

THE SEARCH FOR SUSTAINABLE LOCAL MEDIA: TOOLS AND MODELS¹

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1. Some assumptions

- a. The challenge of sustainability affects media across the world. Media in the Global North face a business crisis due to the shift of audiences to online media, which has meant that money has moved to the digital platform giants. Media in Africa and other parts of the Global South have faced a sustainability crisis for longer, and due to different reasons. However, both forms of the crisis have a similar impact on information quality and flows.
- b. There are two strands of discussion around media sustainability: one comes out of the media development sector, where donors have a long-standing concern with finding ways to ensure that their projects in community and other media are able to stand on their own two feet. The other arises from the more recent alarm at the implications of the business crisis in wealthier markets. The two seem to exist in parallel universes, yet they have much to offer each other.
- c. There is a fixed set of income streams available to media, whatever market they are in. However, the relative balance and form varies greatly. They are advertising; public (government) support; patronage and cross-subsidisation; user and community support. The task of public policy is to design mechanisms to enable media to draw on these sources in a way that most effectively enables them to serve the public interest in reliable information.
- d. Local media, understood to be those serving audiences at sub-national and metropolitan levels, deserve particular attention. They face specific challenges, particularly where they serve marginalised communities.
- e. The state needs to take its role in the information ecosystem seriously. It has many levers that impact on the media, from legal and regulatory powers to economic power. These powers need to be exercised in the interest of citizens' right to reliable information.

2. Principles for support

It is useful to identify some basic principles that should underpin any strategy of public support.

- a. Focus on the ecosystem: measures that create an environment conducive to media development go further than support for a particular project. An analysis of the overall ecosystem, as has already been prepared for the PRIMED project on Sierra Leone, forms a useful basis, as it allows the development of a basket of measures to support the key players, including public, commercial and non-profit media.
- b. Measures should be targeted in a way that supports high-quality journalism and should prioritise areas where the information disadvantage is greatest.

¹ A summary of the forthcoming policy paper *Greening Africa's news deserts: The search for sustainable local media in sub-Saharan Africa*, soon to be published. The policy paper has been written with support from the Konrad Adenauer Foundation and Fojo Media Institute. It focuses on local and community media, though several points would apply more broadly. Full referencing will be included in the full paper.

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- c. Measures must guarantee media independence and mechanisms created to prevent political interference. This should include ensuring that governance is visibly independent, and that administrative processes are transparent and simple.
- d. Measures should be platform-neutral, though paying close attention to where audiences are concentrated. Though the reach of digital media in Africa is growing dramatically, radio remains an important vehicle.

3. Tools and mechanisms

3.1. Creating an enabling environment

Governments need to create an appropriate legal framework. Among other things, the specific position of local and community media needs recognition and protection. Measures should be put in place to curb the abuse of media power, such as prohibiting media ownership by politicians and other partisan individuals and groups. In many jurisdictions, laws curb media monopolies. Broadcast licensing should be in the hands of a visibly independent body, with clear and transparent rules and processes.

In addition, there is considerable scope to establish “back-end support” for media. Training and research are two areas that offer good potential. Institutions offering training in journalism and other media-related skills, from technical to management, should offer high-quality teaching aimed at young, aspiring journalists as well as professional development for working journalists. Public authorities can play a role by ensuring that institutions are properly resourced, and that the curriculum is subject to proper oversight.

The development of media markets is often hamstrung by a lack of reliable research data. Relevant questions can be built into official statistical surveys, while audience research should be supported in order to provide a more reliable basis for advertising sales and rates.

3.2. Indirect support

Mechanisms of indirect subsidy for media are common around the world. Examples include:

- Preferential postal tariffs for newspapers, eg in the US;
- Zero-rating news websites: During the Covid-19 crisis, the South African government ruled that health and educational websites should be zero-rated. Though this has not yet been applied to news, a precedent has been created, and the SA National Editors’ Forum has made the zero-rating of public interest websites a priority in its approach to media sustainability.
- Tax breaks: News organisations in Nordic countries pay significantly lower rates of VAT (Finland, Sweden and Iceland), or none at all (Norway and Denmark). However, care must be taken that the benefit does not simply profit owners, but results in real investment in high-quality media.
- Preferential fees for community media: In South Africa, the state-owned signal distribution company, Sentech, charges community broadcasters fees that are on average 30% lower than those for commercial broadcasters. The licensing authority, Icasa, charges fixed, relatively low fees for community licence applications.

3.3. Direct public funding

Several countries have funds that support independent media (note that the discussion here will not deal with license fees such as those that still sustain the BBC, though this is a prominent form of public support.) The Nordic countries are well-known for their systems of direct support for newspapers, which was more recently extended to other forms of media. For many decades, the schemes have supported so-called second newspapers – those threatened by larger competitors

in smaller markets, and whose disappearance would undermine diversity of opinion. In Norway, for example, the fund supports the media of the Samí ethnic minority, and has supported distribution in the sparsely populated north as well as innovation projects. The measures have been credited with ensuring the survival of healthy media systems.

In Argentina, 2009 media reforms set up a new fund, the Competitive Fund for the Promotion of Audio-visual Communication (Fomeca), financed by a levy of 10% on the profits of audio-visual licensees. The fund is run by the licensing authority, the AFSCA, and pays out grants on the basis of ad hoc calls to applications that address particular purposes. The fund took some time to settle down, and was hardly in operation at the start of the administration of President Mauricio Macri. It has recently become a more stable contributor to the viability of small media.

South Africa has the Media Development and Diversity Agency that supports community broadcasting and small commercial print publications. It is an independent state entity, with a board appointed by Parliament. The MDDA receives funding from two main sources:

- Broadcast licensees are obliged to contribute 0.2% of their revenues either to the state Universal Services Access Fund or to the MDDA. This brings in two thirds of the entity's income, with the rest coming from the national budget.
- The MDDA also issues calls for applications in different categories, and spends money on research and training of community media.

3.4. Government advertising

In many markets, the government's communications budget plays an important role. Policy guidelines such as those from UNESCO call for this money to be spent equitably. However, there are examples where governments have used this tool to favour friendly media or to curb critical media (e.g. Kenya, Namibia, South Africa.)

In South Africa, there have been long-standing calls for the government to allocate 30% of its advertising budget to local and community media. There are no accurate figures for how much is actually being spent, partly because there are budgets at all levels of government, from national to local, as well as with many government entities. Also, communication spending takes many forms beyond advertising: radio stations are paid to carry live broadcasts of important events, for instance, and service departments pay for "activations" – public events designed to raise awareness of issues such as vaccination, which are broadcast.

In Argentina and other parts of Latin America, there is a highly developed awareness of how official communication budgets can be misused. There have been several attempts to create a framework for government advertising. Draft laws include provisions establishing a principled basis for the purchase of advertising; creating a registry of media; and requiring government entities to develop an annual plan of campaigns (though allowing for some unplanned campaigns.)

At state level, such arrangements already exist. The city government of Buenos Aires, for instance, operates a "neighbourhood media registry". Media projects using a range of different platforms can register, and the city then pays them a regular monthly amount, for which they have to broadcast some official advertising. The rate of the subsidy linked to the cost of p7 of the largest newspaper, Clarín. Commentators have said the measure is not misused for political goals.

Post-scriptum

Besides the government, important players in the media sustainability sphere include international funders, the media themselves and the digital platform giants. However, in the light of the focus of the Sierra Leone National Media Viability and Investment Conference, the above summary has focused exclusively on measures that involve government.

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