDA gets green light for community media ad project Posted By: Glenda Nevillon: February 03, 2012 <http://themediainline.co.za/2012/02/mdda-gets-green-light-for-community-media-ad-project/>).

Figure 7: Online Booking System flow



Despite MDDA (and support partner efforts), government has still not committed fully in allocating ad spend to community media. At the Print Media Transformation Colloquium hosted by the Department of Communications on the 25 -26 August 2016 at Freedom Park in Pretoria GCIS came under attack by independent print media owners who felt that government support has decreased after the introduction of the government publication “*Vukuzenzele*” and the emphasis on the use of the Government Gazette for placement of government advertising. Mainstream and public media were seen to be the beneficiaries of government advertising to the detriment of the community media sector.

The figures speak for themselves. The combined value of ad-spend on commercial and public print, radio, TV and online amounted to R408 737 720 (Table 6) while for the same period R54 583 291 (Table 7) was spent on community media – amounting to 13,35% - nowhere near the 30% commitment suggested.

Table 10: COMMERCIAL MEDIA: Government Ad spend 2013 – 2015

	2013-2014	2014-2015
COMMERCIAL PRINT		
Total print spend	R 80,125,388.70	R 69,957,125.49
COMMERCIAL RADIO		
Total Radio Spend	R 36,680,755.21	R 52,988,690.70
COMMERCIAL TV		
Total TV Spend	R 27,105,993.76	R 33,505,427.69
DIGITAL		
Total Digital Spend	R 3,366,491.50	R 760,386.32
COMMERCIAL MAGAZINE		
Total Spend	R 0.00	R 0.00

OUTDOOR		
Total Spend	R 40,160,021.46	R 63,282,827.95
CREATIVE		
Total Spend	R 97,812.00	R 706,800.00
TOTAL ADSPEND	R187,536,462.50	R221,201,257.90

Table 11: COMMUNITY MEDIA: GCIS Revenue Indicator (2013 – 2016)

	2013 – 2014	2014 – 2015	2015 – 2016
COMMUNITY SPEND			
Community Print	R 4 865 651.80	R 6 927 315.53	R 5 289 034.04
Community Radio	R 11 415 688.27	R 15 170 546.84	R 26 274 787.27
Community Television	R 6 650 550.98	R 9 553 537.97	R 4 630 808.00
TOTAL ADSPEND	R 22 931 891.05	R 31 651 400.34	R 36 194 629.31

Ncube, M p 9

Table 12: COMMUNITY MEDIA: GCIS revenue indicator (2016/17)

	2016/17 Community Newspapers	2016/17 Local Newspapers owned by mainstream media houses
Community Print	R1 786 877,22	R 434 339,82
Community Radio	R 22 054 282,25	
Community Television	R 4 395 710,63	
TOTAL COMMUNITY ADSPEND	R 28 236 860,10	R 434 339,82
TOTAL ADSPEND	R 233 458 646,60	

GCIS ad spend figures are revealing:

- From 2013 – 2016, advertising revenue to community media increased in monetary terms, although 2016/17 recorded lower amounts possibly due to the economic climate.

- In 2013/14, 12,2% of the overall advertising budget was allocated to community media. This increased to 14.3 % in 2015/16 but by 2016/17 had decreased to 12%. This shows a downward trajectory and is nowhere near the 30% allocation suggested.
- Even within the community media sector, government ad spend is directed to the community radio sector that has seen an increase in revenue from R11 million in 2013/14, to R26 million in 2015/16, and R22 054 282 million in 2016/17. By 2016/17, this is almost 92 % of the ad spend allocated towards the community media sector
- TV follows radio as the government's media of choice. The community print media and small commercial sector has the smallest share. With community print already having lost the grant from the print media industry, they find themselves under increasing pressure to secure financial support elsewhere. Without this being forthcoming from government, advertising the sector has already begun its decline.

MDDA has and continues to play a role to attract advertising. However, as the figures reveal this has not been a very successful enterprise. While amounts have increased year on year they are still too low to contribute or impact significantly. Should agreement be reached with government over the 30% ad spend and this is regulated, this will go a long way to resolving the financial woes of many in community media. This requires the MDDA play a stronger lobbying role to ensure that this issue remains on the agenda of the Department of Communication / GCIS. In addition, MDDA needs to be planning how to increase contributions from the commercial sector. This will require not only the lobbying of the advertising sector but working with partners to put in systems that provide the evidence that the advertiser and media buyers require.

4.6.4 Media Ownership and Control

Mandate: *Encourage ownership and control of, and access to, media by Historically Disadvantaged Communities (HDC) and the promotion of indigenous language and cultural groups;*

The MDDA has as one of the funding criteria “the extent to which the project encourages the ownership and control of, and access to media by Historically Disadvantaged Communities (HDC).” The degree to which this is emphasized is dependent on whether the project is a small commercial or community media.

MDDA defines small commercial media as “independent media enterprises or initiatives that are run for personal gain as micro, very small or small business as defined by the National Business Act”. This small commercial enterprise can be managed by a single manager and must be registered as a Sole Proprietorship, Close Corporation or Private Company. Community media on the other hand must be registered as Section 21 companies, Cooperatives, NPOs, NGOs or CBOs.

AIP statistics on ownership of community print media per province show that historically disadvantaged **individuals** have become owner / managers, namely Eastern Cape: 28 projects (21 Black / 7 White); Free State 15 projects (12 Black/3 White); Gauteng Province: 30 projects (27 Black/3 White); KwaZulu Natal: 23 projects (19 Black/4 White); Limpopo: 11 (6 Black/5 White); Mpumalanga: 21 projects (15 Black/6 White); North West : 12 (10 Black/2 White); Northern Cape: (2 Black/4 White), and Western Cape: 18 projects (11 Black/7 White). While these figures reflect an important shift, they talk to individual ownership / management and provide no clarity on community involvement or control.

Community radio in applying for funds must account for community involvement in the project, including its participation on the board while this is not needed in the case of small commercial projects.

With regard to the definition of a real community print media sector, it was noted that a community print publication was similar to a community radio station, as it was owned by the community. It was an entity owned by the community, and not by individuals. Profits made from the publication would therefore be ploughed back into the community.

There were also differences in ages ranging from early twenties to seventies. The research indicated that a number of boards included female members but overall there was a dominance of men. The research also revealed that there was a dominance of African membership. Also, there were differences in levels of experience on boards with some boards having very experienced members, while others had board members with little or no experience. As indicated above the research showed that there were differences between print projects and radio projects.

However, one of the projects insisted that community members pay membership fees to the media project and only paying members could attend the AGMs. This was potentially a problematic development as it restricts membership and could create a more elite, monied bias. Also, it is important to note that there were some very innovative boards such as Radio Riverside in the Northern Cape. Their model was seen as a best practice model, even

internationally. Their board represents nine different sectors which allow for a number of local organisations to be represented and for excellent feedback from audiences.

As mentioned one of the issues raised was for the need for training of board members so that they could better understand and perform their functions.

4.6.5 Community Involvement

Community involvement is essential if a media project is to be classified as community media. Media projects determine the level of involvement based on their worldview which can range from inclusion in outreach events through to active participation in political or socio-economic activities at local level.

MDDA has adopted a developmental approach seeing community media as the “voice of the voiceless” with a “unique role to play in the building and reconstruction of the social fabric of the communities in which it operates.”³⁰ Community participation therefore requires active engagement. Media projects must interact regularly with the community, play an advocacy role and facilitate engagement around pertinent political or socio-economic issues. This would require going beyond merely hosting events.

Our evaluation has revealed that overall media projects see community involvement as very important. This was particularly in the case of radio projects. Community radio stations have a legislative mandate to engage with communities. Print projects don’t have this same legislative mandate and small commercial print projects in particular are not required to involve communities. This may be some of the reasons why community participation is stronger with radio projects

Community involvement happens on a number of levels. These include at more formal levels such as **boards** (all projects should have boards in terms of the MDDA’s criteria for funding) and at formal **AGMs** (for community radio stations). Further, community involvement took place as part of **community outreach projects**, and then as part of day-to-day **programming/ content** issues.

The issues around boards is an important one. Some project boards are strongly involved in community issues while others are ‘hands-off’. Certain boards also play particular activist roles and have activists as members – for instance a board on a Gauteng project. These members pursued activist agendas around issues such as sexual orientation.

³⁰ A Case for Community Media, p63

In terms of **community outreach projects** most media projects were involved with outreach. Community outreach varied ranging from one media project building a house for a community member on Mandela Day to a variety of gender and youth focused projects including drives to collect sanitary towels and shoes e.g. in the Northern Cape. Also, a number of projects were involved in fundraising drives and collections of food. Other outreach projects included organizing internships and bursaries for community members.

Print media projects contributed in particular ways too. The focus of a number of projects was on producing reading and education materials in a variety of African languages. Projects reported that because African language print material was often in short supply these publications had become very valuable learning resources. They had been used in both schools and universities and as part of exam questions for matric papers. It is important to note that a number of projects see language development and support as one of their key aims.

A number of projects have been keenly aware of the importance of building links with local business. Projects have played a role in supporting local businesses and have in turn been supported. This has had positive outcomes in terms of the long-term sustainability of projects.

In terms of **programming** media projects have engaged with communities in a number of different ways that include:

- Through the setting up of 'programming councils' and 'audience committees'; while others organised 'programming summits';
- Receiving regular information, feedback and input via social media platforms;
- Encouraging call-ins;
- Attending community meetings and events. Media projects reported that they were specifically asked to attend and report on these functions. Sometimes radio stations would also organize outside broadcasts. The North West projects in particular talked about the value of outside broadcasts. They specifically requested that the MDDA play a role in providing support to increase 'the outside broadcast capabilities of community radio'.
- Seeking opinions from community members to get their input before launching new programmes;
- Encouraging the development of 'user generated' content. A Gauteng print project in particular saw this as important. As part of their outreach they trained community

members to write and to edit their own stories. The aim was to ensure 50% or more content was gathered from community members.

Politics and political interference can limit real community engagement though. A number of projects reported that political pressure was applied particularly during and just before elections. Projects in the Free State especially seemed to 'feel the heat', while the Northern Cape projects expressed similar sentiments. Here there were instances of people pushing for board membership specifically to try to influence editorial decisions to support particular political parties.

The North West projects stated that community media has the potential to play a strong role in mobilizing communities to speak out about lack of service delivery and to direct their complaints to the relevant authorities. However, at the same time they stated that, 'Sadly though, it is this ability that poses a threat to their survival, where it is made difficult for them to be critical of the hand that feeds them.'

Community media to remain true to its role, must continue to engage with community members, invite them to participate in programming and publishing decisions, take up community issues, communicate with community members, and provide feedback and information so as to play a strong developmental role with local areas. While most media projects interviewed seemed to take this role seriously, there is still a need to verify the extent to which this was happening by testing community perceptions of these projects. It is through triangulation that this is likely to be clarified.

4.6.6 Promoting Media Development and Diversity

4.6.6.1 Promotion of Indigenous Languages

Indigenous languages the world over are under threat of disappearing completely. Community media is often seen as a way that these languages can be preserved through use and promotion. The United Nations Declaration on the Rights of Indigenous Peoples further recognises this: Article 16: 1. Indigenous peoples have the right to establish their own media in their own languages and access to all other non-indigenous media without discrimination. 2. States shall take effective measures to ensure that the media duly reflect indigenous cultural diversity. States, without prejudice to ensuring full freedom of expression, should encourage privately owned media to adequately reflect indigenous cultural diversity."

At inception, the MDDA had as one of its key outcomes the promotion of indigenous languages and cultural groups. In the CEO's report that forms part of the MDDA Annual Report of 2006/7 (pg 10), he expressed concern that language diversity issues had not been addressed because of funding challenges.

In 2017, this situation had changed completely. Community radio and print now appear in a range of indigenous languages – all being catered for across the provinces and at local level. Community print media is way ahead of its commercial counterparts who publish primarily in English and Afrikaans. Statistics from AIP reveal that 85 community and small commercial print media publish in indigenous languages or publish in a combination of indigenous and English/ Afrikaans languages with the breakdown per province being: EC: isiXhosa, Eng, Afr Free State: Sesotho, Eng, Afr; GP: Sesotho, Xitsonga, Sepedi, isiZulu, Setswana, Eng, Afr, Portuguese; KZN: isiZulu, Xitsonga, Eng, Afr LMP. Tsivenda, Xitsonga, Sepedi, Eng, Afr MP. isiZulu, isiSwati, Eng, Afr NW. seTswana, Eng, Afr NC. seTswana, Eng, Afr WC. isiXhosa, Eng, Afr.

The situation in community broadcasting sector is just as encouraging. Today, across the 156 community media that have received funding, the full spectrum of South African languages can be heard. What makes these individual community stations different from the public broadcaster is that each station broadcasts in a range of languages that reflects what is being spoken by communities at local level.

The issue of language appeared to be a critical issue for most projects. Generally, radio projects play a stronger role and print less. Certain print publications stated that they were dominated by English because it assisted them to get more advertising. Further, certain print projects complained that they had only a limited number of pages to cover a number of languages. However, the overall picture was one of strong commitment to language diversity.

4.6.6.2 Cultural Diversity

MDDA has not provided any clarity on what is meant by cultural diversity. The research indicated that projects grappled with the meaning of the term. There was not a uniform interpretation of what was meant. One interpretation was that this meant understanding various 'tribal practices and traditions' e.g. initiation. Other stations interpreted the term to mean covering different genres of music. Further, some projects interpreted the statement as ensuring coverage of various religious practices. Finally, a radio project in Limpopo saw

the term meaning that diverse audiences needed to be catered for such as disabled audiences, street kids, foreigners and transgender communities. A station in the Northern Cape dealt with their diversity mandate through catering for different audiences at different times of the day e.g. from 6am to 9am – English, rock and pop music, 9am to 12pm – Afrikaans with Afrikaans music, 12pm to 3pm – young urban black and coloured audiences with music relevant for these groupings.

4.6.6.3 *Print Media Transformation*

The commercial print media is not sufficiently transformed. While there has been progress in terms of ownership / management structures, this is not reflective of the population demographics. In addition, four media houses (Caxton; Tiso Blackstar (Times Media); Independent and Media 24) dominate the environment and are responsible for the circulation of 98% of newspapers. They also control the entire value chain – from content production through to printing and distribution. This places them in a powerful position to set the narrative of the print media environment.

Community media have regularly raised that this concentration / domination impacts their projects in that printing and distribution costs are set by the industry and are often unaffordable. The commercial print media has also on a number of occasions been taken to the Competition Commission with regard to their anti- competitive, predatory pricing and creeping acquisition practises.

MDDA began to engage around media transformation in 2009 and commissioned research into the *Trends of Ownership and Control of media in South Africa*. In September 2011, the MDDA participated in a Print Media Indaba (*Transformation and Diversity of Print Media*) that brought together industry associations, lobby groups, small commercial and community media representatives, as well as state organs. Arising from this process, the MDDA and the Department of Communication (DoC) were asked to initiate a Print Media Charter process.

The print media industry rejected this process and in 2012 set up a Print Media Transformation Task Team (PDMTTT) to investigate the industry and recommend change. At its conclusion and post the release of a report, each print media house decided that they would handle transformation initiatives internally.

MDDA has since 2013/14 not tackled broad transformation within the media environment. The GCIS instead developed a Discussion Document “*Towards a Policy on Media*

Transformation and Diversity” that focuses on transformation issues but broadens this out across the media environment. This document is still to be released for public consultation. MDDA as a key agency operating within the diversity space needs to actively participate in any / all of the processes that reflect on transforming the media environment.

4.6.6.4 Content Diversity

Content diversity has not been addressed in this report and will require a study on its own. For example, with community radio there is no clarity on whether programming is in line with license conditions or funding agreements signed with the MDDA. Where there has been research into this media, reports suggest that some stations have become juke boxes with no local news. A similar situation could pertain to the print media environment.

MDDA needs to conduct a full content analysis of community media in order to determine if this sector is indeed fulfilling its role as the “voice of the voiceless”. Suffice to say that there are different interpretations of what constitutes community media that has a direct bearing on what content is included either in publications or broadcasts.

MDDA should be engaging all projects in discussions with a view to seeking common ground and also determining those common elements that are needed for a truly diverse media environment.

4.6.6.5 Research

Regulations provide for the ring-fencing of 5% of MDDA’s annual budget for research and training activities. This is very limiting for an organisation that needs to:

- Keep the sector informed of developments;
- Consult around policy and regulatory changes;
- Research local and international trends;
- Research the social and economic viability of community media projects;
- Train and build the capacity of projects to ensure sustainability;
- Act as an information and knowledge repository for the sector.

Research has been one of the areas most affected by the budget limitations. Some of the research projects that have been completed include: *Viability of low interest loans; Sustainability of the Community Radio Sector; Development of SMME TV; Trends of*

Ownership and control of media in South Africa. This research is commissioned to identify emerging issues and to propose solutions that can be incorporated into future actions.

Most of the research commissioned has focused on specific issues that had either been raised by projects and / or are seen to have a direct bearing on the sector. While it is difficult to determine at this stage whether any of the completed research reports have been used extensively by projects, what is clear is that they do not establish MDDA as *the* leading authority on community media. This could aid the organisation when trying to secure funding.

Trends of Ownership and Control of Media in South Africa (2009) is possibly the only report that has raised MDDA's profile and set it up as an organisation lobbying hard to fast track print media transformation. This report was used as the basis for submissions to a Print and Digital Media Transformation Task Team (PDMTTT) in 2012 and in further presentations to parliament.

A search of the web and/ or media sites reveals very little in relation to other reports mentioned. These are not listed or accessible– and news sites report mainly on Board appointments. MDDA needs to use its research and knowledge of the sector to position itself as a lead agency if it is to fulfill its mandate of enhancing public consciousness.

Finally, it is important to talk of internal record keeping as much of this provides important source data for research initiatives and contributes to advancing knowledge and understanding of the sector. There currently seems to be no central repository for information. This is evidenced in that basic statistical analysis of the current status of projects funded to date is not available centrally. In addition, different departments are able to give you reports related to a specific function but not to others.

MDDA will only be able to enhance public consciousness if it understands the latest trends and is participating in discussion and debates locally, nationally and internationally. This will require resources. MDDA, as a knowledge based organization must position research as a core function and concomitant budgets should follow. The starting point would therefore be to remove the percentile restrictions contained in the regulations.

4.6.6.6 Capacity Building and Training

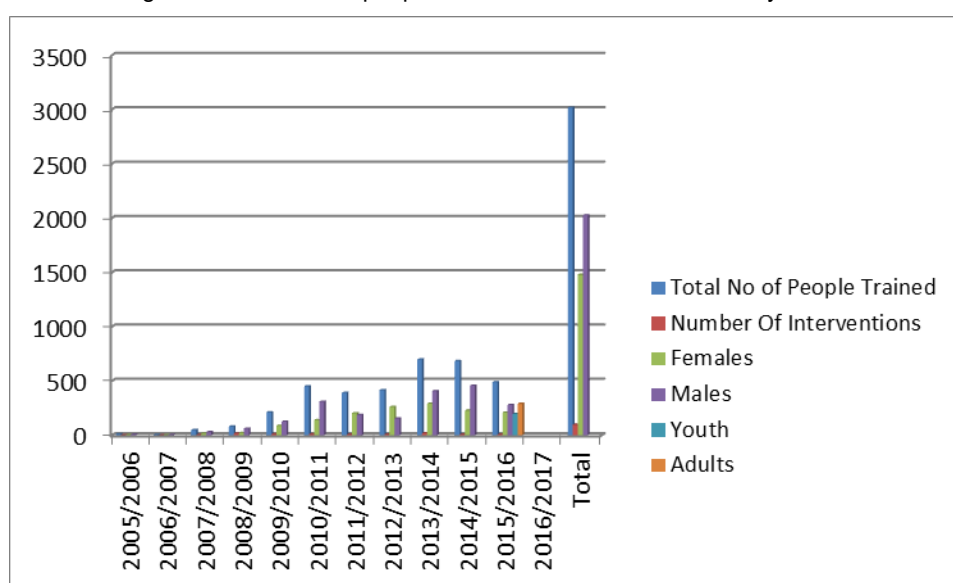
Capacity building and training is critical for the growth and development of the community media sector. MDDA reports the following:

- a) By 2014/15, 2 500 individuals have been trained and over 230 bursaries awarded for journalism and media studies (The MDDA Annual Report 2014/15). By 2015/16, this figure had risen to 3000 (on average 500 per year) (see Figure 1 below).

When analysing the year-on-year figures as attached as Appendix C, the following general points are relevant:

- In 2011/12 of the 392 trainees, 114 received marketing and advertising training, 83 participated in grantee workshops while a large majority attended a Media Literacy and Culture of Reading seminar;
- In 2013/14, of the 699 trainees, 33 participated in Financial Management, 10 in People Management, 10 in Marketing and advertising and 62 in Journalism training. The bulk (197) attended a NCRF Conference and an AIP AGM. Grantee Orientation was attended by 41 participants;
- In 2014/15, no management training took place although there was a provincial content workshop that absorbed 255 of the 684 trainees.

Figure 13: Number of people trained: Data made available by MDDA



- a) Approximately 100 community journalists and board members have been trained in project, financial and human resources through the MICT SETA / MDDA partnership. MDDA has played an instrumental role in negotiating these partnership arrangements.

- b) Mentorship and exchange programmes have been funded to encourage participatory, on-the-job and peer-learning.
- c) Resource materials and toolkits have been distributed. This has included: an advertising and marketing toolkit aimed at building income generation skills and enhancing the sustainability of both community radio and print media; a corporate governance toolkit to address governance and accountability; and, a media literacy toolkit that targets high school learners and youth and demonstrates how they can establish their own newspapers.

Despite these interventions, project respondents feel that there remain gaps in the training provided. Some of the gaps identified were as follows:

- Marketing and advertising sales training. An important comment made by North West interviewees was that marketing and ad sales training needed to go hand-in-hand with an education programme for government (and others). The MDDA needed to educate government (and others) about the value of advertising and supporting community media projects.
- Financial management training. Projects indicated that they needed this kind of training to deal specifically with budgeting and cash flows.
- 'Content production' training. This referred to training around the step by step process of producing content. In the case of print media this included sourcing stories, writing, editing, design and layout etc. In the case of radio this was about sourcing stories, writing scripts, recording, editing etc.
- Technical training. Projects argued that this training was needed to assist projects operate equipment especially for radio. Also, training was needed for maintaining and repairing equipment. For instance, a radio project in KZN complained about the expense of 'fixing equipment off site' and the 'disruptions to broadcasting'. They wanted to do this 'in-house'.
- 'Digital skills' training. Interviewees indicated that this training should include a range of courses assisting with basic use of social media platforms such as Twitter, Facebook and YouTube to sophisticated animation training.
- Monitoring and evaluating training. Projects talked about the need to constantly assess the impact of their work. Hence the need for this important training.
- Board training. Gaps were identified in terms of boards' understanding and execution of key governance tasks.

- Online training and mentorships. The suggestion made was to develop online materials for training, support and mentorships.

These gaps reflect what project respondents see as the most essential training needs. MDDA training statistics point to a mismatch between identified need and the training interventions held. For example, these statistics show that many trainees have participated in conferences, media literacy initiatives and grantee orientation workshops - interventions that are not in line with identified training requirements. Where there has been some project and financial management training, only 100 trainees have participated and no projects make mention of using resource materials / toolkits to train internally.

Project respondents feel that a training needs analysis is required in order to resolve any mismatch between training needs and interventions. This should take place before training begins. Interviewees also pointed to the need for MDDA to move away from a “one size fits all”, basic and generic approach to training. An overall observation was that the training interventions were not always ‘sufficiently substantive’ and a number of projects called for more in-depth training. These interventions should include a combination of entry level and more advanced courses on different topics as trainees had different skills levels skills and experiences.

A further issue debated was that were inconsistencies in terms of the amount of training offered to projects. Some projects received a lot of training while others received very little. This was a problem observed particularly in the Northern Cape. Also, there were differences in the amount of training provided to print versus radio projects. In KZN for instance radio projects received higher training budgets and more courses.

MDDA was therefore been called upon to prepare a realistic budget for training and capacity building and to allocate the funding to real sector needs. Project respondents see this training as ongoing due to high turnover of staff mostly without a skills transfer. The research indicated that senior management and leadership were more stable but turnovers were high in terms of junior staff and volunteers. To deal with this situation, projects want the MDDA to offer more regular training and to repeat skills workshops. This can be done through a combination of workshops including on-line and physical short and long-term courses and mentorships. Harber reiterates that MDDA should be boosting the skills development of management. Harber states that “Vukani fm is clear example of success” – here, the critical element of the success story was smart management.

For MDDA to provide project specific training requires that the ring-fencing of budget allocations is removed and adequate human resources allocated to oversee this function.

4.6.6.7 Advocacy and Lobbying

Enhancing public consciousness of community media on a national/ provincial and local level requires a realistic budget allocation. The MDDA was unable to successfully to have any major impact within the environment. While at local community level (and where projects exist) the MDDA and the role of community media might be better understood, nationally there is not a strong movement that advocates for the community media sector.

5 ORGANISATIONAL SYSTEMS AND CAPACITY

5.1 The Grant Making Cycle

MDDA took a decision in early 2004 that grants will be paid in tranches in order to ensure that projects meet their contractual obligations. The following reflects the MDDA grant funding cycle:

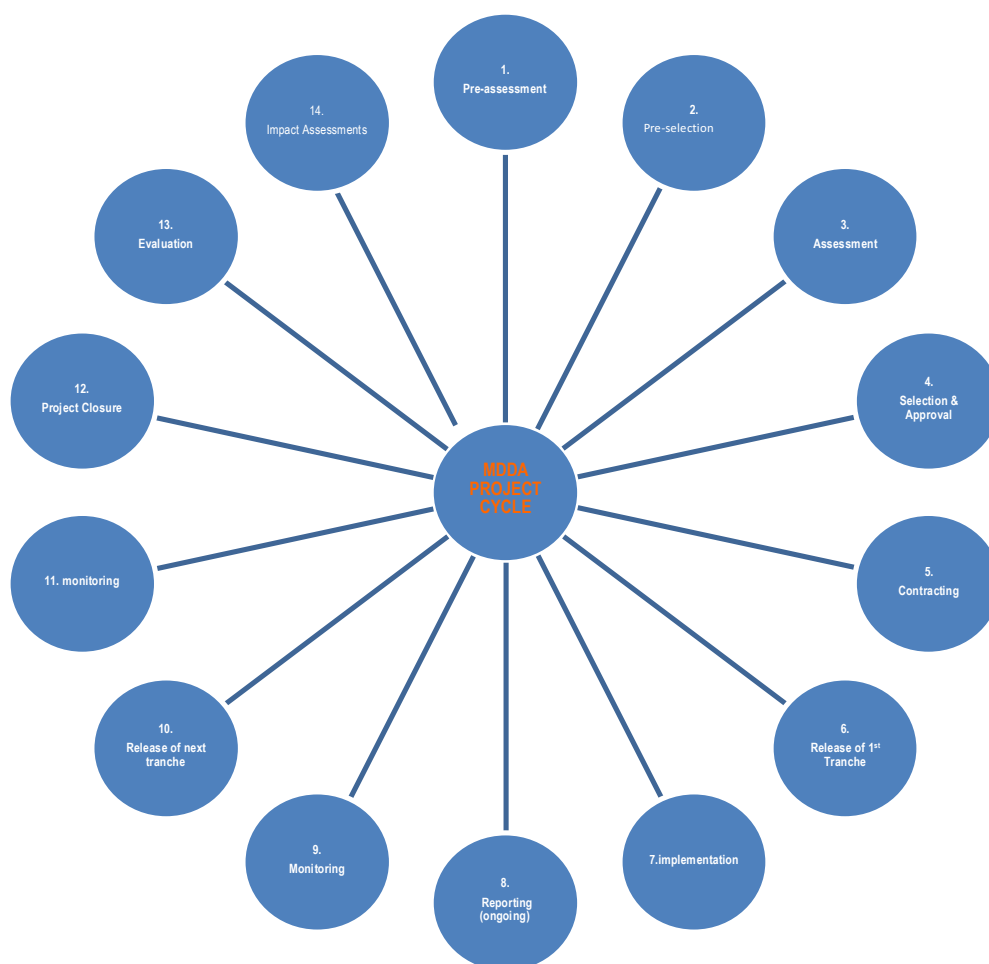


Figure 14: Grant making cycle on page 16 of Monitoring and Evaluation Report October 2014 Board

Project applications are pre-screened against a set of agreed criteria that includes: financial viability; community engagement; location; target audience; governance; envisaged socio – economic contribution etc. Particular attention is paid to language and location so as to prioritise those projects that are in areas that have been historically under-funded. Community engagement is largely measured through minutes of the Annual General Meetings and representation on the Board. Applicants are also required to submit: Founding documents; VAT/Tax; Audited financial statements; a Business Plan; Editorial policy; HR policies; CVs etc. Current criteria around community engagement, impact and contribution to media

development and diversity targets is particularly vague and needs to be unpacked to enable more informed decisions around projects funding.

Focus group interviews in four provinces, Kwazulu Natal, Gauteng, Limpopo and Northern Cape experienced the application process differently. The KZN Focus Group expressed that they found the Application process easy to understand and where clarification was needed, Project Officers were on hand to provide this. This experience was entirely different for Gauteng, Limpopo and Northern Cape who found the form cumbersome, complicated and repetitive. Limpopo participants spoke of the lack of assistance from the Project Officers which contrasted sharply with the KZN experience. They felt that a solution might be to set clear deadlines for processing of project applications and to have dedicated personnel screening these. In addition, clear criteria should be set at the outset so that projects could decide whether to apply for funding or not.

The MDDA project teams are invariably called upon to assist projects with the filling in of the application forms and gathering of support documentation. These requirements are onerous for any organisation. While this application does provide MDDA with the information that it needs to determine at face value whether the project should be funded, these forms tend to favour the more established projects to the detriment of the rural disadvantaged. As, MDDA works within a developmental paradigm the staff assessing initial applications work with the projects to assist them completing these.

Broadcast project staff revealed that they receive a high number of applications throughout the year. MDDA reacts to these applications on a first come- first serve basis. The MDDA is therefore not proactive in planning its support for under-served areas outside what they are receiving through the applications. This can impact on media development and diversity targets.

Once the pre-assessment phase is complete, there is an onsite assessment to determine whether the business plan is viable. The site visits are important as they help to determine whether the project is actually reflecting the reality on the ground. This would include interviews with not only the project managers but broader community members etc. Projects are given the opportunity to plug the gaps that might have been identified in the pre-assessment process. Post this, a funding motivation is prepared and submitted to the Board for interrogation and sign-off. Project applications are rarely rejected and MDDA seems to have taken a decision (even informally) to work with projects to get applications to a stage where they can be accepted.

The number of projects selected annually is based on targets set. There is no deadline for receipt of funding applications. This means that the process is open throughout the year. This impinges on support that staff could provide to initial applicants as they are permanently caught up in assessing new projects. An annual project funding cycle should be introduced and made available to staff / projects to enable better support to the projects.

Human resource capacity is one of the biggest problems. There are currently three staff (3) reviewing proposals from broadcast projects and two (2) staff who have been allocated to print. This is simply not sufficient. Projects need to be pre-assessed, site visits conducted, support given those experiencing challenges and motivation reports prepared for the Board. Staff capacity needs to be increased so that the critical assessment phase does not get reduced to the ticking of boxes for compliance purposes.

The turnaround time on project applications was also raised as a particular cause for concern by focus group respondents. Respondents complained of documentation getting lost, of there being long delays in getting a response from the office and in getting approvals for funding (Gauteng, N Cape, individual KZN respondent). Northern Cape suggested that the turnaround time on project applications be reduced to 90 days. A further suggestion that was made to improve turnaround time was to allow the CEO to approve applications up to a threshold. The MDDA Act would need to be changed in order to support this.

Communication challenges were highlighted by all focus group participants. "There is no proactive communication" (Limpopo); "Communicating with the MDDA is a huge challenge. It's a struggle to find the relevant person to engage with" (N Cape), "Even to access them is a minefield unless you've been around for a long time (Gauteng). Some participants suggested that this could be resolved by setting up provincial offices (Limpopo, N Cape).

5.2 Monitoring and Evaluation

MDDA sees monitoring and evaluation as integral to the project management cycle. Monitoring measures the efficiency and effectiveness of the project in line with the contractual obligations. Evaluation is done on conclusion of the project

This department has been hampered by capacity constraints. While the organogram speaks to the need for a Director, Manager, 2 Project Officers and 2 interns (playing a support function), the Director post is still to be filled and the Manager is on extended sick leave. Human resource capacity limitations result in less monitoring – the ideal being that each project should be evaluated before the release of the next funding tranche. Also, skills

capacity within the section is poor. With staff and budget limitations, more desktop research is done rather than projects being visited. Projects are therefore relied on to provide the progress reports and there is no real examination of whether these reports reflect the reality on the ground.

Provincial focus groups in Northern Cape, Limpopo, KwaZulu Natal and Gauteng revealed that while they accepted that monitoring and evaluation was required (where the concept was understood), it was not really clear what MDDA was assessing. Instead it was felt that these were compliance exercises and that the projects themselves did not really benefit from the experience. Projects further complained that visits were infrequent and that the MDDA did not always follow up with them once they had been allocated their funding. This was problematic as it is necessary to assess the benefits of the funding.

Projects felt that findings from the M&E programmes could also help them build on their strengths and improve on their weaknesses. However, this required that they receive feedback once monitoring and evaluation had been done. At times this feedback was given but a further suggestion was made that sharing of monitoring and evaluation data across projects would be useful for sector growth.

There was a suggestion that M&E tools be developed to build trust and understanding among participants. Monitoring and evaluation visits by Board members to site were appreciated and encouraged by projects.

There was recognition that an Impact Assessment should fall within the scope of the Monitoring and Evaluation department and that this should be done every five years.

5.3 Governance

The MDDA has since its inception in 2002/4 received unqualified audit reports.

Despite this, in more recent years the organisation has experienced governance challenges with high turnover of staff at a management level and in the failure of the Board to quorate. The Table below has drawn on the MDDA Annual reports since 2013/14 and presents an overview of the governance issues and what this has meant for delivery on the mandate of the MDDA.

Year	Governance issues	Implications
2013/14	<ul style="list-style-type: none"> MDDA CEO's contract and that of some Board Members expires 	
2014/15	<ul style="list-style-type: none"> An Acting CEO is seconded from DoC. There are 5 Board meetings but these are not quorate. Staff begin to resign due to instability and infighting in the organisation 	<ul style="list-style-type: none"> The MDDA achieves only 56% of its performance targets Projects are not approved the board is at times not quorate There is a R76 million rollover in funds
2015/16	<ul style="list-style-type: none"> New Acting CEO takes over Board only begins to quorate in July 2015 There is an exit of highly skilled managerial staff and MDDA operates on a staff complement of 50%. In the CEO's office alone 5 out of the 6 available posts are vacant, while in Finance 3 out of the 5 posts are vacant. 	<ul style="list-style-type: none"> Only 71% of performance targets are achieved Board plays the role of senior management while establishing an organogram, developing a recruitment strategy and interviewing where possible for the posts.
2016/17 (interviews with staff)	<ul style="list-style-type: none"> An Acting CEO is seconded from the DoC to MDDA. Two board members resign 	<ul style="list-style-type: none"> Board is no longer quorate and therefore no project funds can be disbursed

While the Board is required to play an oversight role – in other words, shape the vision and mission; ensure the organisation is well managed, appoint the CEO; and represent the organisation externally to stakeholders – the MDDA Board has had to take on some management functions. These have included selecting staff; implement activities in line with the budget, establishing operating procedures; and visiting / monitoring projects.

Members of the MDDA Board are all currently employed and volunteer their time. They are therefore not in a position to assist staff to reach performance targets as per the Annual Performance Plan (APP) and nor should they be doing this as this sets them up as referee / player in the organisation. There is therefore an urgent need for the MDDA Board to: ensure that the President appoints new board members to establish a quorum; to then select a permanent Chief Executive Officer (CEO).

The MDDA Act 2002 requires that six members of the Board be appointed by the President on the recommendation of the National Assembly, while 3 must be directly appointed by the President. Should there be any resignations before the term of office of the Board Member is up, the President is able to use the nominee list to fill this vacancy. The concern here is that generally this process is drawn out and cumbersome. Decisions on project funding cannot be taken and nor can a permanent CEO be employed without Board approval. Without a quorate board the work of the organisation is curtailed.

The MDDA needs to resolve its Board and governance challenges if the organisation is to maintain the momentum that it has gathered over the years. Board members need to be identified immediately to replace those that have resigned. Without this there will be a further decrease in the funding allocations to projects and community media will lose faith that the organisation will deliver on its mandate. In addition, many of the MDDA governance challenges can be found within community projects too – making it difficult for MDDA to argue that funding should not be allocated to a project that is experiencing these issues.

Finally, even with a functioning quorate Board, there is too much power vested in these individuals on day to day operations that should be in the remit of the CEO. For example, all projects can only be approved by the Board. This often leads to the delay in grant funding allocations. As MDDA is a government agency, the CEO and the management team should be given the authority to sign-off on funding applications up to a certain threshold. This will allow for more responsibility to be vested in managerial staff who will report to the Board for oversight.

5.4 Capacity Challenges

The MDDA has recognised its own internal capacity problems – both in terms of the number of vacant posts but also relating to staff skills, knowledge and experience. In respect of vacant posts, the 2015/16 organogram reveals that 14 out of the 34 posts have still to be filled, many of these at a senior management level thus placing a further strain on the organisation (MDDA Revised Strategic Plan 2015/2016 - 2019/2020 pg. 23). Northern Cape reinforced this view by suggesting that there are simply not enough staff to manage the challenges and to provide efficient and effective support to projects.

A further concern expressed was around the skills, knowledge and experience of current staff. Gauteng projects felt that even amongst the current MDDA staff there were some that

had little or no practical or hands-on experience of the sector. This situation was further exacerbated by leadership instability within the agency.

A 2012 – 2014 Monitoring and Evaluation Report presented to the Board in October 2014 speaks to these capacity constraints and establishes the following needs:

- To improve MDDA project management skills and contracting;
- To capacitate project teams around the provisions of the PFMA;
- To provide supply chain management skills;
- To improve the MDDA turn-around-time.

A needs analysis would need to be conducted to provide a more up-to-date and accurate analysis of current requirements.

Staff limitation have also led to departments operating within silos, internal processes being slowed down and lack of adherence to the grant funding contract cycle – all issues that have far reaching consequences for the community media projects.

6 CONCLUDING REMARKS

The community media sector has grown exponentially since 1994 which bodes well for media development and diversity. MDDA has over the years directly funded over () media projects, many of whom claim they would not have been able to start-up or grow without this support.

This Impact Assessment was commissioned to investigate two key issues: whether the MDDA as an organisation was responding to its mandate of media development and diversity; and to assess whether community projects were having any impact on the local level.

The MDDA has been able to carry out different aspects of its mandate to a greater or lesser degree. Through its grant funding, the agency has channeled resources to the community and small commercial media sector and in this way, has contributed towards the expansion of ownership and control as well as access of media to historically disadvantaged communities. There is evidenced in the burgeoning of both community and small commercial media with radio audiences managing to reach an impressive 25% of South African audiences and print media being read by over 7 million people weekly. This media is also being published or broadcast in all indigenous languages reflecting the diverse country demographics, and training and capacity building interventions have been rolled out to support projects that have experienced gaps.

As much as there has been progress, limitations – both in terms of the broader media landscape and the agency itself - have impacted the sector negatively.

Firstly, MDDA's budget is restrictive in that the organisation receives just under half the amount required if it was to service all the proposals that it receives. Laws and regulations also determine how funding is to be allocated and while media projects do receive the majority allocation, training and capacity building identified as a core need receives a fraction of this amount.

Project sustainability is also impacted in a number of ways. Funding criteria are vague and the media projects are not required to demonstrate how they will become self-sufficient by the end of the funding period. In addition, MDDA has not been able to resolve the impasse with government or the commercial sector to secure advertising support for projects to enable sustainability. As a result, a number of projects fold annually – and many that were around when the MDDA was started in 2002/3 are no longer in existence.

Internally, MDDA has been weakened. Staff capacity to respond to challenges is poor, and many senior manager posts remain vacant. Board members have changed frequently contributing to organisational instability. Systems, such as pre-assessment, monitoring and evaluation etc. require revision so that they can be used as early warning mechanisms when projects are failing to implement in line with contract obligations.

The media landscape has also presented its own unique challenges. Economically, South Africa is in recession and there are ongoing retrenchments within the commercial media industry. Technology has further disrupted the media industry with broadcasters moving to digital platforms and the print media losing audiences to online media. Within this, media concentration has become an increasing threat.

Despite all the challenges, political parties, government and stakeholder groups still see the need to build a thriving community and small commercial sector. Media projects also present successes and opportunities against all odds. These are reflected in the long list of awards that community media projects have won for delivering excellent, relevant content; content that has been used in schools and universities and even for matric exams. Also, media projects have had significant success in training staff and volunteers and thus creating job opportunities particularly for young people. Also, a number of projects have become sustainable over time and they have built and bought their own properties and studios. In this way, they have started to create new revenue streams critical for the long term sustainability of projects.

When looking at cross-cutting factors for project success, media projects identified the following issues:

- Strong relationships with audiences/ communities.
- A station manager (or owner/editor in the case of print media) that is skilled and has a vision.
- Proactive management that is constantly finding new ways to ensure sustainability of projects beyond government funds.
- A socio-economic environment that offers opportunities for sustainability. (In the case of environments that do not i.e. rural communities with little or no economic activity then long term, ongoing funding must be provided.)

This provides a focus for a required focus for MDDA to plan its interventions. The long-term success of the sector requires that changes are made – in this instance to strengthen the MDDA so that it is able to play a role in bringing together project partners, allocating funds

appropriately, and in training and developing capacity for the long-term sustainability of the sector.

This is reiterated by the media projects themselves when asked what they wanted the MDDA to do to better support them:

a) MDDA

- Ensure stability of leadership at the MDDA
- Deliver funding on time and when promised;
- Significantly improve communications between projects and the MDDA;
- Ensure that the MDDA adopts the latest technologies and understands the latest technology trends so as to transfer this knowledge and technical know-how to projects;
- Ensure more targeted and less onerous reporting processes for projects;
- Create provincial MDDA offices so as to ensure that support is closer to projects;
- In the short to medium term support existing projects before adopting new projects. Present project support should be consolidated.

b) Funding

- Facilitate access to government advertising;
- Create a government or government-supported print facility to lower the costs of printing as printing is generally the highest cost for print projects;
- Ensure ongoing support, monitoring and evaluation of projects rather than providing once-off funding tranches;
- Assist with the payment of SAMRO debts;
- Provide buildings to house a number of print and radio projects so as to reduce rental and other costs;

c) Partnerships

- Facilitate networking opportunities with fellow media and support organisations in the provinces and also nationally;
- Assist with issues around frequencies as some stations are experiencing interference from other (often commercial) stations;

- Work with the Broadcasting Research Council of South Africa to ensure more systematic coverage of audience ratings of community media. Also assist print projects to obtain correct audience and readership figures; and

d) Training and Capacity Building

- Ensure more tailored and project specific training and conduct a needs analysis before embarking on training;
- Ensure training is provided particularly as regards financial management but also to improve overall content quality;

Many of these are included in Section 7 as part of recommendations.

7 RECOMMENDATIONS

MMA has grouped the recommendations under specific headings for ease of reference. These are interrelated and should be read together as each has an impact on the other.

7.1 Funding Models

The MDDA must raise funds to run the agency efficiently and effectively in line with the organisational mandate. At the same time, MDDA must disperse grants to the community and small commercial media that it is supporting. The MDDA needs to adopt different approaches to support its own fundraising efforts and for its grant dispersal activities. A high-level overview is provided for each.

7.2 Raising funds for the Agency

The UNESCO, Association of Independent Publishers (AIP) and Pygma Consulting have each conducted research into international best practice around funding of community media. The table below reflects some of the approaches that have been adopted.

Table 13: Funding / Financial Support Mechanisms

Country	Support offered	Media	Comments / Details
Canada	<ul style="list-style-type: none">Subsidy from government based on copies sold (Targeting those distributing less than 25 000 copies)	Community Newspapers	Totalled Canadian Dollars 6 million
USA	<ul style="list-style-type: none">Preferential mail rates for periodicals / magazines	All periodicals / magazines	

Argentina	<ul style="list-style-type: none"> • Reduced tax rates based on annual turnover • Direct funding schemes for selected newspapers/ radio stations • 10% of taxes from media advertising • Government advertising • Antitrust regulation 	<p>All newspapers. However due to the sliding scale, community newspapers favoured.</p> <p>Advertising taxes distributed to non- profits</p>	<p>2009 Audiovisual Communication Services law to challenge media concentration and to allocate licenses equally among public, private and non-profit broadcasters</p>
Uganda	<ul style="list-style-type: none"> • Public funding through government grants and loans • Revenues generated by commercial activities, donations, licence fees and advertising. 	<p>Community radio</p>	<p>Broadcasting Act (section 14(1)) in promotes increased access to the airwaves for poor and rural communities. Licensing requirements are the same for community and commercial broadcasters although provide funding opportunities</p>
Scandinavia (Sweden, Norway, Finland, Denmark)	<ul style="list-style-type: none"> • Direct production / operational subsidies • Distribution support • Loans to community media • Direct support for editorial production • Journalists training and placement • Tax concessions • Reduced postal costs • Innovation funds 		

Netherlands	<ul style="list-style-type: none"> • Direct funding schemes for selected newspapers • Journalists training and placement 	
India	<ul style="list-style-type: none"> • No tax on newsprint, sale of newspapers or advertising 	All newspapers
Australia	<ul style="list-style-type: none"> • Most funding generated by the stations through sponsorships, donations, grants and subscriptions. • Limited public money from the Federal Government, with an additional allocation to indigenous community radio stations through the Indigenous Broadcasting Programme 	Community Media

The World Association of Community Radio Broadcasters (AMARC) has argued that there is a need to adopt a mixed rather than a single source approach to funding as a way to guarantee independence (UNESCO, pg. 10). This model has been adopted locally with funding received from the public and private sectors. When comparing the annual funding requests (projected to be around R150 million per year) against the MDDA budget (approximately R60 million), it becomes glaringly obvious that MDDA needs to engage in fundraising activities to address the shortfall.

There are a number of ways that this can be done:

- a) The **government** should **increase** its allocation to the community media sector. Currently, the sector receives inflationary increases. Additional funding should be secured on the basis that MDDA has a broader role to play in ensuring diversity in a media environment where there is increasing concentration. These allocations if not through grants / subsidies should be through tax incentives, distribution support (piggybacking on government newspapers).
- b) The print media industry should be compelled to provide funding either in cash or kind (through training, printing, distribution support) to MDDA. The difficulty is that the print media is unregulated and are bound only by the generic BBBEE scorecard. BBBEE

legislation could be used to encourage a contribution to the community media environment. This could either be done through engaging around a Print Media Charter process or including the industry as part of the MAC charter.

- c) New media must contribute to a **development fund** to support the growth of community media so as to grow content diversity. With digital media becoming increasingly significant as a media player, there is still no detail on how to draw this industry into participating in this sector through taxing or partnership opportunities.
- d) **International agencies** must be approached to provide funding support in cash or kind. In kind contributions could include training and mentoring, exchange programmes etc.
- e) The **advertising industry** despite the MAC charter is still one of the most untransformed industries in South Africa. A first option would be to introduce an industry tax. The second is to encourage investment in community media through advertising and this being awarded points against the element that talks to “*sector specific programmes promoting responsible behavioural changes in line with national strategic objectives. 5 points are awarded for contributions achieving 1% of NPAT going to 2.5% in 2018.*”
- f) **Loans** to community or small commercial media. Some media projects have requested support in accessing loans to start or grow the business.
- g) There could be more extensive local fundraising drives to SETAs, Financial institutions, lotto etc.
- h) In instances where the Competition Tribunal rules on matters relating to media development and diversity and in instances where fines are issued, this money should be made available to the MDDA for use in the sector

MDDA should in the short term employ a fundraiser to explore these options. In the long-term, this function could be absorbed by the CFO / CEO.

7.3 Grant Dispersal Model

MDDA receives grant applications from community and small commercial media throughout the year. The MDDA then allocates funds according to the project proposals and against criteria that has been set in the MDDA regulations. This system is not necessarily efficient in determining whether a project could become sustainable or whether it significantly contributes to media development and diversity. Staff interviews alluded to the fact that all projects are supported with funding being the only limitation.

Through our research high level recommendations have been made that will contribute significantly towards establishing a grant dispersal model that could begin to resolve the current inadequacies in the system. The suggestions are as follows:

- a) MDDA must be proactive and source projects to support. This would require mapping of all community and small commercial projects in South Africa. MDDA needs to initiate projects in those areas (geographic; of interest) underserved by media. At least 5% of the budget should be allocated towards this. In addition, similar projects in the same geographic area should not be funded as this leads to duplication and competition among community media.
- b) Funding application deadlines should be fixed annually. This will allow staff to concentrate on project implementation rather than be perpetually considering new project applications.
- c) There should be no “one size fits all” approach to funding. Projects differ from each other in terms of the community they serve, access to markets, and what they are trying to achieve. The Agency should investigate more tailor-made funding strategies so as to better meet the specific needs of projects.
- d) There should be a distinction made between media projects that can become sustainable and those that are likely to rely on longer term funding, until such a time that there are shifts within the community to allow for changes and for the entity to thus become more sustainable. Those community projects that are likely to be unsustainable in the long term include those in geographic areas where there is no local business nor municipality that is able to advertise nor members who can pay for the products / services.

The Table below reflects high level recommendations on each:

Community and Small Commercial projects (Potentially sustainable)	Community media projects (Unsustainable)
Funding should be allocated for a three-year period to allow projects to stabilise and begin to work towards sustainability	Maybe look at five-year support. Ensure better mentoring and also focus on building partnerships with potential community entities.
1.1.1 Funding should be made available on a sliding scale, for example, Year 1: 100%; Year 2 (80%) and Year 3 (50%). Media projects should be required to develop plans to seek alternate sources of funding to plug the immediate gaps – and for sustainability in the long term.	
Funding options should include grants, loans and access to venture capital. This will allow projects to diversify the business – something that has been shown to aid sustainability.	

- e) For all community and small commercial projects, funding must be made available for:
- Training (Technical; Business skills); Infrastructure Development (including for offices/ stations so as to maintain professionalism); Programme production and content development; Operations (including salaries of management team; admin costs.
 - Reasonable stipends for permanent staff and volunteers. In a country that has high levels of poverty, relying on volunteerism to sustain the community media sector is not sustainable. Community media journalist costs must be paid as volunteers leave for jobs in the formal sector resulting in limited sustainability.
- f) Sentech fees should be paid by government as part of support to the community broadcast sector. MDDA should negotiate for discounts on printing.
- g) Regulations determine the criteria that MDDA must use in selecting projects. This ranges from “the extent to which the project promotes media development and

diversity; the likely impact of the project on historically disadvantaged communities and persons that are not adequately served by the media; and, the likely impact of the project on historically diminished indigenous language and cultural groups;” through to issues around ownership and control, governance, legal compliance and human resource development. While ownership, control, governance etc. criteria are easy enough to quantify, regulations that talk to the extent of media development and diversity and the impact of projects on communities require more interrogation. MDDA should unpack each of these criteria with a view to determining the minimum requirements for each to be realised and then assigning a value to these. This would take any potential bias from the funding process and would be developmental in that there would be interrogation around what constitutes media development and diversity, impact of the project etc. MMA recommends the Media Diversity Index (<http://newstools.co.za/page/mdi>) could be utilised when considering the projects that that should receive grants.

Additional points should be awarded to projects located in underserved areas, particularly for rural and the most disadvantaged communities.

- h) The ring-fencing of MDDA funding needs to be re-evaluated in line with
 - technological innovation;
 - the identified need of media projects for training and capacity building as well as lobbying and advocacy interventions.
- i) The community broadcast sector has grown rapidly over the past 20 years. Again, funding from the industry ring fenced for broadcasting has assisted this growth. MDDA should initiate discussion with the broadcast industry to unlock funds from the 0,2% to cross fund community print and the online / digital sector.

As an interim arrangement, media projects felt that MDDA should set aside 60% of funding for building the sustainability of existing projects and allocate only 40% towards new projects.

7.4 LOBBYING AND ADVOCACY

Lobbying and advocacy initiatives have been weak and this has negatively affected the media projects. This is particularly evidenced in government’s lack of understanding of its

roles and responsibilities *vis a vis* community media - and the garnering of advertising support for project sustainability.

The Agency should therefore take immediate steps to:

- Meet with GCIS / DoC to reach agreement on the threshold for advertising support from government to community and small commercial media and ways to regulate this.
- Investigate strategies to promote community media and its value across national, provincial and local government departments to ensure the latter understand the benefits they will get from advertising in and sponsoring community media.
- Investigate ways of promoting the community media sector and its benefits to the private sector and advertising industry.

7.5 LAWS AND REGULATIONS: ENSURING ALIGNMENT

There are a number of instances where laws and regulations work against progress in the community media sector. In some instances, this is because different laws / regulations contradict each other while at other times these are simply outdated. MDDA needs to review all laws and regulations to address these challenges. The following are the most pressing:

- a) MDDA regulations that determine percentages around funding allocations must be reviewed. Higher allocations should be set for training and capacity building in line with project requests. Technological innovation and online media should be included as media projects requiring funding.
- b) The MDDA Act determines how the board is appointed and its role and functions. The appointment process is drawn out and does not talk to stakeholder representation. Further, the Board is given too much power to decide on project support. The Act should be changed to allow for direct stakeholder representation and the CEO / managerial team should be given greater power to decide on project funding. Thresholds could be set to support this.
- c) The ECA should provide ICASA with the power to withdraw licenses from broadcasters where the community is not involved. The current clause in the Act works against MDDA's criteria for projects where the community is central to media projects. In addition, the 0,2% of turnover from broadcasters that should go to USAASA fund but

that can be re-directed to MDDA should change. This makes MDDA vulnerable to funding fluctuations. This clause should be changed so that MDDA becomes the sole recipient of this funding.

- d) ICASA needs to firm up aspects of its Act and regulations that provide for broadcasters to have commitments to funding (instead of funding) when granted licenses. This places undue pressure on MDDA who are approached by these stations to provide these commitments.

7.6 Government / Stakeholder Collaboration and Partnership

Both government and stakeholders could benefit from greater collaboration and partnerships. In terms of government the following is relevant:

- a) ICASA and MDDA operate independently with ICASA issuing licenses and MDDA funding community broadcasting. There needs to be closer collaboration between the agencies so as to ensure that media development and diversity targets are set and reached.
- b) The MDDA and USAASA need to establish a partnership to discuss roles and responsibilities within a changing technological environment. This could possibly lead to a merger between the organisations in the future.
- c) Strong partnerships with government department could help unlock advertising support (GCIS / DoC) and training funding (SETAs; NSF). Cash in kind support could also be through joint initiatives with for example, the Department of Arts and Culture around outreach activities into communities. At the same time, we need to ensure that there are still arm's length relationships to help protect editorial independence.
- d) Stakeholders have all expressed the need to partner so that they can have maximum developmental impact within the sector. Suggestions included: more formal meetings with the MDDA; representation on the MDDA board; greater transparency when supporting projects; and, joint strategic planning sessions to improve outreach and success rates.

7.7 MDDA Governance and Capacity Issues

Governance instability must be eliminated. This has impacted the organisation negatively. The Board Chairperson / Acting CEO must meet with the DoC, Parliament to fast track the filling of board and staff posts. A training needs assessment should be conducted to determine what interventions are needed improve staff skills, competencies and knowledge.

As suggested, the MDDA Act should be reviewed to re-look at the powers, roles and responsibilities of the Board vis a vis MDDA management.

The MDDA would need to contract a fundraising manager whose role would include not only sourcing funding through the multiple means suggested, but also to work with projects around to build capacity for financial sustainability.

7.8 Print Media Transformation

The mainstream print media sector needs to fund the community media sector, through cash or in-kind contributions (printing; distribution). This can either be done through introducing laws / regulations (in other words, no longer voluntary) or through negotiations with the industry.

7.8.1 Technological Change

- a) MDDA needs to research and engage with the community sector around the impact of technological change and what this means for the sector. This must include a focus on new media (Facebook; Google; Twitter) with a view to determining aggregation of news and implications for local content diversity.
- b) The MDDA needs to lobby and advocate for issues that are restricting access by all South Africans to benefitting from the technological changes. This will include the rollout of broadband, reduction of data costs etc.
- c) Technological changes have changed the media landscape fundamentally. The mandate of MDDA must be reviewed to take cognizance of the rise of online media that widens its scope. With the convergence of technology, the ring fencing of funds for particular media is out dated. MDDA would therefore need to change the regulations to suit the current context.

7.8.2 Community Media and the Digital Environment

As with the main stream public and commercial media sector, both community print and broadcast are facing significant levels of disruption to all aspects of their business as a direct result of our emerging digital reality. However, unlike very well-resourced mainstream and corporate entities, the MDDA supported projects have even smaller margins for error as well as scope for innovation, experimentation and failure. Also, given the nature of the communities that they serve, there are also those who are still experiencing the worst of the digital divide where access and affordability are still prohibitive barriers to adopting digital platforms. The research showed these entities/projects are at the nexus between the transition from how media was, as print or audio, to how media will be as digital. Projects interviewed all displayed clear knowledge and awareness of this difficult position where they could see both the potential strength of digital as well as its very real impact to their existing legacy operations. Accordingly, the following two recommendations emerged.

- The first recommendation, in line with our emerging reality is that MDDA adopt a ‘Digital First’ strategy. This would impact both the MDDA’s strategic rationale as well as its funding and support mechanisms and potentially impact the MDDA’s own internal structures.
- The second recommendation is that the viability and suitability of a development fund, specifically for small commercial/community media projects is explored. The focus would be to enable the MDDA and MDDA supported projects to experiment, innovate and learn.

7.8.3 Training and Capacity Building Initiatives

Project respondents spoke extensively about the need for better training and capacity building initiatives and detailed their specific needs. For training interventions to be improved and to be more line with project needs, the following is required:

- The ring-fencing of budget allocations must be removed and adequate human resources allocated to oversee this function.
- A needs assessment on all currently funded projects and potential future projects should be conducted.