

This could be **COMMUNITY MEDIA'S MOMENT**

By Jane Duncan

At the beginning of this year, the South African Competition Commission announced an inquiry into whether the “big four” press groups – Caxton, Media 24, Times Media Group (formerly Avusa) and Independent Newspapers – were using anti-competitive practices against sections of the independent community press.

Regulation
Ethics
Accountability



Sandra Maytham-Bailey/Africa Media Online

This inquiry is considering whether the corporate press allocated the national market for the publication and printing of their community and paid-for newspapers among themselves¹, in contravention of the Competition Act. In simple terms, this means that they are accused of having arrived at a gentleman’s agreement to allocate market share among themselves, to lock other press competitors out. The act forbids restrictive horizontal practices, including dividing markets by allocating customers, suppliers, territories, or specific types of goods or services.

The timing of this inquiry was suspicious. Coinciding as it did with the Print and Digital Media South Africa’s (PDMSA) own enquiry into transformation in the press, the timing seemed designed to collapse this process. This was because the Print and Digital Media Transformation Task Team (PMDTT), which was established to undertake this inquiry, would to an extent have run on the same ground as the commission.²

Potentially, the press groups could have compromised themselves by giving information to the PMDTT that could then be used against them in the commission’s inquiry. As a result, Caxton and Times Media Group pulled out of the PDMSA process, which has undoubtedly weakened it.³

There are other Competition Commission inquiries into the press groups: four in total, according to the Commission.⁴ A case against Media 24 has already been referred to the Competition Tribunal. The company stands accused of anti-competitive practices by a newspaper that has since closed down, *Goldnet News*. The paper found itself in competition with a Media 24 title, *Vista*, which it claimed dropped advertising rates below cost, to the point where it could not compete and was driven out of business.⁵

The relentless pressure from the competition authorities could be politically motivated, as part of a broader attempt to reign in a press that has become a thorn in the side of the political elite. The fact that the ruling African National Congress (ANC) had called for a Competition Commission investigation into whether anti-competitive practices exist in the newspaper industry, at the same time that it was pursuing the anti-press freedom Media Appeals Tribunals (MAT), certainly raised suspicions that this was the case. The ANC has also criticised the patchy performance of the press on transformation, which has led to a series of parliamentary enquiries into the matter, and which triggered the PMDTT’s own process. So it is hardly surprising that the press is feeling picked on.

But the fact that transformation and competitive environments have even become issues at all, is because these are areas of vulnerability for the press groups, and they have only themselves to blame for these. Interviews I conducted with



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members of the Association for Independent Publishers (AIP) in 2011 revealed a deep sense of grievance in the community press about the conduct of the “big four”, especially Caxton and Media 24, as they were the most active at local level. Whether their competitive practices were merely dubious, or spilled over into outright unlawfulness, remains to be seen, and it would be improper to prejudge the competition authorities’ processes.

Undeniably, the corporate media groups enjoy competitive advantages by virtue of their size and scale, and are highly effective in dominating the national advertising market. However the one competitive advantage the community press enjoy is their content; many of these papers cover stories and address audiences that are simply not on the corporate community press’ radar; as such they are invaluable sources of local information and debate. Many have developed solid reputations with local advertisers and a strong readership base, which remains loyal to the papers through thick and thin.

In fact, a recent study into the community press found that 57% of AIP papers in three provinces (Mpumalanga, Eastern Cape and Limpopo) contained investigative or potentially investigative stories, although the number of investigative articles relative to other content was relatively low.⁶ These figures show that the community press has huge potential, much of

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In contrast, and by virtue of the fact that many (but not all) corporate freesheets are locked into addressing historically-advantaged, mainly white, areas, they are unable or even unwilling to address the enormity of information needs in small towns and rural areas, which has left a gap that the community press are well placed to fill. And the growth of indigenous language media, against the odds, is particularly encouraging. The fact that a number of these papers are black-owned, while

Caxton is completely white-owned, puts the latter on the back foot in an industry that is becoming increasingly sensitive to transformation questions.

However, a dark cloud hangs over the community press. The corporate press has enlarged its footprint and eliminated competition through creeping acquisitions. These acquisitions were often too small to qualify as notifiable acquisitions in terms of the Competition Act; as a result, this slow but sure process of consolidation has fallen under the regulatory radar, and has gradually made

the competitive environment more difficult for the community press. The community papers claim that when they refuse to be bought out, then the corporate press engage in practices like poaching their staff, making access to publishing facilities difficult and undercutting their advertising rates.

Clearly, the appetite for media production at local level, especially at grassroots level, is great, but conditions in the media system are not conducive to satisfying this appetite. Reforms are certainly possible. Regional and national organisations are needed to strengthen the chances of independent newspapers surviving. The establishment of Limpopo Independent Newspapers is an important step and could be used as a model for other provinces. However, its more established members must not be allowed to do to the grassroots press what the corporate media groups have done to them, namely to skew the competitive environment in their favour.

Procurement of national advertising remains a challenge, and clearly a robust organisation that undertakes advocacy on behalf of its members is needed. Government advertising is key to the survival of the community press. However, access to such advertising is erratic, which strongly suggests that a quota must be applied to government advertising for this tier of media. The Media Development and Diversity Agency (MDDA) also needs to pursue proposals for printing and distribution hubs, rather than relying on grants only to support these media.

While being necessary, these reforms are survivalist measures; they will do little to build the non-profit, non-commercial aspects of the community media sector. This project will require the kind of structural change to the media system that the ANC has largely shied away from, but the experiences of the community press attest to the fact that such change is necessary to ensure their long-term survival.

Government policy on the community newspaper sector has been described by Sarah Chiumbu as ambiguous.⁷ Unlike the community radio sector, which received attention in policy and legislative processes, the community press remains in the shadows. In fact, the government has adopted a largely hands-off approach towards the sector, promoting a policy environment that focuses on subsidy as the main method

of achieving diversity while leaving the basic market structure intact. At no stage during the transition to democracy or beyond, were anti-trust measures to de-concentrate the newspaper industry entertained as a serious possibility, which would have limited the dominance of the corporate press groups and created structural conditions for plurality.

The reasons for the government's accommodation of a market-driven approach, with a public service top-up in the form of MDDA subsidies, are not difficult to understand. South Africa's transition to democracy took place when prospects for revolutionary change had waned; as a result, the country has not experienced, in its true sense, a social revolution. While the formal trappings of apartheid have been dismantled, the social relations forged under apartheid remain largely intact. The nature of the transition has placed significant constraints on transformation in all levels of the social formation, including the media.

In this regard, the community press' experiences strongly suggest that what Robert Horwitz has referred to as the "post-social democratic vision for media reform"⁸ – where the state and the market are held in balance – has failed to deliver a substantively democratic media system. This is especially so with regards to the aspect of this vision that attempted to, in Horwitz's words, "harness the power of the newly-democratised state to shape the communication sector so as to build into its overall structure media that are non-state and non-commodified".⁹ The community press' experiences suggest that these very features of the media system have proved to be the most fragile and susceptible to marginalisation.

In fact, with the non-commercial aspects of the community media sector under constant threat and the lack of public funding of the public broadcaster, the South African Broadcasting Corporation (SABC), and the inadequate funding and limited mandate of the MDDA, it seems fair to say that, 19 years into South Africa's democracy, non-state, non-commodified aspects of the media system barely exist. If ordinary South Africans are to claim spaces in the media system that they attempted to claim during the transition, then policy on media diversity clearly needs to be re-imagined afresh.

The transformation pressures on the corporate press do provide the community press with opportunities that did not exist previously. Suddenly, everyone wants a chunk of the sector to prove their transformation credentials. But offers of support are likely to disappear as quickly as they emerged once the political heat is off, which means that the sector must not lower its demands for long-term structural change.

While they would be reluctant to admit it, the corporate press have enjoyed the lion's share of opportunities in post-apartheid South Africa. Yet in spite of this, their circulation is, with notable exceptions, in long-term decline. Yet the community press could buck this trend precisely because it has the potential to tap into hitherto neglected audiences. If the environment created opportunities that the sector really needs and deserves, then it could have a very bright future indeed.

Endnotes

1. Correspondence with Hardin Ratshisusu, Competition Commission, 26/02/2013.
2. Print and Digital Media Transformation Task Team <http://indie-trust.com/2012/09/27/media-release-launch-of-the-print-and-digital-media-transformation-task-team-pdmttt/> (accessed 25 May 2013).
3. "End of the road for transformation task team?" The Media Online, <http://themediainline.co.za/2013/03/end-of-the-road-for-transformation-task-team/> (accessed 25 May 2013).
4. Correspondence with Hardin Ratshisusu, Competition Commission, 26/02/2013.
5. Competition Commission, referral of complaint to Competition Tribunal by Commission, 31 October 2011.
6. Eastern Cape Communication Forum and the Association for Independent Publishers, "Investigative journalism in grassroots independent print media in South Africa" March 2013, supported by the Strengthening Local Governance Programme of the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH.
7. Sarah Chiumbu. "Alternativism and power: the political economy of community media in South Africa" in Nathalie Hyde-Clarke, 2010, *The citizen in communication: revisiting traditional, new and community media practices in South Africa*. Cape Town: Juta Publishers: 115-138.
8. Robert Horwitz. 2001, *Communications and democratic reform in South Africa*. Cambridge: Cambridge University Press.
9. Robert Horwitz. 2001, *Communications and democratic reform in South Africa*. Cambridge: Cambridge University Press.

Professor Jane Duncan holds the Highway Africa Chair in Media and Information Society.
jane.duncan@ru.ac.za

