

13. Media industry clustering in South Africa: prospects for economic development and spatial reconfiguration

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The media industry in South Africa is very concentrated both in terms of ownership and in terms of close geographical proximity in South Africa's two leading cities, Johannesburg and Cape Town. Despite South Africa having no national strategy to encourage or enhance the geographical clustering of the media industry, more than 90 per cent of media companies cluster a short distance from each other in these two cities.

This would at first glance appear to be somewhat of an anomaly. Despite the opportunities presented by the 2010 FIFA World Cup, South African cities historically and currently have shown little interest in attracting media companies to their regions or incentivizing existing companies to stay and grow. But this has not inhibited media clustering or media development more generally from taking place. Almost all current growth fits into the 'traditional agglomeration' notion of private-sector driven, 'organic' geographically based clustering developed by Picard (2008). Media organizations are almost all historically concentrated in Johannesburg and Cape Town. In these cities, a great deal of clustering has taken place, particularly in the last few decades. This reflects in turn South Africa's concentrated levels of media ownership, which is itself partly a legacy of apartheid-era patterns of accumulation and exclusion.

This chapter outlines how in South Africa clustering continues and, in some places, has even been accelerated recently with limited involvement from government. In this way, the growth and spatial configurations of the media industry in South Africa are different from, for example, the start-ups in Dubai, Singapore and Trollhattan. There is no doubt that South African media would welcome more state support at any level, but for various reasons explored in this chapter, that is seldom forthcoming.

Three of the four of South Africa's largest print media companies – Avusa, Caxton and Independent Newspapers – are located in Johannesburg. The fourth and largest conglomerate, Naspers, is based in Cape Town.¹ The national TV and radio broadcaster, the SABC, is based in Johannesburg, as are the vast majority of South Africa's private TV and media production companies. Book publishers, 'new media' firms, PR and advertising companies, etc are all mostly headquartered in Johannesburg, with a small minority based in Cape Town and the occasional outlier located in other cities, such as Durban. The city of Johannesburg can confidently claim that it is 'the headquarters of the South African media industry, [boasting] a lively and remarkably diverse range of media' (Johannesburg News Agency, 2010a).

In both Johannesburg and Cape Town, there is significant geographical proximity among media companies, even across different media platforms. Clearly, some areas have developed because of their proximity to larger firms or state institutions, such as the large cluster of media companies around the South African Broadcasting Corporation (SABC) in Auckland Park and Melville/Richmond in Johannesburg. Other companies, particularly those in film production, have chosen what were peri-urban areas for their locations to obtain cheaper rentals. Many of these once outlying areas are now fully within the urban area of greater Johannesburg.

There is also some 'virtual' clustering, of the kind described by Picard (2008), where firms cooperate closely over wider distances across cities, using digital connectivity or physical couriers to, for example, post-produce a TV show.

More recently, there have also been some private-sector driven attempts to 'cluster' and attract media companies or, more broadly, 'creative' companies in Johannesburg and, more assertively, in Cape Town, particularly around digital media and the film industry. This has also happened to a lesser extent in Stellenbosch, near Cape Town.

While these initiatives could be considered media-related in a much broader sense, at least where they include encouragement for information and communication technology related companies and various 'creative' industries (such as web/mobi design houses), the inducements rarely extend to 'legacy' media. Johannesburg, for example, supports the fashion design and jewellery manufacture sectors as key 'creative industries', going as far as trying to set up physical clusters in Johannesburg known as 'Jewel City' in Johannesburg East (Johannesburg News Agency, 2010b) and the so-called 'Fashion Kapiotol' district.

Likewise, although focusing on different areas of 'creativity', Cape Town aspires to market itself as a hub of 'creative industries' and, in particular, as a design centre. Its biannual Design Indaba, which started in the late

1990s and featured, for example, American design guru Martha Stewart as keynote speaker in 2009, continues to make a case for Cape Town playing a role as an important part of the international design circuit.

Despite these kinds of initiatives, or perhaps in contrast to the official support for design, jewellery, clothing manufacture (and design) and some support elsewhere for 'tech start-ups', two key questions remain: Why is there lack of interest by local, provincial or national government in South Africa to develop strategies to attract or even keep media companies in their locales? Why is there seemingly so little of the kind of public/private partnerships that have caused a degree of media sector clustering – and the variety of benefits that often flow from thoughtful city and local economic development planning – elsewhere in the world?

Although these questions can only be answered obliquely and somewhat speculatively in this chapter, they are particularly sharp-edged, as the post-1994 democratic South Africa has embraced both media diversity and pluralism as key ambitions. In addition, South African cities are eager to stake their place in the 21st century by attracting 'new industries' and developing their attractiveness to 'creative industries' more broadly. Furthermore, the ruling African National Congress (ANC), by far the largest political party in parliament, espouses an overtly interventionist 'developmental' approach to the role of the state in the economy. Why then, to put those questions in slightly different words, in the plethora of national, provincial and local economic developments plans and within major City planning strategies, are strategies for encouraging media development and clustering so underdeveloped, even in the context of the massive stimulus of the 2010 FIFA World Cup?

It is only by attempting to answer this question of context that some sense can be made of the few initiatives to encourage the clustering of media and/or 'creative' industries that have emerged in the past decade and are outlined later in this chapter. Getting a better grasp of this official reticence also provides a framework for assessing whether current or future interventions to foster media development and geographic or 'virtual' clustering, post the catalytic event of the FIFA World Cup, might be successful.

MEDIA IN POST-1994 SOUTH AFRICA

Prior to 1994, there was a cosy if complex relationship between large media organizations and the apartheid government. Despite pockets of liberal expression through certain media titles, most of the commercial print, television and film industry was pliant and collaborative, while the

apartheid state carefully controlled state media, which included all television and radio broadcasting. South Africa only started TV broadcasts in 1975, due to fears by the apartheid leaders that TV could undermine white minority rule. Three oligopolists dominated the print industry. Very little media for the majority of the African population existed, South Africa's majority sharing the lack of 'media density' that characterizes much of Africa (Berger, 2006).

After the 1994 elections, the new democratic South African government set about igniting growth in an economy nearly bankrupted by apartheid and, as part of this, creating the kind of media that might give greater voice to the majority of South Africans. It also set out, at least at the level of rhetoric, to create a regulatory regime that would enhance consumer options, increase the diversity of media, give citizens access to mobile phones and cheap broadband and allow community radio and print to flourish (Berger, 2009).

But 16 years later very little of this has happened.

Private, previously white-owned media companies have flourished, and their ownership is still largely in institutional and white hands.

State media have been expanded, particularly in radio, but under the logic and limitations of 'commercialization' that has often crowded out the public education and public trust mandates of the national broadcaster in particular.

As many writers point out, post apartheid media development – or underdevelopment – needs to be located in an analysis of the nature of transition away from apartheid South Africa (Barnett, 1999; Horwitz, 2001a; Berger, 2006). Most make a compelling case that the ANC-led government has pursued a surprisingly conventional neoliberal approach to economic development. By putting the emphasis largely on 'de-racializing' capitalism, rather than pursuing more participatory or equalitarian development paths, patterns of accumulation and development have not changed much in the post-apartheid era. This has been particularly true of media.

The commercial sector – particularly print, TV and radio – is lightly policed. While there is often criticism from government and ruling party sources of established private media's supposed 'anti-transformation' agenda and even periodic threats of starting a state-controlled newspaper to counter-balance these perceived biases, these threats have never amounted to much.

The public sector, and in particular the national radio and TV broadcaster the SABC, continues to exhibit clear ruling-party bias, despite myriad policies to ensure greater editorial freedom, impartiality and fairness.

Since 1994, the state has forced the official broadcaster, the SABC, to 'commercialize' further, and this logic extends in different ways to all media in South Africa. Media are expected to 'pay their way' regardless of any notion of public good. State subsidies are meagre where they exist at all, and regulations that place restrictions on ownership, cross-ownership and even foreign ownership are relatively mild when compared to other countries.

In terms of the media's role in de-racializing the South African economy, despite various 'empowerment charters' specifying, for example, minimum desirable levels of black ownership of private enterprises, little has changed in terms of ownership structures. So-called 'Black Economic Empowerment' (BEE) and, more recently, 'Broad-Based Black Economic Empowerment' (BBBEE) has attempted to transfer some ownership to so-called 'previously disadvantaged individuals' through transfer of ownership of shares in larger businesses.² While this has shifted some fractions of ownership at the margins, real shifts of either managerial power or meaningful ownership have not occurred.

'Community Media'

By contrast to the relative stasis in the private sector over the past few decades, despite government efforts to broaden and de-racialize ownership and control, smaller 'community media' have been a much more fluid field. The state has contributed substantial strategic and financial resources to create smaller-scale 'community media', sheltered from at least some commercial pressures. The establishment of the Media Development and Diversity Agency (MDDA) and the creation of a large-scale community radio-licensing regime are the two best-known and most successful initiatives led by the government since 1994.

In operation since 2002, the MDDA is a public-private partnership, with large media companies contributing funds based on their income. Government then matches these funds (Media Development and Diversity Agency, 2008).

This model has had some success. Upwards of 200 projects have been funded by 2010, and about ZAR 80 million (approximately US\$10 million) has been spent (Media Development and Diversity Agency, 2008).

But the model has also attracted criticism, particularly of under-funding and lack of interest from the government. In addition, the logic of commercial sustainability, coupled with the imperative of racial transformation, complicates the development of community media and the MDDA's mission in interesting ways. As Guy Berger, MDDA board member, writes:

Also at stake in this is the strategy of transforming media ownership by expansion of the sector, as distinct from interventions to dispossess the existing proprietors. Unlike businesses like banks, which agreed under pressure to adopt industry charters to redistribute share-holdings, the country's media companies are offering the success of the MDDA as a way to grow new owners alongside them.

Unbundling the mainstream would produce more owners (at least amongst the usual BEE players) – but it would not necessarily expand the industry in the way the MDDA seeks to do. In this sense, the agency is an experiment that has a broader significance than just the projects it supports (Berger, 2009).

Partly because of the MDDA's work, and taken together with deregulation of the radio and to a much lesser extent the TV sector, there is now more diversity of media for most South Africans compared to 1994. New media owners have appeared: 126 community radio stations and about 200 local community newspaper titles have been established³ as well as four community TV channels.

Despite these successes, community media have struggled to win audience share and create viable and sustainable business models. Although ICASA has granted 126 community radio stations, only 87 stations were still on air in 2010. Many of these survivors are in precarious financial situations. According to recent All Media Product Survey (AMPS) data, community radio audience represents only 4.6 per cent of total radio audience in South Africa.⁴

It is common cause in South Africa that community newspapers have also battled financially, almost without exception (see, for example, Hadland and Thorne, 2004). Most of the 200 titles known to exist either publish erratically or else are advertising-driven to the extent of carrying very little journalism⁵.

South Africa has a few community television stations but high set-up and production costs deter players in this market⁶.

Digital Media and Cellular Telephony

Access to the internet and to the World Wide Web, email and other wonders of the digital world has been ill-served by the post-1994 government. Despite repeated promises, it took the government 12 years to create any form of fixed line competition to the apartheid monolithic telecoms operation, Telkom. This has been a key reason why, in 2010, only about 10 per cent of the South African population has access to the internet through fixed line broadband and for a large percentage of this population this access takes place exclusively through places of work or study (MyBroadband, 2009). Broadband costs are high in absolute and relative terms, almost entirely because of the excessive Telkom charges (IOL Technology, 2010).

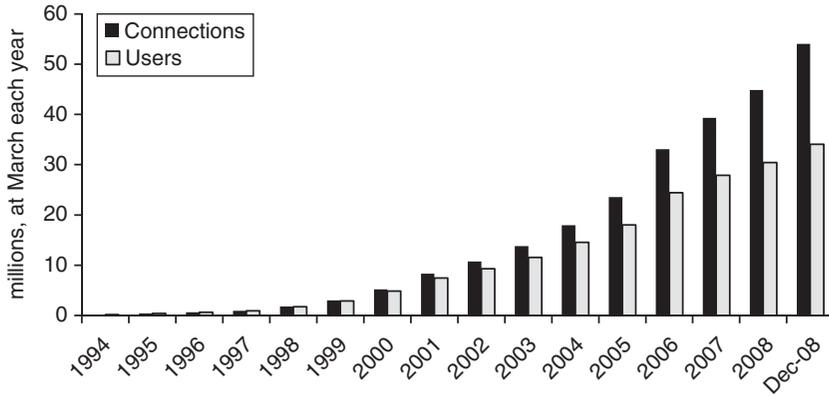


Figure 13.1 Mobile connections vs users in SA 1994 to 2008

By contrast, mobile phones have been a standout success story, with almost 100 per cent of South African families owning a cell phone or having easy access to a cell phone. Actual penetration, as shown in Figure 13.1 from research firm World Wide Worx, is approaching 100 per cent of South Africa's adult population (South Africa's total population is about 50 million people, with a large percentage under the age of 14). There is currently a rapid uptake of the 'mobile web', as tens of thousands of South Africans are discovering the power of the internet each month for the first time, mostly over their cell phone. Instant messaging is a huge success, as is Facebook (World Wide Worx Research Notes, May 2010).

But despite this rapid uptake, high costs relative to average incomes limit the use of phones for data services, even if handsets are ubiquitous. Although defined as a middle-income country, South Africa income levels are extremely unequal. About 34 per cent of the population live on US\$2 per day or less (Population Reference Bureau and African Population and Health Research Center, 2008). A one-minute phone call routinely costs about 20 US cents, 10 per cent of a day's income for many South Africans. Even a single SMS can cost 10 US cents (Duncan, 2009). The majority of South Africans find that much more than US\$ 10 a month on a cell phone is a luxury they cannot afford (Duncan, 2009).

All this has meant that while there is growth and good profits for two dominant cell phone companies, Vodacom and MTN, new content providers, i.e. media companies that provide phone content, are still thin on the ground because of the low level of demand for data-driven services. Some music downloads and ringtones are provided by off-shore sites and appear to be successful. There are no data as to the exact breakdown of local versus

international content providers. Other than MXit, the instant messaging service based in Stellenbosch, there are few local cell phone oriented media companies of any scale outside the news and information services provided by the traditional media houses Avusa, Naspers and the Independent Group.

The South African Media Industry in 2010

It is perhaps more than a little surprising that after 16 years of democracy, while there is a greater plurality of voices, particularly in terms of dozens of new community radio stations and print titles, their 'share of voice' is so minuscule. The large apartheid-supporting monopolies of the pre-1994 era have, a little ironically, grown larger and stronger. The SABC lurches from very public crisis to crisis, often in sync with intra-party machinations within the ruling ANC. It offers little by way of participatory or critical journalism.

Off this base of hyper-concentration and, in the SABC's case, ineptitude, the world recession of 2008–2010 has impacted on South African media. The three oligopolists battled to maintain their previously market-topping margins, while the SABC has had to rely on the government for extraordinary financial bailouts. But community radio and print publications have seemingly been even harder hit, and many operations have closed. Very few new initiatives have been announced, even in the more fluid digital and cellular arenas, where financial barriers to entry are lower.

Many have asked and hoped: Might the massive investment – upwards of ZAR 40 billion (US\$ 6 billion) – in the FIFA World Cup not have provided some impetus for the South African media landscape?

MEDIA DEVELOPMENT AND CITY PLANNING: THE PROSPECTS FOR PLANNED MEDIA CLUSTERING AS A SPUR TO MEDIA DEVELOPMENT IN SOUTH AFRICA

Johannesburg and Cape Town provide two contrasting examples of city approaches to encouraging media development and promoting clustering both in general and within the context of the FIFA 2010 World Cup. A brief overview of media development in the two cities usefully illustrates their differences of emphasis.

An Overview of Media in Johannesburg

Johannesburg hosted the Football World Cup Final in June 2010, probably the largest media event in the world, being host to not only the

International Broadcast Centre (IBC) for the month of the finals, but also the vast majority of visiting media crews.

Johannesburg, as outlined in the introduction, is home to the national public service broadcaster, the SABC, with its three 'free-to-air' TV stations and national radio channels⁷. Caxton, Avusa and the Independent Group's print media assets are housed in Johannesburg, which is also the HQ for many foreign broadcasters.

The small downtown area of Johannesburg was the commercial and financial hub of South Africa for most of the 20th century. Only in the early 1990s did commercial companies start to move towards the north, to newer commercial areas such as Sandton and Midrand. There are many explanations for this recent and comprehensive move away from the downtown area, not uncommon in many cities in the world. In Johannesburg, at least part of the explanation for this 'flight to the north' is the rapid influx of black South Africans and Africans from further afield after the abolition of influx control laws. Proximity to (largely white) staff has also played a factor in the suburbanization of the media industry out of the city centre and towards the north of Johannesburg (Rogerson and Rogerson, 1997).

Over a decade, most large companies relocated their headquarters north of Johannesburg's downtown area, and even the iconic Johannesburg Stock Exchange (JSE) moved from its headquarters to the upmarket and 'whiter' Sandton area in the late 1990s. Very few media companies are currently still operating in downtown Johannesburg.

By 2010, media companies in Johannesburg cluster in four areas of close geographical proximity in suburbs such as Melville, Auckland Park (home to the SABC), Richmond, Rosebank and, a little further away, in Sandton, where a great many advertising agencies, for example, have their headquarters. Given the vast area of Johannesburg metropolis, this clustering is very clear and distinctive. The west, south and eastern sides of Johannesburg have very little media company presence, a small area to the north of the city centre houses almost 100 per cent of media companies.

While there is no indication in the urban-planning literature as to why such distinctive clustering has taken place in Johannesburg, it is clear that the location of the SABC in Auckland Park is a key reference point for at least TV-related companies in Johannesburg (and South Africa). Major radio stations are also based at and run by the SABC. Most foreign media have rented office space with 2 km of the SABC, while many major TV studios like Red Pepper Productions, Ochre Media and Endemol South Africa are also close by. DSTv, the large satellite broadcaster in Africa, owned by Naspers, is based in Randburg, about 5 km away from the SABC.

All of this clustering has been 'spontaneous' or 'organic', i.e. driven by

autonomous decisions by private players. There has been no local government encouragement of this patterning at all.

In an interview, Rushid Seedat, Head of Strategy for the Johannesburg Metro Council explained, 'There's never been any real impetus for developing the media sector in Johannesburg. We have been spoilt by the sector's obvious enthusiasm to be here and to stay here. Most of the big companies are doing pretty well, and we've never thought we are in any danger of losing them' (Seedat, interview, 2010).

Lial Bethlehem, until recently head of the Johannesburg Development Agency (JDA) largely agrees with Seedat's views and provides an explanation as to why this might be the case:

'There have been some efforts to make part of the Newtown redevelopment a home for media, and a few important media companies moved in there. But I think there is scepticism in government about how many jobs media can create. Some parts of the media industry would be seen as 'sunset' industries, and while others are obviously industries of the future, or 'sunrise' industries, there is not the sense that attracting such media should be a high priority for the City' (Bethlehem, interview, 2010).⁸

Johannesburg as a city accounts for, by various estimates, 30 per cent of the GDP of South Africa. The city contributes about 48.2 per cent of the provincial economy and 18.1 per cent of the national economy (Mayor of Johannesburg, 2008). Both the province and the national government have a variety of economic development frameworks and paradigms, none of which have any focus on media.

As Bethlehem says, 'With South African unemployment so high, we (i.e. development agencies) have to focus on the kind of city development that will not only redress the spatial geography of apartheid, but also promote development and job creation. I'm not sure how government helping large media companies would accomplish that. But helping smaller companies, like (digital) start-ups, web design and internet companies – perhaps that is something we could have been doing more of in the past few years' (Bethlehem, interview, 2010).

There have in fact been attempts by Johannesburg to promote digital access through the Blue IQ project and to upgrade municipal infrastructure to provide public access to the internet, but neither of these have brought any notable success.

The Legacy of the 2010 FIFA World Cup

Johannesburg Executive Mayor Amos Masondo said, at the opening of the almost ZAR 1 billion International Broadcast Centre (IBC), that the

edifice would help the city to meet its developmental objectives and attract investment long after the 2010 FIFA World Cup and would 'go a long way towards ensuring that our developmental objectives become a reality and attract investment to the city' (SouthAfrica.info, 2010). But later in the same speech, the Mayor added that the greatest benefit of hosting the IBC for the city has been the catalytic effect it has had on the development of the Nasrec area.

This latter statement betrays the reality of the legacy of the World Cup: the opportunities of the FIFA World Cup, including the IBC and the temporary influx of 10,000 journalists, have not been seized by the authorities in Johannesburg. The most trenchant example of this is that the IBC has been built on rented ground and is to be entirely deconstructed after the World Cup (Acuna, interview, 2010). While this would be better judged after the World Cup, and is clearly an area that requires further research, there is nothing to indicate that there will be any future direct media benefit from the IBC development, or indeed from any other FIFA World Cup activity. There is no doubt that there will be some benefit for all business from the additional ICT infrastructure that the 2010 World Cup has helped spawn, both in terms of locally-laid cable, and increased international bandwidth (Alfers, interview, 2010). But because it appears that no one at a city, provincial or national level has focused on media development strategies, there was consequently no thinking or planning for a permanent World Cup legacy, at least in terms of media development.

The government's failure is largely due to a lack of planning and, at some levels of government, a lack of execution of the few plans that were developed to implementable levels. The opportunities of the FIFA World Cup, for example, were recognized well before 2010. However, the emphasis has been on staging the World Cup successfully and every effort has been directed towards stadia construction, security and tourism facilities. Much more could have been done to secure the longevity of other resources such as the fibre optic cable at the MTN Nasrec Expo Centre to benefit media sector development.

MEDIA INDUSTRIES IN CAPE TOWN

Cape Town has had a very different development trajectory when compared to Johannesburg (Boraine, 2006). As a much older city, its spatial geography has been deformed by decades of segregation and then, from 1948, by apartheid, in particular ways. African South Africans were barred almost completely from Cape Town until the 1980s, and are still a minority in the city. 'Coloured' South Africans were given preference



Source: Creative Cape Town website, 2010

Figure 13.2 Cape Town media industry clustering. P = Publishing, Media and Film

after whites in terms of access to resources and space, although coloureds were also subjected to forced removal, segregation and the multi-layered discrimination that was apartheid.

More recently, the City Council has been controlled by the Democratic Alliance, the official opposition party in South Africa, which espouses a more 'pro-business' set of policies, some of which appear to be shaping spatial developments in Cape Town.

Cape Town also already exhibits a high degree of existing and historical physical clustering of media companies (see Figure 13.2). It is estimated that about 90 per cent of all Cape Town's media companies are located within 4 km of each other.

Cape Town has been very proactive in seeking to use the World Cup for development. Its iconic stadium is as impressive as that of Soccer City in Johannesburg. The City also managed to lure the BBC away from Johannesburg and away from using the IBC as a base for their operations during the World Cup by offering a rent-reduced building in Cape Town, with a majestic backdrop of Table Mountain.

In addition to this existing concentrated physical media clustering, Cape Town is host to a number of other promising media initiatives,

including the creation of a large-scale film studio and various initiatives to encourage the clustering of 'creative industries'. Unlike Johannesburg, Cape Town projects, while driven by private businesses, do appear to have at least some overt local government support and infrastructure investment.

Three examples illustrate the vision and energy that are going into these initiatives: the development of the Cape Town Film Studios (CTFS), the Cape Town Partnership's Creative Cape Town Cluster and the Bandwidth Barn.

The Cape Town Film Studios

The Cape Town Film Studios – named 'Dreamworld' in their initial stages of development – are envisaged as a major new venture to take root in the area of Faure on the outskirts of Cape Town. The first phase was anticipated to be complete in April 2010 with four sound studios built on 300 hectares of land. According to the development company's literature, it is envisaged that this will be 'Africa's leading digital media hub and telecommunications centre. It will link with studios in North America and Asia via broadband highways' (*Cape Times*, 2008).

The development of Cape Town Film Studios is a collaborative effort among filmmakers, business, government and the City of Cape Town. According to CEO Nico Dekker, more than 80 businesses in film production and related industries have expressed a commitment to move to the site.⁹ The film studio is primarily aimed at the overseas movie business as Cape Town has gained prominence with overseas filmmakers as a prime location for shooting over the past decade. About 30 international feature films and 300 commercials are shot in South Africa every year, according to a recent newspaper article, but filmmakers have always had to travel elsewhere in the world to find established, state-of-the-art studios¹⁰.

Should this initiative succeed, it would create significant physical clustering of media firms. Businesses moving to the site do not and will not receive any incentives; instead if they 'apply early' they may stand a chance of being able to buy the premises at a good price.

CEO Nicco Dekker says: '[We offer] cheaper rates for South African producers when major films are not in the making – the whole idea is that the studio becomes a hub from where local filmmaking grows' (*The Star*, January 2009).

The Cape Town Film Studios do aim to boost the local film industry by enabling the shooting of local films. Dekker predicts that South Africa should be able to produce at least 30–40 feature films a year (*The Sowetan*, April 2009) although this might be overly optimistic, as this would repre-

sent a tenfold increase in current major feature film production expenditure in South Africa.

It is also envisaged that the project will employ, temporarily, about 8000 people to work on construction. Although there will be permanent employment, the number of such positions is not yet clear.

The government has supported the project from inception and is investing a great deal of resources in helping to create the enabling infrastructure, such as bulk services and roads.

The Cape Town Partnership and the Creative Cape Town Cluster

The Cape Town Partnership an umbrella body under which the Creative Cape Town Clusters operate, is a collaborative effort between the public and private sectors working together to develop, promote and manage Cape Town Central City.

The stated key aim is to facilitate ‘dynamic partnerships’ in the central city, in line with the goals of the central city development strategy, which seeks to transform the central city into ‘a leading centre for knowledge, innovation, creativity and culture in Africa and the South’ (Cape Town Partnership website, 2010).

This network body brings together stakeholders who are part of Cape Town’s creative economy, in what can be broadly be described as a ‘virtual cluster’. The initiative started in 2008 and since then the organizers have facilitated at least four meetings, which are referred to as ‘Cluster meetings’. According to Zayd Minty, Creative Cape Town executive, ‘We create a space for people across disciplines to meet informally to network and hear good talks about “Creative Clusters”’ (Minty, 2010).

The organizers see their role as ‘facilitating communication’ and providing a ‘translation service’ between civil society and local government.

Creative Cape Town sees itself as an information cluster aimed at increasing interaction amongst like-minded, creative businesses in the city (Minty, 2010). This includes design, architecture, economics, performance art, craft, music, media and cultural tourists, filmmakers and entrepreneurs. The organization helps participants in mega events such as Cape Town’s ‘Design Indaba’ and the annual Cape Town International Jazz Festival.

The Bandwidth Barn

The Cape Town-based Bandwidth Barn (BWB) is situated in the central city in Lower Long Street. BWB has been in operation since 2000 and is today regarded as one of the leading ICT business incubators. The

Bandwidth Barn is owned by the Cape IT Initiative (CITI), a Section 21 company, and the development and promotions agency for the ICT sector in the Western Cape (Bandwidth Barn, 2010).

Focusing on the ICT Sector in the Western Cape, the BWB stated rationale is to encourage innovation and provide training to small and medium-sized organizations so that they can overcome the barriers to entry in the industry and develop into decent-sized businesses (Bandwidth Barn, 2010).

The Bandwidth Barn's 'incubation model' is aimed at attracting resident businesses through a number of programmes offered by the umbrella Cape Town IT Initiative (CITI). Incubation programmes are largely targeted at previously disadvantaged individuals with start-up businesses in the ICT sector.

The BWB has a two-pronged approach to supporting companies. According to their website, 'the first prong of the approach is that we lower the physical barriers of starting up a new business and mitigate the risks by ensuring companies are not bound to long term leases. The second prong of our approach is a carefully considered and proven business development programmes [sic] to equip the budding entrepreneur with basic skills to ensure sustainability' (Levin, 2010).

The strategy has been more successful than expected. The office space was used by 65 companies in 2010, including web media companies, software development start-ups, IT recruitment agents, call centre outsourcers and gaming companies. BWB founding member Allen Levin also points to a key part of Bandwidth Barn's success: creating nimble networks at short notice to compete for government and private sector work. According to Levin, 'our diversity gives us the strength we need, so we can cooperate and bid on big tenders' (Levin, 2010).

CONCLUSION

These relatively humble initiatives in Cape Town (with the exception of the ambitious Film Studios development) and some of the infrastructure developments in Johannesburg take place in an official planning environment that does not foreground media development at all. While some local government policies have a general ICT focus, i.e. a focus on creating the physical wired infrastructure for content to be conveyed over digital channels, none have a strategy to encourage the content creation as an end in itself. And while some official plans for Cape Town and Johannesburg mention facilitating the creation of feature films and TV commercials in South Africa or encouraging design and 'creative industries', there is

hardly ever a mention of 'legacy media', be it TV, radio or print, or even web content development.

There are of course some advantages of growing organically. Those clusters that do develop have less interference from the state, which might be a desirable outcome for, for example, news media. But the benign and active neglect of the smaller media sectors has meant that a lot of opportunities have gone begging. A large number of small production houses linked to the SABC have had to close down in the past decade because of lack of content commissions from the public broadcaster which is the main buyer of local content from local broadcast production houses.

From the examples of Johannesburg and Cape Town outlined above is that a number of factors come together to create a less than compelling case for either the state or the private sector investing more intensely in the media industry than has been the case in the past 20 years.

First, for the government, there is a lack of appreciation of media as a potential job-creating industry. There may be some basis for this apprehension, but media and communications can, as other countries have shown, be an efficient job creator. The sheer scale of unemployment in South Africa, possibly the highest in the developing world, with only 46 per cent of working age adults in formal employment, seems to predispose the government to look for 'big bang' solutions. These are often sought in so-called 'sunrise' industries that might have the long-term ability to absorb large numbers of unemployed people. (Even traditional large-scale employers in South Africa, such as agriculture and manufacturing have not had the kind of state support that might have been expected given their proven labour-absorbing capacity.)

Media, in short, are just not seen as having the kind of job-creation scale that might excite national or local officials.

A second issue is the brittle relationship that governments in general and the South African government in particular have with media. South Africa's ruling African National Congress (ANC) party is fraught with different approaches to media, with some elements in the government and within the ruling party having little tolerance for dissent. ANC Youth League leader Julius Malema's 2010 ousting of a BBC journalist from a press conference may be only the most visible manifestation of this authoritarian tendency (*the Guardian*, 2010).

Other factions in the ruling party are much more supportive of media freedom and the right to critical points of view, and South Africa's constitution has strong protections for freedom of speech and media.

But there is certainly an argument to be made that past and current governments have never been enthusiastic about the idea of encouraging a proliferation of media that might be critical of their performance.

Maybe as a consequence of current low media density South Africa has, by some reports, the second highest level of ‘social protests’ in the world – after China – which may not be unsurprising for a country with one of the widest Gini-coefficient gaps in the world (Bond, 2010). With this ‘outlier’ level of social inequality coupled with high levels of poverty and decades of poor education for the majority of South Africans, pre- and post-apartheid, almost every city has a youth unemployment rate of more than 50 per cent.

While it can be argued that large-scale funding of community media might provide an alternative, more constructive channel for popular frustration – and reduce the need for the organizing of social protests in order to be ‘heard’ – the government has not shown any commitment to the levels of funding that even current community radio and print operations would need, never mind any expansion of these sectors. The sum of ZAR 80 million over a decade for community media via the MDDA, as welcome as that has to be, is by any serious measure, desultory.

A third issue has been the relative failure of state media to catalyse the rest of the media industry, particularly in terms of TV and film production. It is common cause that the SABC is badly managed and has been for the better part of a decade. e.tv, the only free-to-air rival to the SABC’s three ‘public’ TV stations, is profit driven to the extent that it often undercuts even the very low rates paid by the SABC for local production. As a result of this mismanagement and lack of vision at the national broadcaster, and e.tv’s reliance on low-cost local production (and its predilection for imported films, TV and wrestling programming), the local TV industry has long been adrift.

In addition to the SABC’s marginal role in developing local media, and local black-owned and managed media, the government’s ‘local content’ regulations have been set at easy-to-reach levels after intense incumbent lobbying, including lobbying by its ‘own’ SABC. Quotas are not widely perceived as having been well enforced – even at the low levels they are set.

The FIFA 2010 World Cup is yet another example of what ‘could have been’ in terms of South African media development. Billions of rands have been invested in ICT infrastructure and temporary broadcast facilities, but there are likely to be few long-term benefits for media in South Africa. South Africa has failed to plan adequately and to allocate resources to ensure that the World Cup leaves a legacy beyond the legacy projects initiated by FIFA. In retrospect all spheres of government, national, provincial and local, needed to approach the planning of the World Cup more strategically. Looking back, they should have perhaps looked harder at how to better use the infrastructure and resources developed during this World Cup process for the economic benefit of various sectors and industries, including media.

This, perhaps above all, would be the most important lesson from South Africa's recent developmental history, and such lessons would be pertinent to any country hosting a large-scale international sporting or business event in the future and thinking it might encourage media development and the benefits of media clustering. This simply does not happen without careful planning, proper funding and good implementation. Other than fine stadia and some transport and airport upgrades, the longer-term impact on economic and social development is likely to be adjudged, at very least, as less than it could have been.

While such critiques are not likely to appear in print and in academic journals until well after the World Cup (and its attendant surges of patriotism and social solidarity) there is nothing to suggest any long-term benefit, at least in terms of media development, in South Africa.

Johannesburg, in particular, as the host city to the final and the host of the 30,000 m² International Broadcast Centre, could perhaps have explored how to seed dozens of small start-up companies, taking advantage of the additional bandwidth laid on to NASREC, where the IBC was temporarily erected, and could, for example, have built space for some kind of technology incubation, such as those currently found in Cape Town. Offering free or cheap high-speed broadband, for example, might have been just the spur the local web and mobile industry needed.

In Cape Town, a number of larger-scale projects do, by contrast, have the potential to create opportunities for media industry growth. It is interesting that the main three Cape Town initiatives are likely to promote three different models of clusters. The Cape Town Film Studios initiative promises to deliver a major set of mass media infrastructure, where smaller film, TV and post-production, a film school and allied industries will come together – or at least, so it is hoped by the developers. The Cape Town Creative Cluster is by contrast more of a 'virtual network' of media companies, along the lines described by Picard (2008). The Bandwidth Barn is, in turn, a more organized model of clustering and more centred on the idea of creating economies of scale.

But from the sources this chapter has explored, in both cities, there is no real sense of what a proliferation of new media companies might bring to the spatial and developmental mix of South Africa's major cities.

Despite this, South Africa is likely to remain the strongest player within South African Development Community (SADC) media, especially when it comes to the development of community media. Community media have, in the face of great challenges, given marginalized communities access to more diverse and plural media in South Africa. The Department of Communication has also discussed the issue of developing hubs for community radio, where stronger community radio stations would be the

anchor for other struggling stations in terms of skills and resources. This idea has also not been taken up by the sector in any fullness, which means each station still functions independently and is struggling financially, but there are indications that more resources may be on the way soon.

In the context of its locale and developments in both the region and the rest of Africa, South African media are still growing and despite their shortcomings, organizations like the MDDA are still substantially more effective than their counterparts, where these exist, in other African countries. Overall, the legacy of high degrees of apartheid-era concentration and, post-democracy, rather anaemic efforts at media transformation, poor management of the national broadcaster, some antipathy to critical media, and expensive cellular and broadband costs has left many clear opportunities to develop the media industry in South Africa undeveloped.

Until a case for media development is better made and better accepted by South African governments at all levels, media development will in the future, as in the past, be driven more by the private sector than by any government initiatives. The attendant benefits of planned media industry clustering will, in all likelihood, remain elusive.

NOTES

1. The Independent Group's main South African base is in Johannesburg; its international headquarters are in Ireland. Naspers is a multinational media company, based in Cape Town. Although much of its energy is now focused outside of South Africa, Naspers Cape Town HQ is still the hub of substantial operations in South Africa.
2. For example, there have been efforts by the giant Naspers media group to offer Broad-Based Black Economic Empowerment opportunities for some of their businesses, through, for example, the Welkom Yizani scheme to sell part of their Media 24 Group and the Phuthuma Nathi and Futhi share schemes to dilute white ownership of their MultiChoice/DStv business.
3. Within three years of coming to office, the government also offered eight new commercial radio licences in South Africa's three biggest cities – Johannesburg, Cape Town and Durban. This added to the five existing commercial radio licences. This expanded commercial radio options, although most licences went to existing firms, some in collaboration with black partners. Currently, according to the MDDA (2008), '[t]here are 13 private commercial radio stations which are all regional or provincial stations. According to AMPS 2008, these have 16.5 per cent of the total radio adult audience.
4. The South African Broadcast Corporation (SABC) is a Public Broadcast Service, which owns three free-to-air television stations and 18 radio stations, of which 15 are public broadcasting service (PBS) stations and three are public commercial services (PCS) stations. The SABC accounts for about 41.6 per cent of the total radio audience in the country according to AMPS 2008 (Media Development and Diversity Agency, 2009). e.tv is the only independent free-to-air commercial television licence holder in South Africa. In total, South Africans have access to four free-to-air television stations, with only those with the financial wherewithal gaining access to the DStv bouquet of television offerings.

5. The *Indaba Ziyafika* project funded by the US-based John S. and James L. Knight Foundation, and located at Rhodes University, is collecting data on all active community newspapers in South Africa.
6. There are four licensed community television stations in South Africa: Soweto Community TV in Johannesburg, Bay Television Station in Durban, Cape Town Community TV and The Trinity Broadcasting Network (TBN) licensed for terrestrial broadcasting in the Eastern Cape and also distributed by satellite on DSTv (Media Development and Diversity Agency, 2008).
7. Regional SABC radio stations have studios in different cities, and e.tv, the only free-to-air commercial channel yet licensed in South Africa, has offices in Johannesburg and Cape Town and smaller offices in other cities. With digital migration, both SABC and e.tv will be receiving a large number of digital channels on three multiplexes to be licensed over 2010–2011. Acquiring content for these may lead to some growth in the independent production industry.
8. The growth rate of the Johannesburg economy has been higher than that of the South African economy over the period 1996 to 2004. Between 2000 and 2004 the Johannesburg economy grew 5.29 per cent on average. The South African economy grew 3.29 per cent per annum on average (City of Johannesburg, 2006).
9. Cape Argus (October, 2008). Films such as 'Lord of War' (2005), 'Blood Diamonds' (2006), '10 000 BC' (2008) and a host of so-called 'Bollywood' movies were shot in Cape Town.
10. Cape Argus (October 2008).

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