



IN SEARCH OF THE HOLY SALE

*Former editor of the Rand Daily Mail, **RAYMOND LOUW** believes the newspaper conglomerates are considering unbundling some of their assets, but the problem lies in trying to find suitable buyers*

MEDIA monopolies in South Africa and their influence on the political power patterns, as well as on the future of the media itself, have become a major pre-occupation of the liberation movements, politicians, journalists and the socially conscious public as well as the media owners themselves. However, it is instructive to note that those concerned about over-concentration of ownership devote all their attention to the English-language Press, some 73 percent of which is owned by the Anglo American Corporation conglomerate. The over-concentration of ownership in the Afrikaans Press is ignored.

The State's gigantic monopoly in the public broadcast media also attracts considerable attention but the focus is different because of the confused thinking about the role of a public broadcast medium and the ability of commercial or private interests to mount effective competition. There is also, of course, the longing among many in the liberation movements to have available to them a State service which they can bend to their own wishes as the Nationalists have done for the last four decades. But broadcasting is a separate subject.

Let's deal with the print media. The English-language press has become the focus of attention because English is

the language of the liberation movements and the lingua franca in the black townships. It is also likely to become the over-arching language of the country. The enormous size of the Anglo American Corporation, with its tentacles in virtually every worthwhile industrial and commercial sector in the country and a fair number outside, its control of a world monopoly of diamond sales and its considerable influence on business patterns and the labour markets naturally attracts the attentions of political movements.

Anglo also represents money power and, as it owns such a large chunk of the newspaper industry, it is automatically presumed that it controls the news and information its papers offer the public. Actually, Anglo is in a no-win situation. Whether it does or does not intervene in its newspapers is not the issue; it is presumed that it does. And persistence with the claim that it does not intervene is simply dismissed as being negative intervention.

Anglo has been faced with this unhappy reality for years but has been unable to do anything about it. But the political changes of the last two years and the imminence of the African National Congress gaining power have brought the press monopoly issue into sharp focus for Anglo as well as for the Argus Company (which holds 39 percent of Times

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Media Limited). Both have been working hard at finding ways of cutting up, or unbundling, the English-language newspaper empire.

Anglo, only too conscious of the no-win situation and of the fact that the financial rewards from newspapers can be fickle and nowhere near comfortable in relation to the amount of flak that ownership brings, is anxious to get out of the newspaper industry. Apart from the obvious benefits, there is appreciation, too, that by unbundling in this high-profile sphere, ANC attention to its other wide and powerful industrial and commercial interests may be distracted; in any event reduced in intensity.

But the problems are to identify the practical limitations on unbundling and then to find buyers.

The first obstacle – the scope of unbundling – is thought to be relatively easily surmounted. The solution is based on the natural division between the Argus Company, with its ownership of the country's important dailies, and Times Media Limited, with its concentration on the morning daily, financial and specialist market, as well as electronic information services. The question is whether the dismemberment process should be taken further. Should the papers that make up the empires of the two groups be hived off into separate entities so that there is maximum diversity of ownership and political expression?

Thinking along those lines is prevalent in the liberation movements and the trade unions, which have little or no experience of the complicated inter-related double market (readers and advertisers with their crucial components of circulation building and space-selling) and the cost structure of newspapers.

Among proprietors, thinking has again been sharply disciplined by the recent collapse of the British humorist magazine, *Punch*, and similar stories of publishing failure here and around the world. *Punch*, once regarded as in an unassailable position, was closed after publishing for 150 years because it lost touch with its readers and its market disintegrated.

Declining circulations here over the last two decades indicate that newspapers are not maintaining their markets or expanding them at rates anywhere near that of population growth. As a result, the viability of many papers has been maintained only by rationalisation of services and equipment. Prosperity has been the preserve of only a few of the so-called "market leaders" and only by forming tight rationalised operations around these, have the less profitable, or marginal, sister publications been able to survive. The country's two independent dailies survive, but in peculiar circumstances – both the *Daily Dispatch* and the *Natal Witness* survive because they are the sole dailies in their communities and because the *Dispatch* shares resources with Times Media publications, while the *Witness* has the backing of a printing and book publishing business.

This raises the issue of subsidies, which the South African industry has always shunned on the ground that there may be an unacceptable political price to pay. Administration of subsidy systems can be abused and there

is not whole-hearted acceptance and approval of them even in the countries, such as Sweden, where they do exist.

However, the principle has been accepted in South Africa. Newspapers here were once subsidised by having cheap telegraph rates in the days of press collect telegrams, cheaper postage rates for out-of-town subscribers and free rail and air transport for reporters in certain circumstances. But the contribution of these to the cost structure of newspapers was never large and would be minimal in relation to the huge cost of newsprint, printing, staff and services.

With the passage of time and advances in communication, most of these subsidies have fallen into disuse, but there is no reason why there should not be an investigation into a subsidy system for newspapers to encourage diversity.

But for Anglo and Argus the real problem of unbundling is to find buyers. Several overseas publishers have nosed around but none seems likely to become a prospect. An additional problem here is that apart from Anglo (and Sanlam among the Afrikaans businesses), there is a singular reluctance by business houses to get into newspapers. Outside those two companies there is little culture of newspaper ownership in South Africa.

The qualifications and attributes of an owner are demanding: a sound bank balance, lots of nerve to allow editorial freedom and not intervene, and a tough skin to stand up to the incessant criticism, in addition to special marketing skills. The major difficulty is the requirement that there should be no interference in the editorial prerogative; very few business executives understand this. They cannot accept that an editor should be free to make his or her own decisions. They see the editor as a manager whose decisions should be subject to the overriding decisions of the chief executive or chairman.

Additional problems for Argus are that the buying company should not be so powerful that it is capable of reducing Argus to an also-ran or of knocking it out of business, or so weak or incompetent that Times Media fails and falls into unacceptable hands.

Nasionale Pers, which entered the black market with the purchase of *City Press* eight years ago, wants to get into English publishing because it fears the decline of Afrikaans publishing in the new South Africa.

In recent months it has emerged that Anglo and Argus are actively working on a compromise solution that could surprise the industry and may even enjoy grudging acceptance from the politicians.

All these agonies escape the Afrikaans press, which serves its political masters in the National Party with a fervent loyalty that has not diminished despite their papers having become more profitable. That is probably because profitability is underpinned by numerous government contracts for printing and other services unrelated to their newspapers, and by book publishing – including school text books.

There was a time when Perskor and Nasionale Pers were financially independent of each other (apart from their joint holding in the Afrikaans Sunday paper, *Rapport*), but in the last few years a raid on Perskor shares by an entrepreneurial financier in London resulted in a rescue operation that has left Nasionale Pers as the controlling shareholder. Nasionale Pers, in turn, falls into the camp of the Afrikaans insurance conglomerate Sanlam.

Lack of ANC interest in this monopoly is partly due to a perception that even if it were broken up, the split elements would not become politically diversified but would continue to serve their party masters; that with an ANC majority government these papers would serve a diminishing sectional interest; and their financial support base could be eroded by transferring the State printing contracts to more deserving (black?) publishing houses.

Taken in conjunction with the largely Afrikaans-owned and edited country weekly press, there is no doubt that the majority of Afrikaans papers will continue to serve National Party interests. Whatever diversification there is will lean towards the rightwing Conservative and Herstigte Nasionale parties. The difficulties encountered by the pioneering *Vrye Weekblad* and the few small Afrikaans magazines in trying to present liberal views to Afrikaners is an indication of how limited a prospect there is for diversification on the left.

But will the break-up of the Anglo monopoly ensure that there is more diversified news and opinion in the English-language press? Not necessarily. The criticism now is that the English groups cater for narrow sectional interests, are dominated in conducting their operations by profit motives quite disproportionate to the service element, and that they promote a liberal free-enterprise ideology which serves the needs of mining-finance-capital (as Eric Louw of Natal University's Centre for Cultural and Media Studies, puts it in *Work in Progress*, April 1992).

There is justification for these criticisms, though there are also arguments in favour of profitability ensuring freedom and independence, and liberal free enterprise appealed to many of us – even before the collapse of socialism in Eastern Europe.

If unbundling by Anglo and Argus results in a controlling structure for Times Media that spurs the papers to wider news and opinion coverage than is the case now, the stimulatory effects within society could be impressive as it was when the *Rand Daily Mail* was stirring the conscience of society by placing unpalatable information and views before it.

Of course, those wider views may not be sufficiently radical for some who would argue that mechanisms should be provided to enable their views to be given an airing. Stimulation can go a long way towards providing "acceptable space" for those more diverse views and when there is acceptance, the means may be more readily found for setting up and supporting publications which would expand on those views. However, the suggestion that there should be a "mixed media" policy suggests that this might

not be good enough and some form of State intervention will be sought.

Protagonists of the policy tend to forget that we already have "mixed media". The State is already producing a number of publications, such as the monthly *Metropolitan Digest*, which is distributed free in the Pretoria-Witwatersrand-Vereeniging complex to more than "subscribers" who write in and receive it free through the post. It contains some practical information heavily larded with government propaganda ("De Klerk a man for the future" is a typical headline). Published by the SA Communications Service, it boasts more than 500 000 readers. The printing contract is one of those that bolster the finances of Perskor in Johannesburg.

People rightly object to the spending of taxpayers' money on this propaganda when they hear about it, but does the contemplated "mixed media" of the future merely entail a change in the head line to "Mandela a man for the future"?

The ANC's draft media charter contains many desirable features. However, there is a suggestion running through it that while there should be freedom of expression, the ANC will decide how that freedom should be exercised – a kind of freedom the ANC way. It seems to forget that the essence of freedom is that it should be exercised by people in the way they want to exercise it, not the way others believe they should. The cry for diversification in the media seems to have been influenced by the ANC approach.

Argus and Times Media have adopted the market-place approach to publishing; that is, whatever their service to the public, ultimately, they have set their goal on making profits to ensure the survival and the exercise of press freedom.

On the other hand, it is argued that an editor running a profit-driven newspaper cannot afford to alienate those with disposable income. This is a neat argument which seeks to transform an editor into a supermarket retailer. It certainly reveals a lack of understanding of a newspaper editor's role. An editor would be a pretty poor specimen if he or she did not recognise that it is inevitable that some or many of the readers would be alienated most of the time. But, of course, there are disadvantages with the market system which is increasingly being dictated to by the advertising agencies, but the remedies are not easily found.

Of course, unbundling Times Media may cause it to land up with a management similar to what it now has. Then the hope would be that the competitive influences would begin to work and create greater diversity, but that would be a slow process.

All these arguments, however, are on the periphery of the industry's central problem – the lack of a thrusting morning daily in Johannesburg. *Business Day* replaced the *Rand Daily Mail* in 1985, limiting itself in the general news sphere to the essential elements of politics, labour, the community and sport. *The Citizen* is a government-supporting paper which gathers little news on its own but gives an extensive airing to the SAPA agency service. *Beeld* is a sectional government-supporting organ which provides minimum criticism of government and maximum exposure of the faults of government opponents.

BROADCASTING

The morning edition of *The Star* is really an evening paper appearing in the morning – an extra-early first edition of that evening's evening paper. The *Sowetan* is an English-language paper with an impossibly early deadline, catering to Africans.

None of these perform the role of an enterprising morning daily that gathers the news with energy and imagination, processes it critically with a penetrating appreciation of the differences between propaganda and the real meaning of the news and then publishes it with verve and vigour. It couples this daily task with revelations at fairly frequent intervals of information on the malpractices and shortcomings of government or other institutions.

The *Rand Daily Mail* set out to do these things and in the process stimulated public understanding and discussion in other publications and media far beyond its own pages. The "*Mail's*" contribution to the information systems of the country was enormous – it was the biggest contributor to the

national news agency, SAPA; biggest supplier to its sister coastal papers; and the biggest single stimulation of public debate.

As far as the dailies are concerned, challenging journalism has gone from our society. The failure to replace it, has done enormous damage to the information systems of the country and there are no signs of a remedy being found. The huge gap left by the *Rand Daily Mail's* departure led to the birth of the so-called alternative press.

The *Weekly Mail* and *Vrye Weekblad*, in particular, have made enormous contributions in informing the public about official "death squads" and other scandals in government and elsewhere. But their small circulations and their weekly frequency detracts from their forcefulness. They simply do not attract the attention of the major dailies.

This is the yawning chasm in our information systems that has to be filled if we are to transform ourselves into the new democratic South Africa and to savour its benefits. ●