20 YEARS OF CHANGES in media ownership

By Reg Rumney

In reviewing the transformation of the news media in South Africa over the last 20 years, you might be tempted to think that nothing has changed.

Public perceptions have clearly not kept up with the changes in the media landscape. Recently the deputy director general of the SA Communist Party Jeremy Cronin discerned the influence of mining industry ownership on the ideological approach of the Times Media Group, unaware that the mining industry no longer has a major stake in any print group.

Superficially, four big print media groups still dominate the media business, and the SABC still dominates the broadcast landscape. However, the differences between media ownership when democracy dawned in 1994 and now are greater than the similarities.

For a start, the SABC no longer has a state-guaranteed monopoly over television and radio broadcasting. The most visible change is the presence on our screens not only of a free-to-air channel, e.tv, but also several non-commercial, community TV channels, such as Soweto TV.

Another visible sign of the change is the mushrooming of satellite dishes throughout South Africa in rich and poor suburbs alike. Naspers-owned DSTV has provided real competition to the free-to-air TV services, and enlarged the choice of channels massively, while proving to be a virtual monopoly in pay-TV.

The most audible proof of change is the rich choice urbanites have when they turn the dial on their radio stations. Whereas in 1994 Radio 702 was the only alternative source of South African radio news, views, current affairs and entertainment, listeners now have a range of commercial stations, some privatised from the SABC post-1994, some newly created.

Again, it could be argued that change has not gone far enough. While a listener in Johannesburg has an embarrassment of riches in radio, a listener choice in the rural Eastern Cape is by comparison lean, mainly SABC stations, with most news supplied by a centralised pool of journalists, one commercial radio station, and community radio stations of variable quality.

While local stations have flourished, the national stations remain the preserve of the SABC. The SABC still operates the only big, national indigenous-language radio stations.

In the print media, the continued presence of four big groups, Independent News and Media SA, the Times Media Group, Caxton-CTP and Naspers' Media 24, belies the monumental shift from 1994, caused by the concurrence of a change in reading habits and a shift in advertising revenue.

In 1994, the Big Four were Nasionale Pers, Perskor, Times Media Ltd, and the Independent Group (formerly the Argus). All were listed on the JSE. The JSE media sector now has three companies, AME with a market capitalisation of less than R1-billion, Caxton with a market capitalisation of around R8-billion, and Naspers, which at the time of writing had a market cap of almost R0.752 - trillion.

The biggest print media company by market size is now undoubtedly Media24, which is a subsidiary of Naspers, which itself has transformed from an apartheid-supporting newspaper group to a South African-based multinational active across the globe and having profited massively from internet-based services, notably its investment in Chinese company Tencent.

While the combined circulation of its newspapers and magazines alone makes it the leading news publisher, judging the business size of Media24 is made difficult by the fact that it is not independently listed on the JSE. Because it is a subsidiary of a public company, its owner does provide some information about Media24. The same may be true for Times Media Group, recently acquired and delisted by the Tiso Blackstar Group.

Independent News and Media SA has not been publicly listed for some time, having been acquired in 1994 by Irish newspaper group Independent Media. It was then bought by the Sekunjalo Independent Media consortium, headed by black economic empowerment pioneer Iqbal Surve in 2013.

Ownership changes at big media companies, as I have argued in Rhodes Journalism Review (Edition 33), are a matter of concern for the general public, and the absence from the stock exchange, which requires companies to keep investors regularly informed about results and anything that might affect the share price, makes it harder for ownership changes to be scrutinised.

The ownership structure of INMSA was publicly disclosed at the time, showing the involvement of the Public Investment Corporation, which invests mainly government pension fund money. The price paid, around R2-billion, was disclosed too.

As a private company, INMSA is under no obligation to share further information. It joins Primedia, which grew out of Radio 702, and TMG in being relatively non-transparent, though some information about ownership can be ascertained with effort, through the company dedicated to tracking company ownership, Who Owns Whom.

In any case, the link between ownership and the ideology of the news seems to be more complex than is commonly assumed, and deprecates the power of news consumers. Can a news outlet build or retain a mass audience if it routinely overlooks what is news to many, or does not supply some need or desire of the audience?

Two of the print media groups, Media24 and TMG, and Primedia and e.tv, appear to remain, by default perhaps, in the old paradigm of the liberal watchdog media. As such they stand accused of being insufficiently critical of the private sector and overly critical of government.

One of the big print media groups, INMSA, has yet to show clearly what ownership by a group headed by an ANC-aligned businessperson actually means in changing content across the titles of the group, though of the group's titles, The Cape Times, has been severely criticised by DA Western Cape leader Helen Zille, herself a former anti-apartheid journalist, for bias and unprofessionalism.

The paper, under the leadership of former ANC activist Aneez Salie and executive editor Karima Brown, was purged of a layer of white, liberal and left-leaning journalists, including former editor Alide Dasnois.

Surve, who spearheaded the takeover of INMSA, is said to see himself in the mould of media tycoons like Rupert Murdoch. This would be a departure from the most recent ownership style of the South African media, where owners have been kept out of the papers' headlines. Terry Moolman, who owns the biggest individual stake in Caxton-CTP, keeps a low profile.

Though it could be argued that the subtle transmission of the ideology of the owners to journalists is inevitable, the Murdoch-style of management itself is something of an anachronism in an age of corporate media, though in the West the decline of media corporations may see mini-tycoons once more rule much diminished media empires.

Overt ownership-driven partisanship in the media resurfaced, symbolised by the launch of The New Age, which promised to provide balance to what the ANC government saw as unfair media coverage, to show the "glass half-full" instead of "half-empty".

The impact of The New Age is hard to discern. Along with the ANN-7 channel on DSTV, also owned by the Gupta family, who are close to President Jacob Zuma, The New Age has done little to contribute to the national debate, with a newspaper that has declined to be audited by the Audit Bureau of Circulation.

In general, no single group or individual in modern South African companies in the global environment has a big enough stake to exercise control. In the 1980s conglomeration was the order of the day and ultimate ownership of many listed JSE companies could be traced to a few groups, such as Anglo American, Old Mutual or Sanlam.

Now, investment funds tend to own small percentages and ownership changes constantly. In these circumstances it is harder to interpret, apart from a general support of the private sector, what specific political line the diverse shareholders might want a newspaper or news station to follow.

Commercial constraints could even dictate a watering down of partisanship so as not to alienate the audience. This may explain why newspaper groups have studiously refrained from endorsing political parties in elections, as opposed to the political alignment pre-1994.

In the West, the power exercised through the printing press and airwaves seems diluted by citizens' ability to make themselves heard through blogs, Twitter, Facebook, and podcasting. Though greater web connectivity has yet to democratise this access to

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voice fully in South Africa, for the middle class social media does play a role in the public conversation.

The growth of web connectivity has also seen several attempts at web-based news and comment publications. Financial website Moneyweb was a pioneer, with the most recent being Daily Maverick and TMG's The Rand Daily Mail. The African version of The Conversation is another entry, though the non-profit website, which repackages academic research into a more popular format, is more commentary than news.

The death, perhaps temporarily, of the overt party-political alignment of the English-speaking and Afrikaans-speaking press was accompanied by the elimination of cross-holdings between the English-speaking print companies, and greater competition between them. The Afrikaans press, part and parcel of the rise of Afrikaner nationalism, has embraced capitalism with fervour.

Symbolising the end of co-operation, the non-profit South African Press Association, which once pooled news from media houses for redistribution as well as generating content for subscribers to its services ceased to exist, and has been replaced by three agencies, the African News Agency, a Media24 news agency, and an in-house Times Media news agency.

All this comes as traditional print media, daily and weekly newspapers and some magazines, has come under pressure from declining circulation and revenue from 1994.

What of a black-owned press? With the advent of black economic empowerment requirements and a radical transformation of the racial makeup of the audience, it may no longer be sensible to talk about the black media as distinct from the white media.

Anglo American Corporation sold JCI's industrial assets to a black grouping in the 1990s, establishing Johnnic, which in turn owned Times Media, but the BEE ownership was nebulous. One attempt at creating a black media group, by New Africa Investment Ltd, was stymied at birth by the unintended consequences of regulation.

That whites are heavily represented in the top management, both editorial and business, of South African media makes it appear that companies are "white-owned" but the largest shareholder of the big four South African media houses has been the Public Investment Corporation. The money that the PIC invests belongs mainly to government pensioners, who are mostly black.

Only one of the Big Four is now identifiably white-owned and "unempowered", Caxton-CTP. INMSA is controlled by a BEE group, while TMG is part of a Malta-listed investment company. Media24 is part of a multinational, whose biggest shareholder is the PIC with around 15% of the shares. All three companies used to have relatively high ratings in terms of South Africa's BEE ratings regime, before recent changes to the way BEE is rated.

The growth of social media and the ubiquity of the web are not the only phenomena afflicting the print media. The last 20 years has seen a steady, and apparently ineluctable, shift in advertising revenue from the print media to TV. Print's share of ad revenue, according to OMD Media Facts, dwindled from around 50% in 1991 to less than 29% mid-2013, most of that lost to broadcasting, especially TV. Perhaps the resulting cost-cutting at print publications has created a vicious spiral of decline.

Yet the country has seen a surge in community media and in business-to-business publications, alongside the growth in TV channels, many hosted on the Multichoice/DSTV platform.

So change there has been, but should South African media 20 years after democracy's arrival offer a greater diversity of views? Would greater competition through more diverse media ownership mean more actual diversity?

More competition does not necessarily translate into diversity, but may even mean more homogeneity as almost all compete for the wealthier sector of the market. In any case, we have to guard against being too media-centric. In an economy where racial patterns of ownership overall have changed, but not changed radically, it is unrealistic to expect media, a sector now roiled by technological disruption, to present ideal patterns of ownership.