

6 The nature of the support given by the MDDA

The MDDA will aim to be cost-effective in allocating and disbursing its funds. It will attempt to be creative in its support mechanisms to respond to unique needs. It will look at working in partnerships to maximise its resources.

Here we outline the nature of some of the forms of support, funding and otherwise, it will investigate, including:

- ◆ direct subsidies
- ◆ indirect subsidies
- ◆ emergency funding
- ◆ capacity development
- ◆ encouraging social responsibility support:
 - (a) In the broadcasting sector
 - (b) In the print sector
- ◆ training
- ◆ evaluation and monitoring
- ◆ research

The identification of these possible areas of support does not in any way imply that other bodies currently providing such support should cease their activities. The MDDA, once established, will work in close co-operation with such bodies to gradually harmonise their respective support initiatives.

6.1 Direct subsidies

Direct subsidies are cash grants made mainly to community and other non-profit media projects to assist with:

- ◆ Infrastructure and equipment costs.
- ◆ Training.
- ◆ Programming costs or supplementing production costs.
- ◆ Feasibility studies, including for small commercial media, to establish new projects.
- ◆ The license application process.
- ◆ Operational costs
- ◆ Diversity projects. Funding would also be available to commercial media who want to develop diversity.

6.2 Indirect subsidies

Indirect subsidies are grants to support the development of an enabling environment for media development and diversity, and could include:

- ◆ Managerial and business expertise through government business development schemes.
- ◆ Subsidised telecommunications and postal rates.
- ◆ Subsidised distribution and printing costs.
- ◆ Signal distribution for community broadcasters.

The feasibility of tax reductions for special cases would need to be investigated.

6.3 Emergency funding

The MDDA will consider offering crisis funding to media projects. It would look at a range of criteria for doing so, including whether:

- ◆ The project declared a significant surplus or profit for at least two years before (in this case loan finance can be considered).
- ◆ The demise of the project would reduce diversity in the area or sector it serves.
- ◆ The emergency funding would ensure the strengthening and survival of the project, and not just postpone inevitable closure.
- ◆ The project has followed sound management and financial principles, and if not, has instituted corrective action.

6.4 Capacity development to produce content

The MDDA will promote diversity in all media. Some of the ways it will do this will include supporting:

- ◆ Diversification of news agencies by supporting the establishment of smaller, regional news agencies, alongside the existence of an effective and independent national news agency.
- ◆ Granting of innovation awards. For example, the MDDA could give an award for ideas around using media technology and content development on the Internet, as well as imaginative programmes to widen communities' access to the Internet.
- ◆ Telephony and internet access to community media, through cooperation with government and private sector initiatives.
- ◆ A community journalism development programme.
- ◆ Pilot projects to develop the capacity to produce on-line content.
- ◆ Relevant development orientated non-governmental organisation material, and community produced supplements.

6.4.1 Literacy

Given that approximately 3,5 million adults in South Africa are illiterate, the MDDA would pay special attention to their needs within our media environment. Promoting literacy and a culture of reading is important for both individual and national development. The MDDA will liaise with the Department of Education, other relevant departments, and literacy organisations in considering support for literacy material production, and promoting reading within the scope of the MDDA.

Of particular focus initially would be:

- ◆ Funding accessible formats such as special easy reading supplements, inserts and pages in mainstream newspapers and other publications.
- ◆ Materials produced in marginalised languages - particularly African languages.
- ◆ Funding non-governmental and community-based organisations' publications aimed at newly literate adult readers.

6.5 Encouraging social responsibility support

(a) In the broadcasting sector

Broadcasters, through their licensing conditions, are required to implement a range of social responsibility clauses, including a particular proportion of local content programming.

The MDDA will strongly subscribe to social responsibility in media, and will encourage broadcasters to:

- ◆ Promote the establishment of self-help stations that aim to increase people's access to their signal - provided that this does not discourage existing broadcasters from extending the coverage themselves.
- ◆ Train and facilitate access to facilities and equipment.
- ◆ Develop relevant and accessible programming, especially for rural communities.
- ◆ Offer student bursaries to people who are not part of their permanent staff.
- ◆ Promote indigenous languages.

The MDDA will also support initiatives aimed at ensuring that the public broadcaster fulfils its mandate to reach out to the provinces.

(b) In the print sector

There have not been any social obligations placed on South African newspapers. Some newspapers nevertheless do have training and internship programmes.

◆ **Printing**

A few printing presses owned by the large newspaper publishers dominate the printing industry.

The MDDA will engage with bodies such as the Print Industry Federation of SA (PIFSA) to negotiate access to existing printing presses by independent or community-produced publications. The MDDA will, in time, assess whether this addresses the problem adequately, or whether an alternative infrastructure needs to be developed.

◆ **Supplements**

The MDDA will support supplements that deal with developmental issues such as easy reading, learning or education, and community productions. Such supplements could be special pages or inserts in commercial mainstream newspapers and other publications. The incentive could be an increase in readership and further opportunities for sponsorships and advertising.

6.6 Common distribution carriers

The MDDA should make provision for national and provincial common distribution carriers, as recommended by Comtask, with agreement from the major print distributors. The purpose will be to ensure that the large distributors carry smaller publications at a reasonable cost, and that they reach under-served areas.

The MDDA should within one year develop a Code of Practice for national and provincial print distributors based on, amongst other things, the following:

- ◆ Universal access - the distribution infrastructure should be extended to all under-served areas, particularly rural areas.
- ◆ Affordable access by all publishers to the means of distribution.
- ◆ A differentiated common carrier tariff structure which should be informed by:
 - nature of the publication (community, small commercial or mainstream);
 - number of copies distributed;
 - distribution distance;

The MDDA should conduct research on a financial model to realise these objectives.

The Code of Practice should emerge through consultation with the industry. However, should agreement not be reached within a year of the MDDA's formation, the MDDA may recommend that government consider appropriate legislative measures.

6.7 New media

The accelerated development of new media raises a variety of issues for the MDDA's attention. The Universal Service Agency (USA) has been responsible for the development of telephony and internet access. The USA's projects have extended to developing infrastructure and training telecentre facilitators. But they have not addressed creating South African content for the world wide web, or start-up services for distributing information on other media platforms.

In the context of the new media, the MDDA will need to:

- ◆ Liaise with Icasa, which also has an interest in new media research.
- ◆ Investigate how far it will support new media in the pursuit of media development and diversity.
- ◆ Differentiate broadcasting, print and new media - their different, interacting, uses, applications and needs.
- ◆ Develop small and community media's use of new media.
- ◆ Investigate launching an innovation programme where media are encouraged to innovate ways of applying new media and technology to the benefit of the audience, or to improve their service quality.
- ◆ Develop a policy on the MDDA's approach to new media, and the impact of convergence.

6.8 Training

In order to be strategic and effective in fulfilling its mandate, the MDDA will need to work closely with:

- ◆ The Sector Education Training Authority of Media, Advertising, Publishing, Printing and Packaging; and
- ◆ The National Electronic Media Institute of South Africa (Nemisa).

In training, the MDDA will focus particularly on:

- ◆ Skills development in all facets of media work, with particular emphasis on supporting disadvantaged institutions to ensure more skilled media practitioners from marginalised sectors.
- ◆ Actively promoting the inclusion of issues concerning media development and diversity in curricula, both in training institutions and in-house.
- ◆ Building capacity in communities to establish media projects, including on how to apply for radio licences.
- ◆ Facilitating the establishment of a bursary or loan scheme to fund training at approved institutions.
- ◆ A development and community journalism training programme.
- ◆ Promote training in media entrepreneurship and media management

6.9 Performance evaluation

The MDDA will need to ensure regular assessments of projects, including:

- ◆ feasibility studies for new media ventures, and
- ◆ performance evaluations of funded projects.

6.10 Media research

The MDDA should ensure research into the media environment, trends and needs including:

- ◆ A framework for a sustainable SA news agency dispensation which serves all media interests
- ◆ Ways in which the self-regulation of the media through such bodies as the Press Ombudsman and the Broadcasting Complaints Commission of SA might be strengthened to enhance public accountability of the media
- ◆ Progress towards media development and diversity
- ◆ Ownership and control patterns, and empowerment trends.
- ◆ Identifying under-serviced areas and information gaps, for example access to material in Braille.
- ◆ Funding trends in the media.
- ◆ The advantages and disadvantages of placing limits on foreign ownership, especially in the context of small commercial publishers considering partnerships with foreign investors due to their struggle to find local investors.
- ◆ The sustainability of community media, and the potential development of community television.
- ◆ Enhancement of media related market research methodologies - but the MDDA will not do market research itself.
- ◆ Language trends in the media.
- ◆ New media and convergence, including the feasibility of a common electronic carrier.
- ◆ The relationship between concentration, cross-ownership and diversity.