

Funding of community media and the MDA

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I'm going to talk about the experience of Independent Media Diversity Trust and the funding of community projects with a view to seeing what sort of lessons we've learnt and what sort of alternatives there are to the support of media projects.

I would also like to present a tentative community enterprise model which I will argue on the basis of the community media experience and at the same time, identify the sorts of contradictions that are evident in that experience. I will leave the entrepreneurial model for small media to other contributors to the seminar.

What works in community media? Here I'll draw mainly on the community radio sector which has shown potential for sustainability. The strength of starting a new enterprise with very little capital is the sweat equity or investment of people's voluntary time and capacity. It's evident that voluntarism is the main method of staffing and running community radio stations but the ten or twenty five people engaged in this pursuit do so with the intention and hope of eventually getting full time employment in the project. In fact the project must endeavour to provide income for its workers as soon as possible. However, it is the only way to start, with sweat equity.

Community ownership is the buy-in from listenership that results in loyalty to the service or product and delivers credible, as yet unresearched audience to potential advertisers. This remains the largest source of income. Tracey Naughton's pie charts indicate that in her research. Successful media projects grow their own generation of income. As the grant income shrinks, it can become insignificant.

The strategic positioning of print media and here I speak specifically of a newspaper, Homeless Talk, a rather unique project, the strategic positioning becomes a real element of survival and success. This project was set up with two objectives. One, a job creation project and secondly, to be read by a different audience than the community, the homeless community itself, that is, an audience that would pay for the product. Writing was initially very lowly paid and still is, but increases as the publication generates more advertising.

Sellers, the initial target group for jobs, now earn about R100 a day. They're empowered, as they purchase the publication themselves, and are autonomous in the purchase and selling of it. The circulation method is innovative. I think there are very few publications in this country or in the world that sells out a complete edition before it makes available its next edition on the streets.

The print bill is paid for by sales. Not even the big newspapers pay their print bill on the cover price. Advertising ensures that skilled jobs can be paid for and its become possible at this stage to find sponsors for this successful project. That project has existed for four and a half years and is a good example of a community based, community owned project. It's gone through transformation in that initially it was started by church do-good groups that wanted to see a success. But it is now owned, run, published and run by homeless people.

The strategic positioning of community radio stations on the other hand provide an appropriate niche or community directed content. This leads to a great number of sponsored programmes. Community news and social issue programmes on one hand provide a voice to local audience needs, and on the other, to local business participation, in a new and yet untested form of advertising which provides positive spin-offs for their businesses.

Fifthly, there's a fair of creating surplus. There was confusion between the non profit status of such organisations and the responsibility of the enterprise to create a surplus to make it sustainable and eventually a contributing corporate member of the community. The most important of these in our context is the provision of jobs, of steady income streams for communities that are mainly unemployed.

Competitive business factors have really militated against new black owned or black run print media ventures succeeding, particularly in a country where there's a combination of low literacy levels, huge distances that separate low population groups. Press capacity is limited for newcomers because they would face enormous costs to enter the market. Where they have succeeded, they failed to attract high advertising revenue because of a clear reluctance by major advertisers to engage the black population.

Both in community print and in community television, to replicate infrastructure in an established industry would need enormous funding. Small scale independent or community ventures do not have the resources to set up their own services. In print they may suffer closure, merger or have to sell their companies as a result of ongoing dependency on large companies for reproduction, printing, marketing and distribution, in which owners can and do manipulate the relationship, as referred to by Mark.

There's an increasing need expressed for an intervention that addresses the imbalances in the print media field where

there's a large concentration of ownership and very little participation by black publishers. The sort of new media in this domain is still in its infancy. A conservative estimate is that there are thirty to forty titles in the community press and a further fifty to sixty small newspapers and magazines run by independent black publishers.

In the radio sphere there are about forty of the hundred licensed community stations serve geographically located black communities; ones that the National Community Radio Forum would regard as real community radio stations; a different definition from the IBA.

In community media the needs are immense for equipment, training, management, market capacity, short-term and long-term funding mechanisms. Clearly a Media Development Agency is a necessary instrument. What presents itself as the main task is building alternative infrastructure, reproduction, printing, studios, marketing, sales and distribution, necessary to compete with the dominant media groups.

Where has community media failed? Foreign media funders gave grants but little else. Only a funding partner that will expect a return on investment or repayment of a loan will give the type of expertise and directorship that would extract good business sense. IMDT has had to play an increasingly hands-on role with projects owing to the expense of hiring of premises, phone systems, vehicles, equipment and the failure to pay basic accounts and general mismanagement of projects.

Funders, by providing sureties and guarantees, burnt their fingers. The defaulters have left the funders to mop up their debts long after the newspapers had disappeared and the sweat equity disappeared when a number of media activists were absorbed into the SABC, the commercial media or government jobs. There's a real capacity crisis in this sector.

There has been little management capacity with regard to the running of community media as enterprises. This is the crux of the community media's crisis, management capacity. Capacity building and a surfeit of training is available to produce the editorial product, be it in print or broadcasting, but little capacity on how to run and manage the enterprise to meet its deadlines, to give commitments to advertisers and to the audience, its staff and to all the other factors that go towards running a radio station or turning out a newspaper. Ultimately this is where the responsibility of a Media Development Agency rests.

The difficulty is to marry an enterprise that needs to be run on business lines with a community or mass directed project. Imagine the business model. It has a typical triangle with a management at the top and a product is produced and managed top down, the entrepreneurial model. A community organisation is the exact opposite. The community is the broad base of the triangle which is at the top, and the product is at the bottom, a democratic model.

Decisions in each of these organisations are made along totally different lines. I don't know of any organisational development that has been able to re-engineer this kind of organisation to marry their aims of both, successfully. This doesn't mean we shouldn't be able to.

The last point leads to the inevitable clashes that we've experienced in the sector between the managements, which might be the technically skilled people, competent, and who run the radio stations or the newspapers, and the community elected trustees who mostly keep their distance from the project.

Another problem or area of concern has been that people who get involved in community media have very little experience. Voluntarism is in fact their first and sometimes only opportunity to the potential of a job. So these organisations are forced to grow expertise in a few short workshops and learn on the job. There's nothing wrong with this but it means the projects are immature in terms of experience, expertise and management capacity.

Why have specifically print projects failed? I think this is our concern in this PDA Forum. There's a high cost attached to printing. They do not own the means of their own production, unlike the community radio stations that can own their broadcast and distribute facility, except of those who are dependent on Sentech. They suffer particularly under the strain of high monthly service fees. Most publications experience circulation problems. The Eagle tried to distribute 5 000 copies throughout the Free State by road, by driving in one vehicle, night and day for four days. Um Afrika, which developed from a parochial church publication with a circulation of 6 000, to a dynamically weekly with a circulation of 80 000 at its best, depended on vans that served its opposition group in Natal, Ilanga, which was very problematic. Its papers were always dumped at the back of the store, no posters were ever put up and those sort of circulation problems are really crucial when it comes to the survival and success of a small publication.

There has been low commitment to meeting the regular weekly and monthly print deadlines and subsequent failure in the audience's view, out of sight, out of mind. Radio stays on air and earns its continuity respect from this. It's a more reliable medium. On the other hand, the long shelf-life of print lends itself to better use. I would like to just focus briefly on why particular well-funded projects failed. Here I'll mention the Independent Magazine Group, the IMG, which consisted of work in progress, labour bulletin, shop steward challenge, speak and learn and teach, with only two survivals in that group; New Nation, Vrye Weekblad, The Eagle from Bloemfontein, The Opinion from Botshabelo, and Namato Voice from Port Alfred. Firstly, there was the disbursement of R5 million in EU funds to Vrye Weekblad and New Nation and the

attempt to provide a core administration for the Independent Magazine Group, at arms length.

These proved to be a nightmare because of the way these print media swallowed up money. There was a complete lack of managerial expertise in the way in which these ventures failed to control escalating costs or to provide an adequate monthly reflection of budgets or business planning.

Of course most print projects in the struggle mode were started by journalists and that's true of many small independent publications. The problem is, they have no training or understanding or expertise in the fields of management, certainly not in commercialism. For several months, New Nation sat with unpaid print bills of up to a R1 million. Both publications had failing readership which they could not stem. Vrye Weekblad made the mistake of becoming a magazine, while New Nation was taken over by the Sowetan without any success. The magazine group, IMG, failed to keep a proper audit of its costs or circulation figures. Its projections were a total thumbsuck with no market research to back them. A number of projects funded in the past were without any distinct relationship with the community in which they operated and thus were accountable to no-one but themselves.

I would like to go on with just a brief suggestion about what community enterprises could and should constitute. Community media initiatives are the crucial place to start developing new models for the survival and sustainability of projects. Here, a community enterprise model is something of an extension of the project concept adopted by the community media sector. It provides a method of adopting a commercial operation that serves community ends.

A community business is a sustainable commercial enterprise that is owned and controlled by the local community. It aims to create jobs and related training opportunities and to encourage local economic activity. Surpluses are used to create more jobs and to generate services for the benefit of that community. The characteristics of such enterprises would include a particular role they play in local development, being suitable to providing services and running programmes that on the whole are neglected by the private sector and abandoned by the public sector.

For example, most of community media projects do have a social ethos of empowerment and development. True community development should aim to involve all the stakeholders, working together in partnership based on a shared vision for the area and developing a common purpose. At present not many projects utilise the business capacity or local government capacity and influence in their areas.

A community enterprise aims to make a surplus to become financially self-sustaining and to use surpluses for reinvestment in the enterprise, for limited bonus payments to workers and to generate wealth for the benefit of the community. This has not happened yet on any scale as community projects fight for survival and others, for economic viability.

A community enterprise must be registered as a Section 21 Company, or a co-operative using a model or other legal structure which is recognised as acceptable by the new NGO legislation.

The assets of a community enterprise are owned on behalf of the community and held in trust by the directors, that such assets should not be disposed to benefit individuals or directors financially. Historically the sector has steadfastly regarded all projects as not for profit.

The community enterprise is committed to being a good employer, regarding wage levels, terms of condition, equal opportunities and employer participation. And in addition, community enterprises need to be accountable to its communities through routine audits, evaluation of effectiveness and the impact on the local community.

The contentious areas for debate would include such issues as who would constitute the management of such enterprises and how should they be selected. Should communities continue to honour the community based people who initiated the project in such appointments? What are the mechanisms for developing a structure of decision making and accountability, given the failure of so many boards of trustees to engage with their projects? And how do we avoid the current management board clashes?

Finally, perhaps the most important discussion. How does the community media sector maintain its ethos of service before sustainability? And is this an either/or issue? Clearly not. We need to seriously re-evaluate the economic benefits and social value of community projects.