Competing forms of media capture in developing democracies

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Media capture has been historically manifest in four forms—plutocratic, state, corporate and intersecting—but the intersecting form of media capture is likely to be dominant in countries where independent media institutions are still consolidating in the context of the shift to digital forms of communication. Powerful plutocrats affiliated with political elites often seek to capture print and broadcast media to limit the scope for political debate. While new communication technologies and outlets can provide a check against this plutocratic capture, new platforms in the developing world may—as in the developed world—also be captured through advertising and corporate pressure. Because “traditional” and “new” media technologies have emerged simultaneously in many
developing democracies, these forms of capture do not replace one another, but combine and compete. This chapter relies on examples across the developing world and a case study on South African media to explore the challenges and implications of four interacting forms of media capture.

**Introduction**

Scholars, journalists, and activists agree that the media can play a role in the process of democratization, but what role is unclear (Jebril et al. 2013). Some argue that the media mobilize resources and people into movements for democratic change and political transition. For example, during the Cold War, pro-democracy activists in communist Eastern Europe used clandestine magazines to circulate their ideas and coordinate with one another (Voltmer 2013; Loveless 2010). Others emphasize the media’s role in holding elected leaders accountable (Randall 1993; Schudson 1995): a notable instance was the US media’s exposure of the Watergate scandal, leading to the resignation of President Richard Nixon. With the rise of the Internet, many scholars believe that countries will experience further democratization (Beers 2006; Shirky 2008; Rosen 1995; Gimmler 2001; Boeder 2005; Riess 2015), often citing the example of the Arab Spring protests, whose organizers relied heavily on mobile and social media (Breuer et al. 2015; Anderson 2011; Papic and Noonan 2011). Others argue that new media platforms simply create new forms of capture, with powerful technology companies controlling distribution (Bell 2016).

The media’s role in democratization is deeply affected by media capture. Understanding the impact requires that we examine two features of the media system: ownership and financing. First, dispersed media ownership increases the diversity of voices and reduces the risk of system-wide media capture. This, in turn, can lead to greater press freedom, more informed voters, and healthier democracy (Voltmer 2013; Salovaara; and Juzeffovic 2012). However, dispersed ownership is most likely in countries that already are democratic, and some scholars believe greater access to media—through increased demand and the spread of new technologies—might even be counterproductive in autocratic states as its spread is often captured by the state and its supporters (Petrova 2005). Second, advertising revenue (or other forms of non-government funding) can make it easier for citizens to start news organizations, freeing the media from state control (Prat and Strömberg 2013). Of course, these news outlets can equally fall under the influence of corporate advertisers or other funders, another type of capture (Gambaro and Puglisi 2009).

Media capture is a global phenomenon, but in developing democracies, these different forms of capture combine in a unique way. In many rich countries, independent print and broadcast media were well established before the rise of digital
technology, and these countries still benefit from laws, rules, regulations, and societal norms that define the role of independent media as a key component of country governance practices. Even in the highly developed countries, questions about how to manage or regulate media monopolies and govern the digital transition have proven controversial and difficult.

But in countries where independent print and broadcast media are still consolidating their position, and where societal norms and practices are less well entrenched, the challenge is even greater. Traditional media coexist and combine with digital and mobile media, creating an evolving system that is both less well defined and largely absent in most legal and regulatory frameworks. This evolving media system in the developing world creates even more opportunities for capture than in developed countries.

Widespread mobile phone usage has brought broadcast media, including radio, and social media platforms like Twitter to areas that lack both broadcast and broadband infrastructure (Csíkszentmihályi and Mukundane 2016). In India and South Africa, where regulatory changes to expand access to television were introduced in the 1990s, growth in this “old” medium has occurred simultaneously with the rise of “new” digital media. On top of this, the expansion of both digital and traditional media has taken place during a post-Cold War period of rapid democratization in many developing countries. Scholars call this the “third wave.”

This chapter considers the forms of media capture in these developing democracies. I argue that both old and new media platforms run the risk of capture. Powerful plutocrats affiliated with political elites are seeking to capture print and broadcast media to limit the scope for political debate. While new communication technologies and outlets may provide a check against this plutocratic capture, new platforms in the developing world are also captured—as in the developed world—by advertising and corporate pressure. Because traditional and new media technologies have emerged simultaneously in many developing democracies, these forms of capture do not replace one another, but combine and compete.

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**Media capture by the state**

The first, and most historically dominant, form of media capture is capture by the state. In 2003, 71 percent of countries in Africa had state monopoly control of their television networks. Sixty-one percent of newspapers and 84 percent of television networks in the region were controlled by state agencies. State ownership of media also was pronounced in the Middle East, with 50 percent of newspapers in government hands (Djankov et al. 2003). In 2015, the African Media Development Initiative similarly found high levels of state ownership across the continent, particularly in broadcast media (African Media Development Initiative 2015). While publicly funded media outlets in highly developed democracies often produce
high quality journalism, state ownership and control mechanisms, particularly in countries with weak supporting institutions, tend to produce a wide variety of undesirable consequences, including not only biased journalism, but lower economic, political and social outcomes (Djankov et al. 2002).
Media capture by developing country state elites is rooted in the legacy of colonialism. Under colonial rule in the nineteenth and early twentieth centuries, newspapers flourished, but catered primarily to an audience of colonial elites and often as a branch of the colonial state. Independence and liberation movements in the twentieth century created their own newspapers, newsletters, and radio stations, which similarly reflected the political agenda of liberation. In apartheid-era South Africa, for example, the South African Broadcasting Corporation promoted the government’s segregationist policies, while the liberation movement African National Congress relied on radical newspapers like The Sowetan and underground radio stations like Radio Freedom to get its message out (Kruger 2004). Post-colonial governments—often led by former independence activists—have maintained or even expanded colonial-era laws that treated the press as an arm of the state (Mitullah et al. 2014).

Even where media are not state-owned, however, they can be subject to substantial capture by the state. Tanzania, for example, has recently made it illegal for journalists to obtain or publish statistical findings that do not originate from government agencies, creating space for government to “capture” journalists through exclusive control over data.

Plutocratic capture

In the 1980s and 1990s, many developing countries sought and received aid from international financial institutions, such as the International Monetary Fund and the World Bank. These organizations demanded policy changes from governments who received their funding. In the first wave of programs—called “structural adjustment”—recipient countries had to privatize and deregulate industry. In the second wave, which placed more focus on so-called “good governance,” borrowing countries were asked to democratize by cracking down on corruption and expanding the role of civil society groups.

In theory, the media industry was to benefit from both sets of reforms, with liberalization, deregulation, and the expansion of civil society contributing to a more diverse, democratic press. Indeed, during the democratization boom, many countries introduced media policy reforms. In Kenya, for example, two waves of media liberalization, in 1997 and 2006, were linked to two waves of democratization: in 1992, when opposition parties were legalized; and 2002, when strongman president Daniel Arap Moi was booted from office (Ibid.). Tanzania similarly transitioned to private ownership of media after multi-party politics were introduced in the 1990s (Jones and Mhando 2015).

Yet across the developing world, and contrary to what international financial institutions expected, privatization did not lead to greater diversity in media ownership, but to the concentration of media ownership among wealthy individuals and families through media conglomerates with ties to these elites. In Tanzania, four
large conglomerates control the bulk of print and broadcast platforms; the major shareholders of these companies are, in turn, the wealthiest Tanzanians (Ibid.).

In India, this trend has been most explicit in the recent acquisition of the media group Network 18 by Reliance, the country’s second-largest business and a family-owned conglomerate controlled by the country’s wealthiest family, the Ambanis, who are also prominent political donors. In Latin America, where private ownership dominates the media sector, civil society groups have identified concentration as a top cause of concern for democracy in the region (Podesta 2016). The rise of digital media has raised the hope of a challenge to this form of capture, but, in fact, media conglomerates in Latin America—like Brazil’s Organizações Globo—have been able to extend their monopolies into the digital television and video realm (Sinclair 2014). The University of British Columbia scholar Wisdom Tettey concludes that although developing countries have successfully liberalized and now have “private” media, it does not follow that these media are independent from capture (Tettey 2001).

This pattern has important consequences for democracy because international financial institutions saw the liberalization of industry (including media) as crucial to democratization. In Cameroon, where these international programs began in the 1980s, plutocratic capture of the media has increased. Wealthy individuals both within and outside the state use the practice of “gombo,” or financial and access incentives, to keep coverage on their side. This creates a patronage system where journalists can access greater economic privileges than the public they ought to serve. This social and economic gap between individual journalists and the wider public makes the media seem “out of touch” with people’s needs and interests. That reduces public trust in the media, undermining any potential media contribution to democratization (Ndangam 2009).

The Cameroonian case highlights the problems and pitfalls of equating privatization and increasing media access with democratization. Plutocratic capture occurs when media reformers focus on the goals of privatization and increasing the quantity of media available to consumers at the expense of other metrics of a strong free press. In this way, donor-funded democratization has replaced state ownership of media—an explicit form of capture—with more indirect forms of capture by politically connected plutocrats.

Corporate capture

In many “third wave” countries, economic liberalization also created a new class of corporate elites, who can impose a third form of capture on journalism.

In India, media liberalization has placed power in the hands of corporations who fund print and television news through advertising (Rao 2010). Where in the West the rise of advertising revenue in the nineteenth century freed news organizations from state capture, today’s advertising market does not provide financial security, but instead leaves news organizations competing with one another for
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small margins. That’s because with expanding print and broadcast media and the rise of online platforms, advertisers have many choices of where to place their messages, as well as more power to drive down the price or demand favorable coverage. Broadcast advertising space in India is now growing at a rate of 35 percent a year, reflecting a dramatic growth in the number of media outlets operating and the amount of time per hour devoted to advertising (Painter 2013).

Economic growth in the developing world also has been concentrated in urban areas, making it difficult for rural news organizations to find advertisers. In both South Africa and Botswana, for example, advertising for rural media or media catering to poor communities is so hard to come by that communities still depend primarily on captured state-owned media (Sechele 2015; Milne and Taylor 2015). In Zambia, the gap has instead been filled by nonprofit corporations—churches and other religious charities who both donate to and advertise in media in target areas (Banda 2015, 36). Where these donors and advertisers are the only ad buyers in a market, they have great leverage to shape media content.

Intersecting capture

India is a particularly fascinating case. Growth in online and mobile media has been among the fastest in the world, and yet plutocratic and corporate capture remain powerful forces. This suggests that new platforms and liberalization will not reduce media capture. Indeed, they may not even replace capture by the state:

Advertisers in India have many new outlets to choose from each year. Here, a wide array of magazines in a newsstand in Kochi. Photo Credit: Liji Jiniraj (Flickr)
instead, different forms of capture can combine. For example, in Argentina, advertising capture does not merely benefit corporations, but can benefit the state when state agencies act as prominent advertisers (Di Tella and Franceschelli 2011).

Case study: South Africa

In South Africa, the apartheid system placed the media under an extreme form of capture by the state, with a state-owned broadcaster, the South African Broadcasting Corporation, operating as a propaganda arm of the state, while publications allied to the liberation struggle were heavily suppressed (Kruger 2004). During this period, independent media relied upon international support from donor agencies interested in using the media to support the anti-apartheid movement (Lloyd 2013, 13).

Since the democratic transition in 1994, this international support has declined (Ibid., 6), while tight state control of SABC by the new ANC government has remained. Privately funded independent media are available in English and Afrikaans, but more than 90 percent of South Africans still rely on SABC, whose radio and TV offerings cover all the country’s languages (Ibid., 10). This dependency is particularly acute in rural areas, where alternative and independent media do not reach (Milne and Taylor 2015).

Moreover, the ANC government has retained apartheid-era laws, including the National Key Points Act, that allow for restrictions on reporting on grounds of “national interest,” while introducing new anti-terrorism laws containing similar provisions, leading to criticism that SABC is an arm of the ANC much as it was an arm of the apartheid system three decades ago (Freedom House 2015). At the same time, the SABC receives less steady funding from the state than it did in the apartheid-era, and instead relies predominantly (80 percent of revenue) on advertising. The networks are thus subject to both corporate and government capture (Lloyd 2013, 14). Internet consumption also is growing in South Africa—about half the population is online—and the advertising market in the country is experiencing declines in ad rates that are similar to the declines in more developed markets. The financial squeeze makes news organizations more financially vulnerable and more prone to capture by corporate backers (Ibid.).

The ANC also benefits from plutocratic capture of media by government allies. This capture has been aided by the consolidation of the media sector in the years since the democratic transition, as smaller outlets dependent on international support have folded or merged with larger companies to stay afloat (Ibid., 6). Four companies dominate the legacy print media; the largest, Independent News and Media, was acquired in 2013 by Sekunjalo Investments, an ANC affiliate, prompting a staff walkout (Freedom House 2015).
Finally, the Gupta family—close personal and political allies of President Jacob Zuma and proprietors of a large business empire—has introduced a new national daily newspaper and a 24-hour TV station, both taking a pro-ANC editorial line. The controversy surrounding the Gupta case illustrates how state, corporate, and plutocratic capture can intersect. Critics of the Guptas say they have captured the South African state, and place the scandal within a wider pattern of the ANC’s post-apartheid rapprochement with business. Defenders of the Guptas, however, say rival media outlets (which are advertising-financed and mainly run by white proprietors) are “captured” by the Guptas’ white business rivals (Black Opinion 2016; Grootes 2016). Both sets of critics use the idea of “capture” to make their case.

These intersecting forms of capture have strong links to South Africa’s democratic transition, in that the collapse of external funding for independent media reflected donors’ belief that the 1994 handover of power and a constitution guaranteeing formal freedom of the press were sufficient to guarantee substantive journalistic integrity (Kihato 2001). As a consequence, South African media are now dominated by publicly controlled but advertiser-supported SABC and a tightly consolidated print sector owned by companies and individuals with close ties to the ruling party. Neither is fully capable of challenging the power of the ANC government. Most crucially, in South Africa, where democratization is closely tied to the goal of racial equality and the racial “transformation” of the economy, the only independent media company with substantial black ownership is Independent Media, Ltd., owned by an ANC-affiliated investment firm, while the majority of black news consumers rely, for language reasons, on the state-owned SABC (Muirhead 2016). In that sense, the effects of capture are worst for those news consumers—black South Africans—who the democratic transition was most intended to benefit. Intersecting forms of capture, then, prevent the South African media from fulfilling their democratic promise.

Interactivity and participation

Due to the unique chronology of media technology in developing countries, many media platforms combine old and new technologies. Of particular note are radio programs that interact with their listeners over mobile phone networks. These programs encourage listeners to shape coverage via text message, using services like Frontline SMS and FreedomFone. In Kenya and Zambia, about 20 percent of radio listeners regularly participate in such programs, and in Kenya, listenership for participatory programs is higher than for radio overall (Lopes et al. 2014). Indeed, even where access to radio handsets has declined, listenership of radio programs—through phones and the Internet—is increasing (Mitullah et al. 2014).

Interactivity and participation can contribute to a more democratic media in two ways. First, research on online interactive media shows that users of these media tend to hold more positive views about democracy over time (Anduiza et al. 2012,
In countries where universal access to the Internet remains a long-term goal, adding interactive features such as call-ins and text engagement to existing media platforms such as radio can play a similar role. Second, one of the most common criticisms of emerging democracies has been that the development of formal features such as elections and political parties has not been matched by a change in political culture. Scholars complain of “choiceless democracy,” where all parties offer the same policies, and where popular participation in politics is low because voters do not perceive that they have influence (Mkandawire 2006). Participatory media that connect voters to political leaders and national debates, and bring electoral politics into closer dialogue with popular needs, may help to bridge this gap.

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