



Presentation to Parliament Indaba on Transformation and Diversity in the Media

Friday 22 September 2011 to the
Parliamentary Portfolio Committee on Communications (PCC)

SECTION A AIP and the Grassroots Print Media Landscape

The Association of Independent Publishers (AIP) is a national association for advancing the interests of the local, grassroots (independent) print media sector in South Africa. AIP comprises mostly small, grassroots newspapers, but also represents, newsletters, magazines and online publications.

Established in 2004 the AIP represents the largest group of South Africa's small grassroots publishers. The AIP is a projects-driven association, but also focuses on research, policy issues and the setting of industry standards for the grassroots media sector.

AIP members are distinct from mainstream media owned by large media groups like Media24, Independent Newspapers, Caxton and Avusa. There are about 230 AIP members nationally and they are small, community based, grassroots publishers owned by local community members.

1. Micro-entrepreneurship, media diversity and intrinsic value

The most distinctive characteristic about AIP is that it represents the greatest diversity in micro-entrepreneurship of print media in South Africa.

The diversity of AIP members is manifest in

- *Languages:* isiXhosa, Sesotho, English, Afrikaans, isiZulu, Arabic and Tshivenda
- *Geography:* from rural Cofimvaba to the suburbs of the Cape Flats; from Makhado to Gansbaai; Mangaung to Jozini and much more in between
- *Communities of Interest:* religious publications representing Muslims, cultural groups such as Germans and Portuguese, African art and literature aficionados, social justice activists, teachers, teenagers and fruit farmers.
- *Age:* some are 140 years old, some are as young as six months
- *Scale:* some are one-person enterprises operating from a shack in a squatter camp, a converted garage; some employ up to 20 people and occupy offices on 3 floors
- *African nationalities:* about 15 AIP members come from SADC region outside South Africa: Botswana, Namibia, Swaziland and Zimbabwe.

Intrinsic value

One of the greatest merits of this sector is its intrinsic value. It is an important vehicle for religious, cultural and social expression, all of which are guaranteed protection by the Constitution of South Africa.

Grassroots independent ownership of local media by diverse communities is a valuable asset in a young democracy.

2. Milestones of AIP

Research

- The first comprehensive survey/ census of the grassroots press sector
- The development of a comprehensive database
- A study into the feasibility of a grassroots advertising-procurement body

Advocacy/recognition

- Community Press Awards: AIP conceptualised the annual 2-day national summit culminating in the Sanlam Community Press Awards. This event, now hosted by the MDDA, recognises excellence and innovation in the community press sector.
- Audit Bureau Circulation (ABC) certificates – AIP successfully negotiated the awarding of a grassroots certificate verifying circulation by the ABC.

Courses

- Annual scholarships for AIP members to attend short courses at the Sol Plaatje Institute for Media Management, Rhodes University have been negotiated and agreed. The 2011 courses are in digital media, management, government communications and newspaper business management.

Publications and Software tools

- Adbooker: a computerised advertising booking programme
- Paymaster: a computerized payroll system
- *Key Editorial and Business Strategies*: A case study of six grassroots newspapers (with the Sol Plaatje Institute)
- *Reporting the Courts*: a manual and glossary of terms (with SANEF)
- *Election Reporting Manual* (recently updated by OSF and SANEF)
- *Extraordinary Editor*: (with SANEF)

Current projects

- *Critical Ratios - setting up underlying business systems*: a business manual for calculating ad rates, commission structures, sales targets, sold or free distribution
- Updating the AIP database and census
- Proposal for the development of indigenous language journalists
- Revisiting media management and courses offered by Sol Plaatje Institute, Rhodes University
- Newsfiler: an open source content management system which won the first prize in the 2011 Telkom Highway Africa New Media Awards.

Engagement with other industry stakeholders:

- engaging with the Press Council on its Review of the Press Code.
- negotiation with Capro and other advertising procurement agencies.

3. AIP and the larger industry

Approximately 80 AIP members are emerging publications. About 40 are funded by the MDDA.

A conservative estimate of weekly AIP readership is 6 million. Another crude estimate is that these publications create 4000 jobs and contribute R210 million turn over annually to the South African economy—a small but noteworthy contribution.

AIP was registered in 2005 and the first database was developed in 2006. The earliest data available for the sector are 2000 data gleaned from Capro's database.

According to the 2000 Capro data they had 143 registered grassroots print media titles in hand. However, this number is not fully representative of the entire grassroots sector. For example, titles like *Cape Flats News*, are not represented¹ and there are many that are still not represented by this agency.²

Since 2000, a total of 31 of those listed have been bought out by the large media houses and 22 have closed. This is according Capro data and excludes an estimated 20 titles that are not members of Capro.

The ownership breakdown was as follows: 106 White, 28 Indian, 7 African; 2 Coloured. AIP is in the process of verifying the database. The following is a crude summary:

- new print media products are continually emerging—some are MDDA start-up projects
- some titles remain extant, but do not publish regularly and are struggling to restart
- others have closed; the present count is 23 closures
- several additional titles have lost their independence and were bought by one or other of the major media houses. One could make calculated guesses on all 230 plus titles listed on the database but the data in Appendix 1 reflect the 164 titles to date for which we have managed to verify the basic required information. Verification continues.
- The 2011 AIP data indicate a significant change in the nature of grassroots print media:
 - ownership is about 50% white and 50% black
 - language usage is 44% English only, 28% English and Afrikaans, and 27% use indigenous languages in part or all of their publication
 - with only 164 titles, the weekly print run is 1.1million which means (at an average of 6 readers per edition) a weekly readership of 6.6 million.

See the table in Appendix 1 for an analysis of grassroots publishers.

¹ Capro policy is to represent only one product per area / niche market.

² SADC grassroots media have been excluded.

SECTION B

AIP and the Indaba

1. AIP response to the Indaba Briefing

AIP queries the PCC's rationale for the Indaba. On the one hand the rationale appears to be based on the perceived weaknesses with respect to the standards of journalism and the government's inquiry into media accountability mechanisms in order to balance the rights enshrined in the Constitution.

On the other hand, the Indaba calls for a debate on diversity and transformation in the media in light of these perceived weaknesses.

AIP fails to see direct relevance between the journalistic and media freedom issues on the one hand and economic issues on the other. The two issues are to a large extent mutually exclusive. Transformation within the industry is a matter of commerce and economics and should not embrace journalistic standards and press freedom.

AIP's mandate is the issue of business sustainability. The debate on transformation and diversity should address the benchmarks with respect to the BEE Act (Ownership, Management Control, Employment Equity, Skills Development, Preferential Procurement, Enterprise Development, Socio-economic Development).

These issues should be neither confused nor conflated with the debate on the standards of journalism such as editorial content, quality of reporting, freedom of expression and freedom of the press.

2. Defining the issues

From the AIP perspective a key challenge in this process is the defining the issues and the clarifying positions. We believe that AIP and its interests are marginalised and relegated often due to a lack of clarity on key issues by the major stakeholders in the industry.

As an affiliate of PMSA AIP is recognised as an industry association representing the interests of independent grassroots publishers. AIP has a seat on the PMSA board and engages with this board to communicate matters that concern its members. AIP's secretariat is also housed at the PMSA offices and it currently benefits from a PMSA grant for the appointment of an administrator.

However, AIP remains dependent on donor funding to sustain its operations and fulfil its mandate to its members. This includes securing funding for the running the association's office, the abovementioned projects and finding ways in which to sustain the most important revenue stream of its members, namely advertising.

The landscape of the grassroots press has been eroded significantly since 2008. As stated above, in their struggle for survival approximately 43 have perished due to

- diminishing advertising revenues
- unsustainable competition from publications owned by major media groups
- a skills deficit in respect of business management

3. AIP and the State/State Institutions

Whilst AIP remains committed to engage independently with the relevant private sector entities like PMSA to secure the survival and growth of its members it also seeks to engage government and agencies like the MDDA on critical issues affecting the grassroots sector.

The following is a summary of some of these issues and opportunities in respect of key entities in relation to government:

- *The BEE Act and the BEE Codes of Good Practice*
AIP members are generally not required to comply with the above act and the industry codes. They are exempted from the code due to their status as micro-enterprises with annual turnovers of less than R5 million.

However, AIP seeks clarification from the relevant entities like the DTI on the application and interpretation of the act and the codes. In particular,

- does transformation in the print media industry in terms of the codes also include diversity with respect to empowerment of (largely black-owned) micro-entrepreneurs who may be vulnerable to competition with corporate operators in the industry?
- does the B-BBEE code include protection or any other kinds of benefit for grassroots black micro-entrepreneurs in a competitive industry?
- does the application of code 600 which is intended to assist and accelerate the economic development of micro or small BEE enterprises include material support (such as infrastructure development) for grassroots publishers?

AIP notes that PMSA is independently engaging the PCC with a view to present the print media industry's transformation roadmap at a later stage.

- *The MAC Transformation Charter*
The charter relates to transformation in the marketing, advertising and communication industries. AIP recognises the value of a print media industry charter, but also recognises that the relevant stakeholders have both converging and diverging, and even conflicting interests that precludes the drafting of such a charter. However, AIP also recognises the possibility of adopting a charter specifically for the grassroots print sector.
- *MDDA*
Whilst the MDDA is an important stakeholder in the government's media development and diversity initiative and has begun to record notable successes in this respect, the biggest challenge for this agency remains adequate funding and support for the grassroots print sector. The community (grassroots) print media budget of the MDDA is a miniscule R4.4 million and is not sufficient to sustain the overwhelming number of print projects that apply for funding every year.

AIP calls for a serious review of the MDDA budget allocation of print media projects and for representation on the budget committee in order to make some input in this process.

- *GCIS and various government departments*
AIP notes with great concern that the GCIS annual advertising budget of R1 billion is exclusively dedicated to adspend in the major media houses of South Africa. If the government is serious about supporting transformation and diversity in media, then a review of this process is an urgent priority.

In addition to advertising procurement, AIP calls for an opportunity to explore policy initiatives for sustained and measured government advertising/supplement programmes that will not erode the existing revenue of grassroots publishers. In this way the grassroots press can be adopted as an official vehicle for featuring the work of government departments. The revenue stream will primarily comprise funds from the media, marketing, advertising and communications budgets of the respective government departments.

Another strategy is the use of special supplements in the indigenous language grassroots press by the Department of Education to promote indigenous languages. The local newspaper is the most accessible means for indigenous language speakers to engage with their language. With the support of government such joint projects can benefit both indigenous language speakers and AIP members.

- *DTI*
The DTI's B-BBEE initiative has merit, but is not applicable to micro-enterprises like the grassroots press. AIP seeks to explore the possibility of proposing policy with a view to development funding from the DTI, specifically earmarked for the grassroots press. In addition, AIP will investigate if the association, or individual AIP members, are eligible for benefits under programmes like the DTI's Black Business Supplier Development Programme (BBSDP). The same applies to another DTI agency, the Small Enterprise Development Agency (Seda).
- *Relevant sector education and training agency (SETA)*
AIP notes that the Mapp Seta has been disbanded and that publishers now belong to either the Mict Seta or the Fibre and Paper Manufacturing Seta. AIP is in the process of applying to both Setas for bursary and internships. This directly supports the core activity of publishers and contributes to media transformation and diversity.
- *The Association of Advertising Agencies, the South African Advertising Research Foundation and the Advertising Media Forum*
AIP seeks to explore relations and opportunities with various related-industry agencies and associations like the above in order to advance the interests of its members.

Conclusion

AIP thanks the PCC for this opportunity to make a presentation. We view this as a first step in making significant progress in taking the debate on media transformation and diversity forward to a programme of action.

Appendix 1
AIP Membership Analysis

Province	Total	Ownership		Language			Print order		
		Black	White	E	E/A	I+	Weekly	F-nightly	Monthly
Eastern Cape	31	13	18	10	7	14	86200	45500	91000
Northern Cape	5		5	1	3	1	33700	-	-
Free State	9	4	5	3	3	3	97800	-	12000
Mpumalanga	16	7	9	5	5	6	63850	24,000	34000
Limpopo	12	7	5	3	7	2	80600	10000	10000
North West	7	2	5		4	3	41000	15000	10000
Gauteng	29	21	8	21	6	2	111500	225000	162540
Western Cape	21	7	14	5	11	5	57113	30000	45000
KZN	34	20	14	25		9	568000	32000	159000
Totals	164	81	83	73	46	45	1,139,800	381,500	523,540

Quarterly and annual figures not included in print run

E = English only

E/A English/Afrikaans

I+ = Indigenous language plus