

# Making media markets work for the rural poor

## Experience of rural radio in Uganda

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There has been an information revolution taking place across much of the developing world over the past decade that has been having a significant impact on the lives of the rural poor but has gone largely unnoticed. For the first time, the large majority of rural communities have access to diverse channels of local and national news, opinion and information in their local language and are being provided with a platform through which their voices can be amplified and heard. This access has come about through the rapid and unprecedented growth of rural and vernacular language radio broadcasting over the past decade. This growth is a direct result of a wide liberalization of radio airwaves and the development of new digital technologies that has significantly reduced the cost of establishing and running radio stations.

This article explores an innovative series of activities in Uganda that have tapped into this growing liberalized radio industry to enhance access to business information and provide a voice to business communities to share, discuss and influence their business environment. These activities have had a particular relevance to rural communities that are the most marginalized from mainstream information channels and policy processes.

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*This paper is a contribution by The Springfield Centre, on behalf of the FAUNO Consortium (SKAT Foundation, Springfield Centre, Swisscontact, FACET, INBAS). FAUNO is a mandate of the Employment & Income Division of the Swiss Agency for Development and Cooperation (SDC). The case study on which this article is based can be found on the SDC website ([http://162.23.39.120/dezaweb/ressources/resource\\_en\\_155698.pdf](http://162.23.39.120/dezaweb/ressources/resource_en_155698.pdf))*

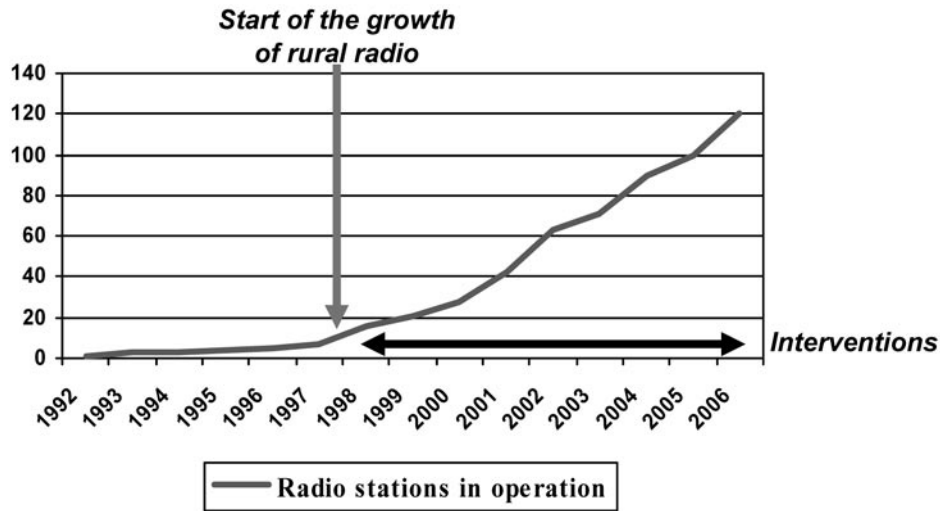
### The context: Uganda, information deficits and the evolution of FM radio

Access to information is a fundamental building block of both social and economic development. Access to diverse and accurate information enhances knowledge and understanding and leads to more effective and informed decision making. From a private sector development perspective, information is a critical, but often overlooked, factor in the start-up, success and growth of enterprises. Effective information channels can provide access to a range of information about markets and business opportunities, goods and services, business knowledge and experience. Equally importantly, information channels can provide platforms to enhance the voice of the private sector to influence policy and legislative processes and the provision of public services and thus contribute to improving the environment for doing business.

Information is therefore fundamental for good business but many businesses significantly lack access to quality and relevant information. This is particularly true for businesses in many developing countries where the most acute information deficits are among the smallest and most rural businesses. In other words, those businesses which are the specific target of many development initiatives.

The mass media, including internet, trade magazines, newspapers, broadcast programmes on TV and radio, is a critical source of information for most businesses across the world. But in the developing world, media has little relevance to most businesses and provides little useful and useable information. There is little business oriented media and what exists predominantly focuses on corporate and economic issues and seldom covers the business activities of the vast majority in micro and small enterprises (MSEs) and farming. Even with effective coverage the mass media often does not reach the majority who have little access to media.

Figure 1: The growth of the FM radio industry in Uganda



This situation was true for Uganda until recently. Mainstream media had little direct relevance to the large majority who were involved in small business and small holder farming and was not perceived to be a business resource but a source of news and entertainment. The lack of relevance of mass media was compounded by a variety of locally specific issues:

- The complexity of language. Uganda has 37 languages and one official language (English) that is not spoken by the large majority of the country’s population.
- Weak reading culture and ability. A weak culture of reading combined with the prevalence of illiteracy<sup>2</sup> and semi-literacy among the rural target group.
- Limited reach of print media. The print media, such as newspapers, are estimated to be read by only 5.5% of the Ugandan population and are not distributed outside urban and main market centres.

But a fundamental change took place in Uganda’s media landscape in the mid nineties that was to profoundly change rural communities’ access to mass media information channels. This change was built on the foundation of the liberalization of broadcast media that took place in 1993 and resulted in the launch of the first

commercial FM radio stations in Kampala, Uganda’s capital. The fundamental change was the evolution from urban and national language broadcasting to rural local broadcasting which began in 1995 with the launch of CBS (Central Broadcasting Service) the first vernacular language radio station. The success of CBS as a vernacular radio station resulted in an explosion in small local, vernacular language stations.

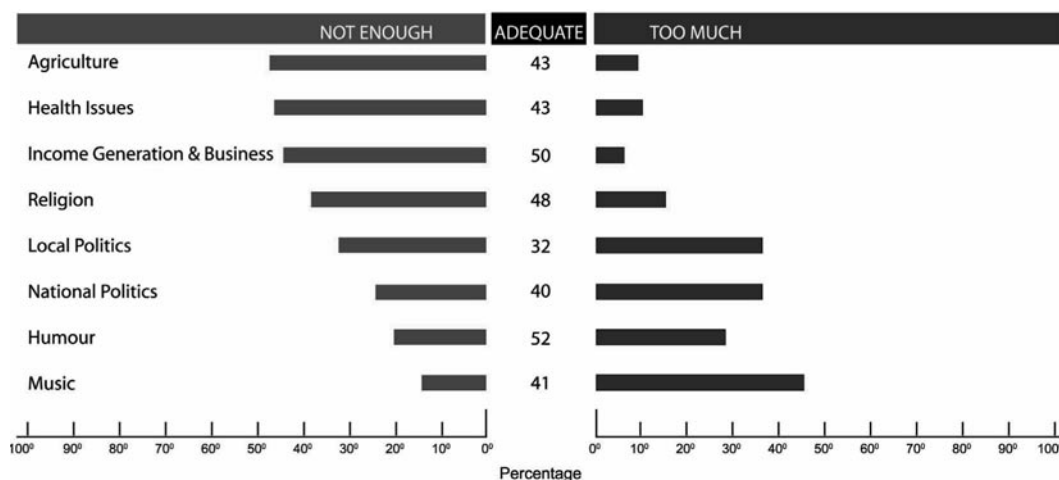
By 2006, radio broadcasting in Uganda had expanded significantly with over 120 radio stations broadcasting in over 20 languages. Almost the whole country was covered by both national and local broadcasters of which the large majority were commercial. This resulted in a significant increase in the purchase of radio set and independent surveys estimate that since liberalization of radio access has increased from around 60% to 90%. For the first time, the majority of the Ugandan rural population had direct access to a mass media channel that was delivered in a language and in a format that was accessible.

### Radio in Uganda: a channel for entertainment and chat?

While the growth of local radio appeared to offer a solution to the information needs of rural communities, there remained a fundamental problem. The rapidly evolving rural radio industry in Uganda did not automatically address the information needs of

<sup>2</sup> 33% of the Ugandan adult population is illiterate (UNDP, *Ibid.*)

Figure 2: Perception of the balance of programming on radio in Uganda (2005)



rural communities but rather focused on entertainment and chat. Urban radio formats were copied to rural vernacular radio stations and entertainment and unfocused chat dominated the rural airwaves. This was despite significant demand for informative programming from rural audiences and a balance between information and entertainment (see figure 2).

The supply of radio programming on rural radio stations did not therefore match the demand from rural audiences; the commercial radio market was not working for the information needs of rural audiences.

### The traditional response of development agencies: Buying airtime

The traditional response of development agencies to this dysfunction in the media market was to accept this situation as inevitable rather than trying to make the market work more effectively. Commercial radio was not perceived to be 'developmental' in nature and the predominance of cheap and easy to produce entertainment was seen as an inevitable result of the for-profit objectives of the emerging stations.

For decades the modus operandi of development agencies when dealing with either state or private media was to become the sponsors of content and therefore effectively buy the airtime of broadcasters and space in publications. Development agencies viewed media as pay-channels for delivering developmental messages

while the media viewed development agencies as the equivalent of advertisers with messages to deliver to an often uninterested audience. The result was a perception on both sides that developmental content was non-commercial.

The commercialization and diversification of media did not halt but escalated this trend. Development agencies now had to buy airtime on multiple broadcasters to reach the target audiences. Diversification of radio in Uganda enhanced reach for development agencies but airtime and transaction costs were multiplied. Furthermore, sustainability was an impossible goal while radio station managers perceived development agencies as advertisers and informative content as non-mainstream to their programming.

This situation was highlighted in a review of 'farm radio' (radio targeting farmers) that was presented to an FAO conference in 2001. This review concluded that:

*"By and large these have failed to meet their objectives and have experienced problems of sustainability. In Africa, MIS have tended to thrive while supported by donor projects, only to fade away when the donors leave."*

The review concluded that:

*"Farmers will continue to be poorly served with market information if progress is only made on the basis of initiatives of donors and NGOs. Indeed, in some cases these initiatives may be counterproductive when they offer the possibility for radio stations to be paid for market infor-*

tion broadcasts. Stations come to see these programmes as the equivalent of paid advertisements.”<sup>3</sup>

## A new approach: Making media markets work for the rural poor

Two years prior to this FAO conference an initiative had been started in Uganda that was to prove that the equivalent of farm radio could be sustainable and could in fact potentially increase competitiveness and profitability for commercial radio stations. In 1999, a small Ugandan enterprise development company, FIT<sup>4</sup> Uganda, initiated a pilot activity with four commercial FM radio stations to address the information constraints faced by micro and small enterprises (MSEs). This small initiative differed from prior media activities by being based on a fundamental belief that informative programming makes commercial sense for radio stations.

Rather than buying airtime, FIT Uganda persuaded commercial radio stations that programmes, focusing on business and livelihoods, were responsive to audience interest and therefore in being demand-led would attract sizeable audiences and in turn attract advertisers. FIT Uganda offered technical rather than financial support to radio stations to develop such programmes and supported the launch of the first focused radio programmes in 1999 and 2000. These programmes immediately attracted significant audiences and in turn attracted advertisers such as banks telecommunication companies and business input retailers and wholesalers.

FIT Uganda's focus moved from radio programming in 2001 and these initial activities were subsequently built on by FIT Uganda's main donor, the FIT Programme

<sup>3</sup> “Farm Radio as a Medium for Market Information Dissemination” by Andrew W. Shepherd, a paper presented at the First International Workshop on Farm Radio Broadcasting, February 2001, FAO Headquarters, Rome.

<sup>4</sup> FIT was the name of a range of small enterprise development activities supported and co-ordinated under the International Labour Organisation's (ILO) Small Enterprise Development department (SEED). “FIT Uganda” was an independent company that was spun off from these activities but maintained close contact with the ILO “FIT Programme”.

of the International Labour Organisation (ILO) which built on this work from 2001 to 2007.

The result of these initiatives over an eight year period was to transform a narrow activity focused on developing a small number of radio programmes into an initiative that was to embed business oriented programming into a media industry. These activities are now perceived as successful example of ‘making markets work for the poor’ and the experience is laying the foundations for a fundamental change in the way development organisations work with and perceive the role of the media.

## The intervention: From programmes to markets

The initiatives that comprise the Uganda experience evolved over time but can in retrospect be seen to have involved 3 distinct phases that formed a coherent intervention strategy:

**Phase 1:** building understanding and credibility of the concept of small business programming by working with industry leaders to develop and prove the popularity and profitability of small business programming.

**Phase 2:** Encouraging crowding in and replication of small business programming throughout the industry by winning over radio managers and staff and building skills in producing interesting and popular informative programming.

**Phase 3:** Improving programme quality by addressing key prevailing constraints such as access to business information and weak rural audience research.

The activities also had a number of common elements:

### *Informed by a vision of a functioning market*

The approach was based on a clear vision of a functioning radio market that would effectively cater for the information demands of rural audiences that comprise 87% of Uganda's population. In the project's vision there was no doubt that informative programming for rural audiences was commercially viable and that lack of programming was a function of addressable market failures and distortion of the market by donor and public finance.

### *Underpinned by an understanding of market constraints*

Throughout the interventions the project teams continually probed for the answers to the question of 'why rural broadcasters were not responding effectively to audience demands?'. As the projects evolved, this questioning resulted in a move from specific programme issues (skills, marketing etc) to deeper constraints that were core to mass media not working for the rural poor. These included weak rural audience research and the culture and attitudes of radio and advertising industries.



### *Acting as a facilitator and staying out of the market*

The projects endeavoured to avoid becoming a part of the market and having the radio stations becoming reliant on them. Financial support was minimized and technical support was rapidly handed over to independent trainers and consultants and halted as a subsidized offer to broadcasters. The projects avoided providing information for programmes but focused on supporting radio journalists to build networks of sources of information. As such, the projects were acting as the catalyst for the development of business oriented programming and avoiding dependence.

### *Maintaining zero public profile*

This facilitation approach resulted in the projects avoiding their name being associated to the programmes that emerged. These programmes were owned by the radio broadcasters and a public profile of the project was perceived as potentially undermining this ownership. This low profile was seen to be a significant factor to the programmes being embedded and copied within the industry.

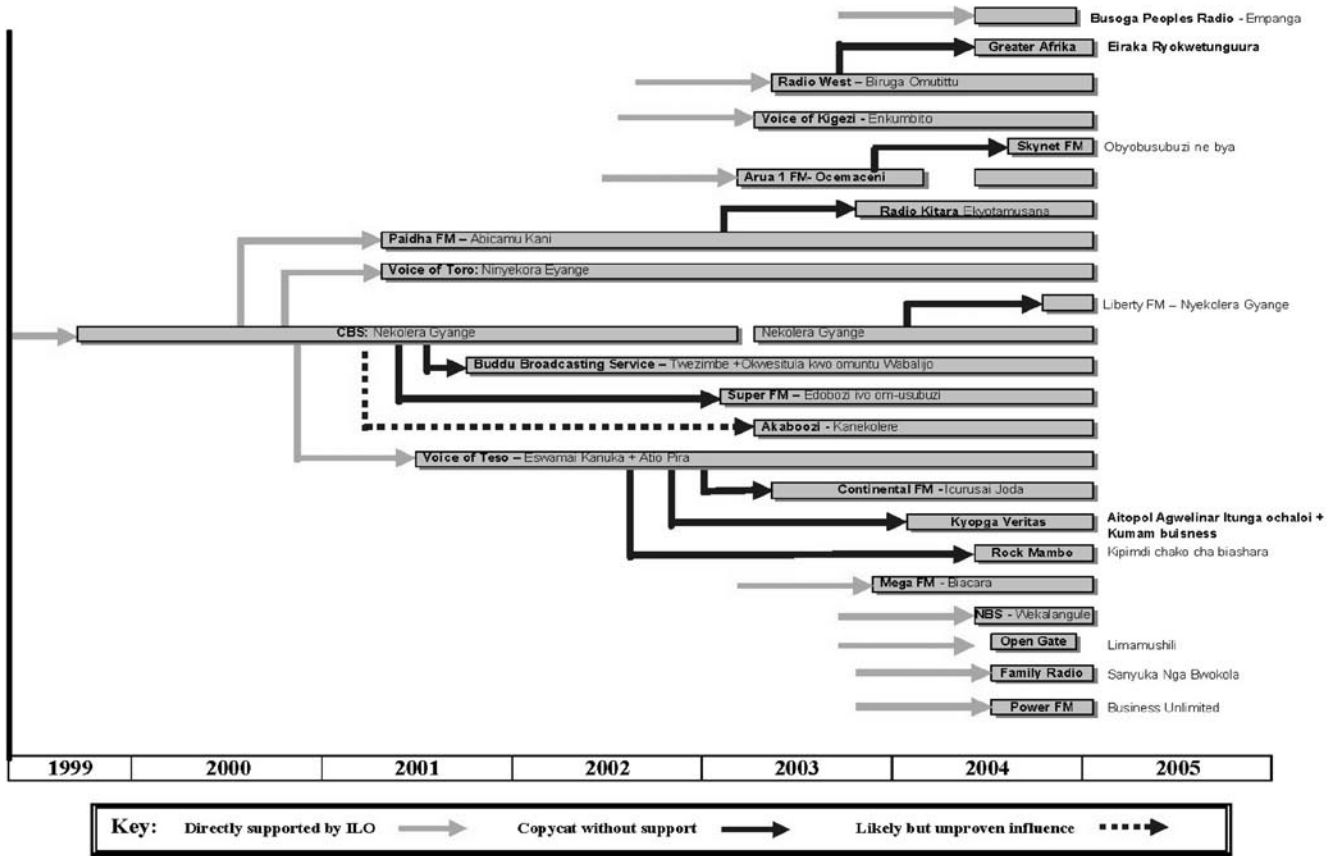
*Radio team undertaking a field interview in rural Uganda.*

## **Industry level impact: Embedding informative and interactive programming into a media industry**

This project approach resulted in a level of impact that is distinctive from the conventional approaches that purchase airtime. The two factors that make it unique are both the sustainability of individually supported radio programmes and the independent growth of similar programming. Not only are the programmes that have been supported by the FIT activities proving to be sustainable without public or donor support, but they are being copied and replicated within the industry (see figure 3). The FIT interventions therefore impacted at the wider industry level and not just at the level of the radio stations directly supported.

At the time of writing, over one third of all radio stations in Uganda (around 38 radio stations) were broadcasting small business radio programmes and in total there were around 55 regular small business programmes. The majority of these radio programmes started without direct input from the FIT Programme or other donors. Many stations in Uganda now view a small business-oriented programme as a standard and mainstream programme to be introduced alongside sports, music, humour/comedy, current affairs and news programmes.

Figure 3: The growth of small business radio programmes between 1999 and 2004



### Impact on audiences

The small business programmes that have emerged are capturing significant audience share. An audience survey undertaken by the FIT Programme in mid 2004 in Central, Western and Eastern Uganda showed that:

- 74% of adults in mid to low income groups were listeners to one or more of the small business programmes.
- 32% of this audience viewed themselves as dedicated listeners who would try to avoid missing the programmes.
- Across the country there were estimated to be around 7 million regular listeners to business programmes. Listenership levels were only slightly lower (67%) among the poorest listeners including those displaced by the ongoing conflict in Northern Uganda.

- The programmes were also highly valued by listeners: 96% of regular listeners perceived that they benefited from these programmes, with 56% rating the programmes as highly beneficial.

An analysis of these programmes highlighted that audiences were benefiting from these programmes in two ways:

#### 1) Enhancing access to business information

Radio programmes act as a bridge for information flow between listeners and information sources (individuals, institutions and organisations) and resources (print materials, internet etc). Information is provided by request, for example through letters, phone-ins or direct interaction with listeners, and as a result of the radio producers perceiving the information as being of potential interest to the listeners.

Business radio programmes therefore provide an array of information on markets, policies, legislation, inputs and services. The programmes also act as a channel through which advice and support can be provided and have featured regular segments for business trainers and advisers.

## 2) *Stimulating policy, legal and regulatory change*

One of the most striking roles of radio programmes is in its impact on the business and operating environment for small enterprise. The interactive nature of the majority of programmes has resulted in them becoming a powerful platform for listeners to publicly highlight the issues that impact directly on their ability to do business. The radio programmes have therefore enhanced the voice of rural business at both local and national levels.

The programmes have not only acted as platforms for small businesspeople to air issues, but many have also been involved with investigating the issues raised by small businesspeople. Corruption, tax irregularities and business monopolies have been investigated by journalists going to the field to interview and follow up the issues.

By providing voice and investigating specific issues raised by small businesspeople, the radio programmes are empowering small businesspeople in the local and national legislative processes that mould and form the operating environment of business. Payment and business practices of buyers and suppliers have also come under the spotlight and in a number of instances resulted in changes in the way in which buyers transact with rural and small enterprises.



*A radio is a valuable good in rural Uganda and therefore well protected in a bag which also serves to carry the radio around.*

## Conclusions

The experience of radio programming in Uganda not only highlights the potential of the emerging rural radio industries in informing and empowering rural audiences, but underlines the relevance and importance of a 'making markets work' approach in development. Distorting markets with ongoing subsidy creates dependence, undermines sustainability and therefore limits impact. Working to address key systemic constraints that contribute markets under-serving poor rural communities is essential for sustainability and to maximise impact.

Uganda is not unique in its recent liberalization of rural broadcasting. Numerous countries across Africa and Asia liberalized broadcast media in the nineties. While many have seen a similar growth of rural broadcasting, others have not due to a combination of distorting legislation and local factors. A significant opportunity therefore exists to work in all these countries at both legislative and industry levels to tap into the power of the emerging and diversifying local media industries. This focus can make these industries work more effectively in empowering and informing rural and poorer communities and can act as a catalyst for inclusive and sustainable economic and social development.