

The slippery question of media ownership

Twenty years after the dawn of democracy media ownership in this country is still a hot issue but when the ruling party slams the media sector for lack of transformation, it actually means the print industry.

By Gill Moodie

If you look at ownership across the platforms – print, online and broadcasting – ownership is largely in black hands. Consider, for example, that the Public Investment Corporation (PIC) has significant stakes in both Sekunjalo’s Independent Newspapers, the largest group of English newspapers, and Times Media Group, owners of the influential *Sunday Times* and *Business Day*. The Mineworkers Investment Corporation is one of the biggest shareholders in Primedia, the largest collection of radio stations outside the SABC, while the public broadcaster – with its four TV stations and 18 radio stations – is owned by the state.

There are also many new and significant kids on the block – some born from the opening up of the airwaves since 1994:

- e.tv is owned by Sabido, which in turn is owned by Marcel Golding’s Hosken Consolidated Investments – the major shareholder is the South African Clothing and Textile Workers’ Union – and Remgro;
- Kagiso, that grew out of the Kagiso Trust, owns radio stations such as East Coast Radio, Jacaranda FM and various online outfits; and
- Given Mkhari’s consortium owns two radio stations (Power FM in Gauteng and Capricorn FM in Limpopo) and there are two more on the way: FM stations for the Free State and the Eastern Cape.

Meanwhile, AM licences granted this year by the regulator include the Sekunjalo-backed Magic AM in Cape Town and the Jomo Sono-backed TalkSport in Gauteng.

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In the print sector, the Gupta family has started the government-friendly *The New Age* while the *Mail & Guardian* is owned by Trevor Ncube but this is not counted in BEE tallies because he is Zimbabwean.

So what gives here? Why are there still cries that transformation in the media is too slow and what have the changes over the past two decades meant for journalism? Crucially, what is the actual state of play when it comes to current media ownership in this country?

The last time a comprehensive study was done on ownership was in 2009 – by the Media Development and Diversity Agency (MDDA) – and that found:

- Historically Disadvantaged Individuals – or HDI – were well represented in broadcasting ownership chiefly due to the policy and regulatory framework of the regulator, ICASA. “HDI owns an average of 64.4% of Private Commercial television stations and 58.3% of all Private Commercial and Secondary Market radio stations,” the report found.
- “In post 1994 South Africa the print media landscape has not transformed much in terms of ownership and control and is still majority owned and controlled by white shareholders.” The report found that both online and print – as well as printing presses and distribution channels – were dominated by the “Big Four” companies (Media24; Independent Newspapers; Avusa, now called Times Media Group (TMG); and Caxton), and that this made it difficult for new entrants to the market.

Since 2009 we have had two significant changes in the Big Four: firstly, the sale of Independent from an Irish firm to Dr Iqbal Survé’s Sekunjalo consortium that includes the PIC, and secondly, TMG passing to Andrew Bonamour’s Blackstar private equity firm. We can expect TMG to be sold again in the next few years as Blackstar realises the value of its reorganisation of the firm.

There is no doubt that media in this country has been transformed from a highly concentrated one 20 years ago to one that is more diverse in terms ownership, editorships, newsrooms and content. However, a few important oddities continue to exist: Media24, Caxton and TMG appear to remain largely under white control.

As recently as 2012, an industry task team – the Print and Digital Media Transformation Task Team (PDMTTT) – was set up to look into calls for a Media Charter after Parliament’s communication

portfolio committee had found that lack of race transformation in print ownership was not the only burning issue. The parliamentary committee had also criticised the print sector for not reflecting a diversity of voices – of marginalising the rural and the poor – and of cartel-like behaviour where community media were smothered through anti-competitive behaviour.

In 2013 the task team rejected a charter but found that the industry had failed to transform itself in direct areas of ownership, management and control. It made various recommendations including that digital media (particularly mobile) be seized upon as a game changer for transformation and to bring communities previously excluded into the national discourse and, more specifically, companies should commit to having 50% of black board membership and 50% female within three years.

The image of an untransformed print industry is at odds with an appraisal of the quality of journalism being put out today. A look at the various annual journalism awards – from the very little MDDA-Sanlam Local Media Awards to the very big Standard Bank Sikuville Journalism Awards and the prestigious Taco Kuiper Award for Investigative Journalism – tells you that there is range and depth in our news and investigative content. There is some really excellent journalism going on despite economic pressures on print in particular.

Interestingly, in submissions to the PDMTTT, the Big Four showed that they were complying with affirmative action law in some aspects and not in others, according to Wits University’s 2013 *State of the Newsroom* report.

In its BEE scorecard, Media24 had high scores for ownership (20 out of 20), management control (8.5 out of 10), preferential procurement (18 out of 20), enterprise development (15 out of 15) and socioeconomic development (5 out of 5). It had low scores for employment equity (2.19 out of 15) and skills development (about 3 out of 15).

TMG said in its submission that its total score for employment equity in 2012 was 65.28 (out of a 100), which was a decrease from 2010 and 2011 (77.15 and 77.3 out of 100 respectively).

Caxton scored nothing on ownership (0.00) and its scores were low for employment equity (2.46 out of 15). However, its scores were high for management control (8.44 out of 10), skills development (11.43 out of 15) and preferential employment (15.61 out of 20).

Independent’s submission was made

under the previous ownership so is no longer relevant.

It is clear that media ownership – and its transformation – is a very complex issue, especially when you have ownership by public companies where shares are traded on the open market and you have the likes of Media24 owned by Naspers, the Afrikaans company that was once the friend of the apartheid regime but is today a massive multinational with interests in China, India, Russia and Eastern Europe.

Further, there are important media companies – such as Independent and Primedia – that are private and, therefore, only share the information they wish.

It is also clear, however, that board membership of media companies is viewed as an important, do-able tool for change – and, in fact, the PIC has lobbied unsuccessfully for representation on the TMG board.

The big question is whether transformation of media ownership spells a more diverse, richer, more textured journalistic prism through which South Africans can filter their hopes and aspirations, fears and concerns. I think the answer lies in the fact that the media and the government want different things of media transformation.

The government wants all South Africans to be able to express their voices in the media and wants less criticism of itself and a more developmental stance. In essence, the ANC government wants the media to pull in its direction to help it build a new, more equal society.

The media wants to survive and grow – and to do that, in an age of shrinking newsrooms, it must serve target markets that seldom include the rural poor. The media also wants to reflect the voice of the people but to do this, it must hold the government to account and speak truth to power.

The PDMTTT said in its 2013 report back “...transformation is a process of repositioning print and digital media from being a minority white controlled sector to a truly South African industry that not only resonates with the aspirations of the country but also jealously guards and protects the freedom won at a price beyond measure”.

Black ownership does not necessarily spell that “black concerns” will get greater prominence in the content mix – especially with high LSM products that serve the educated middle class and which no longer look at their audiences demographically but “psychographically” (i.e. at the values of the audience rather than their race, gender and so on).

It is true a board will appoint an editor who reflect its world view and will take its aims forward but, once appointed, many editors are bloody-minded and within their rights to exert editorial independence.

Much has been made of the *Cape Times* and the infamous sacking of editor Alide Dasnois the day after Nelson Mandela’s death – and whether Survé’s extraordinary intervention marked the start of a slant in content towards the government and an undermining of newsroom independence.

Wadim Schreiner, MD of Media Tenor, wrote in the April 2014 issue of *The Media* magazine that data from his media content-analysis research organisation showed there was no visible change in tone in the content of Independent Newspapers since the Sekunjalo takeover. “Quantitatively speaking, the *Cape Times* in particular remained as ‘critical’ of government as before,” Schreiner said. “Some opinion pieces perhaps changed, with new op-eds expressing a different, perhaps even positive opinion. But overall, much of the same...” It is worth noting, however, that Schreiner also wrote that his “gut” told him otherwise.

I, like Schreiner, am conflicted on where the new ownership is taking Independent Newspapers but what this puzzle suggests is that – in the bigger scheme of things – ownership does not equal close control of content, and that the media and its multiple little engines ticking away across the country – the newsrooms – are more slippery, more robust and more engaged in their communities than either the owners or the government will ever know or understand.



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