




## A POX ON YOUR TAXES!

IN the November edition of *Review*, Eric Louw of the Centre for Cultural and Media Studies, University of Natal, Durban, wrote about the possibility of levying an additional tax on advertising, over and above GST or its VAT equivalent. This extra tax on advertising would go to subsidise alternative media in South Africa. His views have elicited strong reaction from **REG LASCARIS**, one of the advertising industry's leading practitioners.

Now read on 



**T**HERE'S an old joke about an advertising executive. He's being treated for a social disease, has a drug dependency problem, most of his family are jail-birds...and today he's going to meet the parents of the girl he hopes to marry. He has a problem if they ask any personal questions: should he admit he's in advertising?

That just about sums up how defensive you get after a while in this business. It seems that just about everyone has an opinion about advertising, and it's usually derogatory.

Advertising practitioners are perceived to be many things. Some see us as parasites; others as hidden persuaders and manipulators. We are accused of insincerity and trickery.

After all, advertising has been defined as the science of arresting the human intelligence just long enough to get money from it.

With some justification, we are perceived to be the handmaidens of capitalism. This explains why socialists always try to do without advertising agencies in the countries they mismanage.

It is less than five years since the Soviet Union's first locally run and controlled advertising agency was set up. My international partners, TBWA, helped them do it.

Advertisements, of course, are a form of expression. Freedom of expression and freedom of choice are treasured in democratic societies. As advertisers alert consumers to a choice and use freely available mass media to do it, we function best in democratic societies.

However, our critics are not exactly complimentary about the nature of our role. Joseph Wood Krutch wrote in *Permissive Exploitation* that the advertiser is "the overrewarded court jester and court pander at the democratic court".

If that's the image, it's no wonder we periodically hear calls for controls or taxes or other impositions. And it hurts. Often it hurts us in the pocket.

When GST was introduced there was no suggestion the tax would apply to the professional fees of lawyers, architects, doctors, dentists and accountants. Probably abortionists escaped too. But – you've guessed it – the advertising profession had to pay up.

It therefore came as no surprise to me that there was a new call – within respected academic circles – that a special tax on advertising be levied, with the revenues used to support 'working-class' publication and other alternative media (See Eric Louw in the *Rhodes Journalism Review*, November 1990).

My counter-argument will touch on social, political and ethical questions. I'm no sociologist or political scientist, and I'm certainly no saint. But I am acutely aware of Will Rogers' observation that "everybody is ignorant, only on different subjects".

However, as so few critics of advertising are well versed in its theory and practice yet still express views on the subject, I think I can be permitted a little sally onto unfamiliar ground.

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First, let's look at practicalities. The main reason such a tax scheme should be rejected is that it will be difficult, if not impossible, to operate. Effort and resources can be better directed elsewhere.

In an advanced country such as Sweden, where democracy has bedded in over hundreds of years, they just manage to make a media and advertising tax work. However, it requires a skilled, impartial bureaucracy and considerable even-handedness on the part of politicians, *all* of whom are committed to Press Freedom.

Can we expect the same here in South Africa? In a country where the First and Third Worlds are so intermingled, you are asking for trouble if you borrow a First World, Scandinavian, socialist solution and try to make it fit.

The problems are legion. First of all, how do you define advertising?

Will a spaza owner who scrawls prices on the walls of his shop have to pay advertising tax? Or will just rich capitalist blood-suckers who drive expensive German cars be subject to the tax?

Will favourable newspaper copy on a company or a product be defined as advertising?

Already the media specialists at my own agency have tracked phenomenal growth in that bastardised form of advertising known as 'advertorial'.

Trade and technical journals recorded only 39 percent growth in adspend in the last five years of the '80s, according to Adindex figures. To survive against inflation, they needed at least 80 percent growth. Note that over the same period the ad revenue of mainstream English magazines grew by 178 percent. Yet trade 'n tech titles survived. Some prospered.

Conclusion? A lot of trade and technical titles are charging for 'editorial space'. We are entitled to assume that the copy that fills these journals is not always objective or balanced.

So – another question – would not a tax on advertising lead to evasion by stimulating growth in grey areas such as advertorial? Given enough time, growth in such a dubious area would destabilise public trust in the Press's ability to tell it anything remotely like it is.

In the years ahead, the media is likely to face enough challenges for conformity or for adherence to a single 'truth'. Our Press can do without additional hassles.

A tax on advertising would almost certainly lead to less overt advertising in easily monitored media, like newspapers, radio and TV. So the very media forms which supposedly are to be supported by tax revenue, would be undercut.

To give them more State money, you would have to put up the tax. This, of course, would then dissuade more advertisers from advertising. You would create a vicious circle, weaken the media but strengthen the bureaucrats who would play middlemen.

Perhaps this reference to State bureaucracy gives us a clue to one crazy justification for such an interventionist approach.

It would mean bureaucratic jobs being created. You need a board or an inspectorate or a tax office to monitor the new grand design, and that means



supporters can be rewarded with jobs, or potential malcontents can be bribed with a free meal-ticket.

On a larger scale, scenarios such as these help explain the appeal of 'socialism' in post-colonial Africa. And I make no exceptions for old-style National Party South Africa.

Socialism enables a political leadership to talk about nice things like equality, the people, social services etc, etc. Meanwhile, Big Daddy at the head of the ruling party is able to run a gravy train for bureaucrats – bestowing job patronage to loyalists.

It's not socialism. It's Big Daddy-ism – and a path we should avoid like the plague.

And what basis would the State's media watchers use for the reallocation of funds to other media?

How would you decide whether a specific publication deserved State support? Would the secret criterion be that it supported the State's political line? If that were the case, it would give the State a big stick to wave at the media... "toe the line or we reduce your subsidy".

Percentages arrived at by some sort of 'media audit' could be skewed by the wording of questionnaires, by questions that are omitted or by the official reading or interpretation of results.

As the ad tax would already have reduced a newspaper's income base, loss of the State subsidy would be a potent threat. The State would be taking away with one hand, and be in a position to hand back with the other.

Some might even argue that it is only 'Afro-centric' to expect a few favours in return for such a precious 'gift'.

Another question: Would the media that were rewarded by State largesse really be relevant to the lives of ordinary South Africans? At the moment we are witnessing a massive move toward township viewing of vernacular programming.

Between July and September 1989, viewership of TV2 (Zulu/Xhosa) rocketed by 24 percent, Monday to Friday, in the 7pm to 9pm time slot. The rise in viewership on TV3 in this time channel was even more marked – 37 percent.

Meanwhile, black readership of newspapers and magazines is dropping. Audit Bureau of Circulation statistics show that black readership of magazines has dropped from 5 533 000 to 4 950 000 in recent years, despite annual population growth of 2,8 percent.

Do we try to 'correct' trends such as these by skewing the allocation of media tax funds? Do we signal official displeasure at 'tribalism' by punishing media that speak to their audiences in the vernacular? What policies will govern the purse-strings?

At the moment, the marketplace decides whether a magazine or a newspaper is relevant. If people don't buy a paper and read it, no-one advertises in it, and eventually the paper closes.

This process does not mean that small or local publications have no chance to do well. Adindex figures on adspend show that the category of newspaper that did best in the '80s was local community papers – the freesheets.



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A comparison of Adindex figures for September 1985 and September 1990 shows that freesheet ad revenue grew by 151 percent.

These newspapers may not exactly make your heart leap. They could be better laid out. Their content could have more bite. Hymns of praise to local retailers could feature less prominently.

Most 'concerned' and 'committed' observers could suggest dozens of 'improvements' – but the track record shows that these newspapers fill a need and have relevance for local communities.

It is up to fringe media and other supposed beneficiaries of any planned State largesse to demonstrate that they too have relevance.

If they are good enough, they will survive without State patronage. In fact, they ought to spurn it.

It's a matter of making the effort, of working for what you get. This does not mean I am against alternative or fringe media.

One of the jobs of any agency media department is to look at the niche marketing opportunities created by the so-called alternative Press. Yet some of these publications make little or no effort to inform would-be advertisers of their penetration or give demographic profiles of their readership.

It is the same with some campus radio stations. Our media specialists are aware of several campus radio services that narrowcast to students. We sometimes track the profile of current advertising and are aware, in a general sort of way, about the potential offered by access to these unique niche markets.

However, active marketing by students on these stations is a rarity. Such marketing need not be slick – but a contact number and a little basic information would be nice for a change.

In the end, we confront a fundamental question on the nature of the society we are to shape. Do we want a society where people have the freedom to work toward goals they set for themselves and have equal opportunities to create their own success?

Or do we want a society which doles out money to people who are deemed worthy because they are perceived to have the correct views, that are imagined to have a meaningful role in terms of the grand plan of some central authority?

Resources allocated on that basis lead to a national dead-end. Those dead-ends have lots of different names – like Zambia, East Germany, Poland, Rumania...

It seems that suggestions for a little tax on advertising raise some big questions.

However, my counter-arguments do *not* mean I am against all changes in the way we approach media and advertising. A total hands-off approach is just as unrealistic as wholesale interventionist meddling. But, changes should be minimal, careful, and in accordance with day-to-day realities rather than pie-in-the-sky agendas.

The change I am about to suggest is in line with the realities of life inside advertising and inside the media.

PLEASE TURN OVER



Advertising people talk a lot about marketplace realities – but that does not mean they are unfeeling, exploitative toadies of the system. In a good agency, nothing gets the creative juices pumping as fast as a public service campaign for a worthwhile cause – with all time and production work billed at zero cost to the client.

In my own agency, we got more joy out of our work for the Physically Disabled Association and Lifeline than we even admit to ourselves.

And we know that every time we get on the phone to beg a radio station or a newspaper to carry a public service ad for free, the media person on the other end of the line bends every rule in the book to co-operate.

So, if you want 'good causes' and 'society' to benefit from changes to advertising and the media, try building on the reality, this desire to do 'good work'.

There's the American precedent. There, radio stations have to carry a certain percentage of free public service announcements if they are to retain their licences. Ensure that newspapers and TV stations comply with similar guidelines.

Keep it reasonable and you'll get few complaints from South African media owners.

Then advertising staff will do what they enjoy doing anyway – using the creative freedom they usually get on charity work to come up with exceptional advertising.

Society would benefit and you would not open a can of worms. Nor would we have to worry about the spectre of bureaucratic control.

My suggestion, then, is to build on realities rather than try to create new structures based on how academics and lobby groups think the media ought to be.

I've always felt that I work in a pressured, unpredictable and fast-moving industry. Advertising was once defined as 15 percent commission and 85 percent confusion.

There's a similar fluidity and uncertainty on newspapers and in the media generally.

Therefore I could not help but be struck by the orderliness of Mr Louw's argument (pg 36, *Review*, November) when discussing the 'constituencies' that might benefit from the subsidies funded by the ad tax. Annual 'audits' would determine which constituencies received what percentage of funds – 50 percent

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socialist and 40 percent nationalist was one breakdown.

Mr Louw was obviously keeping it simple in order to get his point across. But it struck me that he was missing those people who are fascists at breakfast, become militant leftists around lunchtime and reach theoretical anarchy in time for a TV dinner. We are a changeable lot, and annual audits of public opinion would miss lots of shifts in between.

Tidy models designed inside media workshops on a university campus seem to miss the oddities that make my industry so interesting and the diversity and contradictions that contribute to the fascination of real life.

What about apolitical *Scope* readers and fans of the sports pages? Would they be re-educated until they become political?

People can be profiled and segmented in so many ways. Perhaps there are some who drink Lion lager, support Kaiser Chiefs and believe all politicians are lying parasites with their fingers in the till.

These people might not be able to support their preferences and prejudices in lengthy debate with academics at a media workshop – but who would want to? They don't have time to develop a special code language and polish their footnotes. They are just ordinary people, and they may actually like big boobs on Page Three of their favourite tabloid.

This brings me to one last point: just how representative are the 'experts' who seek to reshape our media and redirect resources drawn from advertising taxes? Where is their constituency?

The more I read the *Rhodes Journalism Review* articles, the more I questioned, the more I wanted my opposition to interventionists prescription to be noted. So accept my congratulations. Controversy is always good for openers – not least with the launch edition of a special interest magazine.

*Review* got the media debate off to a heated start. Hopefully, that debate will generate commonsense as well as heat.

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## REVIEW CALLS FOR MANUSCRIPTS

THE *Rhodes University Journalism Review* is calling for manuscripts. We are interested in any material dealing with media in Southern Africa, regardless of how controversial it may be.

We are interested in material from working journalists and we extend an open invitation to them to critically assess their profession through the pages of this *Review*. We are equally interested in academic research in the media field and will endeavour to publish research papers as special inserts for our subscribers.

Authors who wish to submit their work for consideration should send scripts to: The Editor, *Rhodes University Journalism Review*, PO Box 94, Grahamstown 6140, South Africa.

Supporting graphics or photographs must be clearly captioned and their source revealed. If supporting material is copyright protected, written permission from the copyright holder is required and should be enclosed with your submission. The next editorial deadline is September 30.

