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Naspers Media Group: Ethnic Past and Global Present. Media Firms, Class and Ethnic Identities during the Age of Convergence and Expansion
The Case of Naspers in the First Decade of the 21st Century

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Abstract

This work analyses the reasons why the South African media giant Naspers Limited scaled down its businesses in the early 2000s at a time when the political economy of communication and media economics pointed towards expansions and mergers as the business strategy of the future. Its acquisition of a controlling shareholding of OpenTV in March 1999, and the subsequent disposing of the same interests in May 2002, can be perceived as signalling the need to re-visit the belief that media firms in the future can only get bigger. The case of Naspers illustrated how in the global media economy, class and ethnicity become more complex as market interests grow from local to global. Local bourgeois class and ethnic interests that took a long time to invent become increasingly threatened in the age of global markets. From its inception, initially called Nasionale Pers, Naspers was characterised by "a certain symbiosis of material and ethnic interests" (Giliomee, 2003, p. 373). It was founded to invent Afrikaner group identity. It has also since then grown to become a powerful player in the global media economy by undertaking expansion and mergers. This presents a paradox with the very opportunity to grow bigger and more global simultaneously being a threat to Naspers's cultural 'rootedness' and past.

Keywords: *Naspers, Afrikaner, nationalism, media, economics*

I. Introduction

This work explores the business strategies of the South African media giant Naspers in the first decade of post-apartheid South Africa against the backdrop of the hard-invented Afrikaner identity that it was originally established to promote. Established in 1915 as *Nasionale Pers*, in 1998 the company rebranded itself and changed its name from the very nationalistic sounding name *Nasionale Pers* to Naspers. It has been argued that the end of apartheid made the Afrikaner nationalism on which Naspers was founded become less profitable for Naspers. The argument is that to survive the increasingly competitive local and

global business environments, the group had to shift from its very specific mandate of promoting Afrikaner ethnic consciousness and being a vehicle for apartheid and a propaganda machine for the National Party (NP) (Botma, 2008).

Media goods or content differ markedly from other commodities because they are generally classified as 'cultural goods' that not only carry a commercial value but also enrich our cultural environment (Doyle, 2002). A major concern around media content in the age of globalization has been around its alleged tendency towards cultural imperialism, and that the pursuit of profits often takes place at the cost of cultural identities and brings with it a homogenized, westernized, consumer culture (Tomlinson, 1997). To fully appreciate how a media firm born of a strong ideological basis such as Naspers approached the era of expansion and mergers in the first decade of the 21st century, media economics alone is less than adequate. It is essential to place its business strategies within the political history from which the firm emerged so as to appreciate the precarious balance between identities and capitalism.

We bring together the fields of the political economy of communication and media economics by making the link between what is traditionally a concern of media economics, i.e. what stimulates media companies to take on particular business strategies; and a traditional concern of the political economy of communication, i.e. how media firms are influenced by and influence cultural capital. The political economy of communication and media economics can benefit each other by opening up discussions that connect business strategies of media firms to wider socio-economic tensions within which they emerge. Instead of discussing class only in terms of the imbalance of power between media owners and the less privileged classes as political economy of communication tends to do, or as benevolent as media economics tends to do, we need to also explore how globalisation impacts on local dominant class and ethnic relations.

Mads Vestergaard (2001) maintains that although Afrikaners historically benefited enormously from apartheid and have not experienced a tangible decline in living standards in the post-apartheid period, Afrikaner identities have been variously affected by the end of apartheid. In the new South Africa, there is a tension between building a new liberal, democratic and universal national identity and at the same time accepting difference. As regards Afrikaner identities in particular, Vestergaard (2001) argues that there remains a *tribal stigma* where they [Afrikaners] are "constantly at risk of being labelled people against transformation, reactionary, racist... and therefore a requirement that they prove their loyalty to the new South Africa more than any other group of South Africans" (Vestergaard, 2001).

Naspers appears to have shifted to a business model purely based on profits, and as a result, there is a debate as to whether this is happening at the expense of Afrikaner identities. Often profit-making compromises identity formation. It does so by placing calculable economic benefits above fleeting, hard to define ideological or cultural questions. The difficulty in balancing ideological and commercial interests is the uncertain trade-off between the two. There are no guarantees, as Naspers was to discover, that becoming more global and moving away from local concerns of identity necessarily ensures profits. There is always a real chance of losing both. This is especially disturbing for a group whose corporate identity emerged from a cultural identity.

II. Post Apartheid South Africa, Profits and Afrikaner Identities: Class and Ethnicity in the Local and Global Context

As its acquisition and subsequent resale of OpenTV will be used to illustrate, Naspers has had to change direction quickly and often in the battle to sustain a balance between profits and empire building on a world scale and its local Afrikaner identity. Becoming more global appears to have been done at the expense of local ethnic-inclined class concerns. In fact, the Chairman of Naspers, Ton Vonsloo, was himself quoted in 2002 lamenting what he perceived

to be numerous examples of Afrikaner marginalization in post-apartheid South Africa, "It is not to spread panic when one says that the Afrikaner people are in a crisis with the red lights flashing along its survival path."

Naspers has in the immediate post-apartheid period grown into a media magnate, and the question is whether it is still connected to its very locally defined beginnings. It has embraced profit-making, thus jeopardising the geographically bound needs of the *volk*. Is the case of Naspers in post-apartheid South Africa a classic example of the negative impact of profits on cultural identities? Has Naspers altogether discarded its ideological origins in Afrikaner bourgeois identity for profits and become a successful player in the global media economy?

An aspect of class that both media economics and the political economy of communication continue to give prominence to is the negative impact of commercial media on the underprivileged citizen. From the start, Naspers became an embodiment of invented unity among the Afrikaner capitalist classes as against 'foreigners' of British orientation in particular, but others as well. At the same time, it emerged as a site of local class domination and oppression. This emerging Afrikaner ethnicity, by its bourgeois class base, also became a source of disunity between rich and poor Afrikaners. The poorer white communities saw the early Afrikaner nationalists as "selfish, self-righteous blood suckers...who make grand speeches, oppress the poor in private and enrich themselves from the impoverished" (Giliomee, 1989).

The political economy of communication often offers very little in terms of how specific local class interests survive global class interests. Although there is a huge body of literature about the close ties between class interests and media content (Murdock, 1982; Mosco, 1996; Mosco, 1988; McChesney, 1998), its preoccupation with an alternative and more democratic media than that provided by the market (McChesney, 1998) has tended to preclude possibilities of discussing the changing nature of class interests in the age of expansion and

mergers. Owners and controllers of the media from all over the world are often lumped together against non-owners or controllers without much attention to context in spite of the acknowledged growing displacement of the local by the global in the age of late capitalism.

Globalisation presents a new set of class relations that cannot simply be understood in dialectical terms of the dominant classes against oppressed classes. There are class interests within class interests. The relationships within these 'intra-classes' are not always in sync, yet not always oppositional. Within all capitalist classes is the quest to increase profits. However, what is the right direction to take to actualise these profits is often never agreed upon. The transaction when Naspers disposed of its interest in OpenTV Corporation to Liberty Media Corporation in May 8, 2002 (Securities and Exchange Commission, 2003) illustrates that media firms have to be quick to adjust their business strategies to straddle between profits, empire building, and cultural identity. Media economics points to advances in technology, especially digitisation, as the determining factor behind the boom in expansion and mergers in the media industry. As Vincent Mosco (1988) shows, a more useful approach is that of seeing technology as opening up potentialities for those who have power to advance or shape the use of technology.

Another short-sightedness on the part of the political economy of communication is to locate non-consumerist relationships between the media and citizens only within the discourse of democracy. The underlying assumption is that because the interests of the market are often opposed to those of democracy, only within the discourse of democracy can the media be the platform for the 'public good.' That citizens may express themselves outside both the discourse of the market and that of 'democracy' is often not conceived. I argue that the mandate of raising Afrikaner ethnic consciousness that stimulated the establishment of Naspers placed the media firm beyond the limits of both discourses.

As a commercial enterprise that was nevertheless founded on celebrating the separateness of Afrikaners from other 'ethnic' identities, it addressed its audience first as 'citizens,' and only next as consumers. This does not make the original Naspers a necessarily democratising media institution. Separatist ideologies are difficult to place within the discourse of democracy, as was the case with apartheid. However, in so far as it venerated Afrikaner ethnicity, a people's effort to establish common belonging and destiny, Naspers fell outside the tight confines of the consumerism that commercial media firms are usually associated with. The fate of Afrikaner identities as Naspers and other traditionally Afrikaner owned and controlled businesses respond to the dictates of late capitalism and is part of the larger debate about the fate of cultural identities elsewhere.

III. The New South Africa and a 'Threatened' Afrikaner Identity

The new multi-racial and multi-cultural South African democracy opened up more business opportunities in new cultural markets. Naspers grew to become South Africa's leading media group in post-apartheid South Africa. By officially discarding Afrikaner nationalism, "*Naspers* and its publications still profit greatly from Afrikaans, [but] the company now takes part in promoting and profiting from a non-racial, inclusive democratic state in which Afrikaans is a minority language" (Botma, 2008, p.60). This was also necessary due to stiff competition between market players locally and globally (Wasserman, 2005).

Naspers appears not to have completely discarded its Afrikaner roots, though there is a strong sentiment that they have (Giliomee, 2005). Although Naspers remains focused on increasing its market share, its support for Afrikaans identities also remains strong. The company's website is only in English and Afrikaans, to the exclusion of other South African languages, even though it sells content in these other languages. Naspers continued to enjoy a monopoly of Afrikaans newspapers including *Beeld*, *Volksblad*, *Rapport*, *Die Burger* and the

tabloid *Son*. The company also sponsored most of the Afrikaans cultural festivals that have mushroomed since the 1990s (Giliomee, 2005). According to Botma (2011), the monopoly of Naspers in Afrikaans newspapers is not necessarily a bad thing, and may actually provide the best survival chance for Afrikaans journalism in a hostile 21st century environment and post-1994 when the language lost a large measure of its political protection (Botma, 2011).

The emergence of Afrikaner ethnic consciousness was a complex process. Not only was it slow to emerge as a force strong enough to incite collective political action, it was also a site of class conflicts. It can be traced to the latter half of the nineteenth century (Giliomee, 1989). As is often the case with the mobilisation of ethnic consciousness, Afrikaner consciousness was, in its inception, inseparable from dominant Afrikaner class interests. The invention of the 'ethnic' group tended to be employed by ambitious and upwardly-aspiring groups, papering over class divisions within their ethnic group to secure their own narrow interests (Vail, 1989). "Before the day was won, class interests had to be redefined as ethnic interests and the invention and popularisation of an Afrikaner national culture had to proceed much further" (Giliomee, 1989, p. 49).

From its inception in 1915, then known as *Nasionale Pers*, Naspers was characterised by "a certain symbiosis of material and ethnic interests" (Giliomee, 2003, p. 373). It was established by Afrikaner financial and political elites to make the Dutch language (later to be known as Afrikaans) a language of successful business and to protect the slowly evolving Afrikaner consciousness from a perceived dependency and control by 'foreigners' (Giliomee, 1989, 2003). The Dutch-Afrikaner language, it was held at the turn of the twentieth century by leading Afrikaner figures such as Daniel Francois Malan, needed to be promoted to become "the vehicle for our culture, our history, our national ideals" (Giliomee, 1989, p. 43). Through the establishment of *Nasionale Pers*, among others, the Afrikaner financial elites sought to invent, authenticate and valorise their ethnic identity by giving it commodity value.

In this way, Afrikaner language would become a language of literature, education, commerce, law and in the age of new information technologies the language of cyberspace. Capital accumulation became a vehicle for reproduction of identity. Financial assets became mobilised along ethnic lines.

The most important source of discontent and the feeling of alienation among these emerging Afrikaner merchant classes came from their credit dependence on the British Standard Bank. With the bank remitting large dividends back to Britain, while at the same time creating extensive indebtedness among Afrikaners, it created a feeling of shared fate among them, feeding into ethnic sentiments of anti-imperialism. A local bank owned by Afrikaners, the Stellenbosch District Bank, cashed in on this situation by giving more competitive advances and mortgages to Afrikaner large and small farmers, professionals, and institutions (Giliomee, 1989). The sense of economic imperialism was coupled by a fear of cultural imperialism. English had been declared the official language of the civil service, law and commerce in 1865. In order to secure its ethnic clientele base, the leadership of Stellenbosch District Bank and their close associates initiated and supported efforts to make Afrikaans a respectable spoken and written language. *Nationale Pers* was established to counteract perceived 'English cultural imperialism.' Their first daily newspaper *Die Burger* was established in 1915 with national Party leader Daniel Francois Malan as its editor. It was one of the vehicles for the promotion of Afrikaner cultural consciousness (Eckardt, 2005).

IV. The Digital Revolution and Naspers' Golden Age of Expansions and Mergers

Digitisation has revolutionised the media economy. Print and electronic media formats that used to be separate in terms of production and distribution can now be stored and accessed in other formats. This is known as convergence (Tomaselli & Dunn, 2001). Technological factors and reduced regulatory constraints ushered in the era of the triumph of the New Right de-regulation and the boom of the new media conglomerate (Doyle, 2000a).

The 1990s were in many ways the golden days for mergers and acquisitions, especially in the media industry. A company like Disney could produce a film, make profits at the box office, create spin-off television series, and produce related amusement park rides, CD-ROMs, books, comics and merchandise to be sold at its retail stores (McChesney, 1998). The same content could be re-purposed across multiple delivery systems at minimal cost. Following the biggest ever merger of AOL Time Warner, there was a general euphoria. Getting bigger and putting a finger on a wider range of media platforms was the future. A digital revolution had been declared and within a few months, AOL grew from number 128, according to *Fortune* 1999 (Peltier, 2004), to a juggernaut reported to be about the fifth on the market-value list, ahead of such heavyweights as IBM and Citigroup (CNN Money, 2000).

In South Africa, the end of apartheid brought with it calls to diversify media ownership, and change legislation to renew focus on freedom of expression and freedom of the press (Steyn, 2009). South Africa took a lead in the region in terms of this worldwide impetus towards de-regulation of state-owned enterprises and increased freedom of movement of transnational companies. The Independent Communications Authority of South Africa (ICASA), the regulator of telecommunications and the broadcasting sectors, was established in July 2000 as a culmination of preceding efforts towards this end. The main role of ICASA was to facilitate effective and seamless regulation of telecommunications and broadcasting and to accommodate the convergence of technologies.

The late 1980s and the 1990s were the Naspers' golden decade for expansions and new acquisitions. It was during this euphoric period that Naspers also engaged in a number of acquisitions and mergers both in South Africa and abroad. Like other media companies in the United States, Europe and elsewhere, Naspers has transformed itself into a conglomerate offering multiple delivery platforms in the increasingly transnational and competitive

communications marketplace. It is taking full advantage of the opportunities presented by the digital revolution, and it has acquired assets across the spectrum from content to delivery.

The year 1987 may be considered the year that marked Nasionale Pers' ideological shift from right-wing Afrikaner nationalism to a neo-liberal agenda. The expansionist period of Naspers, a name the group officially adopted in 1998 can to a large extent be credited to former Naspers CEO Koos Bekker, Cobus Stofberg, then the chief executive officer (CEO) and a director of MIH, and Jan Steenkamp, then CEO of MIHL's technology division and Chairman of OpenTV. As Naspers, as the name change suggests, *Nasionale Pers* for some time was tempted to move away from its 'ethnic' identity, to re-invent itself more as a 'global' firm of the late twentieth century.

Naspers took advantage of the advent of electronic media and expanded its activities from publishing to incorporate pay-television and later internet platforms through shares in M-Net and MIH Holding. In 1987, the company launched the successful English-language family magazine *You*. That same year, it rebranded its *Nasionale Boekhandel* stores as *Van Schaik*. In 1988, they acquired two correspondence course providers, Lyceum and Success.

Jonathan Ball Publishers, an English-language publishing house, was acquired in 1991. They also acquired the South African branch of HarperCollins in 1994. By 1995 they were ready to expand beyond the African market and acquired shares in pay-television services in Greece and Cyprus. Launching M-Web in 1997 made Naspers a powerhouse in the internet market. That same year they bought a 50 percent stake in Touchline Media in 1996 and also gained about one-third of a Thai pay-television broadcaster United Broadcasting Corporation (UBC) in 1997. More acquisitions followed, and they also joined the '.com' fray by launching Media24 brand which included the online bookseller Kalahari .net. They also continued to acquire shares on their traditional publishing side, including a 50 percent stake

in the religious publisher Lux Verbi in 1999 (Reference for Business Company History Index, 2014).

In 2000, Naspers was reconstructed into a holding company with five subsidiaries: *MIH Holdings*, *M-Web*, *Media24*, *Nasboek* and *Educor*. *Media24* printing operations were re-grouped into *Paarl Media*. Their Sunday newspapers *City Press* and *Rapport* amalgamated into *RCP Media*. Naspers acquired a fifty percent interest in *The Natal Witness*. Their *Nasboek* founded a distribution company, *On the Dot*, offering e-commerce services. In China, they introduced sports and financial portals, and in Indonesia they introduced *M-Web*. That same year, OpenTV was amalgamated with *SpyGlassInc*. The year 2001 saw the acquisition of 46.5 percent in *QQ*, a fast-message service in China. *Nasboek's* general book publishers amalgamated under *NB Uitgewers*, and the *Sunday Sun* was founded (Naspers, 2011)

The mantra during what Cobus Stofberg, then the CEO and a director of MIHL, calls 'the long bull run' was 'big is better!' Enlarged, diversified and vertically integrated groups were perceived as well suited to exploit technological and other market changes sweeping the media market (Doyle, 2000a). This was due to the expected fall in costs as a result of the economies of scale and scope associated with large-scale production. Economies of scale refers to the reduction of the cost of production when outputs increase, and economies of scope is the reduced costs arising from jointly producing related products (Doyle, 2000b).

V. The OpenTV Transaction

The OpenTV transaction is useful for observing how late capitalism reconciles identity and market interests, particularly for businesses like Naspers that started off as projects of cultural consciousness and resistance. In the age of global movements of capital, can firms reconcile identity and ideological interests such as Afrikaner cultural consciousness with being competitive in the global market? Globalisation has a tendency to alienate locally

defined class interests such as Afrikaner bourgeois identity, making it imperative for these threatened identities to negotiate and maintain their survival. The political economy of communication needs to utilise media economics as a resource to discern the place of class in the age of new media technologies.

In January 1998 at the height of the euphoria about expansion and mergers, Naspers also invested in OpenTV through MIH Limited, the group's television subscriber platform. OpenTV was originally founded as an alliance between Sun Microsystems and Thomson multimedia in 1994. It changed name to OpenTV Inc. in March 1998 and went public in November 1999 (Naspers, 2011). Naspers explained that it was acquiring OpenTV to utilise it to expand Naspers' service provision and make it a leader in the provision of interactive television solutions for digital communications networks. At that time, Stoffberg was convinced that the future lay in interactive-television services such as banking, internet access, home shopping, interactive games and so on. There were then a million SA internet users, including 230 000 daily diallers and the figure was expected to treble over the coming three years. In April 1999, Naspers increased its shareholding in Open TV to 80 percent (OPENTV, 1999). At that time, it was confident in the company's direction. The group bought out the American group Thomson Multimedia's 44 percent stake in OpenTV.

By 2000, there was a growing pessimism among media firms and analysts (Financial Mail, 2002) about the economic benefits of expansion mergers (Peltier, 2004). From a media economic point of view, the problem is the slow pace that it takes for synergies and cross-pollinations to occur within an expanded entity. The reasons for these phenomenal failures remain largely unexplored. There are some suggestions, ranging from a lack of strategic direction, and a lack of creative leadership, to lack of adequate clarity as to what synergies are expected from the newly merged body. Henry Ferreira, then manager of one of the newest mergers in media and communications in South Africa, Hewlett Packard and Compaq,

insisted that it was the speed of the integration that makes it or breaks it. He warned at the time that the biggest mistake that companies made was to worry too much about the capacity of their workforce before first defining the job they aimed to do and understanding their own competencies (Financial Mail, 2002).

It appears that Naspers was also becoming increasingly sceptical of its newly expanded image. The year 2002 was to become the year of shedding rather than the acquisition of more media interests. Within a short two years, MIHL was rescinding its decision to acquire OpenTV and dispose of its interests in OpenTV for a gross consideration of approximately US\$185 million (MIL Holdings Limited, 2002). Cobus Stofberg, MIH group's Chief Executive Officer, explained that this was to focus the Group on its core businesses and simplify its structure. They sold their interest in OpenTV which they had acquired in 1999, an important landmark in this new direction. It marked a shift in Naspers's business strategy from what they have called a growth-orientated approach to a focus on their core business and the unlocking of profits. As Stofberg said:

It became evident that a dramatic change was under way in the market; we had to adapt fast. We closed down projects which would have taken too long to break even, sold some and slashed costs wherever we could ...the carnage [was] evident all around us in failed companies, evaporated market values and terminated careers. During the remarkably long bull-run from 1981 to 2000 the media-telecom-technology industries soared more than most; now the shake-out in our neck of the woods is proportionally much more severe. Just ask AOL, Vivendi, Kirch, Cisco or any Telco in the world...The shake-out was a tough and bloody process - several good ideas were killed; belts were tightened and employment in the Group was reduced from over 14 000 to just below 12 000 now. (OpenTV, 2002)

Naspers announced its intention to sell Open TV to Liberty Media Corporation in May 2002. The deal was announced complete on August 2002, making Liberty Media the controlling owner of OpenTV (Naspers, 2002). In the words of the chairperson of the Naspers subsidiary, MIHL, Ton Vonsloo, it was found necessary for both the subsidiary and Naspers to take back the focus to its core subscriber platform business and hence unlock shareholder value. Naspers sold off its interest in OpenTV for a gross consideration of US\$ 185 million. According to Koos Bekker, former CEO of Naspers, the company is now in a far better position than most other media companies in the world. The OpenTV saga was more complicated than simply a bad choice of acquisition that was later disposed of. The subtext was of legal suits and reshuffling of staff. On November 22, 2001, David Zietsman, Gameplan International SA (Proprietary) Limited and Richard Clark sued MIH along with other parties for alleged breaches of confidentiality agreements (Naspers Ltd., 2006).

VI. Naspers at Crossroads: Between the Market and Afrikaner Consciousness

The importance of separating ownership or allocative control and operational control of the media has long been emphasised (Murdock, 1982; Doyle, 2000b). Personal interests of operational controllers or managers can and often do diverge from those of shareholders. For operational controllers, the main focus is often on raising their managerial utility, thus bringing higher salaries, power, status, and job security (Doyle, 2000b).

The purchase of OpenTV appeared to have been more in the interest of the operational controllers of Naspers than those of the shareholders in the first place. In a rapidly changing media environment, it would be difficult for shareholders to assess whether a specific expansion would unlock shareholder value or not. The operational controllers would be better placed to make such a decision. In the case of OpenTV, although the acquisition made a lot of economic sense, the close historical relations between the management of both Naspers

and OpenTV suggests that personal relationships were more central to the decision to make that particular expansion than economic ones.

Jan Steenkamp, former chairman of OpenTV, had been with it from its inception even before it changed its name to OpenTV, when it was an alliance between Sun Microsystems and Thomson multimedia. After the name change, he became its chief executive officer (CEO) until April 2001 when James Ackerman took over. The same Steenkamp has been with Naspers since 1985. He was then appointed a non-executive chairman of OpenTV in April 2001, taking over the chairmanship from Cobus Stofberg, the CEO and director of MIHL since 1998. As chairman of OpenTV, while controlled by Naspers, Steenkamp reported to Stofberg. Stofberg himself has also been with Naspers since 1985.

While the post 1994 de-regulation policies in South Africa have worked tremendously in favour of Naspers as an emerging global media player, the same cannot be said about Afrikaner ethnic identity. Naspers has thrived in the de-regulated environment as a powerful media firm, while in some sectors of the Afrikaners, the same period has witnessed growing discontentment with the African National Congress (ANC) led government. On the other hand, the language of all Naspers' business transactions, as contained in their annual reports, circulars and on-line information, carries no implication of any ethnic identity. Their expansion, mergers and downsizing of assets are expressed in the language of market shares, profits, break-evens and losses. Other than the fact that all its media content has an Afrikaans version, it is difficult to discern Naspers' current position regarding its original mandate of developing an Afrikaner consciousness.

The turn of the 20th century was a time when South Africa was witnessing a resurgence of Afrikaner identity politics. In October 2002, ten bomb blasts were executed in Gauteng and Mpumalanga by the *Boeremag*, the military section of an Afrikaner right-wing movement. It was alleged that the attacks were part of a bigger plan by the right-wing Afrikaners to stage a

coup against the ANC led government (Helen Suzman Foundation, 2013). The group of 63, an Afrikaans advocacy movement, with leading Afrikaner identity scholars such as Hermann Giliomee associated with it later, wrote to President Thabo Mbeki explaining that the attacks were a result of discontent among the Afrikaner community against the elimination of Afrikaans in the courts and civil service, and the targeting of historically Afrikaans schools by the government's 'policy of Anglicisation' (Helen Suzman Foundation, 2013). Affirmative action was also listed as having negative consequences for Afrikaners. The group, however, distanced itself from the acts of terror staged by the *Boeremag* but warned that unless the plight of Afrikaans was taken seriously by the ANC government, the violence could escalate.

The sentiments bear a strong resemblance to those that prevailed leading to the establishment of Naspers in 1915. At a time like this, does Naspers keep its focus only on the stock exchange market and ignore its 'roots'? Commoditization of the media is often associated with the media's diminishing contribution to democratisation as the quest for an informed citizenry is replaced by the quest to produce only content that sells, such as entertainment (Mosco, 1996). In the beginning, Naspers sought to commodify Afrikaans precisely to develop a group consciousness among 'Afrikaners' who hitherto had not existed as a bounded entity. It was created for the valorisation of Afrikaans, to make a 'threatened' ethnic identity and language sellable in order to ensure its immortality.

VII. Conclusion

By the start of the second decade of the 21st century, the demise of Afrikaner nationalism was predicted to be unstoppable (Giliomee, 2003). The ethnic roots have, however, remained important. Although the business model of Naspers implied an increasing market share, its support for Afrikaans identities also remained strong. The company's website is only in English and Afrikaans, to the exclusion of other South African languages, even though it sells content in these other languages. Naspers continued to enjoy a monopoly among Afrikaans

newspapers including *Beeld*, *Volksblad*, *Rapport*, *Die Burger* and the tabloid *Son*. The company also sponsored most of the Afrikaans cultural festivals that have mushroomed since the 1990s (Giliomee, 2005).

The main reason given for Naspers' selling of OpenTV was to unlock shareholder value, as well as change from a growth-orientated approach and a focus on *core* business. For an operational controller, it could be that expansion and mergers presented an opportunity to join the ranks of Gunter Thielen of Bertelsman and Jean-Rene Fourtou of Vivendi Universal, leaders of world-class media operations. However, it appears that some conservative Afrikaner shareholders were displeased with the firm for losing touch with its 'traditional and original' responsibility. This emphasis on 'core' business may be suggestive of pressure from some conservative quarters that Naspers needs not only to focus on profits but also on some form of 'going back to roots.' Could it be a fear of 'Americanisation'? Although it was controlled by Naspers, OpenTV's other shareholders included many US media giants such as America-On-Line (AOL), Motorola, General Instrument, Liberty Digital, News Corporation and Time Warner.

The sale of OpenTV pointed to a need for research into the political economy of communications to pay attention to power relations between the allocative (shareholders) and operational (management) controls of the media. From a purely economic point of view, the acquisition of OpenTV was an expansion par excellence. OpenTV, as a world leader in interactive television, enhanced Naspers' access to revenues from this media format. It also gave Naspers better links with the consortiums backing OpenTV. It had the potential of creating synergies between Naspers' core business and its non-core business, and of diversifying the portfolio of a company to other areas. OpenTV met the criteria of economies of scale and scope. Naspers was even able to make good book profit from its sale to Liberty Media Corporation. It is, therefore, important to go beyond economic explanations. This is

where a political economy of communication becomes important in media economics. By its emphasis on power relations, it allowed for a context based political economic approach to expansion and mergers.

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